



Orange County Transportation Authority

Finance and Administration Committee Agenda

Wednesday, January 25, 2023 at 10:30 a.m.

Board Room, 550 South Main Street, Orange, California

REVISED

Committee Members

Michael Hennessey, Chairman

Patrick Harper, Vice Chairman

Andrew Do

Jamey Federico

Brian Goodell

Steve Jones

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 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

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<https://octa.legistar.com/Calendar.aspx>

Members of the public may address the Board of Directors regarding any item two ways:

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

In-Person Comment

Members of the public may attend in-person and address the Board regarding any item. Please complete a speaker's card and submit it to the Clerk of the Board or notify the Clerk of the Board the item number on which you wish to speak. Speakers will be recognized by the Chairman at the time the agenda item is to be considered. A speaker's comments shall be limited to three minutes.

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 Sarmiento

Special Calendar

There are no Special Calendar matters.

Consent Calendar (Items 1 through 9)

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.

1. Approval of Minutes - November 30, 2022

Recommendation

Approve the November 30, 2022 minutes of the Finance and Administration Committee meeting.

Attachments:

[Minutes](#)

2. Approval of Minutes - November 9, 2022

Recommendation

Approve the November 9, 2022 minutes of the Finance and Administration Committee meeting.

Attachments:

[Minutes](#)

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

3. **Fiscal Year 2022-23 Internal Audit Plan, Second Quarter Update**

Janet Sutter

Overview

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2022-23 Internal Audit Plan on July 25, 2022. This report provides an update of activities for the second quarter of the fiscal year.

Recommendation

Receive and file the second quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2022-23 Internal Audit Plan as an information item.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Attachment C](#)

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

4. Fiscal Year 2021-22 Single Audit and Agreed-Upon Procedures Reports

Janet Sutter

Overview

The Orange County Transportation Authority is required to obtain an independent auditor's opinion on its compliance with requirements of major federal programs. Crowe LLP, an independent accounting firm, has issued the required Single Audit Report with its opinion on the Orange County Transportation Authority's compliance with major federal programs. In addition, reports have been issued on the results of agreed-upon procedures applied by Crowe LLP, to assist management in determining compliance with certain state, federal, and local requirements.

Recommendations

A. Receive and file the fiscal year 2021-22 Single Audit and agreed-upon procedures reports, and management responses (as applicable) as information items.

B. Direct staff to implement two auditor recommendations related to excess transfers of State Transit Assistance funds to the Orange County Transit District and complete preparation of the Schedule of Expenditures of Federal Awards.

C. Direct staff to implement management responses to auditor findings in the application of agrees-upon procedures related to the National Transit Database report, the Treasury Department, and the Measure M2 Status report.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Attachment C](#)

[Attachment D](#)

[Attachment E](#)

[Attachment F](#)

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

5. **Administrative Employee Mandatory Training and Employee Educational Reimbursements, Internal Audit Report No. 23-503**

Jonathan Thompson/Janet Sutter

Overview

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of administrative employee mandatory training and employee educational reimbursements. Based on the audit, controls over administrative employee mandatory training and administration of educational reimbursements should be improved. The Internal Audit Department offered two recommendations to address overpayments of educational reimbursements to improve controls.

Recommendation

Direct staff to implement two recommendations provided in Administrative Employee Mandatory Training and Employee Educational Reimbursements, Internal Audit Report No. 23-503.

Attachments:

[Staff Report](#)

[Attachment A](#)

6. **Amendment to Agreement for Information Technology Technical Staffing**

Eden Wang/Andrew Oftelie

Overview

On January 22, 2018, the Orange County Transportation Authority Board of Directors approved an agreement with Intratek Computer, Inc., to provide contract staffing services for Information Technology technical positions for a five-year term. An amendment is required to increase the maximum cumulative payment obligation to continue services.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-7-1949 between the Orange County Transportation Authority and Intratek Computer, Inc., in the amount of \$1,606,723, to continue providing contract staffing services for Information Technology technical positions through June 30, 2023. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$14,366,775.

Attachments:

[Staff Report](#)

[Attachment A](#)

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

7. Orange County Transportation Authority Investment and Debt Programs Report - November 2022

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 November 30, 2022.

Recommendation

Receive and file as an information item.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

8. Fiscal Year 2022-23 First Quarter Budget Status Report

Anthony Baruch/Andrew Oftelie

Overview

Orange County Transportation Authority staff has implemented the fiscal year 2022-23 budget. This report summarizes the material variances between the budget and actual revenues and expenses through the first quarter of fiscal year 2022-23.

Recommendation

Receive and file as an information item.

Attachments:

[Staff Report](#)

[Attachment A](#)

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

9. Agreement for System Manager and Business Analyst Support Services

Victor Velasquez/Andrew Oftelie

Overview

Consultant services are needed to support the various financial systems used by the Financial Planning and Analysis Department of the Orange County Transportation Authority. Proposals have been received and evaluated in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services. Approval is requested to execute a new agreement for system manager and business analyst support services.

Recommendations

A. Approve the selection of Carpe Datum as the firm to provide system manager and business analyst support services.

B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-2-2575 between the Orange County Transportation Authority and Carpe Datum in the amount of \$591,600, for a two-year initial term from April 1, 2023 through March 31, 2025 with three, one-year option terms, to provide system manager and business analyst support services.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Attachment C](#)

Regular Calendar

There are no Regular Calendar items scheduled.

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

Discussion Items

10. Accelerated Transportation Infrastructure Finance and Innovation Act Loan Disbursement - Update

Robert Davis/Andrew Oftelie

Overview

The Orange County Transportation Authority has a \$628.93 million Transportation Infrastructure Finance and Innovation Act Loan with an interest rate of 1.95 percent. The Orange County Transportation Authority has utilized Bond Anticipation Notes with an interest rate of 0.30 percent in lieu of drawing on the Transportation Infrastructure Finance and Innovation Act Loan to reduce financing costs. The significant increase in short-term treasury yields provided the opportunity for an additional reduction in financing costs. Staff will provide an update on the additional reduction in financing costs reached for the Interstate 405 Improvement Project.

Attachments:

[Presentation](#)

11. Public Comments

12. Chief Executive Officer's Report

13. Committee Members' Reports

14. Closed Session

There are no Closed Session items scheduled.

FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

15. Adjournment

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

10:30 a.m. on Wednesday, February 22, 2023

OCTA Headquarters

Board Room

550 South Main Street

Orange, California



MINUTES

Finance and Administration Committee Meeting

Committee Members Present

Brian Goodell, Vice Chairman
Patrick Harper
Gene Hernandez

Committee Members Absent

Michael Hennessey, Chairman
Steve Jones
Joe Muller
Vicente Sarmiento

Staff Present

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

Call to Order

The November 30, 2022, regular Finance and Administration Committee meeting was called to order by Committee Vice Chairman Goodell at 10:35 a.m.

Consent Calendar (Items 1 through 6)

1. Approval of Minutes

Due to a lack of quorum of the Members present, this item was deferred to the next regularly scheduled meeting of the Committee.

2. Right-of-Way and Appraisal Services and Activities, Internal Audit Report No. 22-511

Due to a lack of quorum of the Members present, this item was referred to the Board of Directors meeting on December 12, 2022.

3. Orange County Transportation Authority Investment and Debt Programs Report – October 2022

Due to a lack of quorum of the Members present, this item was referred to the Board of Directors meeting on December 12, 2022.

4. Environmental Mitigation Program Endowment Fund Investment Report for September 30, 2022

Due to a lack of quorum of the Members present, this item was referred to the Board of Directors meeting on December 12, 2022.

5. Orange County Employees Retirement System Early Payment for Fiscal Year 2023-24

Due to a lack of quorum of the Members present, this item was referred to the Board of Directors meeting on December 12, 2022.



6. Agreement for Palo Alto Firewall Renewal Subscriptions

Due to a lack of quorum of the Members present, this item was referred to the Board of Directors meeting on December 12, 2022.

Regular Calendar

7. Fiscal Year 2021-22 Audited Financial Statements and Independent Auditor's Reports on Internal Control over Financial Reporting

Andrew Oftelie, Chief Financial Officer (CFO), and Kathy Lai, Crowe LLP, provided a report on this item.

Due to a lack of quorum of the Members present, this item was referred to the Board of Directors meeting on December 12, 2022.

Discussion Items

8. Accelerated Transportation Infrastructure Finance and Innovation Act Loan Disbursement

Andrew Oftelie, CFO, provided a presentation on this item.

9. Public Comments

No public comments were received.

10. Chief Executive Officer's Report

Darrell E. Johnson, Chief Executive Officer, reported on the annual Stuff-a-Bus event to be held on December 16.

11. Committee Members' Reports

There were no Committee Members' Reports.

12. Closed Session

A closed session was not scheduled.



13. Adjournment

The meeting adjourned at 11:04 a.m.

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

10:30 a.m. on Wednesday, January 11, 2023

OCTA Headquarters

550 South Main Street

Orange, California.

ATTEST:

Sahara Meisenheimer
Clerk of the Board Specialist



Committee Members Present

Patrick Harper
Gene Hernandez
Steve Jones
Joseph Muller

Staff Present

Darrell E. Johnson, Chief Executive Officer
Jennifer L. Bergener, Deputy Chief Executive Officer
Gina Ramirez, Clerk of the Board Specialist, Principal
James Donich, General Counsel
OCTA Staff

Committee Members Absent

Michael Hennessey, Chairman
Brian Goodell, Vice Chairman
Vicente Sarmiento

Call to Order

The November 9, 2022, regular Finance and Administration Committee meeting was called to order by Director Jones at 10:31 a.m.

Consent Calendar (Items 1 through 6)

1. Approval of Minutes

A motion was made by Director Hernandez, seconded by Director Muller, and declared passed by those present to approve the October 26, 2022 minutes of the Finance and Administration Committee meeting.

2. Independent Cost Estimates, Internal Audit Report No. 22-513

Director Harper pulled this item and inquired about the two recommendations made to enhance controls over independent cost estimates.

Janet Sutter, Executive Director of Internal Audit, provided an overview of the implemented controls and the training needs.

A motion was made by Director Harper, seconded by Director Hernandez, and declared passed by those present to direct staff to implement two recommendations provided in Independent Cost Estimates, Internal Audit Report No. 22-513.

3. Fiscal Year 2022-23 First Quarter Grant reimbursement Status Report

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



4. Update on the Loan Agreements with the Cities of Anaheim, Placentia, and the West Orange County Water Board

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

5. Property Insurance Policy Renewal

A motion was made by Director Hernandez, seconded by Director Muller, and declared passed by those present to authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A52400 in an amount not to exceed \$800,000, to Marsh Risk and Insurance Services, Inc., to purchase property insurance on behalf of the Orange County Transportation Authority for the renewal of the coverage for the period of December 1, 2022 to December 1, 2023.

6. Excess Liability Insurance Pricing Update

A motion was made by Director Hernandez, seconded by Director Muller, and declared passed by those present to authorize the Chief Executive Officer to continue to fully self-insure for liability claims until such time the insurance market pricing is more favorable.

Regular Calendar

7. 91 Express Lanes Update for the Period Ending - September 30, 2022

Kirk Avila, General Manager of the 91 Express Lanes Program, provided a presentation on this item.

No action was taken on this receive and file information item.

Discussion Items

8. Public Comments

No public comments were received.

9. Chief Executive Officer's Report

Darrell E. Johnson, Chief Executive Officer, provided an update on labor negotiations.

10. Committee Members' Reports

There were no Committee Members' Reports.



11. Closed Session

There were no Closed Session items scheduled.

12. Adjournment

The meeting adjourned at 10:57 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, November 30, 2022** at the OCTA Headquarters, Board Room, 550 South Main Street, Orange, California.

ATTEST:

Gina Ramirez
Clerk of the Board Specialist, Principal



January 25, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Fiscal Year 2022-23 Internal Audit Plan, Second Quarter Update

Overview

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2022-23 Internal Audit Plan on July 25, 2022. This report provides an update of activities for the second quarter of the fiscal year.

Recommendation

Receive and file the second quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2022-23 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 reviews, investigations, price reviews, and Buy America reviews. In addition, audits initiated by entities outside of OCTA are coordinated through Internal Audit.

Discussion

The OCTA Internal Audit Department Fiscal Year (FY) 2022-23 Internal Audit Plan (Plan) (Attachment A) reflects the status of each project.

During the second quarter of the FY, Internal Audit issued results of an audit of independent cost estimates related to OCTA procurements. Based on the audit, independent cost estimates were not always prepared in compliance with policy and procedures. In addition, Internal Audit identified concerns about oversight and procurement activities related to one consultant. Two recommendations were made to enhance controls over independent cost estimates and to implement additional controls related to contract management of one consultant. Management agreed with the recommendations and indicated that controls would be improved.

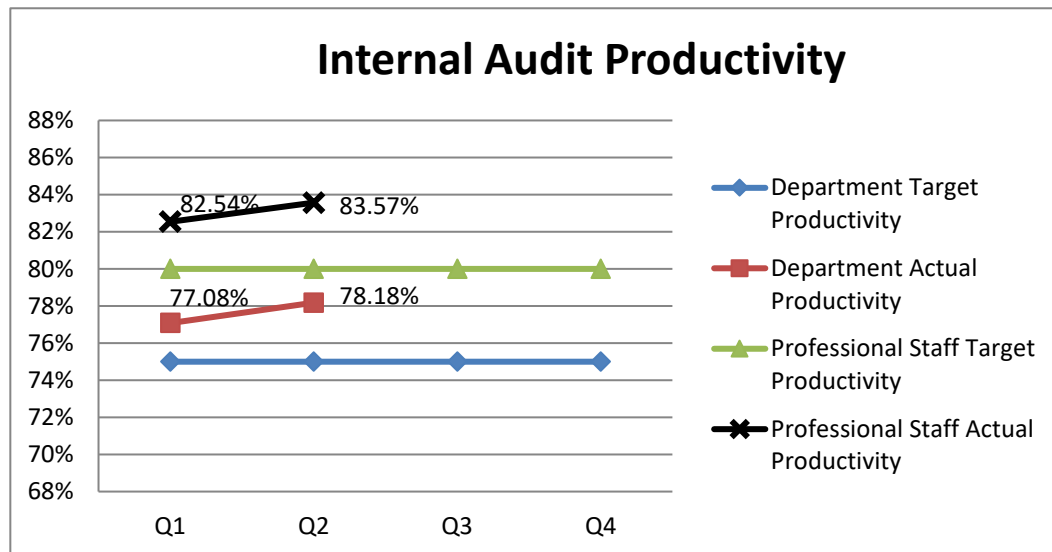
An audit of right-of-way and appraisal services and activities was also completed and found that service procurements were handled in accordance with procurement policies and procedures, and oversight and invoice review controls are adequate. However, recommendations were made to ensure a documented cost or price analysis is conducted for contract amendments with pricing changes, and that policy and procedures be expanded to provide clarification on the application of settlement authority thresholds. Management agreed with the recommendations and proposed enhanced controls and updates to policies, as recommended.

Another focus of Internal Audit during the quarter was to provide coordination and assistance related to the annual financial audits and agreed-upon procedure reviews conducted by OCTA's independent financial statement auditor, Crowe LLP. All audits and agreed-upon procedures reviews, except those related to individual cities, were issued during the quarter. City audits will be performed and issued during the third quarter.

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 as a whole. 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.

As of the second quarter ended December 31, 2022, Internal Audit has achieved productivity of 78 percent, and the professional staff achieved productivity of 84 percent.



Agreed-Upon Procedures Applied to Procurements

At the request of the Contracts Administration and Materials Management (CAMM) Department, and consistent with OCTA's procurement policy, Internal Audit applies agreed-upon procedures to single bid procurements, prices proposed by architectural and engineering (A&E) firms, and sole source proposals exceeding \$50,000. These reviews are conducted to assist CAMM in determining whether single bid procurements were handled in accordance with policies, and whether pricing proposed by A&E firms and sole source contractors are fair and reasonable. In addition, at the request of CAMM, Internal Audit conducts pre-award and post-delivery agreed-upon procedures reviews of bus procurements to determine whether procurements are in accordance with federal Buy America laws. During the second quarter, Internal Audit issued results of three price reviews and one post-delivery Buy America review.

Fraud Hotline

During the quarter ended December 31, 2022, Internal Audit received one report through OCTA's Fraud Hotline, www.ethicspoint.com. Based on the nature of the complaint, it was referred to appropriate internal management for disposition. As part of the administration of the hotline, Internal Audit maintains documentation of each complaint and its disposition.

Internal Audit is committed to responding to all hotline complaints within eight business days. During the quarter ended December 31, 2022, Internal Audit made initial contact within two business days.

Findings and Recommendations Tracking

At the request of the Finance and Administration Committee, unresolved audit recommendations are included with the quarterly updates to the Plan (Attachment B).

During the quarter ended December 31, 2022, Internal Audit completed follow-up reviews of two outstanding audit recommendations. Based on the follow-up reviews, both recommendations have been adequately addressed. Four recommendations were added to the listing as a result of audits issued during the second quarter.

Summary

Internal Audit will continue to implement the Plan, report on performance metrics, follow up on outstanding audit recommendations, and report progress on a quarterly basis.

Attachments

- A. Orange County Transportation Authority Internal Audit Department Fiscal Year 2022-23 Internal Audit Plan, Second Quarter Update
- B. Outstanding Audit Recommendations, Audit Reports Issued Through December 31, 2022
- C. Audit Recommendations Closed During Second Quarter, Fiscal Year 2022-23

Approved by:



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

**Orange County Transportation Authority
Internal Audit Department
Fiscal Year 2022-23 Internal Audit Plan
Second Quarter Update**

Audit Activity	Project Number	Description	Primary Audit Type	Planned Staff Hours	Staff Hours To Date	Under (Over)	Status (Date Issued)
Mandatory External Independent Audits							
Annual Financial Audits and Agreed-Upon Procedures (AUP) Reviews	FY23-001 through FY23-004	Coordinate and report on annual financial and AUP reviews for fiscal year (FY) 2021-22.	Financial	420	236	184	In Process
External Regulatory Audits	FY23-005	Coordinate and report on external audits by regulatory or funding agencies.	Compliance	60		60	
Internal Audit Department (Internal Audit) Projects							
Risk Assessment and Annual Audit Plan	FY23-100	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	37	143	
Quality Assurance and Self-Assessment	FY23-101	Update of Internal Audit Policies & Procedures. Annual self assessment of Internal Audit's compliance with Generally Accepted Government Auditing Standards.	Quality Assurance	180	54	126	
Fraud Hotline Activities	FY23-102	Administrative duties related to maintenance of the Fraud Hotline and work related to investigations of reports of fraud, waste, or abuse.	Fraud Hotline	160	70	90	4 Reports Received
Automated Workpaper Solution	FY23-103	System updates/training related to automated workpaper solution.	Workpaper System	40	27	14	
Internal Audits							
Clerk of the Board							
Public Records Requests	FY22-510	Assess and test controls in place to ensure compliance with regulations, policies, and procedures for processing Public Records Act requests.	Compliance	180	138	43	Complete 8-10-22
Planning							
Comprehensive Transportation Funding Programs	FY23-508	Audit selected projects for compliance with Measure M2 Ordinance, policies, and procedures.	Compliance	320	444	(124)	In Process
People and Community Engagement							
Training and Educational Reimbursement	FY23-503	Assess and test the adequacy of controls related to employee training administration and educational reimbursements, and determine compliance with policies and procedures.	Operational	240	371.5	(132)	In Process

**Orange County Transportation Authority
Internal Audit Department
Fiscal Year 2022-23 Internal Audit Plan
Second Quarter Update**

Audit Activity	Project Number	Description	Primary Audit Type	Planned Staff Hours	Staff Hours To Date	Under (Over)	Status (Date Issued)
Life Insurance Benefits	FY23-5XX	Assess and test policies, procedures, and controls over administration of employee life insurance benefits.	Operational	240	79	161	In Process
Workers' Compensation	FY23-501	Assess and test controls related to administration of Workers' Compensation claims, including contractor support.	Operational	300	390	(90)	In Process
Customer Information Center	FY23-5XX	Assess and test oversight, contract compliance, and invoice review controls related to the provision of services by the third-party provider.	Internal Control/ Compliance	240		240	
Capital Programs							
OC Streetcar - Design and Construction	FY22-505	Assess and test oversight controls, contract compliance, and invoice review controls related to construction of the OC Streetcar project.	Internal Control / Compliance	24	18	6	Complete 7-13-22
On-Call Right-of-Way (ROW) and Appraisal Services	FY22-511	Assess and test oversight, contract compliance, and invoice review controls over the use of consultant services for ROW and appraisal services.	Internal Control / Compliance	80	180	(100)	Complete 11-16-22
Anaheim Canyon Station Improvements	FY23-5XX	Assess and test oversight controls, contract compliance, and invoice review controls related to the Anaheim Canyon Station Improvements project.	Internal Control / Compliance	300		300	
OC 405 Partners	FY23-5XX	Assess and test oversight controls, contract compliance, and invoice review controls related to the OC 405 design-build project.	Internal Control / Compliance	400		400	
Operations							
OC ACCESS Eligibility	FY23-XXX	Review ACCESS eligibility process, assess and test oversight controls, contract compliance, and invoice review controls.	Operational / Compliance	280	69	211	In Process
Non-Revenue Vehicle Purchases and Assignment	FY22-512	Review non-revenue vehicle and accessory purchases and assignments to determine compliance with policies and procedures and evaluate activities to assess economy and efficiency.	Internal Control/ Operational	40	48	(8)	Complete 8-23-22

**Orange County Transportation Authority
Internal Audit Department
Fiscal Year 2022-23 Internal Audit Plan
Second Quarter Update**

Audit Activity	Project Number	Description	Primary Audit Type	Planned Staff Hours	Staff Hours To Date	Under (Over)	Status (Date Issued)
Finance and Administration							
Treasury	FY23-502	Semi-annual review of investments: compliance, controls, and reporting.	Compliance	300	233	67	1 Report Issued 9-30-22
Accounts Payable	FY23-5XX	Assess and test controls over accounts payable operations.	Operational	320	31	289	
Lost and Found Operations	FY23-5XX	Assess and test controls and activities of lost and found operations.	Operational	220		220	
Cybersecurity	FY23-5XX	Design a scope of work and procure an audit consultant to evaluate OCTA's Cybersecurity program.	Internal Control/Operational	100	15	85	In Process
Independent Cost Estimates	FY22-513	Review and test controls to ensure independent cost estimates are properly prepared and in compliance with regulations, policy, and procedures.	Internal Control/Compliance	160	309	(149)	Complete 10-25-22
Price Reviews	PR23-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	900	203	698	7 Reports Issued
Buy America	PR23-XXX	As requested by Camm, apply AUP to determine compliance with Buy America requirements.	Buy America	120	157	(37)	1 Report Issued
Government Relations							
State and Federal Consultant Contracts	FY23-5XX	Assess and test oversight, contract compliance, and invoice review controls related to state and federal consultant activities.	Internal Control/Compliance	240	13	227	

**Orange County Transportation Authority
Internal Audit Department
Fiscal Year 2022-23 Internal Audit Plan
Second Quarter Update**

Audit Activity	Project Number	Description	Primary Audit Type	Planned Staff Hours	Staff Hours To Date	Under (Over)	Status (Date Issued)
Unscheduled Reviews and Special Requests							
Unscheduled Reviews and Special Requests	FY23-800	Time allowed for unplanned audits and requests from the Board of Directors (Board) or management.	Varies	240	13	227	
Monitoring Activities							
Measure M Taxpayer Oversight Committee (TOC)	FY23-601	Coordination of audit activities on behalf of the Audit Subcommittee of the TOC.	Administrative Support	60	8	52	
Metrolink Audit Activities	FY23-602	Review/monitor audit results of Metrolink activities.	Non-Audit Service	20		20	
Bus Base Inspections	FY23-603	At the request of the Operations Division, participate in annual base inspections.	Non-Audit Service	80	22	58	In Process
Follow-Up Reviews							
Follow-Up Reviews and Reporting	FY23-700	Follow-up on the status of management's implementation of audit recommendations.	Follow-Up	240	222	18	
Total Audit Project Planned Hours (A)				6,684	3,386		

Orange County Transportation Authority
Internal Audit Department
Fiscal Year 2022-23 Internal Audit Plan
Second Quarter Update

Audit Activity	Project Number	Description	Primary Audit Type	Planned Staff Hours	Staff Hours To Date	Under (Over)	Status (Date Issued)
Internal Audit Administration							
Board and Committee Meetings				180	82	98	
Executive Steering and Agenda Setting Meetings				180	54	126	
Internal Audit Staff Meetings				140	100	41	
Other Administration				1,500	710	791	
Total Hours (B)				8,684	4,331		
Department Target Efficiency (A/B)				75%	78%		
Target Efficiency - Professional Staff				80%	84%		

Contingency: Internal Audit

Bus Advertising Revenue	FY23-5XX	Assess and test oversight and contract compliance controls related to the agreement for bus advertising.
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**Outstanding Audit Recommendations
Audit Reports Issued Through
December 31, 2022**

ATTACHMENT B

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Internal Audit Status
7/15/21	21-510	Executive Office	Administrative Controls Related to Conflict of Interest Code Form 700 Statement of Economic Interests	The Internal Audit Department (Internal Audit) recommends management establish and implement a procedure to identify contractors, including those identified by Internal Audit, serving in roles that would otherwise be performed by a designated OCTA employee and require filing. Management should also identify Transit Police Services (TPS) and Real Property consultant staff that should be filing and include them in the eDisclosure system so that they may file, as required.	Jan-23	Management will work with legal counsel and the Contracts Administration and Materials Management (CAMP) Department to develop a process to identify consultants required to file. Both TPS and Real Property consultant staff will be included in this process.	<u>Update March 2022:</u> Management has reviewed the suggestion to include Real Property and TPS with legal counsel. Based on that review, Real Property consultants will be removed and TPS officers with a rank of captain and above will be required to file. A process has been developed to review scopes of work for positions that should be required to file form 700s and will be implemented in the new fiscal year. <u>Update August 2022:</u> Management has implemented a process effective July 1, 2022, for identifying new contractors that should file a Form 700. Internal Audit will return in six months to test the process.
1/26/22	21-511	Executive Office	Physical Access Security	Internal Audit recommends Security and Emergency Preparedness Department (SEP) management develop, maintain, and test a comprehensive, appropriate, and up-to-date set of physical security plans, policies, and procedures based on evaluation of the organization using risk rating methodologies and assessments. 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.	Jan-23	Management will work to document all processes and review assigned policies. SEP will make considerable updates to the Physical Security Policy to address gate controls and create an OCTA 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 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.

**Outstanding Audit Recommendations
Audit Reports Issued Through
December 31, 2022**

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Internal Audit Status
1/26/22	21-511	Executive Office	Physical Access Security	Internal Audit recommends management define and document responsibilities, policies, and procedures related to physical access security and incorporate appropriate language in the Contracted Transportation Service (CTS) provider contracts. Written procedures for coordination with OCTA should be provided to CTS. Management should consider permitting CTS providers with access to Lenel system reports and/or notifications of access breaches and events.	Jan-23	During the review process of current policies, management will include language and definitions to provide clear delineation of duties. In the interim, and starting immediately, management will provide copies to the CTS project manager outlining equipment inspections and current states of functionality of security equipment. Policy review and creation will be completed by June 30, 2022. Afterward, language changes to CTS contracts will be addressed through contract amendments. Contract language will also address OCTA's expectation of CTS providers for event or incident response. This shall be fully implemented by September 30, 2022, or by contract execution.	<u>Update August 2022:</u> Management proposed language for inclusion in the agreements with CTS providers. Some language related to request for access card issuance and termination was included in the agreement with First Transit for ACCESS service, executed in October 2021. Additional language will be included in an amendment to the ACCESS service agreement, expected to be executed in late August 2022. For the contracted fixed-route service provider, management has included language in a recently released request for proposals. A fully executed contracted is expected by July 2023.
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 CTS providers and be communicated to OCTA staff. Management should also ensure secondary controls are operating as intended.	Jan-23	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. Management indicated that, while an Access Control Policy was originally expected to be completed by June 30, 2022, it has taken longer than expected due to the need to update the Physical Security Policy first.

Outstanding Audit Recommendations
Audit Reports Issued Through
December 31, 2022

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Internal Audit Status
1/26/22	21-511	Executive Office	Physical Access Security	Internal Audit recommends management implement invoice review controls and enforce contract requirements. Overpayment of overtime should be recovered, along with charges for support fees that are not covered by the contract. Costs incurred that are not on the contract price listing should be accompanied by receipts or other supporting documentation and should be reimbursed "at cost".	Jan-23	A more comprehensive review process will be implemented immediately, including notification to the vendor that supporting documentation must be provided with all invoices. Overpayments are in the process of being recaptured, and an amendment to the contract is being issued to address Other Direct Costs that were not itemized in the original contract.	<u>Update August 2022:</u> The audit identified overtime and annual support charges not allowed by the contract. Management obtained an invoice credit for the overtime charges and obtained a receipt for \$20,375, to support part of the \$29,146 in annual support billings. Management is working to obtain a receipt to substantiate the remaining charges and intends to execute an amendment with Climatec to address provision of other direct costs.
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.	Feb-23	FM contracts for parts and supplies will be transferred to CAMM 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 and CAMM have completed transferring contracts to CAMM, however, they are working to determine which items will be inventoried and which items will be ordered as needed. This is an ongoing process. In terms of FM parts inventory, a process to bring these items into the CAMM inventory system 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.

Outstanding Audit Recommendations
Audit Reports Issued Through
December 31, 2022

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Internal Audit Status
2/9/22	21-507	Operations and Finance and Administration Division (F&A)	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.	Feb-23	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 is working on enhancing the invoice checklist to include a requirement for acknowledgement of review for sufficient detail as to quantity and rates of costs and justification. 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.
2/9/22	21-507	Operations	FM Operations	Management should update the FM Plan (Plan) on a periodic basis and document the results of the annual assessments of OCTA building structures.	Feb-23	Management will ensure that the Plan is reviewed and updated periodically and will ensure that capital needs assessments are formally documented beginning with the annual assessment from 2021.	<u>Update September 2022:</u> The Plan is on a schedule to be reviewed every two years. The posted plan is currently under review to include the latest laws and regulations. Further, capital needs assessments are now formally documented.
6/29/22	22-508	F&A	Revenue Vehicle Procurement Audit	Management should update and expand policies and procedures to fully address revenue vehicle cooperative procurements, including allowable methods of solicitation, approval thresholds, and basis of award. In addition, management should enhance documentation to reflect requirements for use of agency contracts.	Dec-22	CAMM will update the cooperative procurement procedures to include a specific process for revenue vehicle procurements and apply the request for proposal method and corresponding thresholds rather than the request for quote procurement method previously used. Moving forward, CAMM will also document in the contract file the rationale, as well as validation that the contract was awarded on a competitive basis and did not restrict competition.	To be initiated January 2023.

Outstanding Audit Recommendations
Audit Reports Issued Through
December 31, 2022

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Internal Audit Status
6/29/22	22-508	Operations	Revenue Vehicle Procurement Audit	Management should revise the scope of work (SOW) for in-plant inspection service agreements to include a requirement for preparation of a Resident Inspector Report that complies with Federal Transit Administration Buy America requirements.	Dec-22	Although in-plant inspection service SOWs do include providing a written record of all vehicle construction activities, management concurs with the recommendation to revise the SOWs for in-plant inspection service agreements to include a requirement for a formal Resident Inspector Report. Management will pursue amendments to the current in-plant inspection service agreements.	To be initiated January 2023.
7/13/22	22-505	CAMM and Capital Programs	Oversight Controls and Contract Compliance related to the OC Streetcar Design and Construction Management	Management should reconsider use of a schedule of values (SOVs) in firm-fixed priced contracts and initiate amendments in a timely manner. Management should also recover identified overbillings and unallowable charges and disallow payments for services not allowed by the SOVs.	Jan-23	Management agreed to amend the contract to remove the use of SOVs and agreed to recover identified overbillings but indicated that unallowable charges for services by an engineering manager will not be recovered as these services were requested by management	
7/13/22	22-505	CAMM	Oversight Controls and Contract Compliance related to the OC Streetcar Design and Construction Management	Management should enhance controls over escalation when adding new staff, and ensure that the pricing of amendment values is based on the original contract or proposal rates.	Jan-23	Management agreed to enhance controls over escalation when adding new staff and to ensure pricing of amendment values is based on contract rates.	
7/13/22	22-505	Capital Programs	Oversight Controls and Contract Compliance related to the OC Streetcar Design and Construction Management	Management should recover overbillings and require all subconsultants to submit timesheets, and enforce advance approval requirements.	Jan-23	Management will recover overbillings and missing timesheets will be obtained, and the timesheet requirement will be enforced. Advance approval for overtime work will be obtained.	
7/13/22	22-505	Capital Programs	Oversight Controls and Contract Compliance related to the OC Streetcar Design and Construction Management	Project Controls should resume preparing its monthly status summary reports, in accordance with procedures.	Jan-23	Management is assessing any required revisions to procedures to effect efficient use of Project Controls resources. Going forward, Project Controls will prepare monthly, or quarterly, summary reports depending on the specific project needs and complexity.	

Outstanding Audit Recommendations
Audit Reports Issued Through
December 31, 2022

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Internal Audit Status
7/13/22	22-505	CAMM	Oversight Controls and Contract Compliance related to the OC Streetcar Design and Construction Management	CAMM should develop procedures to ensure adequate insurance coverage by consultants throughout the contract term. If CAMM continues to use a third party as part of the monitoring process, then the contract should outline appropriate standards and timelines for follow-up activities.	Jan-23	CAMM will ensure that the agreement with the third party vendor includes performance metrics outlining follow-up timelines. CAMM will also implement procedures for progressive actions if insurance certificates are not received. Further, CAMM will send notification to all vendors reminding them of the process for submission of insurance documents.	
8/10/22	22-510	Clerk of the Board	Administration of Public Records Act Requests	Management should update the website and written procedures to outline all available methods of requesting documents and times for in-person viewing of records.	Feb-23	Management agrees and has updated the website and will update procedures, as recommended.	
8/23/22	22-512	Operations and F&A	Non-Revenue Vehicle Purchases and Assignment	Invoice review procedures should be enhanced to include validation of all charges. In addition, Accounts Payable should recover the identified duplicate payment and updated policies to reflect whether a three-way match process is allowable for vehicle purchases. Accounts Payable should consistently confirm the three-way match prior to payment and individuals who receive vehicles in the system should physically verify their delivery.	Feb-23	Management will implement an invoice review checklist to ensure sufficient detail is provided and verified. The policy will be updated to allow for the three-way match process and Accounts Payable will consistently confirm the match prior to payment. Staff receiving vehicles in the system will be required to physically verify receipt going forward. Finally, Accounts Payable will recover the duplicate payment identified.	
8/23/22	22-512	Operations and F&A	Non-Revenue Vehicle Purchases and Assignment	Management should enhance controls to ensure employees' eligibility to drive prior to granting a vehicle reservation. Management should re-evaluate whether employees should be allowed to reserve vehicles for weeks at a time. Finally, all relevant information should be reflected in the reservation system.	Feb-23	Management will work toward an automated solution for determining eligibility or develop an internal solution. Related policies will be updated as appropriate. Also, multi-day reservations will no longer be allowed and all reservation information will be entered into the system.	

Outstanding Audit Recommendations
Audit Reports Issued Through
December 31, 2022

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Internal Audit Status
8/23/22	22-512	CAMM	Non-Revenue Vehicle Purchases and Assignment	CAMM should obtain all needed support and documentation for non-revenue vehicles purchased using state contracts. CAMM should also consider negotiating option pricing with the dealers.	Feb-23	CAMM will include all documentation in the contract file for future purchases using state contracts. Also, CAMM will negotiate option pricing prior to contract award, and will document these efforts.	
9/30/22	23-502	F&A	Investments: Compliance, Controls and Reporting January 1 through June 30, 2022	Management should maintain documentation addressing all potential violations flagged by the system and consider updating the module to flag only violations of OCTA's policy.	Mar-23	Management has worked with the vendor to update the module to address items flagged as non-compliant in error.	
9/30/22	23-502	F&A	Investments: Compliance, Controls and Reporting January 1 through June 30, 2022	Management should enhance secondary review of monthly reports to ensure accuracy of security classifications listed in the bond proceeds and debt service reserve fund portfolios.	Mar-23	Management has updated asset labels and will enhance secondary review of these reports.	
10/25/22	23-513	CAMM	Independent Cost Estimates (ICEs)	CAMM should ensure ICEs include adequate detail support and are submitted in accordance with policies. CAMM should provide training to advise project managers that pricing should not be solicited directly from vendors and provide information on how and where to obtain pricing data for proper development of estimates.	Apr-23	Management will ensure all ICEs include adequate detail and will revise policies to address the appropriate timelines for submission of ICEs. Also, CAMM will conduct training, as recommended.	
10/25/22	23-513	F&A	ICEs	Management should develop tools to ensure proper oversight and management of the identified consulting services contract. This should include regular monitoring of contract burn rate and development of reasonable estimates to ensure funding is sufficient to achieve objectives.	Apr-23	Management agrees and will develop tools to ensure proper oversight of these services. Staff managing the contract will be required to attend procurement training to improve understanding of policies and to facilitate improved contract management in the future.	

**Outstanding Audit Recommendations
Audit Reports Issued Through
December 31, 2022**

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Initiate Next Update	Management Response	Internal Audit Status
11/16/22	22-511	CAMM	Right-of-Way (ROW) and Appraisal Services and Activities	Management should perform and document a price or cost analysis, as required, when contract pricing amendments are made. In addition, increases to rates already agreed-upon should be denied.	May-22	Management will ensure a cost or price analysis is performed and documented, as required, and will ensure there are no changes to rates already agreed-upon. Staff will also be provided a refresher training on how to conduct rate avlidation and document rate reasonableness.	
11/16/22	22-511	Capital Programs	ROW and Appraisal Services and Activities	Management should update policies to clarify procedures for determining settlement authorities.	May-22	Management will work with legal counsel to incorporate language into policies to address the recommendation.	

**Audit Recommendations Closed During
Second Quarter, Fiscal Year 2022-23**

ATTACHMENT C

Audit Issue Date	Report Number	Division/ Department/ Agency	Audit Name	Recommendation	Internal Audit Status Comments
4/27/2021	21-506	Operations Division (Operations)	Review of Oversight Controls and Contract Compliance: Bridgestone-Firestone (Bridgestone) Tire Lease and Services, Agreement No. C-9-1354	The Internal Audit Department (Internal Audit) recommended management strengthen monitoring controls to ensure required staffing and work schedules are provided as required. Management should also consider actions to address violations of contract terms and consider adjustments to invoices to account for staffing shortages. Finally, management should evaluate whether 17-hour shifts worked by contractor staff present safety concerns that should be addressed.	<u>Update December 2021</u> : Management obtained credit from Bridgestone for the missed work shifts noted during the audit; however, staffing shortages have persisted and no formal action has been taken to address the failure to meet contract requirements or to obtain credits for the missed work shifts. <u>Update June 2022</u> : Internal Audit performed follow-up and closed out the recommendation; however, subsequent to the follow-up review, it was discovered that some documents provided to Internal Audit had been altered. As a result, an additional follow-up will be performed in September. <u>Update December 2022</u> : Management is closely monitoring Bridgestone staffing levels and obtaining credit for shifts not covered as required.
4/27/21	Not Applicable	Planning and Operations	Measure M2 City Audits	Crowe LLP, issued results of agreed-upon procedures applied to selected cities to determine compliance with Measure M2 Ordinance and guidelines for Local Fair Share and Senior Mobility Program funds.	<u>Update December 2022</u> : Staff has followed up with cities and has confirmed implementation of actions taken.



January 25, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Fiscal Year 2021-22 Single Audit and Agreed-Upon Procedures Reports

Overview

The Orange County Transportation Authority is required to obtain an independent auditor's opinion on its compliance with requirements of major federal programs. Crowe LLP, an independent accounting firm, has issued the required Single Audit Report with its opinion on the Orange County Transportation Authority's compliance with major federal programs. In addition, reports have been issued on the results of agreed-upon procedures applied by Crowe LLP, to assist management in determining compliance with certain state, federal, and local requirements.

Recommendations

- A. Receive and file the fiscal year 2021-22 Single Audit and agreed-upon procedures reports, and management responses (as applicable) as information items.
- B. Direct staff to implement two auditor recommendations related to excess transfers of State Transit Assistance funds to the Orange County Transit District and complete preparation of the Schedule of Expenditures of Federal Awards.
- C. Direct staff to implement management responses to auditor findings in the application of agreed-upon procedures related to the National Transit Database Report, the Treasury Department, and the Measure M2 Status Report.

Background

Pursuant to Section 28770 of the Public Utilities Code, the Orange County Transportation Authority (OCTA) prepares an annual set of financial statements presenting its results of operations and financial position at fiscal year-end. Crowe LLP (auditors) completed its annual audit of OCTA's financial statements and results were presented to the Board of Directors on December 13, 2021, along with the auditor's report on internal control over financial reporting.

In addition to the financial statement audits, the auditors are engaged to perform audits related to the following:

- Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations,
- OCTA's Treasury and Investment function,
- Renewed Measure M2 Transportation Investment Plan,
- Special District and Transit District Reporting Requirements, as specified by the California State Controller, and
- Section 1.5 of Article XIII B of the California Constitution, with procedures specified by the League of California Cities in Article XIII B Appropriations Limitation Uniform Guidelines.

The audits were performed under current accounting and auditing standards, including generally accepted auditing standards, and the standards set forth for audits in the Government Accountability Office's Government Auditing Standards (as amended).

Discussion

The following reports included findings and recommendations.

The Single Audit Report on Federal Awards was audited as required by the United States Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and an unmodified opinion was issued. The auditors identified two findings during the audit. One finding related to the transfer of State Transit Assistance (STA) funds to the Orange County Transit District (OCTD) in excess of operating expenses for the fiscal year. The excess amount was returned to the STA fund and the auditors recommended management implement quarterly reviews of STA fund allocations to ensure compliance with Title 21 Section 6634. Management agreed and indicated that controls have been implemented. A second finding related to timely review of subrecipient activity and expenditures included on the

Schedule of Expenditures of Federal Awards (SEFA) to ensure proper statement of amounts. The auditors recommended management strengthen the SEFA review process. Management agreed and indicated that the SEFA review process will be enhanced and centralized within the Accounting Department going forward.

In addition, results of procedures applied to the National Transit Database (NTD) report identified some discrepancies in reporting of passenger miles traveled in some of the samples tested. Management advised that checks of data are performed and that the variances identified are well within acceptable precision ranges for NTD reporting.

Results of procedures applied to the Treasury Department noted that two monthly reconciliations prepared for the 91 Express Lanes and Construction in Progress funds were approved four days later than dictated by procedures. Management committed to improve the timeliness of these reconciliation approvals.

Results of procedures applied to the Measure M2 Status Report noted an over-accrual of \$1,317,605 related to one expenditure tested. Management agreed to strengthen internal controls over expenditure accruals and to add an additional level of review to ensure expenditure accruals are properly recorded.

No additional findings or recommendations were made related to the agreed-upon procedures reports attached herewith.

Summary

Crowe LLP has completed the required Single Audit Report of OCTA for the year ended June 30, 2022, as well as provided reports on the results of agreed-upon procedures applied to determine compliance with certain state, federal, and local requirements.

Attachments

- A. Orange County Transportation Authority Single Audit Year ended June 30, 2022
- B. Orange County Transportation Authority Agreed-Upon Procedures Performed with Respect to the National Transit Database Report June 30, 2022
- C. Orange County Transportation Authority Independent Accountant's Report on Applying Agreed-Upon Procedures with Respect to the Treasury Department Year ended June 30, 2022

- D. Orange County Local Transportation Authority Report on Agreed-Upon Procedures Applied to Measure M2 Status Report, Year Ended June 30, 2022
- E. Orange County Transportation Authority Independent Accountant's Report on Applying Agreed Upon Procedures Related to Article XIII-B Appropriations Limit Calculation For the fiscal year ended June 30, 2022
- F. Orange County Local Transportation Authority Independent Accountant's Report on Applying Agreed Upon Procedures Related to Article XIII-B Appropriations Limit Calculation For the fiscal year ended June 30, 2022

Approved by:



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

**ORANGE COUNTY
TRANSPORTATION AUTHORITY**

SINGLE AUDIT

Year ended June 30, 2022

ORANGE COUNTY TRANSPORTATION AUTHORITY
Orange, California

SINGLE AUDIT
Year ended June 30, 2022

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

Board of Directors
Orange County Transportation Authority
Orange, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Orange County Transportation Authority (OCTA) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise OCTA's basic financial statements, and have issued our report thereon dated November 16, 2022.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2022-002 to be a significant deficiency.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether OCTA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable provisions of the State of California Transportation Development Act (TDA), Title 21 of the California Code of Regulations, Public Utilities Code Section 99245, and California Government Code §8879.50 (collectively "Transportation Development Act"), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including the Transportation Development Act.

OCTA's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on OCTA's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. OCTA's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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



Crowe LLP

Costa Mesa, California
November 16, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Orange County Transportation Authority
Orange, California

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Orange County Transportation Authority's (OCTA) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on OCTA's major federal program for the year ended June 30, 2022. OCTA's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, OCTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2022.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on OCTA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about OCTA's compliance with the requirements of the major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

(Continued)

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of OCTA as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise OCTA's basic financial statements. We issued our report thereon dated November 16, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Crowe LLP

Costa Mesa, California
December 21, 2022

ORANGE COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Grant/Pass-Through Identification Number	Federal Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Transportation</u>				
Direct Programs:				
Federal Transit Cluster:				
Federal Transit - Capital Improvement Grants	20.500	Multiple	\$ 23,349,185	\$ -
COVID-19 - Federal Transit - Capital Improvement Grants	20.500	CA-2022-024	9,407,272	-
Federal Transit - Formula Grants	20.507	Multiple	72,511,715	-
COVID-19 - Federal Transit - Formula Grants	20.507	Multiple	201,378,430	3,504,231
State of Good Repair Program	20.525	Multiple	5,367,514	-
Bus and Bus Facilities Formula Program	20.526	Multiple	7,064,074	-
Total Federal Transit Cluster			319,078,190	3,504,231
Transit Services Programs Cluster:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	CA-2021-190	2,291,380	-
COVID-19 - Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Multiple	782,616	-
Job Access and Reverse Commute Program	20.516	CA-37-X113	376,620	346,869
Total Transit Services Programs Cluster			3,450,616	346,869
Passed Through California Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	Multiple	17,553,690	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research				
	20.505	RGA 74A1147	19,527	-
Total U.S. Department of Transportation			340,102,022	3,851,100
<u>U.S. Department of Homeland Security</u>				
Direct Programs:				
Hazard Mitigation Grant Program	97.039	059-91032	38,628	-
Office of Security Operations:				
National Explosives Detection Canine Team Program	97.072	OCTA2020OTA-NCP459	150,302	-
Total U.S. Department of Homeland Security			188,930	-
Total Expenditures of Federal Awards			\$ 340,290,952	\$ 3,851,100

See accompanying notes to the schedule of expenditures of federal awards.

ORANGE COUNTY TRANSPORTATION AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2022

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents only the expenditures incurred by OCTA that are reimbursable under federal programs of federal financial assistance for the year ended June 30, 2022. For the purposes of this schedule, federal financial assistance includes both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by OCTA from a non-federal agency or other organization. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. OCTA has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 – TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT (TIFIA) PROGRAM LOAN

In July 2017, OCTA executed a TIFIA loan agreement with the United States Department of Transportation in an amount not to exceed \$628,930,000 to finance a portion of OCTA's I-405 improvement project. There were no TIFIA draws during the fiscal year ended June 30, 2022. On September 9, 2021, OCTA prepaid the amount of funds drawn to date on the TIFIA Loan, plus accrued interest, totaling \$314,000,000 to the United States Department of Transportation to close the transaction.

ORANGE COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether
the financial statements audited were prepared
in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

 X Yes No

Significant deficiency(ies) identified?

 X Yes None reported

Noncompliance material to financial statements noted?

 Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

 Yes X No

Significant deficiencies identified not
considered to be material weaknesses?

 Yes X None reported

Type of auditor's report issued on compliance for
major federal programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)?

 Yes X No

Identification of major federal programs:

Federal Assistance Listing Number

Name of Federal Program or Cluster

20.500 / 20.507 / 20.525 / 20.526

Federal Transit Cluster

Dollar threshold used to distinguish between
type A and type B programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

 X Yes No

(Continued)

ORANGE COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

**Finding 2022-001 – Financial Accounting and Reporting for State Transit Assistance Fund
(Material Weakness)**

Criteria

State Transit Assistance Funds (STAF) and Local Transportation Funds (LTF) are subject to compliance with the Transportation Development Act (TDA) requirements which includes Title 21 section 6634 of the California Code of Regulations (CCR). Section 6634 (a) indicates no operator or transit service claimant shall be eligible to receive moneys during the fiscal year from the local transportation fund and the state transit assistance fund for operating costs in an amount that exceeds its actual operating cost less fare revenues, local support, federal operating assistance, and other amounts as described in CCR Section 6634.

Condition

OCTA functions as both the transportation planning agency and claimant (operator) for the County of Orange. As such, OCTA receives LTF and STAF monies into the respective special revenue funds. These monies are then transferred in accordance with TDA requirements to the Orange County Transit District (OCTD), as the claimant, to be used in operations or capital activities. The OCTD fund received excess allocation of operating monies resulting in a transfer back to STAF in the amount of \$16,219,881.

Cause

OCTA performs a quarterly review of transfers of TDA monies from the LTF fund and STAF fund to the OCTD fund in order to evaluate compliance with TDA laws and regulations. The calculation review process included a review of LTF allocations in compliance with 21 CCR 6634 but this review did not encompass STAF allocations. This gave rise to STAF allocations in excess of eligible amounts.

Effect

The OCTD fund was required to return excess STAF allocations in the amount of \$16,219,881 to the STAF fund.

Recommendation

Crowe recommends that OCTA amend their quarterly review of TDA allocations to include a review of both LTF and STAF allocations for compliance with Title 21 CCR 6634.

Management's Response

Management agrees with the recommendation and has implemented a control to discontinue systematic transfers from the STAF fund to OCTD fund. It was anticipated there would be sufficient expenditures to claim the entire STAF allocation this fiscal year, however expenditures for OCTD underran the budget by \$20 million for the year, which led to a shortfall of expenditures to claim. Going forward, staff will perform a quarterly review of TDA allocations to include both LTF and STAF allocations to ensure all transfers have corresponding eligible expenditures. Separately, in March 2022, the Board approved a new reserve policy that would reserve excess revenues in a long-term operating reserve. Staff has been working with the State to allow for the establishment of reserve funds to be eligible for purposes of claiming funds consistent with this new OCTA policy. The State has indicated that this would be acceptable so staff will continue to work with the State on updating the guidelines to specifically allow transfers for this purpose.

(Continued)

ORANGE COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2022

Finding 2022-002 – Preparation of the Schedule of Expenditures of Federal Awards (Significant Deficiency)

Criteria

2 CFR 200.510 (b) requires "...the auditee to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the financial statements which must include the total federal awards expended. At a minimum, the schedule must (3) provide total federal awards expended for each individual federal program and the [related] Assistance Listings Number... (4) include the total amount provided to subrecipients from each Federal Program." In addition, the auditee should ensure they have proper internal controls to ensure that the SEFA is fairly stated in relation to the financial statements.

Condition

During our review of the SEFA provided by management it was noted that the SEFA did not include presentation of expenditures passed through to subrecipients. There were approximately \$3.5 million in expenditures to subrecipients for the Federal Transit Cluster that were excluded. Additionally, the SEFA overstated expenditures for the Federal Transit Cluster by approximately \$1 million as a result of accruing expenditures which had already been recognized during the year and \$4.5 million as a result of missing an accrual and recognizing in the prior year.

Cause

Management's review of the SEFA did not include timely review of subrecipient activity. Additionally, management's review of expenditures included on the SEFA was not conducted at a precision sufficient to identify duplicate expenditures or amounts requiring accrual.

Effect

As a result, the expenditures presented as passed through to subrecipients on the SEFA for the Federal Transit Cluster were understated by approximately \$3.5 million. Additionally, the total expenditures on the SEFA for the Federal Transit Cluster were overstated by approximately \$5.5 million.

Recommendation

We recommend that management strengthen their review process over the SEFA to ensure that all expenditures are appropriately and accurately reflected and that all minimum requirements as noted in 2 CFR 200.510 (b) are met.

Management's Response

Management agrees with the recommendation and management will strengthen the review process for the SEFA. There are multiple departments that provide input to the SEFA but going forward the responsibility for developing the SEFA will be centralized within the Accounting Department. The Accounting Department will coordinate with all other OCTA departments to ensure the accuracy and completeness of the SEFA and will implement an appropriate level of review. In addition, the Accounting Department will add a secondary review of grant revenue accruals provided by the Revenue Department to ensure timeliness and accuracy of the accrual information.

(Continued)

ORANGE COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

ORANGE COUNTY TRANSPORTATION AUTHORITY
AGREED-UPON PROCEDURES PERFORMED
WITH RESPECT TO THE NATIONAL TRANSIT DATABASE REPORT
June 30, 2022

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

Board of Directors
Orange County Transportation Authority
Orange, California

The Federal Transit Administration (FTA) has established the following standards with regard to the data reported to it in the Federal Funding Allocation Statistics Form FFA-10 (FFA-10) for the Orange County Transportation Authority (OCTA) annual National Transit Database (NTD) report:

1. A system is in place and maintained for recording data in accordance with NTD definitions. The correct data are being measured and no systematic errors exist.
2. A system is in place to record data on a continuing basis and the data gathering is an ongoing effort.
3. Source documents are available to support the reported data and are maintained for FTA review and audit for a minimum of three years following FTA's receipt of the NTD report. The data are fully documented and securely stored.
4. A system of internal controls is in place to ensure the data collection process is accurate and that the recording system and reported comments are not altered. Documents are reviewed and signed by a supervisor, as required.
5. The data collection methods are those suggested by FTA or otherwise meet FTA requirements.
6. The deadhead miles, computed as the difference between the reported total actual vehicle miles data and the reported total actual vehicle revenue miles data, appear to be accurate.
7. Data are consistent with prior reporting periods and other facts known about OCTA's operations.

We have performed the procedures included in the declarations section of the *2022 NTD Policy Manual* and described in Attachment 1 of this report for the year ended June 30, 2022 solely to assist you in evaluating whether OCTA complied with the standards described above and that the information included in the NTD report FFA-10 form for the year ended June 30, 2022, is presented in conformity with the requirements of the *Uniform System of Accounts and Records and Reporting System; Final Rule*, as specified in 49 CFR part 630 and as presented in the *2022 NTD Policy Manual*. OCTA's management is responsible for OCTA's compliance with those standards and the accuracy of the FFA-10 form.

(Continued)

OCTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose described above. 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 findings described in Attachment 1 of this report, which are referenced in order to correspond to the *2022 NTD Policy Manual* procedures, were applied separately to each of the information systems used to develop the reported vehicle revenue miles (VRM), passenger miles (PM), fixed guideway directional route miles (FG DRM), High Intensity Bus Lanes directional route miles (HIB DRM), and operating expenses of OCTA for the year ended June 30, 2022, and for each of the following modes: (1) Motor Bus – Directly Operated (MBDO), (2) Commuter Bus - Directly Operated (CBDO), (3) Motor Bus - Purchased Transportation (MBPT), (4) Commuter Bus - Purchased Transportation (CBPT), (5) Demand Response - Purchased Transportation (DRPT), (6) Demand Response - Purchased Transportation – Taxi (DRTX) and (7) Vanpool Service - Purchased Transportation (VPPT).

We were engaged by OCTA 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 compliance with the requirements of the *Uniform System of Accounts and Records and Reporting System; Final Rule*, as specified in 49 CFR part 630 and as presented in the *2022 NTD Policy Manual* or on the FFA-10. 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 OCTA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

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



Crowe LLP

Costa Mesa, California
November 16, 2022

- a. The procedures to be applied to each applicable mode and TOS (Directly Operated, Purchased Transportation, Transportation Network, and Taxi) are: Obtain and read a copy of written system procedures for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630 and as presented in the 2022 *NTD Policy Manual*. If there are no procedures available, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.

Finding: We obtained and read a copy of OCTA's written instructions for Passenger Counting and Reporting (PCR) schedule generation. Furthermore, based on inquiry surrounding collection, retention and reporting of NTD data, we noted that OCTA maintains and followed sets of both formal and informal procedures, in accordance with NTD requirements and definitions set forth in 49 CFR Part 630 and as presented in the 2022 *NTD Policy Manual*. No exceptions were noted as a result of this procedure.

- b. Discuss the procedures (written or informal) with the personnel assigned responsibility for supervising the preparation and maintenance of NTD data to determine:
- The extent to which the transit agency followed the procedures on a continuous basis; and
 - Whether these transit personnel believe such procedures result in accumulation and reporting of data consistent with NTD definitions and requirements set forth in 49 CFR Part 630 and as presented in the 2022 *NTD Policy Manual*.

Finding: We inquired regarding OCTA's procedures for the MBDO, CBDO, MBPT, CBPT, DRPT, DRTX, and VPPT services, and were informed that there were both formal and informal procedures followed on a consistent and continual basis. In addition, based on our inquiry with the Business Unit Analyst of the Transit Division, Senior Schedule Analyst and Program Management Analyst of the Vanpool Program management asserted that the procedures resulted in the accumulation and reporting of data consistent with the NTD definitions and requirements set forth in 49 CFR Part 630 and as presented in the 2022 *NTD Policy Manual*. No exceptions were noted as a result of this procedure.

- c. Ask these same personnel about the retention policy that the transit agency follows as to source documents supporting NTD data reported on the Federal Funding Allocation Statistics form.

Finding: We inquired with the Business Unit Analyst of the Transit Division, Senior Schedule Analyst and Program Management Analyst of the Vanpool Program regarding OCTA's retention policy for source documents supporting NTD data reported on the Federal Funding Allocation Statistics form. Per inquiry, the current practice is to retain electronic data for seven years. No exceptions were noted as a result of this procedure.

- d. Based on a description of the transit agency's procedures from items (A) and (B) above, identify all the source documents that the transit agency must retain for a minimum of three years. For each type of source document, select three months out of the year and determine whether the document exists for each of these periods.

Finding: We inspected the following source documents for each type of service, selected three months out of the year and determined that the documents existed for each of these periods, which are further described in the table below.

ATTACHMENT 1

Type of Service	Source Document	Months Inspected
MBDO	<ul style="list-style-type: none"> Scheduled Daily Line Summaries Automatic Passenger Counting (APC) Summaries & underlying detail 	<ul style="list-style-type: none"> <i>August 2021</i> <i>February 2022</i> <i>April 2022</i> Three years of data were noted to be archived on OCTA's network
CBDO	<ul style="list-style-type: none"> Scheduled Daily Line Summaries Automatic Passenger Counting (APC) Summaries & underlying detail In response to the decreased ridership, resulting from the COVID-19 pandemic, OCTA put this modes' public transportation services into temporary non-operational status for reporting year 2021 and 2022. As such, there was no source documentation for us to observe for these years. 	<ul style="list-style-type: none"> Data was noted to be archived on OCTA's network for reporting year 2020. For reporting year 2021 and 2022 this procedure was not applicable as described in commentary to the left.
MBPT	<ul style="list-style-type: none"> Scheduled Daily Line Summaries Automatic Passenger Counting (APC) Summaries 	<ul style="list-style-type: none"> <i>August 2021</i> <i>February 2022</i> <i>April 2022</i> Three years of data were noted to be archived on OCTA's network
CBPT	<ul style="list-style-type: none"> Scheduled Daily Line Summaries Automatic Passenger Counting (APC) Summaries In response to the decreased ridership, resulting from the COVID-19 pandemic, OCTA put this modes' public transportation services into temporary non-operational status for reporting year 2021 and 2022. As such, there was no source documentation for us to observe for these years. 	<ul style="list-style-type: none"> Data was noted to be archived on OCTA's network for reporting year 2020. For reporting year 2021 and 2022 this procedure was not applicable as described in commentary to the left.

(Continued)

Type of Service	Source Document	Months Inspected
DRPT	<ul style="list-style-type: none"> Contractor Provided NTD Program Data Reports Driver Manifests ACCESS - Passenger and Mileage Summaries 	<ul style="list-style-type: none"> August 2021 December 2021 February 2022 Three years of data were noted to be archived on OCTA's network.
DRTX	<ul style="list-style-type: none"> Contractor Provided NTD Program Data Reports Same Day Taxi - Passenger and Mileage Summaries Supplemental ACCESS Program Data Vendor Invoices 	<ul style="list-style-type: none"> August 2021 December 2021 February 2022 Three years of data were noted to be archived on OCTA's network.
VPPT	<ul style="list-style-type: none"> Monthly Ridership Reports Passenger Trips and Miles Revenue Miles Summaries VPID Ridership Detail Data Vendor Invoices 	<ul style="list-style-type: none"> September 2021 December 2021 March 2022 Three years of data were noted to be archived on OCTA's network.

No exceptions were noted as a result of this procedure.

- e. Discuss the system of internal controls. Inquire whether separate individuals (independent of the individuals preparing source documents and posting data summaries) review the source documents and data summaries for completeness, accuracy, and reasonableness and how often these individuals perform such reviews.

Finding: We inquired regarding the system of internal controls, noting that each respective mode/type of service is being reviewed by personnel independent of the preparation process. It was noted that review is performed on a monthly basis and again at year-end for the DRPT, DRTX and VPPT modes. Review is performed on a yearly basis for the MBDO, CBDO, MBPT, CBPT modes. No exceptions were noted as a result of this procedure.

- f. Select a random sample of the source documents and determine whether supervisors' signatures are present as required by the system of internal controls. If supervisors' signatures are not required, inquire how personnel document supervisors' reviews.

Finding: We selected a sample of 40 random Drivers Manifests for the DRPT service, and 8 Invoices for DRTX services, noting supervisory signatures documenting reviews of the data presented in the various services, without exception. For VPPT, we sampled 3 months of vendor invoices, for which we noted the existence of supervisory electronic signatures. For MBDO and MBPT, we viewed the approval log for the yearly review of all source documents within OCTA's NTD reporting system noting no exceptions. For CBDO and CBPT, this procedure was deemed not applicable since the modes were in non-operational status for the entire reporting year.

- g. Obtain the worksheets used to prepare the final data that the transit agency transcribes onto the Federal Funding Allocation Statistics form. Compare the periodic data included on the worksheets to the periodic summaries prepared by the transit agency. Test the arithmetical accuracy of the summaries.

Finding: We obtained the worksheets utilized by OCTA to transcribe statistics to the Federal Funding Allocation Statistics (FFA-10) form and compared the data to summaries without exception for the MBDO, MBPT, DRPT, DRTX and VPPT services. We recomputed the arithmetical accuracy of the summaries without exception. This procedure was not applicable to the CBDO and CBPT modes as they were in non-operational status during the entire year.

- h. Discuss the procedure for accumulating and recording Passenger Miles Traveled (PMT) data in accordance with NTD requirements with transit agency staff. Inquire whether the procedure is one of the methods specifically approved in the 2022 *NTD Policy Manual*.

Finding: OCTA utilizes Automatic Passenger Counting (APC) software to collect the necessary information for annual reporting of PMT data for MBDO, MBPT, CBDO, and CBPT. The use of APC as the method for accumulating and reporting PMT data, is in accordance with the requirements of the 2022 *NTD Policy Manual*.

The remaining three modes of services (DRPT, DRTX, and VPPT) do not involve the use of APC software, nor sampling to estimate PMT. These modes use a 100% count of actual Passenger Miles and compilations of actual Revenue Miles, which are in accordance with the 2022 *NTD Policy Manual*. No exceptions were noted as a result of this procedure.

- i. Discuss with transit agency staff (the auditor may wish to list the titles of the persons interviewed) the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Determine whether the transit agency meets NTD criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually. Specifically:
- The public transit agency serves an UZA with a population less than 500,000 according to the most recent census.
 - The public transit agency directly operates fewer than 100 revenue VOMS (in any size UZA).
 - Service purchased from a seller is included in the transit agency's NTD report.
 - For transit agencies that meet one of the above criteria, review the NTD documentation for the most recent mandatory sampling year (2017) and determine that statistical sampling was conducted and meets the 95 percent confidence and ± 10 percent precision requirements.
 - Determine how the transit agency estimated annual PMT for the current report year.

Finding: Not applicable - OCTA did not meet the specific requirements per the criteria above. Therefore, the procedure identified above is not applicable.

- j. Obtain a description of the sampling procedure for estimation of PMT data used by the transit agency. Obtain a copy of the transit agency's working papers or methodology used to select the actual sample of runs for recording PMT data. If the transit agency used average trip length, determine that the universe of runs was the sampling frame. Determine that the methodology used to select specific runs from the universe resulted in a random selection of runs. If the transit agency missed a selected sample run, determine that a replacement sample run was random. Determine that the transit agency followed the stated sampling procedure.

Finding: For MBDO, CBDO, MBPT, and CBPT, the transit agency uses Automatic Passenger Counter (APC) software to systematically collect and report 100% of PMT, thus no sampling is involved. For DRPT, DRTX, and VPPT, the transit agency counts 100% of PMT, and thus there is no sampling involved. We obtained a copy of OCTA's working papers used to calculate PMT for MBDO, MBPT, DRPT, DRTX, and VPPT and we determined that the actual procedures used by OCTA were consistent with their adopted methodologies. The CBDO and CBPT modes were in non-operational status for the fiscal year and as such there were no working papers to obtain. No exceptions were noted as a result of this procedure, as we noted the applied sampling methodologies were in accordance with the authoritative guidance of the FTA.

- k. Select a random sample of the source documents for accumulating PMT data and determine that the data are complete (all required data are recorded) and that the computations are accurate. Select a random sample of the accumulation periods and re-compute the accumulations for each of the selected periods. List the accumulation periods that were tested. Test the arithmetical accuracy of the summary.

Finding: For MBDO, we selected all 12 months of APC data. We recomputed the mathematical accuracy of PMT for those months and observed that all required data was recorded in the accumulation worksheet designed to perform the PMT calculation. We identified a net variance of 33,657 miles. Attached within Exhibit 1 is Management's response to the finding described above.

For CBDO, this procedure is not applicable since the mode is in non-operational status.

For MBPT, we selected all 12 months of APC data. We recomputed the mathematical accuracy of PMT for those months and observed that all required data was recorded in the accumulation worksheet designed to perform the PMT calculation. We identified a net variance of 519 miles. No other exceptions were found as a result of this procedure. Attached within Exhibit 1 is Management's response to the finding described above.

For CBPT, this procedure is not applicable since the mode is in non-operational status.

For DRPT, we selected 40 routes performed during July 2021, October 2021 and April 2022 and compared the PMT reported against the signed driver manifests. We recomputed the mathematical accuracy of the trip sheets and observed all required data was recorded in the accumulation worksheet designed to perform the PMT calculation. We identified a variance in PMT for 19 of the 40 routes sampled, resulting in a net variance of 529 miles. No other exceptions were found as a result of this procedure. Attached within Exhibit 1 is Management's response to the finding described above.

For DRTX, we randomly selected 3 of the 12 months of vendor provided PMT data. We recomputed the mathematical accuracy of PMT for those months and observed that all required data was recorded in the accumulation worksheet designed to perform the PMT calculation. No exceptions were found as a result of this procedure.

For VPPT, we selected all 12 months of vanpool participation logs for the year. We ensured the mathematical accuracy of PMT for each of those months and observed that all required data was recorded in the accumulation worksheet designed to perform the PMT calculation. No exceptions were found as a result of this procedure.

- l. Discuss the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual VRM with transit agency staff and determine that they follow the stated procedures. Select a random sample of the source documents used to record charter and school bus mileage and test the arithmetical accuracy of the computations.

Finding: The procedure identified above is not applicable. Per inquiry with various key-personnel assigned responsibility for NTD reporting, OCTA did not provide charter or school bus services.

- m. For actual VRM data, document the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation. This is accomplished as follows:

- If actual VRMs are calculated from schedules, document the procedures used to subtract missed trips. Select a random sample of the days that service is operated, and re-compute the daily total of missed trips and missed VRMs. Test the arithmetical accuracy of the summary.

Finding: For the MBDO, MBPT, CBDO, and CBPT modes, missed trips are calculated as the difference between schedule vehicle mileage, minus the actual mileage recorded by the on-board APC software. These missed trips are automatically deducted from the scheduled vehicle miles to arrive at actual vehicle revenue miles. We compared the AVRMS data recorded by the APC data, to that recorded by OCTA and reported to NTD for the entire year, noting no discrepancies for the MBDO and MBPT modes. The CBDO and CBPT modes had no data recorded due to being in non-operational status.

- If actual VRMs are calculated from hubodometers, document the procedures used to calculate and subtract deadhead mileage. Select a random sample of the hubodometer readings and determine that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Test the arithmetical accuracy of the summary of intermediate accumulations.

Finding: For the VPPT mode, deadhead miles are automatically excluded because only commuter miles are factored into the calculation of Revenue Mileage and the results are reviewed by the Program Management Analyst of the Vanpool Program. Upon inspection of the underlying source documentation for actual VRMs, it was noted that the Vanpool software used to collect, maintain, and report VRM was using total odometer miles in the report, as opposed to VRM. Through our recalculation, Crowe noted no errors.

- If actual VRMs are calculated from vehicle logs, select random samples of the vehicle logs and determine that the deadhead mileage has been correctly computed in accordance with FTA definitions.

Finding: For the DRPT mode, Revenue Miles are calculated based on the odometer readings from the first pickup to the last drop off. There are no deadhead miles included in the Revenue Miles calculations due to the nature of the service being comprised of non-dedicated trips. No exceptions were noted as a result of this procedure.

For the DRTX mode, Revenue Miles are calculated by the contractors based on pick up and drop off data entered into the scheduling software. Revenue Miles data is uploaded to the OCTA database and compared to the scheduling data for quality assurance. There are no deadhead miles since these are non-dedicated taxi trips, and accordingly, Revenue Miles for each trip are recorded. No exceptions were noted as a result of this procedure.

- n. For rail modes, review the recording and accumulation sheets for actual VRMs and determine that locomotive miles are not included in the computation.

Finding: The procedure identified above is not applicable as OCTA does not provide rail service.

- o. If Fixed Guideway (FG) or High Intensity Busway Directional Route Miles (HIB DRM) are reported, interview the person responsible for maintaining and reporting NTD data whether the operations meet FTA definition of FG or HIB in that the service is:

- Rail, Trolleybus (TB), Ferryboat (FB), or Aerial Tramway (TR); or
 - Bus (MB, CB, or RB) service operating over exclusive or controlled access rights-of-way (ROW); and
-

- i. Access is restricted;
- ii. Legitimate need for restricted access is demonstrated by peak period level of service D or worse on a parallel adjacent highway; and
- iii. Restricted access is enforced for freeways; priority lanes used by other high occupancy vehicles (HOV) (i.e., Vanpools (VP), carpools) must demonstrate safe operation.

Finding: We interviewed the Business Unit Analyst of the Transit Division and determined that OCTA's Motor Bus services operate over HIB lanes that appear consistent with the FTA's definition of HIB lanes. No exceptions were noted as a result of this procedure.

- p. Discuss the measurement of FG and HIB DRM with the person reporting NTD data and determine that he or she computed mileage in accordance with FTA definitions of FG/HIB and DRM. Inquire of any service changes during the year that resulted in an increase or decrease in DRMs. If a service change resulted in a change in overall DRMs, re-compute the average monthly DRMs, and reconcile the total to the FG/HIB DRM reported on the Federal Funding Allocation Statistics form.

Finding: Per inquiry, we determined that the mileage was computed in accordance with the FTA definitions of FG/HIB DRM. We were informed that there were no increases or decreases in DRMs during the year. No exceptions were noted as a result of this procedure.

- q. Inquire if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to a FG segment(s), the following apply:
 - Report DRMs for the segment(s) for the entire report year if the interruption is less than 12 months in duration. Report the months of operation on the FG/HIB segments form as 12. The transit agency should document the interruption.
 - If the improvements cause a service interruption on the FG/HIB DRMs lasting more than 12 months, the transit agency should contact its NTD validation analyst to discuss. FTA will make a determination on how to report the DRMs.

Finding: Per inquiry with the Business Unit Analyst of the Transit Division, there were no temporary interruptions in transit service during the report year attributable to maintenance or rehabilitation improvements to the Fixed Guideway segments. No exceptions were noted as a result of this procedure.

- r. Measure FG/HIB DRM from maps or by retracing route.

Finding: We recalculated the length of all HIB directional routes for the MBDO mode of service, using publicly available maps without exception. The MBPT, DRPT, DRTX, and VPPT modes do not operate over HIB lanes. We did not perform this procedure for the CBDO and CBPT modes, since there were no FG/HIB DRM reported into the current year, due to the modes residing in non-operational status for the entire year. No exceptions were noted as a result of this procedure.

- s. Discuss whether other public transit agencies operate service over the same FG/HIB as the transit agency. If yes, determine that the transit agency coordinated with the other transit agency (or agencies) such that the DRMs for the segment of FG/HIB are reported only once to the NTD on the Federal Funding Allocation form. Each transit agency should report the actual VRM, PMT, and Operating Expense (OE) for the service operated over the same FG/HIB.

Finding: We interviewed the Business Unit Analyst of the Transit Division and noted that OCTA shares service over the same FG/HIB. Each agency receives their correct apportionment, evidenced by reconciliation with other agencies and the Southern California Association of Governments (SCAG), as to not double count DRM's on the FFA-10 forms of OCTA and Riverside Transit Agency (RTA). No exceptions were noted as a result of this procedure.

- t. Review the FG/HIB segments form. Discuss the Agency Revenue Service Start Date for any segments added in the 2022 report year with the persons reporting NTD data. This is the commencement date of revenue service for each FG/HIB segment. Determine that the date reported is the date that the agency began revenue service. This may be later than the Original Date of Revenue Service if the transit agency is not the original operator. If a segment was added for the 2022 report year, the Agency Revenue Service Date must occur within the transit agency's 2022 fiscal year. Segments are grouped by like characteristics. Note that for apportionment purposes, under the State of Good Repair (§5337) and Bus and Bus Facilities (§5339) programs, the 7-year age requirement for fixed guideway/High Intensity Busway segments is based on the report year when the segment is first reported by any NTD transit agency. This pertains to segments reported for the first time in the current report year. Even if a transit agency can document an Agency Revenue Service Start Date prior to the current NTD report year, FTA will only consider segments continuously reported to the NTD.

Finding: We interviewed the Business Unit Analyst of the Transit Division and noted there were no new segments added, removed, or amended during the year. No exceptions were noted as a result of this procedure.

- u. Compare Operating Expenses with audited financial data after reconciling items are removed.

Finding: Operating expenses were compared to the trial balance subject to audit without exception.

- v. If the transit agency purchases transportation services, interview the personnel reporting the NTD data on the amount of purchased transportation-generated fare revenues. The purchased transportation fare revenues should equal the amount reported on the Contractual Relationship form.

Finding: Per inquiry and inspection, we determined that the transit agency purchased transportation services. We then identified the Purchased Transportation fare revenues reported on the Contractual Relationship forms and agreed the amounts to the general ledger without exception.

- w. If the transit agency's report contains data for purchased transportation services and the procedures in this auditor's review were not applied to the purchased transportation services, obtain a copy of the IAS-FFA regarding data for the purchased transportation service. Attach a copy of the statement to the report. Note as a negative finding if the purchased transportation services were not included in this auditor's review, and the transit agency also does not have a separate Independent Auditor's Statement for the purchased transportation data.

Finding: The data for purchased transportation are included in the reporting by OCTA, and therefore, no IAS for the purchased transportation services is included. No exceptions were noted as a result of this procedure.

- x. If the transit agency purchases transportation services, obtain a copy of the purchased transportation contract and determine that the contract specifies the public transportation services to be provided; the monetary consideration obligated by the transit agency or governmental unit contracting for the service; the period covered by the contract (and that this period overlaps the entire, or a portion of, the period covered by the transit agency's NTD report); and is signed by representatives of both parties to the contract. Interview the person responsible for retention of the executed contract and determine that copies of the contracts are retained for three years.

Finding: We inspected the MBPT, CBPT, DRPT, DRTX and VPPT service contracts and determined that they contained the items noted above without exception. We inquired with the Business Unit Analyst of the Transit Division, Senior Schedule Analyst, and Program Management Analyst of the Vanpool Program regarding OCTA's retention policy for executed contracts for purchased transportation programs. Per inquiry, the current retention practice of seven years meets NTD requirements of a minimum of three years. No exceptions were noted as a result of this procedure.

- y. If the transit agency provides service in more than one UZA, or between an UZA and a non-UZA, inquire of the procedures for allocation of statistics between UZAs and non-UZAs. Obtain and review the FG segment worksheets, route maps, and urbanized area boundaries used for allocating the statistics, and determine that the stated procedure is followed and that the computations are correct.

Finding: Per inquiry, OCTA provides services in more than one UZA but does not provide services to non-urbanized areas. Allocations to urbanized areas are based on trip pattern analysis. The number of yearly trips per pattern is multiplied by the number of miles determined for each UZA. We recalculated 5 UZA allocations for mathematical accuracy for the MBDO and MBPT services, with no exceptions noted. We did not perform this procedure for the CBDO and CBPT modes, due to the modes residing in non-operational status for the entire year. We did not perform this procedure for the DRPT, DRTX, and VPPT modes because they do not report on FG. No exceptions were noted as a result of this procedure.

- z. Compare the data reported on the Federal Funding Allocation Statistics Form to data from the prior report year and calculate the percentage change from the prior year to the current year. For actual VRM, PMT or OE data that have increased or decreased by more than 10 percent, or FG DRM data that have increased or decreased. Interview transit agency management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period.

Finding: The following fluctuations were noted on the FFA-10 Form:

MBDO:

- A 11.25% increase in Vehicle Revenue Miles (VRM).
- A 12.37% increase in Vehicle Revenue Hours (VRH).
- A 22.18% increase in Passenger Miles Traveled (PMT).
- A 31.23% increase in Unlinked Passenger Trips (UPT).
- A 18.90% increase in Non-fixed Guideway Passenger Miles Travelled (NFG PMT).

Per inquiry, these changes resulted from restoration of the service on one of OCTA's freeway carpool routes that this mode operates over and frequency of schedule trips over this route.

CBDO:

- CB mode was non-operational for both this reporting year and the previous reporting year, therefore, no data is available.

MBPT:

- A 13.15% increase in Vehicle Revenue Miles (VRM).
- A 16.82% increase in Vehicle Revenue Hours (VRH).
- A 35.27% increase in Passenger Miles Traveled (PMT).
- A 42.76% increase in Unlinked Passenger Trips (UPT).
- A 17.38% increase in Operating Expense (OE).
- A 13.15% increase in Non Fixed Guideway Vehicle Revenue Miles (NFG VRM).
- A 35.27% increase in Non Fixed Guideway Passenger Miles Traveled (NFG PMT).
- A 17.38% increase in Non Fixed Guideway Operating Expense (NFG OE).

Per inquiry, these changes resulted from restoration of various motor bus routes which caused an increase in ridership.

CBPT:

- CB mode was non-operational for both this reporting year and the previous reporting year, therefore, no data is available.

DRPT:

- A 34.22% increase in Vehicle Revenue Hours (VRH).
- A 88.71% increase in Unlinked Passenger Trips (UPT).
- A 34.04% increase in Non Fixed Guideway Vehicle Revenue Miles (NFG VRM).
- A 93.48% increase in Non Fixed Guideway Passenger Miles Traveled (NFG PMT).
- A 27.24% increase in Non Fixed Guideway Operating Expenses (NFG OE).

Per inquiry, these changes resulted from prior restrictions due to the COVID-19 pandemic being lifted or reduced which promoted programs and organizations that service the paratransit communities to re-open and initiate upward trends of demand.

DRTX:

- A 141.42% increase in Vehicle Revenue Hours (VRH).
- A 39.51% increase in Unlinked Passenger Trips (UPT).
- A 220.68% increase in Non Fixed Guideway Vehicle Revenue Miles (NFG VRM).
- A 212.80% increase in Non Fixed Guideway Passenger Miles Traveled (NFG PMT).
- A 170.40% increase in Non Fixed Guideway Operating Expenses (NFG OE).

Per inquiry, these changes resulted from prior restrictions due to the COVID-19 pandemic being lifted or reduced which promoted programs and organizations that service the paratransit communities to re-open and initiate upward trends of demand.

VPPT:

- Per data change comparison, all data resulted in a percent change within the threshold of increase or decrease by 10 percent.

No exceptions were noted as a result of this procedure.

ATTACHMENT 1

- aa. The auditor should document the specific procedures followed, documents reviewed, and tests performed in the work papers. The work papers should be available for FTA review for a minimum of three years following the NTD report year. The auditor may perform additional procedures, which are agreed to by the auditor and the transit agency, if desired. The auditor should clearly identify the additional procedures performed in a separate attachment to the statement as procedures that were agreed to by the transit agency and the auditor but not by FTA.

Finding: We have documented the procedures followed based on the FTA 2022 *NTD Policy Manual* Exhibit 79 - Federal Funding Allocation Data Review - Suggested Procedures, and noted the documents inspected and tests performed in our workpapers. Additional procedures were not performed.



AFFILIATED AGENCIES

*Orange County
Transit District*

*Local Transportation
Authority*

*Service Authority for
Freeway Emergencies*

*Consolidated Transportation
Service Agency*

*Congestion Management
Agency*

*Service Authority for
Abandoned Vehicles*

November 16, 2022

Members of the Board of Directors
Orange County Transportation Authority
550 S. Main Street
P.O. Box 14184
Orange, CA 92863-1584

The following response is being submitted to address results from the agreed upon procedures performed for the National Transit Database (NTD) as of, and for, the fiscal year ended June 30, 2022.

Procedures K – Demand Response–Purchased Transportation (DRPT) Mode

Select a random sample of the source documents for accumulating Passenger Miles Traveled (PMT) data and determine that the data are complete (all required data are recorded) and that the computations are accurate. Select a random sample of the accumulation periods and re-compute the accumulations for each of the selected periods. List the accumulations periods that were tested. Test the arithmetical accuracy of the summary.

Finding: For DRPT, we selected 40 routes performed during July 2021, October 2021 and April 2022 and compared the PMT reported against the signed driver manifests. We recomputed the mathematical accuracy of the trip sheets and observed all required data was recorded in the accumulation worksheet designed to perform the PMT calculation. We identified a variance in PMT for 19 of the 40 routes sampled, resulting in a net variance of 529 miles. No other exceptions were found as a result of this procedure.

Management's Response: OCTA Operations and Finance & Administration Division staff perform detailed reconciliation of operational data as part of the monthly billing procedures. This reconciliation process utilizes various automated and manual checks that identify potential trip and run level errors that both OCTA and the contractors must review, resolve, and approve before finalizing the invoice payment for the reporting period. Although there may be some erroneous values found in the paper trip sheets, as they are manually recorded, the paper trip sheets are compiled as a redundancy to the data generated by mobile data terminals (MDTs) within the vehicles. The data generated by MDTs are reviewed as part of the reconciliation process prior to finalizing the billing summaries.

Therefore, the variances noted in the driver trip sheets do not affect reporting as other sources of data are involved in the finalization of both billing and the required NTD statistics. Lastly, the 529 miles against the total annual reported 6,504,103 miles results in a variance of 0.0081 percent which is within an acceptable precision range for NTD reporting.

Procedure K – Motor Bus Directly-Operated (MBDO) and Motor Bus Purchased Transportation (MBPT) Modes

Select a random sample of the source documents for accumulating PMT data and determine that the data are complete (all required data are recorded) and that the computations are accurate. Select a random sample of the accumulation periods and re-compute the accumulations for each of the selected periods. List the accumulations periods that were tested. Test the arithmetical accuracy of the summary.

Finding: For MBDO, we selected all 12 months of APC data. We recomputed the mathematical accuracy of PMT for those months and observed that all required data was recorded in the accumulation worksheet designed to perform the PMT calculation. We identified a net variance of 33,657 miles.

For MBPT, we selected all 12 months of APC data. We recomputed the mathematical accuracy of PMT for those months and observed that all required data was recorded in the accumulation worksheet designed to perform the PMT calculation. We identified a net variance of 519 miles. No other exceptions were found as a result of this procedure.

Management's Response: According to the OCTA APC Certification Report for FY 2022 that was reviewed and approved by the FTA, there was a ± 5.0000 percent required level of accuracy requirement for both unlinked passenger trips and passenger miles traveled. For MBDO, the 33,657 miles against the total annual reported 79,514,578 miles results in a variance of 0.0423 percent which is within the acceptable precision range for NTD reporting. For MBPT, the 519 miles against the total annual reported 35,585,334 miles results in a variance of 0.0015 percent which is within the acceptable precision range for NTD reporting.


Johnny Dunning, Jr.
Chief Operating Officer

ORANGE COUNTY TRANSPORTATION AUTHORITY

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
WITH RESPECT TO THE TREASURY DEPARTMENT**
Year ended June 30, 2022

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Orange County Transportation Authority
Orange, California

We have performed the procedures enumerated below related to the investment policies, procedures and selected activities of the Orange County Transportation Authority ("OCTA" or "the Authority") for the fiscal year ended June 30, 2022. OCTA's management is responsible for the investment policies, procedures and selected activities of the Authority.

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 that we performed and our findings are included in Appendix A.

We were engaged by OCTA 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 investment policies, procedures and selected activities of the Authority. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

(Continued)

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

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

Crowe LLP

Costa Mesa, California
November 16, 2022

The procedures performed and associated results are as follows:

1. We conducted inquiries of personnel involved in the Treasury Department operations, obtained the Debt and Investment Management Manual and observed the procedures performed to determine whether the procedures provided for:
 - a. Transactions that are clearly documented and readily available for examination;
 - b. Transactions that are promptly recorded and properly classified;
 - c. Transactions that are authorized and executed only by persons acting within the scope of their authority;
 - d. Segregation of key duties and responsibilities in authorizing, processing, recording and reviewing;
 - e. Supervision to ensure that internal control objectives are achieved;
 - f. Limiting access to resources and records to authorized individuals and ensuring accounting for custody of resources; and
 - g. Periodic reconciliation of investments between the custodian statements and the general ledger.

Finding: No exceptions were noted as a result of this procedure. We observed the procedures performed to determine whether the procedures provided for items a.-g. by observing documented procedures in the Investment Management Manual (Manual) and determining the attributes above were provided for in the Manual.

2. We compared the Investment Policies dated June 9, 2021 and July 1, 2022 to California Government Code Section 53601 to determine compliance.

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

3. We observed system related controls to determine they were in place to appropriately limit access to cash and investment information.

Finding: We observed system related controls surrounding the Clearwater system and no exceptions were noted as a result of this procedure. Specifically, we observed that access to the system was password protected and that the user access listing was restricted to those individuals requiring access for their job duties.

4. We determined that the Investment Policy was provided to external investment managers on an annual basis. In addition, we determined whether each investment manager certified receipt of the Investment Policy with a statement agreeing to abide by its terms.

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

5. We sampled three monthly Treasury/Public Finance Department Reports on OCTA Investment and Debt Programs presented to the Finance and Administration Committee to determine whether they were provided in accordance with the Debt and Investment Management Manual (Section 2, Part C, Treasury/Public Finance Department, and Investment Reporting).

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

(Continued)

6. We selected a sample of four authorization letters (and changes to them) to investment managers, brokers, banks and custodians to determine that they were jointly authorized in writing by the Treasurer and another individual authorized by the Debt and Investment Management Manual. In addition, we inspected the letters for existence of the following attributes:
 - a. OCTA staff authorized to make investments;
 - b. Custody instructions; and
 - c. Instructions for money and security transfers.

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

7. We selected a sample of 60 investment purchases during the fiscal year ended June 30, 2022 to determine that:
 - a. The investments were in compliance with the Investment Policy;
 - b. The Treasury Department's policies and procedures with respect to investment purchases were followed;
 - c. The investments were properly recorded; and
 - d. Any investment earnings on matured investments were calculated and recorded correctly.

Finding: We inspected the investment policies obtained in procedure two and compared the policies outlined for investment purchases contained within to the sample of investments purchased during the year and noted no exceptions. We agreed Asset ID, ISIN number, Maturity date, Principal (Value), and Security Ratings to the Clearwater report to ensure proper recording of the securities. We recalculated investment earnings on matured investments and agreed to the Clearwater system. No exceptions were noted as a result of this procedure.

8. We sampled ten weekly holdings reports for each external investment manager during the fiscal year ended June 30, 2022 and determined whether they were monitored by Treasury Department personnel and were in compliance with the Investment Policy. Specifically:
 - a. We obtained the holdings report for each external manager for each week selected;
 - b. We inspected that the Treasury Department's review was documented on the holdings report;
 - c. We compared the holdings report to the Investment Policy limits and diversification guidelines to determine whether the external investment manager complied; and
 - d. We determined that any instances of noncompliance were identified and corrected by the Treasury Department and that probationary and reporting procedures were followed.

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

9. We selected a sample of three monthly bank reconciliations during the fiscal year ended June 30, 2022 and performed the following:
- a. Traced general ledger balances and bank balances to supporting documentation;
 - b. Determine whether the reconciliations were completed within thirty days of month end;
 - c. Determine that any discrepancies were reported and resolved;
 - d. Determine that reconciliations and resolution of discrepancies were reviewed and approved by an official who was not responsible for recording receipts and disbursements; and
 - e. Determine that bank statements were mailed directly to the Accounting Department.

Finding: No exceptions were noted as a result of this procedure. We determined the items in a. - e. by observing the reconciliations contained the information listed.

10. We selected a sample of three monthly investment account reconciliations and inspected the supporting documentation to determine that:
- a. Reconciliations were completed and approved by the end of the month following the month being reconciled, and were performed by someone who was not responsible for recording receipts and disbursements;
 - b. Discrepancies were identified and resolved;
 - c. Reconciliations and the resolution of discrepancies were reviewed by an official who was not responsible for recording investment transactions; and
 - d. Investment statements were mailed directly to the Accounting Department.

Finding: The Bank of New York Mellon is accessed using a computer login, therefore procedure (d) listed above was not applicable. For procedure a. we inspected reconciliations for the 91 Express Lanes and Construction in Progress (CIP) funds, and noted that the CIP reconciliations for the months of December 2021 and February 2022 were approved four days after the end of the month following the month being reconciled, contrary to procedures. The remainder of the procedures were performed with no exceptions noted. Attached within Exhibit 1 is Management's response to the finding described above.

11. We inspected the Treasury Department's cash forecasting documentation to determine the Department performed or prepared the following:
- a. A day-to-day cash forecast for the current week;
 - b. Reviewed forecasts with the Funds Management Team;
 - c. Monitored actual cash flow activity versus forecast;
 - d. Maintained regular communication with external investment managers regarding OCTA cash forecast and operational needs.

Finding: No exceptions were noted as a result of this procedure. For procedure d., weekly communications were observed. We inspected monthly Investment and Debt Programs reports for required reporting of downgrades and credit watch placements.

12. We inspected minutes of both the Board of Directors and the Finance and Administration Committee, inquired with Treasury Department personnel, and inspected other supporting documentation to determine that the following required oversight activities took place:
- a. The Finance and Administration Committee reviewed investments on a monthly basis;
 - b. The Board of Directors reviewed investments on a quarterly basis;
 - c. The Board of Directors reviewed and approved the Investment Policy and amendments made during the fiscal year ended June 30, 2022;
 - d. The Internal Audit Department performed semi-annual reviews to determine if OCTA was in compliance with its debt, investment, and accounting policies and procedures; and
 - e. The funds management team met on a weekly basis.

Finding: No exceptions were noted as a result of this procedure. We inspected the Finance and Administration Committee meeting minutes, Board of Directors meeting minutes, semi-annual reviews performed by the Internal Audit Department, and the informational packet for the funds management team meeting noting that the above oversight activities took place.

13. We inquired whether there have been any changes in Treasury policies and procedures, organization or function, as a result of any prior year audit findings or as a result of the Treasury Department Agreed-Upon Procedures.

Finding: No exceptions were noted as a result of this procedure. Based upon our inquiry no changes in Treasury policies and procedures, organization or function were noted as a result of any prior year findings or as a result of the Treasury Department Agreed-Upon Procedures.



AFFILIATED AGENCIES

Orange County
Transit District

Local Transportation
Authority

Service Authority for
Freeway Emergencies

Consolidated Transportation
Service Agency

Congestion Management
Agency

November 16, 2022

Members of the Board of Directors
Orange County Transportation Authority
550 S. Main Street
P.O. Box 14184
Orange, CA 92863-1584

The following response is being submitted to address results from the agreed-upon procedures performed for the Treasury Department as of, and for, the fiscal year ended June 30, 2022.

Crowe selected a sample of three-monthly investment account reconciliations and inspected the supporting documentation to determine that:

- a) Reconciliations were completed and approved by the end of the month following the month being reconciled, and were performed by someone who was not responsible for recording receipts and disbursements;
- b) Discrepancies were identified and resolved;
- c) Reconciliations and the resolution of discrepancies were reviewed by an official who was not responsible for recording investment transactions.

Finding: For procedure a. we inspected reconciliations for the 91 Express Lanes and Construction in Progress (CIP) funds, and noted that the CIP reconciliations for the months of December 2021 and February 2022 were approved four days after the end of the month following the month being reconciled, contrary to procedures. The remainder of the procedures were performed with no exceptions noted.

Management's Response: Management concurs and will improve the timeliness of monthly investment account reconciliations. The monthly reconciliations will be prepared and approved by the end of the month following the month being reconciled.

Andrew Offelie
Chief Financial Officer,
Finance and Administration

Rima Tan,
Department Manager,
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**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

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

Year Ended June 30, 2022

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

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

Year Ended June 30, 2022

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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 the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



Crowe LLP

Costa Mesa, California
December 21, 2022

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
APPENDIX A – SCHEDULE OF PROCEDURES AND FINDINGS
Year ended June 30, 2022

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, 2022 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 through June 30, 2022 amounts (Column B) by adding the prior year's Period from Inception through June 30, 2021 amounts with year to date June 30, 2022 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, 2022 (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, 2021 (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, 2022 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, 2022 (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, 2022 (Column H) and Total Net Revenues (Column I) amounts to Schedule 2, Column D.1 and Column F.1, Net Revenues (Totals), respectively.
2. Recalculated Net Revenues through June 30, 2022 (Column H) and Total Net Revenues (Column I) amounts, by mode and project description, based on the Measure M2 Transportation Investment Plan (Investment Plan).
3. Reconciled Expenditures through June 30, 2022 (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, 2022. 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, 2022

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, 2022 (Column K) to Schedule 1, Column B. Agreed Oversight and Annual Audits line item to summary of Measure M2 administrative costs through June 30, 2022.
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, 2022 (Column H.1) and the Total Revenues (Column I.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, 2022 (Column H.1) and Total Revenues (Column I.1) for Collect Sales Taxes (1.5% of sales taxes) by multiplying Sales Taxes per Schedule 2, Column D.1 and Column F.1 by 1.5%.
10. Re-computed total and subtotals.

Results: Procedure C.4. Identified an over accrual of \$1,317,605 related to one expenditure selection, by comparison of the invoice to supporting documentation. 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, 2022
(Unaudited)

(\$ in thousands)	Quarter Ended June 30, 2022	Year to Date June 30, 2022	Period from Inception to June 30, 2022
		(A)	(B)
Revenues:			
Sales taxes	\$ 109,177	\$ 424,897	\$ 3,501,935
Other agencies' share of Measure M2 costs:			
Project related	3,889	17,743	790,562
Non-project related	-	-	454
Interest:			
Operating:			
Project related	(1,855)	(2,617)	3,499
Non-project related	(24,901)	(18,813)	70,071
Bond proceeds	-	3,574	87,218
Debt service	20	23	1,087
Commercial paper	-	-	393
Capital grants	-	-	-
Right-of-way leases			
Project related	(108)	97	1,466
Non-project related	-	9	17
Proceeds on sale of assets held for resale	1,216	1,227	13,428
Donated assets held for resale			
Project related	-	-	2,071
Non-project related	-	-	-
Miscellaneous:			
Project related	-	-	331
Non-project related	-	29	129
Total revenues	87,438	426,169	4,472,661
Expenditures:			
Supplies and services:			
Sales tax administration fees	527	3,020	35,381
Professional services:			
Project related	21,390	42,008	487,822
Non-project related	836	1,770	36,046
Administration costs:			
Project related	2,811	11,242	105,246
Non-project related:			
Salaries and Benefits	1,068	4,273	35,929
Other	1,663	6,651	60,600
Other:			
Project related	51	292	5,841
Non-project related	58	105	5,290
Payments to local agencies:			
Project related	35,548	96,735	1,233,448
Capital outlay:			
Project related	183,732	357,620	1,977,250
Non-project related	-	-	31
Debt service:			
Principal payments on long-term debt	-	8,455	75,550
Interest on long-term debt and commercial paper	-	35,371	284,626
Total expenditures	247,684	567,542	4,343,060
Excess (deficiency) of revenues over (under) expenditures	(160,246)	(141,373)	129,601
Other financing sources (uses):			
Transfers out:			
Project related	(4,873)	(127,892)	(445,917)
Transfers in:			
Project related	139,268	146,767	336,669
Non-project related	-	-	-
Bond proceeds	-	-	804,625
Payment to refunded bond escrow agent	-	-	(45,062)
Total other financing sources (uses)	134,395	18,875	650,315
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	\$ (25,851)	\$ (122,498)	\$ 779,916

Measure M2
Schedule of Calculations of Net Revenues and Net Bond Revenues (Debt Service)
as of June 30, 2022
(Unaudited)

(\$ in thousands)	Quarter Ended June 30, 2022 (actual)	Year to Date June 30, 2022 (actual)	Period from Inception through June 30, 2022 (actual)	Period from July 1, 2022 through March 31, 2041 (forecast)	Total
	(C.1)	(D.1)	(E.1)	(F.1)	
Revenues:					
Sales taxes	\$ 109,177	\$ 424,897	\$ 3,501,935	\$ 9,714,764	\$ 13,216,699
Operating interest	(24,901)	(18,813)	70,071	137,263	207,334
Subtotal	<u>84,276</u>	<u>406,084</u>	<u>3,572,006</u>	<u>9,852,027</u>	<u>13,424,033</u>
Other agencies share of M2 costs	-	-	454	-	454
Miscellaneous	-	29	129	-	129
Total revenues	<u>84,276</u>	<u>406,113</u>	<u>3,572,589</u>	<u>9,852,027</u>	<u>13,424,616</u>
Administrative expenditures:					
Sales tax administration fees	527	3,020	35,381	94,577	129,958
Professional services	836	1,770	32,271	90,013	122,884
Administration costs:					
Salaries and Benefits	1,068	4,273	35,929	98,515	134,444
Other	1,663	6,651	60,600	167,640	228,240
Other	58	105	2,270	6,328	8,598
Capital outlay	-	-	31	-	31
Environmental cleanup	535	1,938	47,958	194,264	242,222
Total expenditures	<u>4,687</u>	<u>17,757</u>	<u>214,440</u>	<u>651,337</u>	<u>865,777</u>
Net revenues	<u>\$ 79,589</u>	<u>\$ 388,356</u>	<u>\$ 3,358,149</u>	<u>\$ 9,200,690</u>	<u>\$ 12,558,839</u>
	(C.2)	(D.2)	(E.2)	(F.2)	
Bond revenues:					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 804,625	\$ 199,300	\$ 1,003,925
Interest revenue from bond proceeds	-	3,574	87,218	67,620	154,838
Interest revenue from debt service funds	20	23	1,087	3,280	4,367
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>20</u>	<u>3,597</u>	<u>893,323</u>	<u>270,200</u>	<u>1,163,523</u>
Financing expenditures and uses:					
Professional services	-	-	3,775	698	4,473
Payment to refunded bond escrow	-	-	45,062	-	45,062
Bond debt principal	-	8,455	75,550	809,470	885,020
Bond debt and other interest expense	-	35,371	284,626	468,131	752,757
Other	-	-	3,020	-	3,020
Total financing expenditures and uses	<u>-</u>	<u>43,826</u>	<u>412,033</u>	<u>1,278,299</u>	<u>1,690,332</u>
Net bond revenues (debt service)	<u>\$ 20</u>	<u>\$ (40,229)</u>	<u>\$ 481,290</u>	<u>\$ (1,008,099)</u>	<u>\$ (526,809)</u>

Measure M2
Schedule of Revenues and Expenditures Summary
as of June 30, 2022
(Unaudited)

Project	Description	Net Revenues through June 30, 2022	Total Net Revenues	Expenditures through June 30, 2022	Reimbursements through June 30, 2022	Net M2 Cost
(G)	(H)	(I)	(J)	(K)	(L)	
	(\$ in thousands)					
Freeways (43% of Net Revenues)						
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 132,362	\$ 495,008	\$ 10,904	\$ 8,786	\$ 2,118
B	I-5 Santa Ana/SR-55 to El Toro	84,543	316,173	17,915	10,751	7,164
C	I-5 San Diego/South of El Toro	176,576	660,362	297,046	50,391	246,655
D	I-5 Santa Ana/San Diego Interchange Upgrades	72,658	271,728	2,752	527	2,225
E	SR-22 Garden Grove Freeway Access Improvements	33,795	126,385	5	-	5
F	SR-55 Costa Mesa Freeway Improvements	103,073	385,474	74,143	24,166	49,977
G	SR-57 Orange Freeway Improvements	72,855	272,465	52,091	12,434	39,657
H	SR-91 Improvements from I-5 to SR-57	39,427	147,449	34,959	824	34,135
I	SR-91 Improvements from SR-57 to SR-55	117,295	438,662	45,226	42,489	2,737
J	SR-91 Improvements from SR-55 to County Line	99,187	370,940	18,213	16,730	1,483
K	I-405 Improvements between I-605 to SR-55	302,125	1,129,883	1,286,693	284,497	1,002,196
L	I-405 Improvements between SR-55 to I-5	90,034	336,711	9,204	6,954	2,250
M	I-605 Freeway Access Improvements	5,632	21,064	4,688	16	4,672
N	All Freeway Service Patrol	42,243	157,981	6,219	-	6,219
	Freeway Mitigation	72,200	270,015	58,858	4,345	54,513
	Subtotal Projects	1,444,005	5,400,300	1,918,916	462,910	1,456,006
	Net (Bond Revenue)/Debt Service	-	-	139,150	-	139,150
	Total Freeways	\$ 1,444,005	\$ 5,400,300	\$ 2,058,066	\$ 462,910	\$ 1,595,156
	%					48.9%
Street and Roads Projects (32% of Net Revenues)						
O	Regional Capacity Program	\$ 335,819	\$ 1,255,900	\$ 802,234	\$ 507,884	\$ 294,350
P	Regional Traffic Signal Synchronization Program	134,322	502,338	97,488	13,548	83,940
Q	Local Fair Share Program	604,467	2,260,591	589,085	77	589,008
	Subtotal Projects	1,074,608	4,018,829	1,488,807	521,509	967,298
	Net (Bond Revenue)/Debt Service	-	-	40,771	-	40,771
	Total Street and Roads Projects	\$ 1,074,608	\$ 4,018,829	\$ 1,529,578	\$ 521,509	\$ 1,008,069
	%					30.9%
Transit Projects (25% of Net Revenues)						
R	High Frequency Metrolink Service	\$ 322,337	\$ 1,252,558	\$ 430,883	\$ 98,886	\$ 331,997
S	Transit Extensions to Metrolink	296,447	1,108,655	146,791	2,133	144,658
T	Metrolink Gateways	35,519	64,191	98,220	60,956	37,264
U	Expand Mobility Choices for Seniors and Persons with Disabilities	110,677	435,480	107,012	88	106,924
V	Community Based Transit/Circulators	67,145	251,110	15,766	1,207	14,559
W	Safe Transit Stops	7,411	27,716	1,171	26	1,145
	Subtotal Projects	839,536	3,139,710	799,843	163,296	636,547
	Net (Bond Revenue)/Debt Service	-	-	22,802	-	22,802
	Total Transit Projects	\$ 839,536	\$ 3,139,710	\$ 822,645	\$ 163,296	\$ 659,349
	%					20.2%
	Measure M2 Program	\$ 3,358,149	\$ 12,558,839	\$ 4,410,289	\$ 1,147,715	\$ 3,262,574
Environmental Cleanup (2% of Revenues)						
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 71,440	\$ 268,481	\$ 47,958	\$ 311	\$ 47,647
	Net (Bond Revenue)/Debt Service	-	-	-	-	-
	Total Environmental Cleanup	\$ 71,440	\$ 268,481	\$ 47,958	\$ 311	\$ 47,647
	%					1.3%
Taxpayer Safeguards and Audits						
	Collect Sales Taxes (1.5% of Sales Taxes)	\$ 52,529	\$ 198,250	\$ 35,381	\$ -	\$ 35,381
	%					1.0%
	Oversight and Annual Audits (1% of Revenues)	\$ 35,720	\$ 134,240	\$ 35,929	\$ 209	\$ 35,720
	%					1.0%

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

Year Ended June 30, 2022

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, 2022 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, 2022 (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, 2022. 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 (\$122,498) agrees with the combined change in fund balances of (\$126,277) in the M2 special revenue fund and \$3,780 in the M2 debt service fund in the trial balance for the year ended June 30, 2022.

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

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

Year Ended June 30, 2022

Period from Inception through June 30, 2022 (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, 2022. 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 \$779,916 agrees with the combined ending fund balances of \$755,754 in the M2 special revenue fund and \$24,162 in the M2 debt service fund, as presented in the trial balance for the year ended June 30, 2022.

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

Schedule 2—Schedule of Calculations of Net Revenues and Net Bond Revenues (Debt Service)

This schedule presents calculations of net revenues and of net bond revenues (debt service), 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 Ended June 30, 2022 (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, 2022. Revenues, administrative expenditures, and capital outlay for the year ended June 30, 2022 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, 2022

Period from Inception through June 30, 2022 (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, 2022. Revenues, administrative expenditures, and capital outlay for the period from inception through June 30, 2022 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, 2022 are presented in Schedule 3 as "Net Revenues through June 30, 2022" (Column H). 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, 2022 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, 2022 through March 31, 2041. Revenues and administrative expenditures for subsequent years from July 1, 2022 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, 2022 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 I).

Calculation of Net Bond Revenues (Debt Service)

Year Ended June 30, 2022 (actual) (Column C.2)

This column presents net bond revenues (debt service), consisting of total bond revenues less total financing expenditures and uses, for year ended June 30, 2022. Bond revenues and financing expenditures and uses for the year ended June 30, 2022 were obtained from Column A in Schedule 1. Bond revenues and financing expenditures and uses utilized in the calculation of net bond revenues (debt service) 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, 2022

Financing expenditures and uses consist of professional services and bond debt 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 Inception through June 30, 2022 (actual) (Column D.2)

This column presents net bond revenues (debt service), consisting of total cumulative bond revenues less total cumulative financing expenditures and uses, for the period from inception through June 30, 2022. Bond revenues and financing expenditures and uses for the period from inception through June 30, 2022 were obtained from Column B in Schedule 1. Bond revenues and financing expenditures and uses utilized in the calculation of net bond revenues (debt service) are non-project and non-operating related. Bond revenues consist of proceeds from issuance of bonds and interest revenue from bond proceeds, debt service funds, and commercial paper. Financing expenditures and uses consist of professional services and bond debt 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, 2021 through March 31, 2041 (forecast) (Column E.2)

This column presents bond revenues (debt service), consisting of total projected bond revenues less total projected financing expenditures and uses, for subsequent years from July 1, 2022 through March 31, 2041. Bond revenues and financing expenditures and uses for subsequent years from July 1, 2022 through March 31, 2041 were obtained from the Orange County Transportation Authority Forecast Model. Bond revenues and financing expenditures and uses utilized in the calculation of net bond revenues (debt service) are non-project and non-operating related. Bond revenues consist of proceeds from issuance of bonds and interest revenue from bond proceeds and debt service funds. Financing expenditures and uses consist of bond debt principal and bond debt and other interest expense.

Total (Column F.2)

This column presents total net bond revenues (debt service), 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, 2022

Net Revenues through June 30, 2022 (Column H)

This column presents total M2 program net revenues for the period from inception through June 30, 2022, 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.

Total Net Revenues (Column I)

This column presents total actual and projected net revenues (total net revenues) during the life of M2, which agree 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.

Expenditures through June 30, 2022 (Column J)

This column presents total expenditures plus net (bond revenue)/debt service. 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 (bond revenue)/debt service agrees with the total net bond revenue (debt service) 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 through June 30, 2022 (Column K)

This column presents total reimbursements for the period from inception through June 30, 2022, 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, right-of-way leases, proceeds on sale of assets held for resale, donated assets held for resale, transfers in and miscellaneous revenue. Such revenues are distributed to the related projects based on project amounts accumulated in the project job ledger. Reimbursements for oversight and annual audits agree with the principal balance of the amount advanced from the Orange County Unified Transportation Trust (OCUTT) to cover administrative costs for salaries and benefits exceeding more than one percent of revenues.

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

Year Ended June 30, 2022

Net M2 Cost (Column N)

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.

Revenues through June 30, 2022 (Column H.1)

The total environmental cleanup revenue for the period from inception through June 30, 2022, 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, 2022, 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, 2022, represents one and one-half percent (1.5%) of the sales tax revenues in Column D.1 in Schedule 2.

Total Revenues (Column I.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.



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CHIEF EXECUTIVE OFFICE

Darrell E. Johnson
Chief Executive Officer

December 21, 2022

Members of the Board of Directors
Orange County Transportation Authority
550 S. Main Street
P.O. Box 14184
Orange, CA 92863-1584

The following response is being submitted to address results from the agreed-upon procedures performed on the Measure M2 Status Report as of, and for, fiscal year ended June 30, 2022.

Procedure C.4 – Accrual of Expenditures

Crowe 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.

Exception: Procedure C.4. Identified an over accrual of \$1,317,605 related to one expenditure selection, by comparison of the invoice to supporting documentation. No other exceptions were found as a result of these procedures.

Management's Response: Management concurs and has strengthened internal controls over expenditure accruals. In addition, the Accounting department will add an additional level of review to ensure expenditure accruals are tracked in comparison to actual invoices received, and adjusted or reported accordingly for the fiscal year.

Andrew Oftelie
Chief Financial Officer,
Finance and Administration

Rima Tan,
Department Manager,
Accounting and Financial Reporting

ORANGE COUNTY TRANSPORTATION AUTHORITY

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES RELATED TO
ARTICLE XIII-B APPROPRIATIONS LIMIT CALCULATION
For the fiscal year ended June 30, 2022

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

Board of Directors
Orange County Transportation Authority
Orange, California

We have performed the procedures enumerated below on the Appropriations Limit Calculations Worksheet (Worksheet) of the Orange County Transportation Authority ("OCTA" or "the Authority") as of June 30, 2022. OCTA's management is responsible for the preparation of the Worksheet.

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

The procedures performed and associated findings are as follows:

1. We obtained the completed worksheets setting forth the calculations necessary to establish OCTA's appropriations limit and compared the 2021-2022 limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of OCTA's Board of Directors. We compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of OCTA's Board of Directors.

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

2. We added last year's limit to the annual adjustment amount and compared the resulting amount to the 2021-2022 appropriations limit.

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

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

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

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

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

(Continued)

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

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

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

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

Crowe LLP

Costa Mesa, California
November 16, 2022

ORANGE COUNTY TRANSPORTATION AUTHORITY
APPROPRIATIONS LIMIT CALCULATIONS WORKSHEET
Year ended June 30, 2022

	<u>Amount</u>	<u>Source</u>
A. Last year's limit	\$ 12,508,480	
B. Adjustment factors:		
1. Population change	1.0573	State Finance
2. Per capita change	.9916	State Finance
Total adjustments $[(B.1 \times B.2) - 1.0]$.04840	
C. Annual adjustment	<u>605,410</u>	A \times B
D. This year's limit	<u>\$ 13,113,890</u>	A + C

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES RELATED TO
ARTICLE XIII-B APPROPRIATIONS LIMIT CALCULATION

For the fiscal year ended June 30, 2022

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below on the Appropriations Limit Calculations Worksheet (Worksheet) of the Orange County Local Transportation Authority ("OCLTA" or "Authority") as of June 30, 2022. OCLTA's management is responsible for the preparation of the Worksheet.

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

The procedures performed and associated findings are as follows:

1. We obtained the completed worksheets setting forth the calculations necessary to establish OCLTA's appropriations limit and compared the 2021-2022 limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of OCLTA's Board of Directors. We compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of OCLTA's Board of Directors.

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

2. We added last year's limit to the annual adjustment amount and compared the resulting amount to the 2021-2022 appropriations limit.

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

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

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

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

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

(Continued)

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

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

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

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

Crowe LLP

Costa Mesa, California
November 16, 2022

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
APPROPRIATIONS LIMIT CALCULATIONS WORKSHEET
Year ended June 30, 2022

	<u>Amount</u>	<u>Source</u>
A. Last year's limit	\$ 1,890,379,261	
B. Adjustment factors:		
1. Population change	1.0573	State Finance
2. Per capita change	.9916	State Finance
Total adjustments [(B.1 × B.2) – 1.0]	0.04840	
C. Annual adjustment	<u>91,494,356</u>	A × B
D. This year's limit	<u>\$ 1,981,873,617</u>	A + C



January 25, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Administrative Employee Mandatory Training and Employee Educational Reimbursements, Internal Audit Report No. 23-503

Overview

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of administrative employee mandatory training and employee educational reimbursements. Based on the audit, controls over administrative employee mandatory training and administration of educational reimbursements should be improved. The Internal Audit Department offered two recommendations to address overpayments of educational reimbursements to improve controls.

Recommendation

Direct staff to implement two recommendations provided in Administrative Employee Mandatory Training and Employee Educational Reimbursements, Internal Audit Report No. 23-503.

Background

The Learning and Development Department (LDD) within the People and Community Engagement Division is responsible for all administrative employee learning and development activities. The LDD is also responsible for administration of the employee educational reimbursement program for all Orange County Transportation Authority (OCTA) staff.

The Employee Training Policy (Training Policy) identifies guidelines for OCTA employees regarding training purpose, definition, approval, performance, and compensation. For an OCTA administrative employee to be eligible for an annual merit increase they must be in a current state of compliance with all mandatory

training. The Halogen training system (training system) is used to track administrative employee compliance with mandatory training.

The Educational Reimbursement Program Policy (Educational Reimbursement Policy) allows eligible employees to receive reimbursement of educational and training expenses. For an employee to be eligible for reimbursement they must be in good standing, have completed their initial six months of employment, and have satisfactorily completed approved courses at accredited educational institutions. For graded courses, a grade "C" or better is required and for non-graded courses, a letter or certificate acknowledging course completion is required. As of June 19, 2022, with approval of the Fiscal Year 2022-2023 Personnel and Salary Resolution, an eligible employee may be reimbursed up to a maximum of \$5,250 per calendar year. If an employee's eligible expenses exceed the \$5,250 limit, the unpaid balance is eligible for reimbursement in each succeeding calendar year they are employed at OCTA. All requests for reimbursement are made through the OCTA Apps Store (Apps Store).

Discussion

Testing of educational reimbursements made to 22 employees identified two employees that were reimbursed twice for the same course and four employees that received reimbursement without evidence of a certificate of completion from the educational institution. In addition, the Apps Store, which is used to record reimbursement activity, reflected payments were made to three employees that were not actually made because the employee had already reached the maximum allowed for the calendar year. For all three of the employees, the excess eligible amounts were also not recorded in the log maintained for purposes of tracking for reimbursement in the following calendar year. Additionally, the Internal Audit Department (Internal Audit) tested payments made to 31 employees during the 2021 calendar year and identified seven employees that were reimbursed over the \$3,675 maximum allowed for that calendar year. Overpayments ranged from a low of \$238 to a high of \$2,948. Internal Audit recommended management improve controls to prevent overpayments and duplicate payments of educational reimbursements, and to ensure adequate documentation is on file and authorized payments are made or adequately tracked for reimbursement in the following period. Management agreed and indicated that controls to address the recommendations will be implemented by March 31, 2023.

Newly hired administrative employees are required to take certain training courses within a specified time of hire. Internal Audit found that training system data for eight of ten employees tested indicated that not all required training was obtained. In addition, all administrative employees are required to take certain

annual training classes. To enforce this requirement, employees who do not take all required training classes are not eligible to receive an annual merit increase. Internal Audit reviewed training system records for 44 employees and identified six that lacked evidence that all mandatory annual training was obtained. Five of the six employees received a merit increase. Internal Audit recommended management implement monitoring controls to ensure all mandatory training is obtained within required timeframes and merit increases are withheld for employees who do not comply with annual training requirements. Management agreed and indicated that controls will be implemented by March 31, 2023.

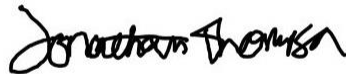
Summary

Internal Audit has completed an audit of administrative employee mandatory training and employee educational reimbursements and has offered two recommendations, which management agreed to implement or otherwise address.

Attachment

- A. Administrative Employee Mandatory Training and Employee Educational Reimbursements, Internal Audit Report No. 23-503

Prepared by:



Jonathan Thompson
Internal Auditor
714-560-5930

Approved by:



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

ORANGE COUNTY TRANSPORTATION AUTHORITY INTERNAL AUDIT DEPARTMENT



Administrative Employee Mandatory Training and Employee Educational Reimbursements

Internal Audit Report No. 23-503

January 10, 2023



Audit Team: Jonathan Thompson, Internal Auditor JT
Janet Sutter, CIA, Executive Director

Distributed to: Maggie McJilton, Executive Director, People and Community Engagement
Julie Espy, Department Manager, Learning and Development
Camille Pedroza

**ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Administrative Employee Mandatory Training and Employee
Educational Reimbursements
January 10, 2023**

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**ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Administrative Employee Mandatory Training and
Employee Educational Reimbursements
January 10, 2023**

Conclusion

The Internal Audit Department (Internal Audit) of the Orange County Transportation Authority (OCTA), has completed an audit of administrative employee mandatory training and employee educational reimbursements. Based on the audit, controls over administrative employee mandatory training and administration of educational reimbursements should be improved. Internal Audit offered two recommendations to improve controls.

Background

Learning and Development Department

The Learning and Development Department (LDD) within the People and Community Engagement Division, is responsible for all administrative employee learning and development activities. The LDD also functions as an internal consultant to other divisions, providing customized training, competency assessments, professional development, and assistance with acquiring and building training. The LDD is also responsible for administration of the employee educational reimbursement program for all OCTA staff.

Employee Training Policy

The Employee Training Policy (Training Policy) identifies guidelines for OCTA employees regarding training purpose, definition, approval, performance, and compensation. The Training Policy defines mandatory training as training required by federal, state, or local law, or a contract signed by OCTA. The responsibility for identifying laws or contracts mandating training is divided by department; for example, the Health, Safety and Environmental Compliance Department is required to identify mandatory safety training. Examples of mandatory training include Alcohol and Drug Awareness, Fire Extinguisher, and Workplace Harassment and Violence Prevention. For an OCTA administrative employee to be eligible for an annual merit increase, they must be in a current state of compliance with all mandatory training. The Halogen training system (training system) is used to track administrative employee compliance with mandatory training.

Educational Reimbursement Program Policy

The Educational Reimbursement Program Policy (Educational Reimbursement Policy) allows eligible employees to receive reimbursement of educational and training expenses. For an employee to be eligible for reimbursement they must be in good standing, have completed their initial six months of employment, and satisfactorily completed approved courses at accredited educational institutions. For graded courses, a grade "C" or better is required, or, for non-graded courses, a letter or certificate acknowledging course

**ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Administrative Employee Mandatory Training and
Employee Educational Reimbursements
January 10, 2023**

completion is required. As of June 19, 2022, with approval of the Fiscal Year 2022-2023 Personnel and Salary Resolution, an eligible employee may be reimbursed up to a maximum of \$5,250 per calendar year. If an employee's eligible expenses exceed the \$5,250 limit, the unpaid balance is eligible for reimbursement in each succeeding calendar year they are employed at OCTA.

The Educational Reimbursement Policy outlines the criteria and supporting documents required for expense reimbursement. Employees are required to submit evidence of acceptance into the educational institution and obtain course approval from the LDD. Within six weeks of course completion, the employee must submit their grade notification or certificate, along with original receipts, to the LDD. If an employee fails to submit materials within the required parameters, it is left to the discretion of the Executive Director of People and Community Engagement to approve or deny the request. All requests for reimbursement are made through the OCTA Apps Store (Apps Store). The LDD is responsible for verifying supporting documents for compliance with the Educational Reimbursement Policy, and for preparing a payment request. Approved reimbursements are forwarded to Accounts Payable for processing.

Objectives, Scope, and Methodology

The objectives were to assess and test the adequacy of controls related to the administration of employee training and educational reimbursements, and to determine compliance with policies.

According to Generally Accepted Government Auditing Standards (GAGAS), internal control is the system of processes that an entity's oversight body, management, and other personnel implement to provide reasonable assurance that the organization will achieve its operational, reporting, and compliance objectives. The five components are control environment, risk assessment, control activities, information and communication, and monitoring.¹ The components and principles that were evaluated as part of this audit are:

- Control Environment
 - OCTA demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.
- Control Activities
 - OCTA selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

The methodology consisted of testing a judgmental sample of 22 employees with educational reimbursement requests per the Apps Store for proper documentation,

¹ See U.S. Government Accountability Office publication, "Standards for Internal Control in the Federal Government," available at <http://www.gao.gov/products/GAO-14-704G>, for more information.

**ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Administrative Employee Mandatory Training and
Employee Educational Reimbursements
January 10, 2023**

evidence of approval, and payment accuracy; testing of all employee reimbursement payments recorded in the accounting system for compliance with educational reimbursement limits; testing a judgmental sample of ten newly-hired administrative employees for evidence that mandatory training was obtained; and testing of a judgmental sample of 44 administrative employees for evidence that required annual training was obtained or that merit increases were withheld for non-compliance.

The scope was limited to mandatory training required of administrative employees during fiscal year (FY) 2020-21 and FY 2021-22, educational reimbursements requested by employees during FY 2020-21 and FY 2021-22, and payments made for educational reimbursement for calendar year 2021. The scope did not include testing of mandatory training provided to union employees, as this training is solely the responsibility of the Operations Division. Judgmental samples were selected with a bias for coverage during the scope period. Since the samples were non-statistical, any conclusions are limited to the sample items tested.

Internal Audit conducted this performance audit in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Internal Audit believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

**ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Administrative Employee Mandatory Training and
Employee Educational Reimbursements
January 10, 2023**

Audit Comments, Recommendations, and Management Responses

Administration and Monitoring of Educational Reimbursements

Controls over the administration and monitoring of educational reimbursements should be improved and the Apps Store used to record educational reimbursement activity should be enhanced to allow for accurate tracking of payments and roll-over amounts.

Testing of educational reimbursements made to 22 employees identified two employees that were reimbursed twice for the same course and four employees that received reimbursement without evidence of a certificate of completion from the educational institution. In addition, for three employees, the Apps Store reflected payments that were not processed, and the amounts were not recorded in the log maintained for purposes of tracking eligible reimbursements for future calendar years. Internal Audit also tested payments made to 31 employees and identified seven that were reimbursed over the \$3,675 maximum allowed for the 2021 calendar year. Overpayments ranged from a low of \$238 to a high of \$2,948.

Recommendation 1:

Management should improve controls to avoid duplicate reimbursements and to ensure all required documentation is on file prior to authorizing a reimbursement. The Apps Store should be updated to accurately reflect educational reimbursement submissions versus payments made and should be used to track eligible amounts for future calendar year reimbursement. To avoid confusion in the tracking of roll-over eligible amounts, management should consider aligning changes to educational reimbursement amounts to a calendar year basis. Management should also explore whether supporting documentation can be stored within the Apps Store or, at a minimum, improve organization of supporting documentation. Management should obtain reimbursement from employees that received duplicate payments and should address payments made to employees over the allowable educational reimbursement limit. Going forward, management should implement effective controls for monitoring employee educational reimbursement activities for compliance with the Educational Reimbursement Policy, including verification that payments have been processed accurately.

Management Response:

LDD agrees with the recommendation and will implement controls to address the recommendations by March 31, 2023. Management will also make arrangements to collect overpayments made to the two employees identified and will address payments to employees over the allowable reimbursement limit.

**ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Administrative Employee Mandatory Training and
Employee Educational Reimbursements
January 10, 2023**

Mandatory Administrative Employee Training

Monitoring controls should be implemented to ensure administrative employees receive required new hire and annual training.

Newly-hired administrative employees are required to take certain training courses within a specified time of hire. The LDD provided data from the training system and Internal Audit reviewed records for ten employees for evidence that required new-hire training was obtained. Data for eight of the ten employees indicated that not all required training was obtained. The LDD subsequently obtained evidence from two employees that the missing training was taken and asserted that five other employees had been provided the training, but the evidence of training was stored in another area of the training system. The last employee had not received all required training.

In addition, all administrative employees are required to take certain annual training classes. To enforce this requirement, employees who do not take all required training classes are not eligible to receive an annual merit increase. Internal Audit reviewed the training records for 44 employees and identified six that lacked evidence that all mandatory annual training was taken. Five of the six employees received a merit increase.

Recommendation 2:

Management should implement monitoring controls to ensure all administrative employees obtain mandatory training within required timeframes. Management should also implement monitoring controls to ensure mandatory annual training is obtained and employee merit increases are withheld for non-compliance, as required by the Training Policy.

Management Response:

LDD agrees with the recommendation and will implement monitoring controls to ensure all new administrative employees obtain mandatory training within required timeframes. LDD will also implement monitoring controls to ensure mandatory annual training is completed by all administrative employees prior to merit increases and will meet with Human Resources Department staff to implement a process by March 31, 2023.



January 25, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to Agreement for Information Technology Technical Staffing

Overview

On January 22, 2018, the Orange County Transportation Authority Board of Directors approved an agreement with Intratek Computer, Inc., to provide contract staffing services for Information Technology technical positions for a five-year term. An amendment is required to increase the maximum cumulative payment obligation to continue services.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-7-1949 between the Orange County Transportation Authority and Intratek Computer, Inc., in the amount of \$1,606,723, to continue providing contract staffing services for Information Technology technical positions through June 30, 2023. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$14,366,775.

Discussion

Since consolidation in 1991, the Orange County Transportation Authority (OCTA) has continually sought to improve the way in which business is conducted by identifying opportunities for privatization and contracting. By contracting various technical positions, the Information Systems (IS) Department has been able to quickly adjust resources based on overall workload and the number of active projects. Technical staffing needs are evaluated annually; however, on average, 15 to 20 full-time equivalent positions are contracted. OCTA is currently underway with replacement of three major systems including asset management, human resource and capital management, and risk management, which requires additional technical staff.

OCTA is currently procuring new services to replace the current technical staffing services agreement. However, an unusually high number of responses to that procurement have been received. While it is generally positive to receive a high number of responses, it was not anticipated in this instance and additional time is needed to conduct the normal review of responses for this procurement. Staff is requesting to extend the expiration date of the existing agreement with Intratek Computer, Inc. (Intratek) from March 31, 2023 to June 30, 2023 to allow for more time to complete the current procurement to establish a new agreement. This amendment would increase the maximum cumulative payment obligation of the existing agreement by \$1,606,723.

Procurement Approach

The procurement was originally handled in accordance with the OCTA's Board of Directors (Board)-approved policies and procedures for professional and technical services. On January 22, 2018, the Board approved the award of the agreement with Intratek. The original agreement was awarded on a competitive basis and included a five-year term. This agreement has been previously amended as shown on Attachment A.

The term of the agreement is through March 31, 2023. Amending the agreement will extend the contract term to June 30, 2023, and increase the maximum cumulative payment obligation by \$1,606,723 bringing the total contract value to \$14,366,775. This will allow for additional technical staff to support OCTA's system replacement projects. The rates for the newly contracted staff will be as originally negotiated. The budget for this amendment is deemed fair and reasonable as it is consistent with current usage and takes into account the need for additional technical staff support. In addition, it is consistent with the OCTA Project Manager's independent cost estimate.

Fiscal Impact

Funds are included in the OCTA Fiscal Year 2022-23 Budget, Finance and Administration/Information Systems and are funded through the general fund..

Summary

Staff requests Board of Directors' approval to authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-7-1949 between the Orange County Transportation Authority and Intratek Computer Inc., in the amount of \$1,606,723, to continue providing contract technical staffing services for Information Technology technical positions through June 30, 2023.

Attachment

A. Intratek Computer, Inc., Agreement No. C-7-1949 Fact Sheet

Prepared by:



Eden Wang
Department Manager,
Information Systems
714-560-5448

Approved by:



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



Pia Veasapen
Director, Contracts Administration and
Materials Management
714-560-5619

**Intratek Computer, Inc.
Agreement No. C-7-1949 Fact Sheet**

1. January 22, 2018, Agreement No. C-7-1949, \$11,267,760, for a five-year term, approved by the Board of Directors (Board).
 - Agreement for long-term contract personnel for various positions within the Information Systems Department.
 - Effective February 15, 2018 through March 31, 2023.
2. July 9, 2018, Amendment No. 1 to Agreement No. C-7-1949, \$0.00, approved by the Contracts Administration and Materials Management Department (CAMM).
 - Amendment to add positions for long-term contract personnel.
3. February 12, 2020, Amendment No. 2 to Agreement No. C-7-1949, \$0.00, approved by CAMM.
 - Amendment to add a position for long-term contract personnel.
4. June 13, 2022, Amendment No. 3 to Agreement No. C-7-1949, \$1,492,292, approved by the Board.
 - Increase the maximum cumulative payment obligation to continue contract staffing services for Information Technology technical positions.
5. January 23, 2023, Amendment No. 4 to Agreement No. C-7-1949, \$1,606,723, pending approval by the Board.
 - Extend the term of the agreement until June 30, 2023 and increase the maximum cumulative payment obligation to continue contract staffing services for Information Technology technical positions.

Total committed to Intratek Computer, Inc., under Agreement No. C-7-1949: \$14,366,775.



January 25, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Orange County Transportation Authority Investment and Debt Programs Report – November 2022

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 November 30, 2022.

Recommendation

Receive and file as an information item.

Discussion

As of November 30, 2022, 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 1.8 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 was \$21,259,869, with an average monthly effective yield of 2.01 percent. OCTA's month-end balance in the Orange County Investment Pool (OCIP) was \$34,904,485. For the month of October, the monthly gross yield for the OCIP was 1.85 percent. Yields for the month of November will be received in December.

During the month of November, one security held within OCTA's investment portfolio was downgraded or placed on Negative Credit Watch. Please refer to A-8 (Rating Downgrades and Negative Credit Watch) of Attachment A for further details. As of November 30, 2022, the securities reflected on A-8 still meet the minimum ratings requirements set forth by OCTA's Investment Policy.

OCTA's debt program is separate from its investment program and is comprised of M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, 2021 Transportation Infrastructure Finance and Innovation Act Loan, and the 2021 Bond Anticipation Notes. The debt program currently has an outstanding principal balance of \$1.3 billion as of November 30, 2022. Approximately 45.4 percent of the outstanding balance is comprised of M2 debt, 5.3 percent is associated with the 91 Express Lanes Program, and 49.3 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 November 30, 2022.

Attachments

- A. Orange County Transportation Authority Investment and Debt Programs
– For the Period Ending November 30, 2022
- B. Orange County Transportation Authority Portfolio Listing as of
November 30, 2022

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
November 30, 2022**

INVESTMENT PROGRAM

OCTA Investment Dashboard

11/30/2022

Safety of Principal

Securities that fell below OCTA's minimum credit quality requirements during the month of November 2022:
Not applicable.

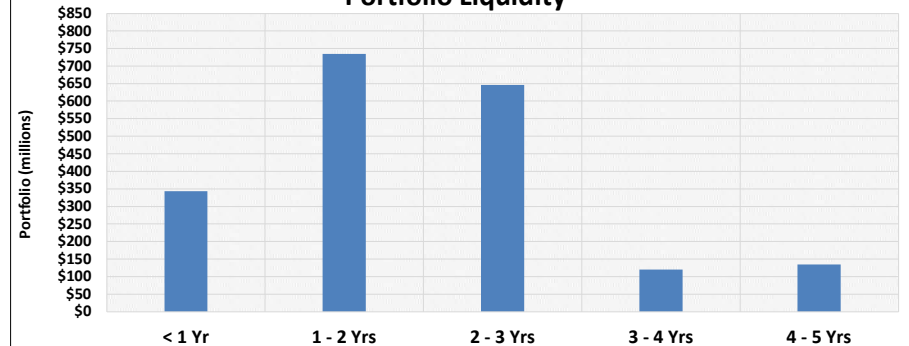
Securities currently held within OCTA's portfolio that fell below OCTA's minimum credit quality requirements during prior reporting periods:
Not applicable.

Securities downgraded or placed on Negative Credit Watch during the month of November 2022, but remain in compliance with OCTA's Investment Policy:

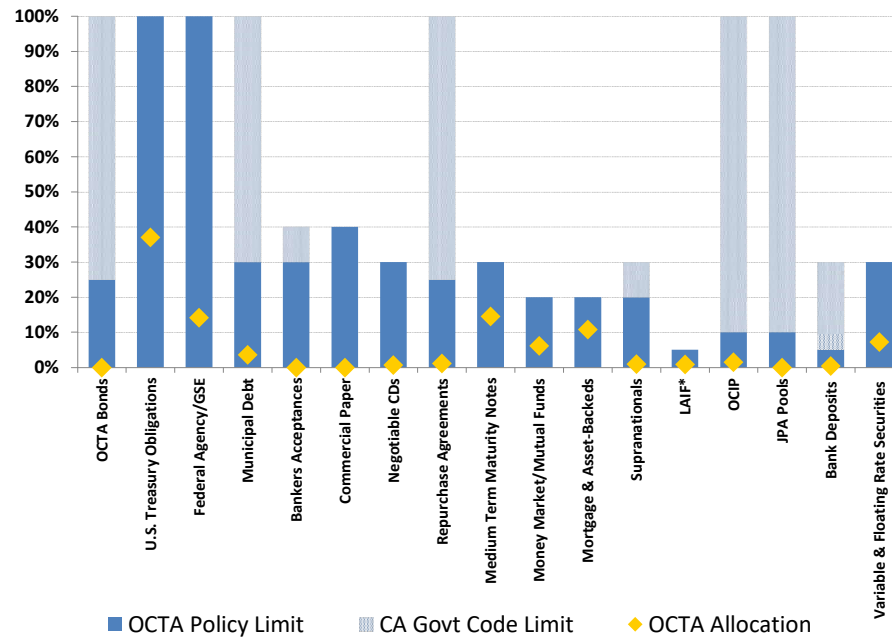
One security held within OCTA's investment portfolio was downgraded during the month.

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

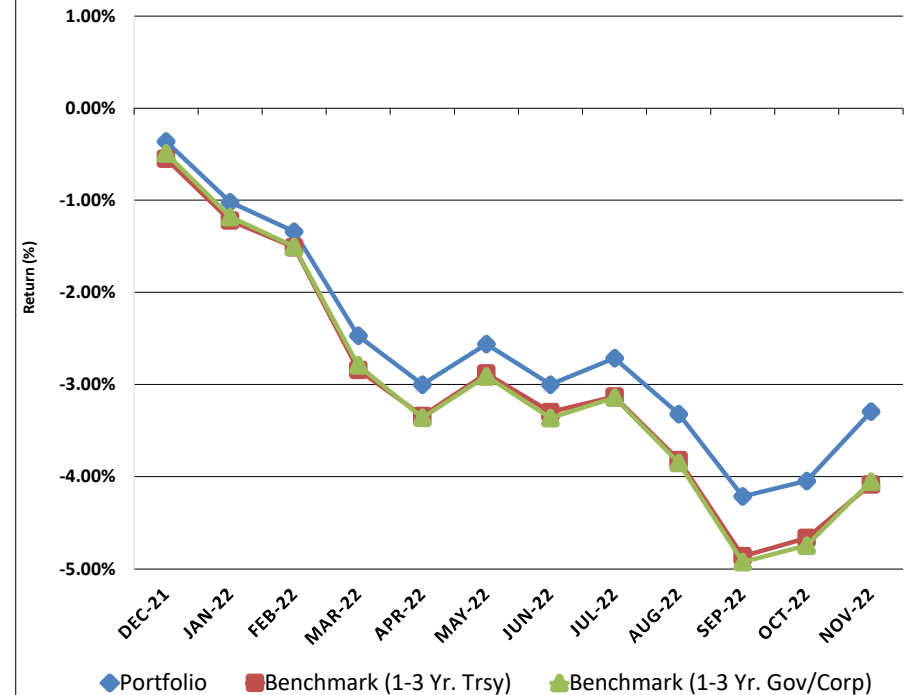
Portfolio Liquidity



Portfolio Diversification



Portfolio Return - 12 Month



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

Investment Compliance

11/30/2022

Portfolio Subject to Investment Policy			
	Dollar Amount	Percent Of	Investment Policy
Short-Term/Liquid Portfolio ¹	Invested	Portfolio	Max. Percentages
U.S. Treasury Obligations	\$ 815,579,826	37.4%	100%
Federal Agency/GSE	312,540,360	14.3%	100%
Municipal Debt	\$ 81,296,676	3.7%	30%
Commercial Paper	-	0.0%	40%
Negotiable Certificates of Deposit	\$ 16,125,000	0.7%	30%
Repurchase Agreements	10,934,196	0.5%	25%
Medium Term Maturity Notes/Corporates	\$ 321,566,718	14.7%	30%
Money Market/Mutual Funds	137,179,794	6.3%	20%
Mortgage & Asset-Backed	\$ 238,344,466	10.9%	20%
Supranationals	22,014,316	1.0%	20%
Local Agency Investment Fund	\$ 21,259,869	1.0%	\$ 75 Million
Orange County Investment Pool	34,904,485	1.6%	10%
Joint Powers Authority Pools	\$ -	0.0%	10%
Bank Deposits	10,331,417	0.5%	5%
Variable & Floating Rate Securities	\$ 161,073,235	7.4%	30%
Total Short-Term/Liquid Portfolio	\$ 2,183,150,357		

1. Excludes portion of Liquid Portfolio subject to Indenture

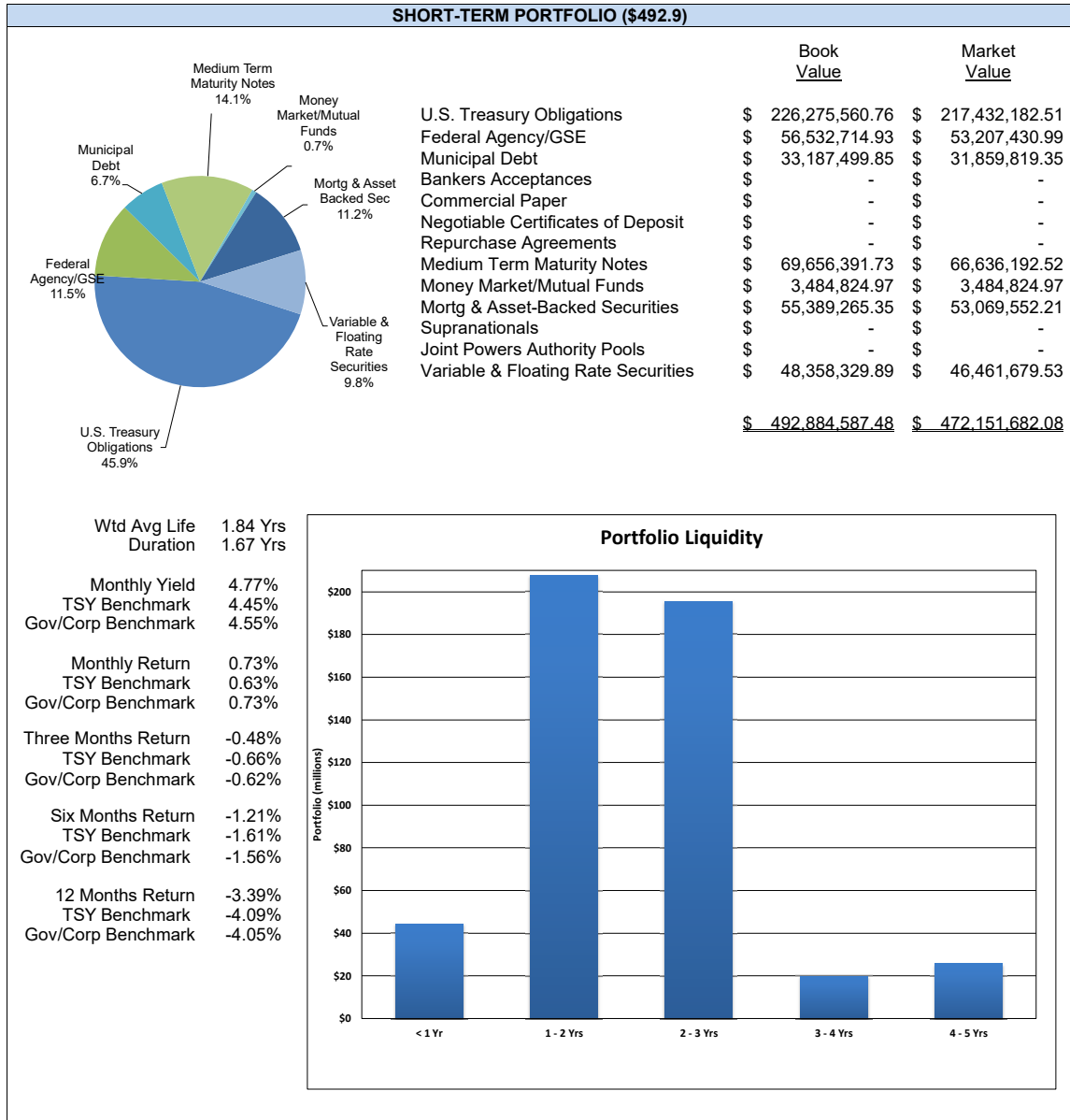
Portfolio Subject to Indenture					
Portfolio	Dollar Amount Invested	OCTA		Indenture Requirements	
		Credit Quality	Term	Min. Credit Quality	Max. Term
Liquid Portfolio*					
Government Obligations MMKT Fund	203,938,950	AAA	N/A	AAA	N/A
Total Liquid Portfolio	\$ 203,938,950				
Bond Proceeds Portfolio					
2021 Bond Anticipation Notes (BANs):					
Credit Agricole CP	\$ 24,028,214	"A-1"/"P-1"	150	"A-1" or "P-1"	270 days
Natixis NY Branch CP	20,399,085	"A-1"/"P-1"	240	"A-1" or "P-1"	270 days
Natixis NY Branch CP	19,999,894	"P-1"	181	"A-1" or "P-1"	270 days
Government Obligations MMKT Fund	33,807	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	"AAAm" or "AAAm-G"	N/A
Government Obligations MMKT Fund	51,350	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	"AAAm" or "AAAm-G"	N/A
Total Bond Proceeds Portfolio	\$ 64,512,350				
Reserve Funds Portfolio					
Lloyds Bank CP	\$ 10,999,168	"A-1"/"P-1"	122	"A-1" or "P-1"	180 days
Government Obligations MMKT Fund	4,372	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Barclays CP	10,337,110	"A-1"/"P-1"/"F1"	179	"A-1" or "P-1"	180 days
Barclays CP	3,051,909	"A-1"/"P-1"/"F1"	179	"A-1" or "P-1"	180 days
Bank Deposits	311,389	N/A	N/A	N/A	N/A
Bank Deposits	142,011	N/A	N/A	N/A	N/A
Government Obligations MMKT Fund**	556,777	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Total Reserve Funds Portfolio	\$ 25,402,735				
Total Portfolio Subject to Indenture	\$ 89,915,085				
Portfolio Total	\$ 2,477,004,392				

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

**91 EL Debt Service Fund

Investment Manager Diversification and Maturity Schedules

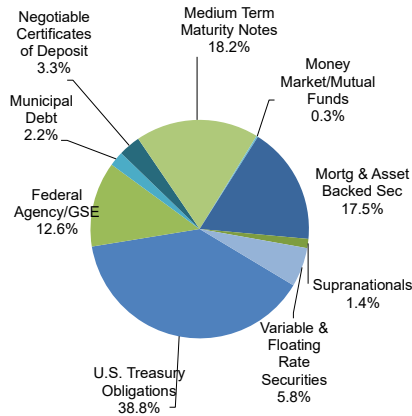
MetLife Investment Management
11/30/2022



Investment Manager Diversification and Maturity Schedules

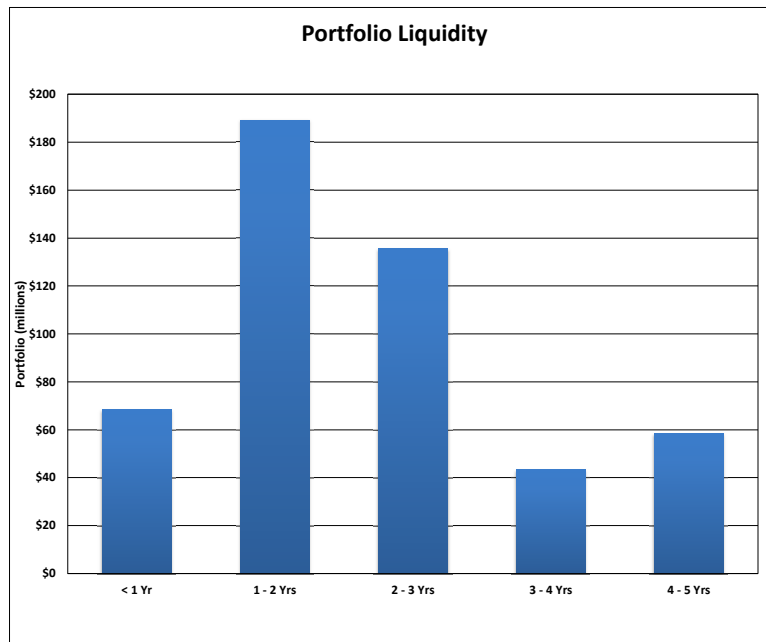
PFM
11/30/2022

SHORT-TERM PORTFOLIO (\$495.2 M)



	Book Value	Market Value
U.S. Treasury Obligations	\$ 192,242,863.48	\$ 181,882,044.55
Federal Agency/GSE	\$ 62,450,034.77	\$ 60,517,927.29
Municipal Debt	\$ 10,776,343.25	\$ 10,336,856.30
Bankers Acceptances	\$ -	\$ -
Commercial Paper	\$ -	\$ -
Negotiable Certificates of Deposit	\$ 16,125,000.00	\$ 16,162,626.25
Repurchase Agreements	\$ -	\$ -
Medium Term Maturity Notes	\$ 90,251,831.00	\$ 86,076,345.05
Money Market/Mutual Funds	\$ 1,245,904.53	\$ 1,245,904.53
Mortg & Asset-Backed Securities	\$ 86,428,174.50	\$ 83,397,895.11
Supranationals	\$ 6,856,183.40	\$ 6,463,622.45
Joint Powers Authority Pools	\$ -	\$ -
Variable & Floating Rate Securities	\$ 28,783,020.33	\$ 27,848,996.64
	<u>\$ 495,159,355.25</u>	<u>\$ 473,932,218.18</u>

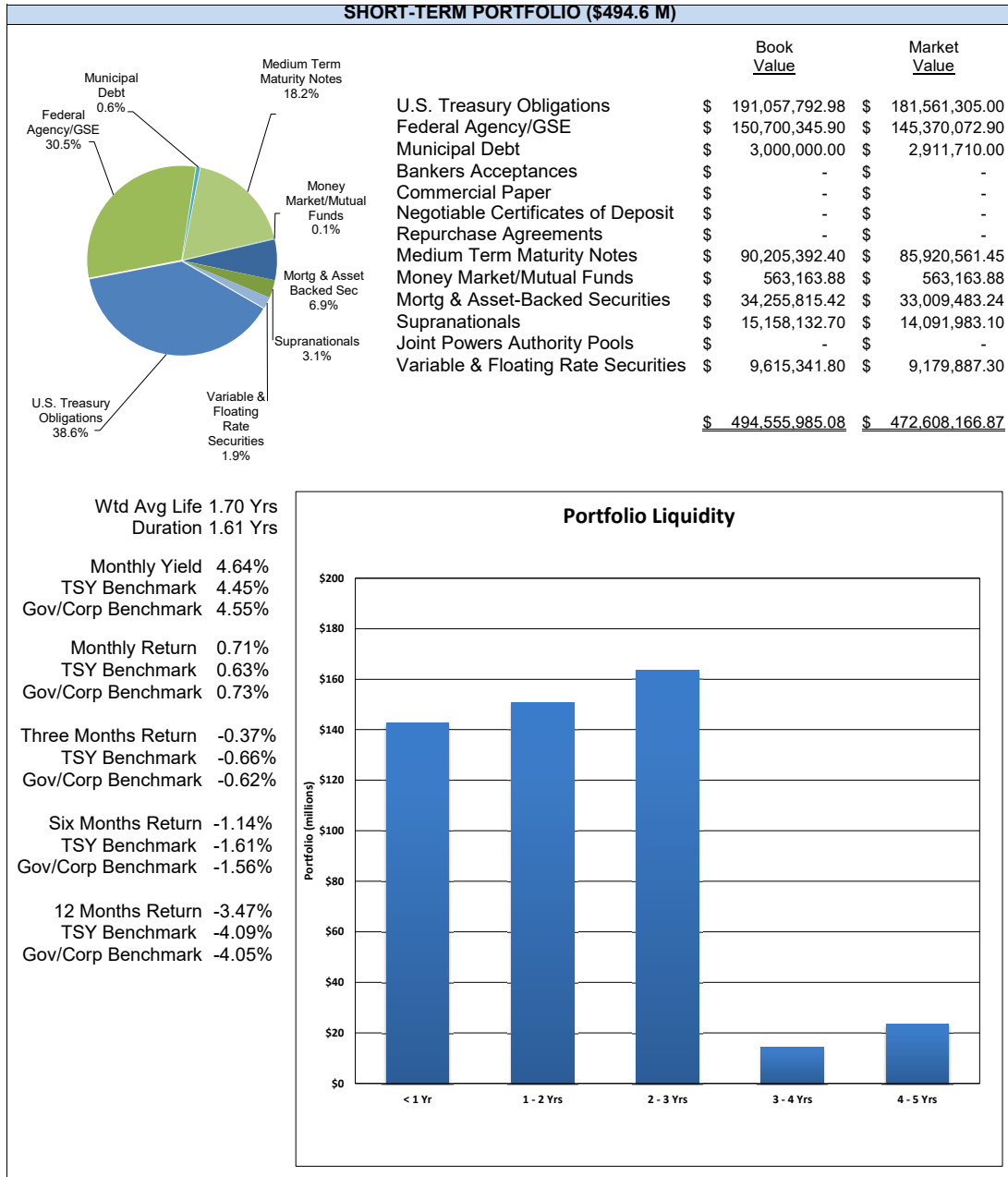
Wtd Avg Life	1.82 Yrs
Duration	1.68 Yrs
Monthly Yield	4.76%
TSY Benchmark	4.45%
Gov/Corp Benchmark	4.55%
Monthly Return	0.71%
TSY Benchmark	0.63%
Gov/Corp Benchmark	0.73%
Three Months Return	-0.52%
TSY Benchmark	-0.66%
Gov/Corp Benchmark	-0.62%
Six Months Return	-1.28%
TSY Benchmark	-1.61%
Gov/Corp Benchmark	-1.56%
12 Months Return	-3.63%
TSY Benchmark	-4.09%
Gov/Corp Benchmark	-4.05%



Investment Manager Diversification and Maturity Schedules

Chandler Asset Management

11/30/2022



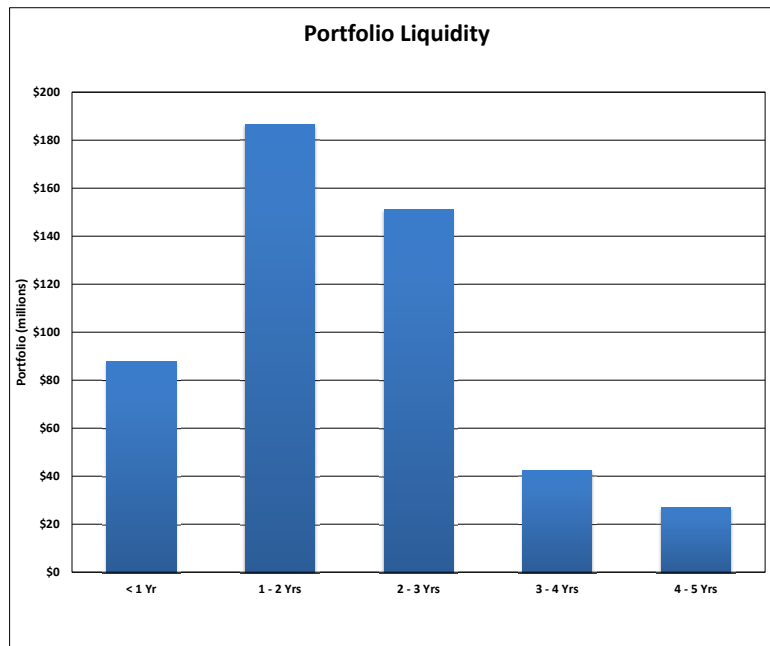
Investment Manager Diversification and Maturity Schedules

Payden & Rygel
11/30/2022

SHORT-TERM PORTFOLIO (\$495.0 M)



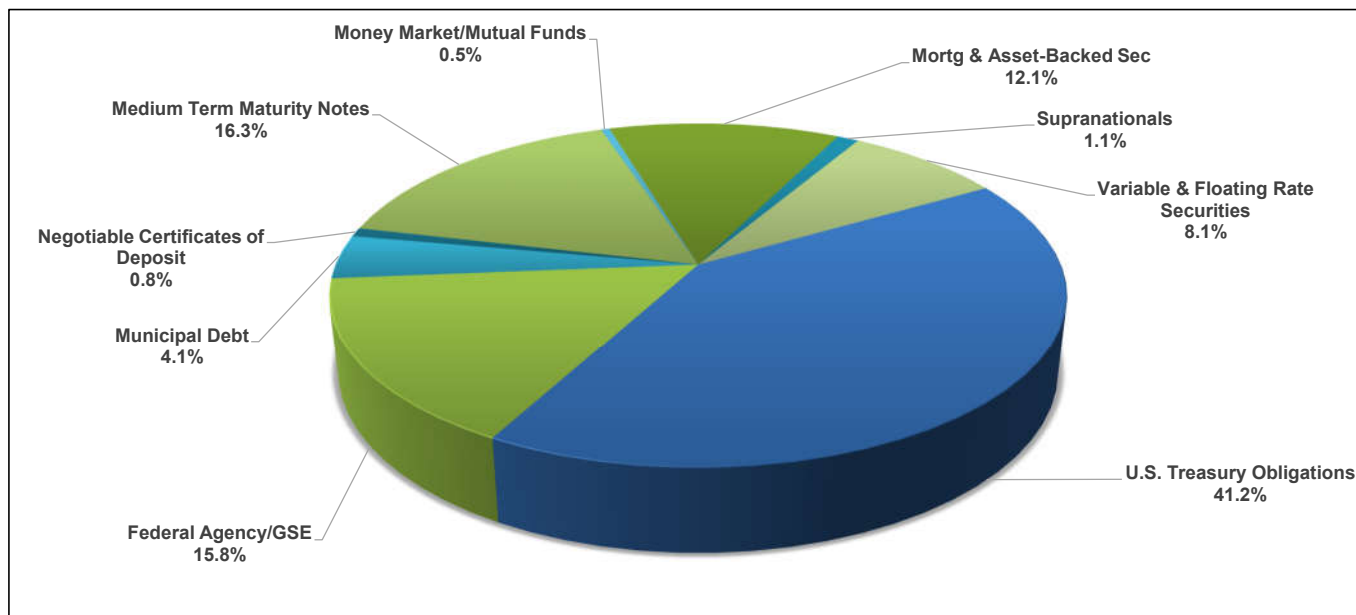
Wtd Avg Life	1.82 Yrs
Duration	1.60 Yrs
Monthly Yield	4.80%
TSY Benchmark	4.45%
Gov/Corp Benchmark	4.55%
Monthly Return	0.72%
TSY Benchmark	0.63%
Gov/Corp Benchmark	0.73%
Three Months Return	-0.30%
TSY Benchmark	-0.66%
Gov/Corp Benchmark	-0.62%
Six Months Return	-0.95%
TSY Benchmark	-1.61%
Gov/Corp Benchmark	-1.56%
12 Months Return	-2.67%
TSY Benchmark	-4.09%
Gov/Corp Benchmark	-4.05%



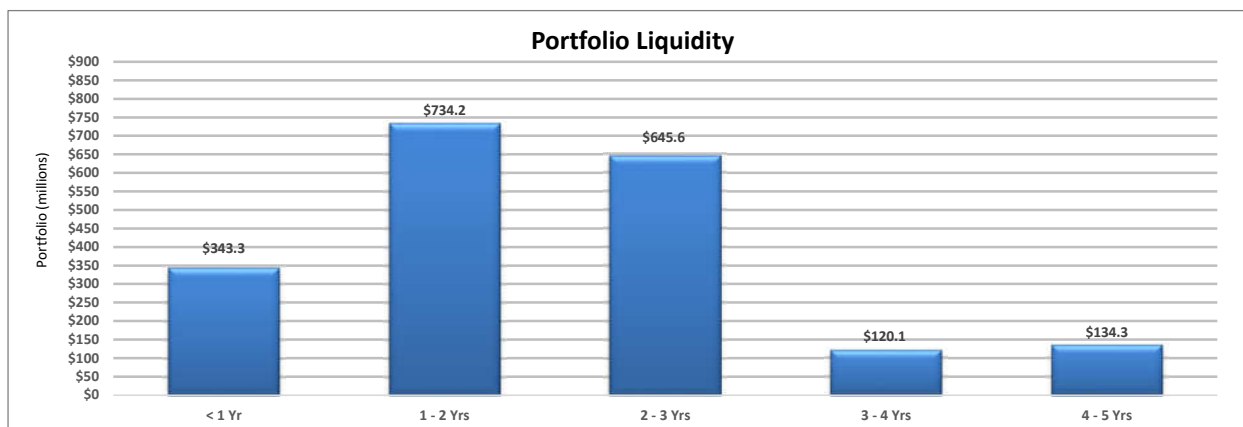
Short-Term Portfolio

11/30/2022

Portfolio Composition



Portfolio Liquidity



Rating Downgrades & Negative Credit Watch

11/30/2022

<u>Investment Manager / Security</u>	<u>Par Amount</u>	<u>Maturity</u>	<u>S&P</u>	<u>Moody's</u>	<u>Fitch Ratings</u>
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Rating Downgrades:

PFM

Credit Suisse AG/New York Branch

\$ 3,100,000

3/17/2023

A-

A3

BBB+

On November 1, 2022, S&P and Moody's downgraded Credit Suisse AG one notch each, to "A-" from "A", and to "A3" from "A2", respectively, due to the potential execution risk to the bank's strategic plan given its breadth and complexity in a challenging market environment. Moody's maintained its negative outlook, while S&P moved the outlook to stable from negative. The security complies with the requirements of the Investment Policy, and the investment manager maintains a recommendation to hold the position until maturity.

Negative Credit Watch:

N/A

DEBT PROGRAM

(M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, 2021 TIFIA Loan (I-405), 2021 Bond Anticipation Notes (BANs))

Outstanding Debt¹

As of 11/30/22

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 2023:		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 Bond

Issued:	\$	376,690,000
Outstanding:		360,170,000
Debt Service FY 2023:		37,613,650
All in True Interest Cost:		3.14%
Pledged Revenue Source:	M2 Sales Tax Revenues	
Ratings (Fitch/ S&P):	AA+/AA+	
Final Maturity:		2041

Sub-Total M2 Outstanding Debt	\$	610,170,000
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91 Express Lanes

2013 OCTA 91 Express Lanes Refunding Bonds

Issued:	\$	124,415,000
Outstanding:		71,420,000
Debt Service FY 2023:		10,794,700
All in True Interest Cost:		3.83%
Pledged Revenue Source:	91 Toll Road Revenues	
Ratings (Fitch/ Moody's/ S&P):	A+/A1/AA-	
Final Maturity:		2030

Sub-Total 91 Express Lanes Outstanding Debt	\$	71,420,000
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405 Express Lanes

2021 Bond Anticipation Notes

Issued:	\$	662,820,000
Outstanding:		662,820,000
Debt Service FY 2023:		32,141,000
All in True Interest Cost:		0.34%
Pledged Revenue Source:	Collateral ²	
Ratings (Moody's/ S&P):	Aa3/AA	
Final Maturity:		2024

2021 TIFIA Loan

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

Sub-Total 405 Express Lanes Outstanding Debt	\$	662,820,000
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TOTAL OUTSTANDING DEBT:	\$	1,344,410,000
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1. Comprised of OCTA's debt obligations (M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, 2021 TIFIA Loan (I-405), and 2021 BANs) currently outstanding and irrespective of OCTA's investment program.

2. Comprised of (a) proceeds from draws under the TIFIA Loan Agreement; (b) any legally available funds of OCTA except (i) LTF Revenue, (ii) federal grant funds, (iii) any revenues and assets with respect to the SR 91 Express Lanes, and (iv) any revenues received from operation of the freeway callbox system in Orange County and the freeway service patrol; (c) proceeds from the purchase and sale of OCTA bonds by OCTLA under and pursuant to the Standby Bond Purchase Agreement; and (d) all amounts held by the Trustee in the funds and accounts established under the indenture, including investment earnings thereon, excluding amounts deposited to the Rebate Fund

**Orange County Transportation Authority
Portfolio Listing
As of November 30, 2022**

ATTACHMENT B

LIQUID PORTFOLIO				
DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
<u>CASH EQUIVALENTS</u>				
BANK DEPOSITS	N/A	10,331,417.00	10,331,417.00	
REPURCHASE AGREEMENT	N/A	10,934,195.66	10,934,195.66	0.25%
MONEY MARKET DEMAND ACCOUNT	N/A	128,168,674.72	128,168,674.72	2.65%
FIDELITY TREASURY OBLIGATIONS FUND	N/A	173,050,915.13	173,050,915.13	3.58%
FEDERATED TREASURY OBLIGATIONS FUND	N/A	30,888,034.60	30,888,034.60	3.62%
SUB-TOTAL		353,373,237.11	353,373,237.11	
<u>LOCAL AGENCY INVESTMENT FUND (LAIF)</u>				
	N/A	21,259,868.88	21,259,868.88	2.01%
<u>ORANGE COUNTY INVESTMENT POOL (OCIP)</u>				
	N/A	34,904,484.96	34,904,484.96	1.85%
LIQUID PORTFOLIO - TOTAL		\$ 409,537,590.95	\$ 409,537,590.95	
SHORT-TERM PORTFOLIO				
DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
<u>Money Market Funds</u>				
FIRST AMER-GVT OBLG Z	11/30/2022	896,599.12	896,599.12	3.63
FIRST AMER-GVT OBLG Z	11/30/2022	2,849,301.95	2,849,301.95	3.63
FIRST AMER-GVT OBLG Z	11/30/2022	2,863,339.62	2,863,339.62	3.63
FIRST AMER-GVT OBLG Z	11/30/2022	167,189.77	167,189.77	3.63
FIRST AMER-GVT OBLG Z	11/30/2022	349,305.41	349,305.41	3.63
FIRST AMER-GVT OBLG Z	11/30/2022	395,974.11	395,974.11	3.63
FIRST AMER-GVT OBLG Z	11/30/2022	621,485.35	621,485.35	3.63
FIRST AMER-GVT OBLG Z	11/30/2022	867,923.82	867,923.82	3.63
SUB-TOTAL		9,011,119.15	9,011,119.15	
<u>NEGOTIABLE CERTIFICATES OF DEPOSIT</u>				
Credit Agricole Corporate And Investment Bank, New	8/16/2024	2,650,000.00	2,583,617.50	5.64
Credit Agricole Corporate And Investment Bank, New	8/16/2024	900,000.00	877,455.00	5.64
Credit Suisse AG, New York Branch	3/17/2023	2,160,000.00	2,131,207.20	5.12
Credit Suisse AG, New York Branch	3/17/2023	940,000.00	927,469.80	5.12
Nordea ABP - New York Branch	11/3/2025	3,525,000.00	3,584,607.75	4.91
Nordea ABP - New York Branch	11/3/2025	1,225,000.00	1,245,714.75	4.91
Toronto-Dominion Bank - New York Branch	10/27/2025	3,500,000.00	3,564,855.00	4.85
Toronto-Dominion Bank - New York Branch	10/27/2025	1,225,000.00	1,247,699.25	4.85
SUB-TOTAL		16,125,000.00	16,162,626.25	
<u>U.S. TREASURY OBLIGATIONS</u>				
UNITED STATES TREASURY	4/30/2025	697,839.84	678,265.00	4.24
UNITED STATES TREASURY	4/30/2025	1,743,779.30	1,695,662.50	4.24
UNITED STATES TREASURY	9/30/2025	2,513,183.59	2,426,650.00	4.11
UNITED STATES TREASURY	9/30/2025	7,002,734.38	6,794,620.00	4.11
UNITED STATES TREASURY	10/31/2025	8,032,812.50	7,760,320.00	4.10
UNITED STATES TREASURY	11/15/2025	6,818,164.06	6,643,980.00	4.09
UNITED STATES TREASURY	11/15/2025	7,750,937.50	7,593,120.00	4.09
UNITED STATES TREASURY	5/31/2023	7,787,187.50	7,884,720.00	1.65
UNITED STATES TREASURY	10/31/2023	8,007,187.50	7,778,720.00	4.74
UNITED STATES TREASURY	4/30/2024	3,103,259.38	2,854,091.20	4.64
UNITED STATES TREASURY	4/30/2024	1,352,433.98	1,243,843.80	4.64
UNITED STATES TREASURY	5/15/2025	9,793,359.38	9,504,687.50	4.27
UNITED STATES TREASURY	5/15/2025	7,114,933.59	6,938,421.88	4.27
UNITED STATES TREASURY	5/15/2025	4,842,382.81	4,757,400.00	4.22
UNITED STATES TREASURY	10/31/2024	3,611,739.65	3,301,758.70	4.39
UNITED STATES TREASURY	10/31/2024	1,570,096.29	1,435,341.30	4.39
UNITED STATES TREASURY	10/31/2024	7,758,691.41	7,105,650.00	4.39
UNITED STATES TREASURY	11/30/2024	1,519,250.78	1,385,230.75	4.37
UNITED STATES TREASURY	11/30/2024	2,577,022.66	2,349,691.75	4.37
UNITED STATES TREASURY	11/30/2024	4,402,568.36	4,018,587.50	4.37
UNITED STATES TREASURY	12/31/2024	948,283.98	864,035.90	4.31
UNITED STATES TREASURY	12/31/2024	6,095,705.27	5,568,758.85	4.31
UNITED STATES TREASURY	12/31/2024	1,252,682.23	1,142,867.19	4.36
UNITED STATES TREASURY	12/31/2024	6,738,417.97	6,171,685.00	4.31
UNITED STATES TREASURY	12/31/2024	5,909,964.84	5,412,093.00	4.31
UNITED STATES TREASURY	12/31/2024	1,244,203.13	1,138,125.00	4.36
UNITED STATES TREASURY	12/31/2024	2,896,906.25	2,658,572.00	4.31
UNITED STATES TREASURY	1/31/2025	8,313,750.00	7,523,120.00	4.28
UNITED STATES TREASURY	3/31/2025	1,989,687.50	1,837,580.00	4.19
UNITED STATES TREASURY	3/31/2025	4,433,906.25	4,134,555.00	4.19
UNITED STATES TREASURY	3/31/2025	7,862,500.00	7,350,320.00	4.19
UNITED STATES TREASURY	3/31/2025	10,137,753.91	9,864,804.69	4.25
UNITED STATES TREASURY	3/31/2025	2,587,376.95	2,618,551.50	4.19
UNITED STATES TREASURY	4/30/2025	7,440,527.34	6,846,675.00	4.20
UNITED STATES TREASURY	5/31/2025	7,357,324.22	6,805,050.00	4.19
UNITED STATES TREASURY	6/30/2025	6,811,054.69	6,345,360.00	4.10
UNITED STATES TREASURY	7/31/2025	7,729,375.00	7,224,400.00	4.12
UNITED STATES TREASURY	7/31/2025	6,979,687.50	6,772,875.00	4.12
UNITED STATES TREASURY	9/30/2025	7,049,375.00	7,197,840.00	4.03
UNITED STATES TREASURY	10/15/2023	49,904.30	48,023.50	4.80
UNITED STATES TREASURY	10/15/2023	1,855,350.00	1,786,181.25	4.82
UNITED STATES TREASURY	10/15/2023	2,070,298.83	1,992,648.44	4.82
UNITED STATES TREASURY	10/15/2023	3,142,863.28	3,024,984.38	4.82
UNITED STATES TREASURY	10/15/2023	3,142,248.05	3,024,984.38	4.82
UNITED STATES TREASURY	10/15/2023	5,685,972.66	5,473,781.25	4.82
UNITED STATES TREASURY	11/15/2023	2,872,130.08	2,749,603.50	4.78
UNITED STATES TREASURY	11/15/2023	540,400.78	517,347.00	4.78
UNITED STATES TREASURY	12/15/2023	658,504.69	629,244.00	4.77
UNITED STATES TREASURY	12/15/2023	2,418,842.77	2,311,995.00	4.77
UNITED STATES TREASURY	12/15/2023	1,336,964.06	1,277,556.00	4.77
UNITED STATES TREASURY	12/15/2023	7,978,437.50	7,627,200.00	4.77
UNITED STATES TREASURY	12/15/2023	6,600,433.99	6,359,178.00	4.77
UNITED STATES TREASURY	12/15/2023	9,877,343.75	9,534,375.00	4.76
UNITED STATES TREASURY	12/15/2023	9,840,435.94	9,514,932.00	4.77
UNITED STATES TREASURY	12/15/2023	4,923,437.50	4,767,187.50	4.76
UNITED STATES TREASURY	2/15/2024	1,533,322.66	1,458,795.80	4.66
UNITED STATES TREASURY	2/15/2024	1,030,512.30	980,424.45	4.66
UNITED STATES TREASURY	2/28/2026	6,025,181.84	6,147,272.25	4.05
UNITED STATES TREASURY	3/15/2024	3,111,103.12	2,950,240.80	4.64
UNITED STATES TREASURY	3/15/2024	2,547,714.26	2,415,982.45	4.64
UNITED STATES TREASURY	3/15/2024	2,744,306.64	2,600,372.50	4.64
UNITED STATES TREASURY	4/15/2024	8,013,437.50	7,550,960.00	4.64
UNITED STATES TREASURY	4/15/2024	2,091,551.17	1,972,688.30	4.64
UNITED STATES TREASURY	4/15/2024	910,675.39	858,921.70	4.64
UNITED STATES TREASURY	4/15/2024	9,864,843.75	9,438,700.00	4.64
UNITED STATES TREASURY	4/15/2024	21,702,656.25	20,752,187.50	4.69
UNITED STATES TREASURY	4/15/2024	4,544,199.61	4,346,521.35	4.64
UNITED STATES TREASURY	4/15/2024	1,564,073.05	1,495,100.78	4.69
UNITED STATES TREASURY	4/15/2024	4,925,781.25	4,716,406.25	4.69
UNITED STATES TREASURY	4/15/2024	3,600,851.56	3,492,319.00	4.64
UNITED STATES TREASURY	4/30/2023	5,243,377.72	5,147,285.65	0.13
UNITED STATES TREASURY	4/30/2023	1,049,675.23	1,030,438.50	0.13
UNITED STATES TREASURY	5/15/2024	3,988,281.25	3,756,720.00	4.61
UNITED STATES TREASURY	5/15/2024	15,818,797.12	14,881,307.10	4.61

DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
UNITED STATES TREASURY	5/15/2024	2,361,089.00	2,221,160.70	4.61
UNITED STATES TREASURY	5/15/2024	11,705,610.37	11,011,885.50	4.61
UNITED STATES TREASURY	5/15/2024	4,144,488.28	3,897,597.00	4.61
UNITED STATES TREASURY	5/15/2024	306,787.50	300,537.60	4.61
UNITED STATES TREASURY	5/31/2023	905,804.69	899,806.00	0.13
UNITED STATES TREASURY	5/31/2023	393,828.13	391,220.00	0.13
UNITED STATES TREASURY	6/15/2024	10,975,937.50	10,298,750.00	4.58
UNITED STATES TREASURY	6/15/2024	942,489.84	884,756.25	4.58
UNITED STATES TREASURY	6/15/2024	403,924.22	379,181.25	4.58
UNITED STATES TREASURY	6/15/2024	4,470,820.31	4,213,125.00	4.58
UNITED STATES TREASURY	6/15/2024	1,987,031.25	1,872,500.00	4.58
UNITED STATES TREASURY	6/15/2024	5,973,750.00	5,617,500.00	4.58
UNITED STATES TREASURY	6/15/2024	1,991,250.00	1,872,500.00	4.58
UNITED STATES TREASURY	6/15/2024	7,485,058.59	7,021,875.00	4.58
UNITED STATES TREASURY	6/15/2024	11,647,898.44	10,954,125.00	4.58
UNITED STATES TREASURY	6/15/2024	4,181,132.81	3,928,968.75	4.64
UNITED STATES TREASURY	6/15/2024	4,572,867.19	4,306,750.00	4.58
UNITED STATES TREASURY	6/15/2024	274,870.31	262,150.00	4.58
UNITED STATES TREASURY	6/15/2024	3,995,436.33	3,807,357.81	4.64
UNITED STATES TREASURY	6/15/2024	9,962,285.15	9,822,421.88	4.64
UNITED STATES TREASURY	6/15/2024	3,600,351.56	3,554,781.25	4.64
UNITED STATES TREASURY	7/15/2024	99,812.50	93,594.00	4.51
UNITED STATES TREASURY	7/15/2024	1,197,750.00	1,123,128.00	4.51
UNITED STATES TREASURY	7/15/2024	2,744,843.75	2,573,835.00	4.51
UNITED STATES TREASURY	7/15/2024	7,502,050.78	7,019,550.00	4.51
UNITED STATES TREASURY	7/15/2024	5,506,015.63	5,147,670.00	4.51
UNITED STATES TREASURY	7/15/2024	1,544,818.95	1,446,027.30	4.51
UNITED STATES TREASURY	7/15/2024	9,996,875.00	9,359,400.00	4.51
UNITED STATES TREASURY	7/15/2024	2,402,625.00	2,246,256.00	4.51
UNITED STATES TREASURY	7/15/2024	674,920.90	631,759.50	4.51
UNITED STATES TREASURY	7/15/2024	1,597,062.50	1,497,504.00	4.51
UNITED STATES TREASURY	7/15/2024	748,623.05	701,955.00	4.51
UNITED STATES TREASURY	7/31/2023	334,424.22	324,909.80	0.13
UNITED STATES TREASURY	8/15/2024	3,095,035.16	2,891,959.00	4.50
UNITED STATES TREASURY	8/15/2024	1,497,246.09	1,399,335.00	4.50
UNITED STATES TREASURY	8/15/2024	998,164.06	932,890.00	4.50
UNITED STATES TREASURY	8/15/2024	6,143,273.44	5,737,273.50	4.50
UNITED STATES TREASURY	8/15/2024	2,497,265.63	2,332,225.00	4.50
UNITED STATES TREASURY	8/15/2024	7,914,375.00	7,463,120.00	4.50
UNITED STATES TREASURY	8/31/2023	5,014,007.81	4,854,602.25	4.79
UNITED STATES TREASURY	8/31/2023	4,358,904.30	4,221,813.30	4.79
UNITED STATES TREASURY	8/31/2023	2,216,032.42	2,144,719.80	4.79
UNITED STATES TREASURY	9/15/2024	7,484,472.66	6,980,550.00	4.44
UNITED STATES TREASURY	9/15/2024	2,988,164.06	2,792,220.00	4.44
UNITED STATES TREASURY	9/15/2024	1,245,068.36	1,163,425.00	4.44
UNITED STATES TREASURY	9/15/2024	745,927.73	698,055.00	4.44
UNITED STATES TREASURY	9/30/2023	824,258.79	794,904.00	4.77
UNITED STATES TREASURY	10/15/2024	1,248,974.61	1,165,962.50	4.40
UNITED STATES TREASURY	10/15/2024	3,059,865.23	2,868,267.75	4.40
UNITED STATES TREASURY	10/15/2024	1,243,847.66	1,165,962.50	4.40
UNITED STATES TREASURY	10/31/2023	5,529,406.88	5,315,698.80	4.78
UNITED STATES TREASURY	10/31/2023	7,530,830.08	7,254,795.00	4.78
UNITED STATES TREASURY	10/31/2023	6,786,817.19	6,524,511.00	4.78
UNITED STATES TREASURY	11/15/2024	4,987,500.00	4,661,550.00	4.39
UNITED STATES TREASURY	11/15/2024	8,004,375.00	7,458,480.00	4.39
UNITED STATES TREASURY	11/15/2024	3,359,311.52	3,146,546.25	4.39
UNITED STATES TREASURY	11/15/2024	1,269,073.24	1,188,695.25	4.39
UNITED STATES TREASURY	11/30/2023	688,517.58	661,509.90	4.78
UNITED STATES TREASURY	11/30/2023	619,152.34	594,400.20	4.78
UNITED STATES TREASURY	11/30/2023	3,429,921.88	3,297,962.40	4.78
UNITED STATES TREASURY	11/30/2023	1,994,375.00	1,917,420.00	4.78
UNITED STATES TREASURY	11/30/2023	7,376,296.88	7,094,454.00	4.78
UNITED STATES TREASURY	11/30/2023	14,939,062.50	14,380,650.00	4.78
UNITED STATES TREASURY	12/15/2024	8,000,000.00	7,483,440.00	4.34
UNITED STATES TREASURY	12/15/2024	2,004,531.25	1,870,860.00	4.34
UNITED STATES TREASURY	12/15/2024	1,750,683.59	1,637,002.50	4.34
UNITED STATES TREASURY	12/15/2024	3,597,328.13	3,367,548.00	4.34
UNITED STATES TREASURY	12/15/2024	1,249,072.27	1,169,287.50	4.34
UNITED STATES TREASURY	12/31/2023	10,001,171.87	9,584,800.00	4.72
UNITED STATES TREASURY	12/31/2023	500,058.59	479,240.00	4.72
UNITED STATES TREASURY	12/31/2023	1,000,117.19	958,480.00	4.72
UNITED STATES TREASURY	12/31/2023	2,874,829.11	2,755,630.00	4.72
UNITED STATES TREASURY	12/31/2023	1,240,581.25	1,188,515.20	4.72
UNITED STATES TREASURY	1/31/2024	2,693,803.52	2,594,391.40	4.67
UNITED STATES TREASURY	1/31/2024	10,187,925.00	9,814,649.68	4.67
UNITED STATES TREASURY	1/31/2024	10,188,918.75	9,815,607.02	4.67
UNITED STATES TREASURY	1/31/2024	10,653,993.75	10,263,642.14	4.67
UNITED STATES TREASURY	1/31/2024	4,377,189.89	4,213,253.34	4.67
UNITED STATES TREASURY	1/31/2024	1,089,859.38	1,053,074.00	4.67
UNITED STATES TREASURY	1/31/2024	4,981,746.09	4,834,567.00	4.67
UNITED STATES TREASURY	1/31/2024	340,337.11	330,282.30	4.67
UNITED STATES TREASURY	1/31/2024	286,307.03	277,628.60	4.67
UNITED STATES TREASURY	1/31/2024	128,344.53	124,454.20	4.67
UNITED STATES TREASURY	2/15/2025	3,467,187.50	3,294,095.00	4.32
UNITED STATES TREASURY	2/15/2025	1,334,222.50	1,266,814.82	4.32
UNITED STATES TREASURY	2/15/2025	1,882,187.50	1,788,223.00	4.32
UNITED STATES TREASURY	2/15/2025	831,754.69	804,700.35	4.32
UNITED STATES TREASURY	2/29/2024	2,586,661.33	2,492,279.30	4.64
UNITED STATES TREASURY	2/29/2024	619,346.10	596,607.40	4.64
UNITED STATES TREASURY	2/29/2024	3,619,498.23	3,507,474.15	4.64
UNITED STATES TREASURY	3/15/2025	460,122.66	444,610.60	4.25
UNITED STATES TREASURY	3/15/2025	607,309.38	586,507.60	4.25
UNITED STATES TREASURY	3/31/2027	6,686,992.19	6,846,465.00	3.91
UNITED STATES TREASURY	4/15/2025	1,662,830.08	1,613,896.00	4.26
UNITED STATES TREASURY	4/15/2025	2,069,851.18	2,008,939.20	4.26
UNITED STATES TREASURY	5/15/2025	9,813,236.72	9,448,360.20	4.22
UNITED STATES TREASURY	5/15/2025	2,056,966.80	1,980,484.50	4.22
UNITED STATES TREASURY	5/15/2025	1,210,803.52	1,168,968.90	4.22
UNITED STATES TREASURY	5/15/2025	435,288.87	420,249.15	4.22
UNITED STATES TREASURY	5/15/2025	7,349,303.71	7,095,931.05	4.22
UNITED STATES TREASURY	5/15/2025	7,227,910.16	7,004,152.50	4.22
UNITED STATES TREASURY	5/15/2025	1,246,191.41	1,207,612.50	4.22
UNITED STATES TREASURY	5/15/2025	3,536,669.53	3,434,449.95	4.22
UNITED STATES TREASURY	6/15/2025	3,421,960.94	3,323,875.80	4.17
UNITED STATES TREASURY	6/15/2025	846,878.91	823,701.00	4.17
UNITED STATES TREASURY	6/15/2025	5,494,318.75	5,344,365.90	4.17
UNITED STATES TREASURY	6/15/2025	393,518.75	382,778.70	4.17
UNITED STATES TREASURY	6/15/2025	3,545,423.83	3,440,163.00	4.17
UNITED STATES TREASURY	6/15/2025	1,248,388.67	1,211,325.00	4.17
UNITED STATES TREASURY	6/30/2027	4,753,792.97	4,577,706.00	3.87

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
UNITED STATES TREASURY	6/30/2027	5,390,644.53	5,356,890.00	3.87
UNITED STATES TREASURY	6/30/2027	4,354,628.91	4,382,910.00	3.87
UNITED STATES TREASURY	7/15/2025	2,994,960.94	2,913,270.00	4.17
UNITED STATES TREASURY	7/15/2025	998,320.31	971,090.00	4.17
UNITED STATES TREASURY	7/31/2027	4,592,712.50	4,392,454.10	3.86
UNITED STATES TREASURY	7/31/2027	1,275,200.00	1,219,596.80	3.86
UNITED STATES TREASURY	8/15/2025	7,843,882.58	7,719,742.50	4.14
UNITED STATES TREASURY	8/15/2025	1,247,104.69	1,227,366.00	4.14
UNITED STATES TREASURY	8/15/2025	4,447,792.97	4,363,450.00	4.14
UNITED STATES TREASURY	8/15/2025	1,532,017.58	1,509,855.00	4.14
UNITED STATES TREASURY	9/15/2025	261,109.69	258,768.33	4.11
UNITED STATES TREASURY	10/15/2025	4,668,300.00	4,697,175.60	4.11
UNITED STATES TREASURY	11/15/2025	9,613,712.50	9,661,482.50	4.09
SUB-TOTAL		815,579,825.53	779,673,530.84	
FEDERAL AGENCY/GSE				
FEDERAL HOME LOAN BANKS	9/8/2023	4,135,800.00	3,928,000.00	4.77
FEDERAL HOME LOAN BANKS	9/8/2023	4,104,600.00	3,928,000.00	4.77
FEDERAL HOME LOAN BANKS	12/8/2023	6,686,160.00	6,335,875.00	4.81
FEDERAL HOME LOAN BANKS	3/8/2024	5,201,750.00	4,824,950.00	4.74
FEDERAL HOME LOAN BANKS	2/12/2026	2,897,970.00	2,572,996.00	4.42
FEDERAL HOME LOAN BANKS	2/12/2026	1,249,125.00	1,109,050.00	4.42
FEDERAL HOME LOAN BANKS	12/20/2024	1,648,927.50	1,535,193.00	4.59
FEDERAL HOME LOAN BANKS	12/20/2024	5,994,720.00	5,582,520.00	4.59
FEDERAL HOME LOAN BANKS	2/28/2025	4,095,000.00	3,883,288.50	4.65
FEDERAL HOME LOAN BANKS	2/28/2025	850,000.00	808,130.70	4.53
FEDERAL HOME LOAN BANKS	7/8/2024	4,720,823.80	4,613,973.10	4.60
FEDERAL HOME LOAN BANKS	7/8/2024	1,706,682.60	1,668,053.70	4.60
FEDERAL HOME LOAN BANKS	11/1/2024	1,820,000.00	1,821,055.60	5.24
FEDERAL HOME LOAN BANKS	11/1/2024	660,000.00	660,382.80	5.24
FEDERAL HOME LOAN BANKS	10/3/2024	3,675,988.80	3,680,036.80	4.50
FEDERAL HOME LOAN BANKS	10/3/2024	179,803.80	180,001.80	4.50
FEDERAL HOME LOAN BANKS	10/3/2024	739,193.40	740,007.40	4.50
FEDERAL HOME LOAN BANKS	10/3/2024	619,324.20	620,006.20	4.50
FEDERAL HOME LOAN BANKS	10/3/2024	229,749.30	230,002.30	4.50
FEDERAL HOME LOAN BANKS	10/3/2024	259,716.60	260,002.60	4.50
FEDERAL HOME LOAN BANKS	10/3/2024	69,923.70	70,000.70	4.50
FEDERAL HOME LOAN BANKS	10/3/2024	1,318,561.20	1,320,013.20	4.50
FEDERAL HOME LOAN BANKS	6/9/2023	3,977,720.00	3,949,040.00	4.61
FEDERAL HOME LOAN BANKS	6/9/2023	4,029,880.00	3,949,040.00	4.61
FEDERAL FARM CREDIT BANKS FUNDING CORP	7/17/2023	5,060,200.00	4,942,950.00	4.73
FEDERAL FARM CREDIT BANKS FUNDING CORP	6/26/2023	6,967,450.00	6,883,100.00	4.76
FEDERAL FARM CREDIT BANKS FUNDING CORP	2/1/2023	4,996,450.00	4,978,550.00	4.37
FEDERAL FARM CREDIT BANKS FUNDING CORP	8/14/2023	4,993,550.00	4,886,350.00	4.91
FEDERAL FARM CREDIT BANKS FUNDING CORP	8/14/2023	7,983,280.00	7,745,440.00	4.84
FEDERAL FARM CREDIT BANKS FUNDING CORP	2/21/2023	5,000,600.00	4,964,750.00	4.60
FEDERAL FARM CREDIT BANKS FUNDING CORP	10/2/2023	4,994,600.00	4,809,750.00	4.88
FEDERAL FARM CREDIT BANKS FUNDING CORP	2/25/2025	4,956,270.00	4,721,650.00	4.39
FEDERAL HOME LOAN MORTGAGE CORP	8/12/2025	4,095,490.00	3,706,076.10	4.41
FEDERAL HOME LOAN MORTGAGE CORP	9/30/2025	2,400,000.00	2,388,912.00	4.92
FEDERAL HOME LOAN MORTGAGE CORP	9/30/2025	860,000.00	856,026.80	4.92
FEDERAL HOME LOAN MORTGAGE CORP	12/30/2024	2,685,000.00	2,641,304.31	4.83
FEDERAL HOME LOAN MORTGAGE CORP	11/25/2024	1,570,000.00	1,445,546.10	4.68
FEDERAL HOME LOAN MORTGAGE CORP	11/25/2024	680,000.00	626,096.40	4.68
FEDERAL HOME LOAN MORTGAGE CORP	7/21/2025	4,785,000.00	4,693,697.42	4.83
FEDERAL HOME LOAN MORTGAGE CORP	8/28/2025	2,250,000.00	2,210,400.00	4.74
FEDERAL HOME LOAN MORTGAGE CORP	8/28/2025	810,000.00	795,744.00	4.74
FEDERAL HOME LOAN MORTGAGE CORP	8/28/2025	2,250,000.00	2,208,127.50	4.93
FEDERAL HOME LOAN MORTGAGE CORP	8/28/2025	810,000.00	794,925.90	4.93
FEDERAL HOME LOAN MORTGAGE CORP	2/28/2025	2,230,000.00	2,200,787.00	4.62
FEDERAL HOME LOAN MORTGAGE CORP	2/28/2025	800,000.00	789,520.00	4.62
FEDERAL NATIONAL MORTGAGE ASSOCIATION	5/22/2023	6,111,548.70	6,002,066.90	4.72
FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/10/2023	758,366.00	739,639.60	4.75
FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/10/2023	3,203,098.50	3,124,004.10	4.75
FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/10/2023	5,000,300.00	4,866,050.00	4.75
FEDERAL NATIONAL MORTGAGE ASSOCIATION	8/25/2025	7,771,280.00	7,221,760.00	4.17
FEDERAL NATIONAL MORTGAGE ASSOCIATION	11/27/2023	1,797,948.00	1,719,882.00	4.90
FEDERAL NATIONAL MORTGAGE ASSOCIATION	10/27/2023	6,098,475.00	5,856,585.60	4.84
FEDERAL HOME LOAN MORTGAGE CORP	6/26/2023	7,463,143.80	7,300,869.00	4.66
FEDERAL HOME LOAN MORTGAGE CORP	8/24/2023	2,787,154.20	2,698,432.20	4.86
FEDERAL HOME LOAN MORTGAGE CORP	8/24/2023	8,001,840.00	7,737,440.00	4.86
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	850,118.70	627,523.00	4.87
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	7,000,060.82	6,757,940.00	4.87
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	2,724,100.75	2,630,769.50	4.87
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	5,098,317.00	4,923,642.00	4.87
FEDERAL HOME LOAN MORTGAGE CORP	9/8/2023	3,001,860.00	2,896,260.00	4.87
FEDERAL HOME LOAN MORTGAGE CORP	10/16/2023	1,549,199.85	1,492,535.65	4.85
FEDERAL HOME LOAN MORTGAGE CORP	10/16/2023	6,376,128.00	6,142,912.00	4.85
FEDERAL HOME LOAN MORTGAGE CORP	10/16/2023	1,539,237.15	1,482,937.35	4.85
FEDERAL HOME LOAN MORTGAGE CORP	10/16/2023	1,991,720.00	1,919,660.00	4.85
FEDERAL HOME LOAN MORTGAGE CORP	11/6/2023	5,709,856.50	5,473,998.45	4.93
FEDERAL HOME LOAN MORTGAGE CORP	11/6/2023	4,705,761.00	4,511,379.30	4.93
FEDERAL HOME LOAN MORTGAGE CORP	11/6/2023	2,482,763.50	2,380,207.55	4.93
FEDERAL HOME LOAN MORTGAGE CORP	12/4/2023	4,820,223.25	4,607,296.00	4.88
FEDERAL HOME LOAN MORTGAGE CORP	12/4/2023	5,959,094.65	5,695,859.20	4.88
FH G12952	12/1/2022	55.73	53.66	6.33
FNR 2011-74 UY	3/25/2026	624,172.71	604,234.57	5.56
FNA 2013-M7 A2	12/25/2022	16,582.05	16,317.20	4.23
FNA 2013-M7 A2	12/25/2022	40,418.74	39,773.18	4.23
FNA 2016-M03 A2	2/25/2026	794,714.86	795,913.11	5.21
FNA 2016-M03 A2	2/25/2026	1,986,787.13	1,989,782.78	5.21
FNA 2016-M03 A2	2/25/2026	2,211,417.80	2,129,067.57	5.21
FHR 3778 L	12/15/2025	286,133.79	277,782.64	0.00
FHR 3806 L	2/15/2026	167,332.05	154,999.73	5.22
FHR 3806 L	2/15/2026	22,317.91	21,085.66	5.22

DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
FHR 3806 L	2/15/2026	1,167,439.42	1,129,999.77	5.22
FHMS K-SMC A2	1/25/2023	1,175,160.15	1,174,430.40	4.45
FHMS K-SMC A2	1/25/2023	308,728.52	308,536.80	4.45
FHMS K-SMC A2	1/25/2023	2,030,198.44	2,030,371.20	4.45
FHMS K-SMC A2	1/25/2023	410,500.00	398,112.00	4.45
FHR 4285 BA	12/15/2023	182,150.24	174,694.56	5.34
FHMS K-040 A2	9/25/2024	883,125.00	874,719.00	4.88
FHMS K-040 A2	9/25/2024	2,453,125.00	2,429,775.00	4.88
FHMS K-040 A2	9/25/2024	1,446,975.00	1,399,550.40	4.88
FHMS K-041 A1	8/25/2024	352,924.69	334,944.60	4.74
FHMS K-045 A2	1/25/2025	1,219,241.70	1,190,303.84	4.76
FHMS K-045 A2	1/25/2025	3,522,253.79	3,438,655.56	4.76
FHMS K-046 A1	1/25/2025	237,438.06	224,359.14	4.61
FHMS K-046 A2	3/25/2025	694,777.34	676,557.00	4.72
FHMS K-046 A2	3/25/2025	1,985,078.12	1,933,020.00	4.72
FHMS K-PLB A	5/25/2025	2,156,328.13	1,909,300.00	4.67
FHMS K-PLB A	5/25/2025	2,640,039.06	2,386,625.00	4.67
FHMS K-047 A1	12/25/2024	0.01	0.01	0.33
FHMS K-049 A2	7/25/2025	1,207,725.59	1,175,877.50	4.65
FHMS K-049 A2	7/25/2025	3,499,939.45	3,407,645.00	4.65
FHMS K-050 A1	1/25/2025	1,717,009.51	1,594,519.79	4.81
FHMS K-051 A2	9/25/2025	521,185.55	507,050.25	4.62
FHMS K-051 A2	9/25/2025	1,489,101.56	1,448,715.00	4.62
FHMS K-051 A2	9/25/2025	4,031,093.75	3,863,240.00	4.62
FHMS K-051 A2	9/25/2025	4,348,857.42	3,814,949.50	4.62
FHMS K-051 A2	9/25/2025	330,046.88	289,743.00	4.62
FHMS K-051 A2	9/25/2025	1,337,686.53	1,173,459.15	4.62
FHMS K-052 A2	11/25/2025	985,992.19	865,035.00	4.59
FHMS K-052 A2	11/25/2025	233,962.70	225,870.25	4.59
FHMS K-053 A2	12/25/2025	889,628.91	861,273.00	4.54
FHMS K-053 A2	12/25/2025	2,471,191.41	2,392,425.00	4.54
FHMS K-S07 A2	9/25/2025	489,921.88	475,580.00	4.56
FHMS K-062 A2	12/25/2026	492,457.66	472,450.02	4.42
FHMS K-S08 A2	3/25/2027	894,503.91	883,264.00	4.44
FHMS K-726 A2	4/25/2024	2,680,537.57	2,612,557.46	5.02
FHMS K-726 A2	4/25/2024	978,499.58	953,684.22	5.02
FHMS K-066 A2	6/25/2027	521,185.55	498,324.75	4.37
FHMS K-BX1 A1	9/25/2024	605,436.49	587,859.71	4.79
FHMS K-BX1 A2	1/25/2026	744,257.81	720,592.50	4.61
FHMS K-727 A2	7/25/2024	1,173,977.34	1,056,933.53	4.95
FHMS K-727 A2	7/25/2024	2,711,328.62	2,441,013.14	4.95
FHMS K-728 A2	8/25/2024	1,197,240.50	1,161,122.08	4.90
FHMS K-728 A2	8/25/2024	3,420,687.15	3,317,491.67	4.90
FHMS K-P05 A	7/25/2023	46,509.20	45,323.82	7.01
FHMS K-J30 A1	1/27/2025	72,746.62	70,780.39	4.83
FHMS K-J30 A1	1/27/2025	167,762.60	163,228.25	4.83
FN AM8730	7/1/2025	1,715,976.37	1,529,406.58	5.36
FN AN0429	1/1/2025	955,697.66	851,726.59	5.31
FN AN0992	2/1/2026	958,135.93	925,403.54	6.16
FNR 0338C MP	5/25/2023	16,342.01	15,674.18	5.50
FNR 0338C MP	5/25/2023	17,988.06	17,211.54	5.50
FNR 0333J LB	5/25/2023	9,076.82	8,725.75	5.90
FNR 0364L HQ	7/25/2023	16,471.07	15,870.77	5.72
FHR 2756 KA	2/15/2024	70,729.00	67,381.91	6.15
FN BL5365	2/1/2027	303,655.38	303,535.45	4.40
FN BM6007	5/1/2023	106,823.77	102,437.79	4.47
FEDERAL HOME LOAN MORTGAGE CORP	12/4/2023	2,097,921.00	2,005,248.00	4.88

SUB-TOTAL

309,195,611.69

297,334,566.79

MEDIUM TERM NOTES

ADOBE INC	2/1/2023	14,979.45	14,921.10	4.80
AMAZON.COM INC	6/3/2023	249,650.00	244,490.00	4.84
AMAZON.COM INC	5/12/2024	2,047,007.00	1,935,077.00	4.49
AMAZON.COM INC	5/12/2024	3,265,225.80	3,086,683.80	4.49
AMAZON.COM INC	5/12/2024	888,700.60	840,106.60	4.49
AMAZON.COM INC	4/13/2025	1,772,177.75	1,719,531.25	4.40
AMAZON.COM INC	4/13/2025	364,419.65	353,593.75	4.40
AMERICAN EXPRESS CO	7/30/2024	1,320,645.00	1,229,406.00	4.76
AMERICAN EXPRESS CO	7/30/2024	362,530.00	337,484.00	4.76
AMERICAN EXPRESS CO	7/30/2024	492,005.00	458,014.00	4.76
AMERICAN EXPRESS CO	7/30/2024	129,475.00	120,530.00	4.76
AMERICAN EXPRESS CO	3/4/2025	384,611.15	363,701.80	4.86
AMERICAN EXPRESS CO	3/4/2025	498,315.00	472,340.00	4.86
AMERICAN EXPRESS CO	3/4/2025	104,893.95	99,191.40	4.86
AMERICAN EXPRESS CO	3/4/2025	99,663.00	94,468.00	4.86
AMERICAN EXPRESS CO	5/3/2024	969,903.00	950,900.70	4.82
AMERICAN EXPRESS CO	5/3/2024	349,965.00	343,108.50	4.82
AMERICAN EXPRESS CO	8/1/2025	1,808,190.00	1,772,460.60	4.78
AMERICAN EXPRESS CO	8/1/2025	644,355.00	631,622.70	4.78
AMERICAN HONDA FINANCE CORP	1/12/2024	1,585,215.00	1,478,070.00	4.91
AMERICAN HONDA FINANCE CORP	8/9/2024	994,343.30	930,215.55	4.80
AMERICAN HONDA FINANCE CORP	8/9/2024	404,732.70	378,630.45	4.80
AMERICAN HONDA FINANCE CORP	8/9/2024	988,730.00	934,890.00	4.80
AMERICAN HONDA FINANCE CORP	1/13/2025	724,427.25	679,361.25	4.65
AMERICAN HONDA FINANCE CORP	1/13/2025	499,605.00	468,525.00	4.65
APPLE INC	5/3/2023	1,977,040.00	1,980,080.00	4.78
ASTRAZENECA FINANCE LLC	5/28/2024	1,339,879.40	1,261,543.00	4.81
ASTRAZENECA FINANCE LLC	5/28/2024	584,947.35	550,748.25	4.81
TRUIST FINANCIAL CORP	8/1/2024	1,659,632.00	1,537,536.00	4.96
TRUIST FINANCIAL CORP	8/1/2024	4,454,730.00	4,324,320.00	4.96
BMW US CAPITAL LLC	8/12/2024	619,944.20	578,342.20	4.92
BMW US CAPITAL LLC	8/12/2024	254,977.05	237,866.55	4.92
BMW US CAPITAL LLC	4/1/2025	874,177.50	846,221.25	4.75
BMW US CAPITAL LLC	4/1/2025	194,816.70	188,586.45	4.75
BAKER HUGHES HOLDINGS LLC	12/15/2023	380,000.00	365,879.20	4.93
BAKER HUGHES HOLDINGS LLC	12/15/2023	140,000.00	134,797.60	4.93
BANK OF AMERICA CORP	12/6/2025	1,500,000.00	1,377,705.00	5.42
BANK OF AMERICA CORP	12/6/2025	855,000.00	785,291.85	5.42
BANK OF AMERICA CORP	12/6/2025	575,000.00	528,120.25	5.42
BANK OF AMERICA CORP	2/4/2025	1,500,000.00	1,432,500.00	5.24
BANK OF AMERICA CORP	2/4/2025	3,845,000.00	3,671,975.00	5.24
BANK OF AMERICA CORP	2/4/2025	300,000.00	286,500.00	5.24
BANK OF NEW YORK MELLON CORP	4/24/2025	890,619.00	807,812.40	4.79
BANK OF NEW YORK MELLON CORP	4/24/2025	389,006.00	352,837.60	4.79
BANK OF NEW YORK MELLON CORP	10/25/2024	1,334,132.25	1,239,253.80	4.90
BANK OF NEW YORK MELLON CORP	10/25/2024	599,610.00	556,968.00	4.90
BANK OF NEW YORK MELLON CORP	10/25/2024	992,360.00	928,280.00	4.90
BANK OF NEW YORK MELLON CORP	1/26/2027	3,695,080.00	3,607,320.00	4.68
BANK OF NEW YORK MELLON CORP	4/25/2025	2,124,702.50	2,059,337.50	4.72
BANK OF NEW YORK MELLON CORP	4/25/2025	1,229,827.80	1,191,993.00	4.72
BANK OF NEW YORK MELLON CORP	4/25/2025	859,879.60	833,426.00	4.72
BRIGHTHOUSE FINANCIAL GLOBAL FUNDING	1/13/2025	1,627,913.60	1,502,224.30	5.73

DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
BRIGHTHOUSE FINANCIAL GLOBAL FUNDING	1/13/2025	544,302.40	502,277.45	5.73
BURLINGTON NORTHERN SANTA FE LLC	4/1/2025	527,548.70	471,914.10	4.68
BURLINGTON NORTHERN SANTA FE LLC	4/1/2025	226,092.30	202,248.90	4.68
CAPITAL ONE FINANCIAL CORP	12/6/2024	470,000.00	448,431.70	5.31
CATERPILLAR FINANCIAL SERVICES CORP	7/7/2023	384,784.40	375,694.55	4.76
CATERPILLAR FINANCIAL SERVICES CORP	7/7/2023	339,809.60	331,782.20	4.76
CATERPILLAR FINANCIAL SERVICES CORP	5/17/2024	1,448,057.00	1,363,797.50	4.70
CATERPILLAR FINANCIAL SERVICES CORP	5/17/2024	5,193,032.00	4,890,860.00	4.70
CATERPILLAR FINANCIAL SERVICES CORP	5/17/2024	624,162.50	587,843.75	4.70
CATERPILLAR FINANCIAL SERVICES CORP	9/13/2024	1,168,408.80	1,089,094.50	4.68
CATERPILLAR FINANCIAL SERVICES CORP	9/13/2024	474,354.00	442,153.75	4.68
CATERPILLAR FINANCIAL SERVICES CORP	1/10/2024	334,946.40	321,630.15	4.68
CATERPILLAR FINANCIAL SERVICES CORP	1/10/2024	1,844,704.80	1,771,366.05	4.68
CINTAS NO 2 CORP	5/1/2025	769,830.60	747,747.00	4.73
CINTAS NO 2 CORP	5/1/2025	264,941.70	257,341.50	4.73
CINTAS NO 2 CORP	5/1/2025	149,967.00	145,665.00	4.73
CITIGROUP INC	11/3/2025	160,000.00	146,668.80	5.53
CITIGROUP INC	11/3/2025	260,221.00	238,336.80	5.53
CITIGROUP INC	1/25/2026	395,000.00	366,737.75	5.26
CITIGROUP INC	1/25/2026	1,040,000.00	965,588.00	5.26
CITIGROUP GLOBAL MARKETS HOLDINGS INC	6/7/2024	1,400,000.00	1,313,830.00	5.01
CITIGROUP GLOBAL MARKETS HOLDINGS INC	6/7/2024	600,000.00	563,070.00	5.01
CNO GLOBAL FUNDING	1/6/2025	519,667.20	482,170.00	5.36
CNO GLOBAL FUNDING	1/6/2025	174,888.00	162,268.75	5.36
COLGATE-PALMOLIVE CO	8/15/2025	569,475.60	553,891.80	4.21
COLGATE-PALMOLIVE CO	8/15/2025	199,816.00	194,348.00	4.21
COMCAST CORP	10/15/2025	4,042,256.85	3,553,075.05	4.59
COMCAST CORP	11/7/2025	489,867.70	498,364.30	4.62
COMCAST CORP	11/7/2025	424,885.25	432,254.75	4.62
COMCAST CORP	11/7/2025	169,954.10	172,901.90	4.62
COMCAST CORP	11/7/2025	154,958.15	157,645.85	4.62
COMERICA INC	7/31/2023	742,007.00	693,483.00	5.13
PNC BANK NA	4/10/2025	4,562,820.00	4,376,970.00	5.12
COOPERATIVE RABOBANK UA (NEW YORK BRANCH)	1/12/2024	4,332,008.85	4,121,327.85	4.97
COOPERATIVE RABOBANK UA (NEW YORK BRANCH)	1/10/2025	1,520,333.50	1,419,576.75	4.86
COOPERATIVE RABOBANK UA (NEW YORK BRANCH)	1/10/2025	523,393.50	488,706.75	4.86
COOPERATIVE RABOBANK UA (NEW YORK BRANCH)	8/22/2024	1,329,388.20	1,307,416.60	4.91
COOPERATIVE RABOBANK UA (NEW YORK BRANCH)	8/22/2024	354,836.70	348,972.10	4.91
JOHN DEERE CAPITAL CORP	7/5/2023	119,901.60	117,211.20	4.69
JOHN DEERE CAPITAL CORP	1/17/2024	554,605.95	529,780.80	4.62
JOHN DEERE CAPITAL CORP	1/17/2024	3,512,504.35	3,355,278.40	4.62
JOHN DEERE CAPITAL CORP	1/17/2024	239,829.60	229,094.40	4.62
JOHN DEERE CAPITAL CORP	9/10/2024	404,736.75	377,755.65	4.61
JOHN DEERE CAPITAL CORP	9/10/2024	129,915.50	121,254.90	4.61
JOHN DEERE CAPITAL CORP	1/10/2025	809,619.30	757,147.50	4.52
JOHN DEERE CAPITAL CORP	1/10/2025	774,635.75	724,431.25	4.52
JOHN DEERE CAPITAL CORP	1/10/2025	204,903.65	191,623.75	4.52
JOHN DEERE CAPITAL CORP	3/7/2025	194,916.15	185,076.45	4.51
JOHN DEERE CAPITAL CORP	3/7/2025	64,972.05	61,692.15	4.51
JOHN DEERE CAPITAL CORP	6/6/2025	469,891.90	458,541.40	4.43
JOHN DEERE CAPITAL CORP	6/6/2025	169,960.90	165,855.40	4.43
JOHN DEERE CAPITAL CORP	10/11/2024	569,635.20	569,059.50	4.64
JOHN DEERE CAPITAL CORP	10/11/2024	204,868.80	204,661.75	4.64
ENTERGY LOUISIANA LLC	11/17/2023	633,303.84	606,635.55	5.10
ENTERGY LOUISIANA LLC	11/17/2023	271,951.04	260,671.20	5.10
ENTERGY LOUISIANA LLC	10/1/2024	858,710.00	799,000.20	5.04
ENTERGY LOUISIANA LLC	10/1/2024	344,482.50	320,529.15	5.04
EQUITABLE FINANCIAL LIFE GLOBAL FUNDING	8/12/2024	1,784,839.35	1,654,213.05	5.37
EQUITABLE FINANCIAL LIFE GLOBAL FUNDING	8/12/2024	719,935.20	667,245.60	5.37
F&G GLOBAL FUNDING	9/20/2024	804,830.95	734,723.50	6.08
F&G GLOBAL FUNDING	9/20/2024	2,479,479.20	2,263,496.00	6.08
F&G GLOBAL FUNDING	9/20/2024	324,931.75	296,627.50	6.08
F&G GLOBAL FUNDING	9/20/2024	844,900.00	775,795.00	6.08
GA GLOBAL FUNDING TRUST	4/8/2024	2,886,990.00	2,801,730.00	6.16
GA GLOBAL FUNDING TRUST	9/13/2024	1,107,546.90	1,010,277.60	6.19
GA GLOBAL FUNDING TRUST	9/13/2024	444,016.55	405,021.20	6.19
GOLDMAN SACHS GROUP INC	3/3/2024	308,599.20	276,774.40	4.95
GOLDMAN SACHS GROUP INC	3/3/2024	132,256.80	118,617.60	4.95
GOLDMAN SACHS GROUP INC	12/6/2023	725,000.00	698,863.75	4.89
GOLDMAN SACHS GROUP INC	12/6/2023	265,000.00	255,446.75	4.89
GOLDMAN SACHS GROUP INC	1/24/2025	1,250,000.00	1,191,512.50	5.35
GOLDMAN SACHS GROUP INC	1/24/2025	1,000,000.00	953,210.00	5.35
GOLDMAN SACHS GROUP INC	1/24/2025	325,000.00	309,793.25	5.35
GOLDMAN SACHS GROUP INC	11/1/2024	1,194,330.80	1,209,316.10	5.03
GOLDMAN SACHS GROUP INC	11/1/2024	429,759.20	435,151.40	5.03
HSBC USA INC	5/24/2024	2,634,894.60	2,586,700.45	5.05
HSBC USA INC	5/24/2024	909,963.60	893,319.70	5.05
HOME DEPOT INC	2/15/2024	6,008,140.80	5,806,029.40	4.54
HOME DEPOT INC	4/15/2025	274,518.75	264,305.25	4.44
HOME DEPOT INC	4/15/2025	94,833.75	91,305.45	4.44
HOME DEPOT INC	9/15/2025	374,865.00	371,853.75	4.32
HOME DEPOT INC	9/15/2025	1,049,622.00	1,041,190.50	4.32
HOME DEPOT INC	9/15/2025	1,699,388.00	1,685,737.00	4.32
HOME DEPOT INC	9/15/2025	129,953.20	128,909.30	4.32
HOME DEPOT INC	9/15/2025	379,863.20	376,811.80	4.32
HONEYWELL INTERNATIONAL INC	11/1/2024	1,554,735.65	1,562,355.15	4.59
HONEYWELL INTERNATIONAL INC	11/1/2024	539,908.20	542,554.20	4.59
HORMEL FOODS CORP	6/3/2024	3,344,397.90	3,145,671.45	4.79
HORMEL FOODS CORP	6/3/2024	579,732.00	564,246.00	4.79
HORMEL FOODS CORP	6/3/2024	304,359.30	296,229.15	4.79
HORMEL FOODS CORP	6/3/2024	289,866.00	282,123.00	4.79
INTERCONTINENTAL EXCHANGE INC	5/23/2025	854,059.50	833,112.00	4.76
INTERCONTINENTAL EXCHANGE INC	5/23/2025	2,497,250.00	2,436,000.00	4.76
INTERCONTINENTAL EXCHANGE INC	5/23/2025	309,659.00	302,064.00	4.76
INTERNATIONAL BUSINESS MACHINES CORP	2/12/2024	720,041.50	645,659.70	4.86
INTERNATIONAL BUSINESS MACHINES CORP	2/12/2024	307,804.00	276,007.20	4.86
INTERNATIONAL BUSINESS MACHINES CORP	7/27/2025	2,000,000.00	1,969,580.00	4.61
INTERNATIONAL BUSINESS MACHINES CORP	7/27/2025	600,000.00	590,874.00	4.61
JACKSON NATIONAL LIFE GLOBAL FUNDING	1/12/2025	499,915.00	463,220.00	5.48
JACKSON NATIONAL LIFE GLOBAL FUNDING	1/12/2025	1,659,717.80	1,537,890.40	5.48
JACKSON NATIONAL LIFE GLOBAL FUNDING	1/12/2025	169,971.10	157,494.80	5.48
KEYBANK NA	3/7/2023	260,045.00	248,902.50	4.99
KEYBANK NA	8/8/2025	969,728.40	949,077.10	5.02
KEYBANK NA	8/8/2025	349,902.00	342,450.50	5.02
LOCKHEED MARTIN CORP	10/15/2025	583,332.75	591,704.10	4.51
LOCKHEED MARTIN CORP	10/15/2025	199,430.00	202,292.00	4.51
MASSMUTUAL GLOBAL FUNDING II	6/9/2023	3,521,432.45	3,439,146.30	5.07
MASSMUTUAL GLOBAL FUNDING II	6/9/2023	1,502,565.00	1,467,630.00	5.07
MASSMUTUAL GLOBAL FUNDING II	8/26/2025	889,083.30	873,597.30	4.87
MASSMUTUAL GLOBAL FUNDING II	8/26/2025	319,670.40	314,102.40	4.87
TEXAS INSTRUMENTS INC	11/18/2024	129,941.50	130,132.60	4.64
MET TOWER GLOBAL FUNDING	6/13/2025	1,448,579.00	1,401,352.50	5.13
MET TOWER GLOBAL FUNDING	6/13/2025	524,485.50	507,386.25	5.13
METROPOLITAN LIFE GLOBAL FUNDING I	9/27/2024	1,089,869.20	1,006,702.20	5.14
METROPOLITAN LIFE GLOBAL FUNDING I	9/27/2024	1,629,804.40	1,505,435.40	5.14

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
METROPOLITAN LIFE GLOBAL FUNDING I	9/27/2024	439,947.20	406,375.20	5.14
METROPOLITAN LIFE GLOBAL FUNDING I	9/27/2024	1,978,300.00	1,847,160.00	5.14
METROPOLITAN LIFE GLOBAL FUNDING I	3/21/2025	579,483.80	556,173.60	4.70
MONONGAHELA POWER CO	4/15/2024	160,784.00	156,912.00	5.57
MONONGAHELA POWER CO	4/15/2024	110,743.60	107,877.00	5.57
MORGAN STANLEY	2/25/2023	738,979.60	693,241.65	4.79
MORGAN STANLEY	2/25/2023	324,300.40	304,228.35	4.79
NATIONAL AUSTRALIA BANK LTD (NEW YORK BRANCH)	6/9/2025	1,610,000.00	1,564,823.40	4.69
NATIONAL AUSTRALIA BANK LTD (NEW YORK BRANCH)	6/9/2025	670,000.00	651,199.80	4.69
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2/8/2024	564,610.15	535,501.35	4.92
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2/8/2024	244,830.95	232,208.55	4.92
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2/7/2025	499,985.00	469,165.00	4.88
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2/7/2025	1,184,964.45	1,111,921.05	4.88
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2/7/2025	169,994.90	159,516.10	4.88
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2/7/2025	399,988.00	375,332.00	4.88
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	6/15/2025	344,906.85	332,614.50	4.97
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	6/15/2025	889,759.70	858,049.00	4.97
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	6/15/2025	1,499,595.00	1,446,150.00	4.97
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	6/15/2025	109,970.30	106,051.00	4.97
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	6/15/2025	319,913.60	308,512.00	4.97
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	10/30/2025	329,557.80	334,834.50	4.90
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	10/30/2025	114,845.90	116,684.75	4.90
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	10/30/2025	314,577.90	319,614.75	4.90
NESTLE HOLDINGS INC	9/14/2024	2,210,000.00	2,052,272.30	4.82
NESTLE HOLDINGS INC	9/14/2024	910,000.00	845,053.30	4.82
NESTLE HOLDINGS INC	9/12/2025	809,732.70	801,956.70	4.38
NESTLE HOLDINGS INC	9/12/2025	224,925.75	222,765.75	4.38
NEW YORK LIFE GLOBAL FUNDING	8/27/2024	1,547,845.50	1,441,438.00	4.84
NEW YORK LIFE GLOBAL FUNDING	8/27/2024	624,131.25	581,225.00	4.84
NEW YORK LIFE GLOBAL FUNDING	10/29/2024	1,542,991.50	1,429,897.50	5.03
NEW YORK LIFE GLOBAL FUNDING	10/29/2024	619,194.00	573,810.00	5.03
NEW YORK LIFE GLOBAL FUNDING	1/14/2025	5,948,568.60	5,547,558.90	4.88
NEW YORK LIFE GLOBAL FUNDING	6/6/2024	5,135,836.60	5,004,561.00	4.97
NEXTERA ENERGY CAPITAL HOLDINGS INC	9/1/2024	200,962.00	197,410.00	5.03
NEXTERA ENERGY CAPITAL HOLDINGS INC	9/1/2024	837,120.90	824,186.75	5.03
NEXTERA ENERGY CAPITAL HOLDINGS INC	9/1/2024	412,070.50	404,690.50	5.03
NEXTERA ENERGY CAPITAL HOLDINGS INC	9/1/2024	201,002.00	197,410.00	5.03
NEXTERA ENERGY CAPITAL HOLDINGS INC	9/1/2024	3,188,077.20	3,138,819.00	5.03
NEXTERA ENERGY CAPITAL HOLDINGS INC	9/1/2024	300,762.00	296,115.00	5.03
NIKE INC	3/27/2025	44,938.80	43,091.10	4.34
TEXAS INSTRUMENTS INC	11/18/2024	379,829.00	380,387.60	4.64
NORTHWESTERN MUTUAL GLOBAL FUNDING	7/1/2025	5,003,298.30	4,891,086.20	4.95
OKLAHOMA GAS AND ELECTRIC CO	5/26/2023	430,000.00	420,802.30	5.04
OKLAHOMA GAS AND ELECTRIC CO	5/26/2023	190,000.00	185,935.90	5.04
PACCAR FINANCIAL CORP	2/7/2023	2,274,886.25	2,263,647.75	4.58
PACCAR FINANCIAL CORP	8/11/2023	314,587.35	304,661.70	5.20
PACCAR FINANCIAL CORP	8/11/2023	134,823.15	130,569.30	5.20
PACCAR FINANCIAL CORP	2/2/2024	1,618,120.80	1,538,676.00	4.81
PACCAR FINANCIAL CORP	8/9/2024	764,586.90	712,084.95	4.81
PACCAR FINANCIAL CORP	8/9/2024	684,630.10	637,618.55	4.81
PACCAR FINANCIAL CORP	8/9/2024	344,813.70	321,136.35	4.81
PACCAR FINANCIAL CORP	8/9/2024	274,851.50	255,978.25	4.81
PACCAR FINANCIAL CORP	11/8/2024	1,544,907.30	1,435,305.00	4.78
PACCAR FINANCIAL CORP	4/7/2025	1,499,610.00	1,443,645.00	4.55
PACCAR FINANCIAL CORP	4/7/2025	854,777.70	822,877.65	4.55
PACCAR FINANCIAL CORP	4/7/2025	4,823,745.50	4,643,724.75	4.55
PACCAR FINANCIAL CORP	4/7/2025	1,889,508.60	1,818,992.70	4.55
PACCAR FINANCIAL CORP	4/7/2025	474,876.50	457,154.25	4.55
PACCAR FINANCIAL CORP	4/7/2025	619,838.80	596,706.60	4.55
PACCAR FINANCIAL CORP	10/3/2025	1,264,063.90	1,274,614.00	4.66
PACCAR FINANCIAL CORP	10/3/2025	454,663.30	458,458.00	4.66
PACIFIC LIFE GLOBAL FUNDING II	9/23/2023	2,022,468.75	1,953,132.75	5.00
PAYPAL HOLDINGS INC	10/1/2024	1,759,687.00	1,628,549.00	4.82
PRICOA GLOBAL FUNDING I	12/6/2024	1,218,743.40	1,129,671.20	5.06
PRICOA GLOBAL FUNDING I	12/6/2024	2,897,013.00	2,685,284.00	5.06
PRICOA GLOBAL FUNDING I	12/6/2024	449,536.50	416,682.00	5.06
PRICOA GLOBAL FUNDING I	8/28/2025	354,783.45	349,114.10	4.85
PRICOA GLOBAL FUNDING I	8/28/2025	149,908.50	147,513.00	4.85
PRINCIPAL LIFE GLOBAL FUNDING II	8/23/2024	799,504.00	740,168.00	5.33
PRINCIPAL LIFE GLOBAL FUNDING II	8/23/2024	324,798.50	300,693.25	5.33
PRINCIPAL LIFE GLOBAL FUNDING II	1/10/2025	922,003.00	855,347.50	5.19
ROCHE HOLDINGS INC	3/10/2025	4,640,000.00	4,411,619.20	4.43
ROCHE HOLDINGS INC	3/10/2025	1,580,000.00	1,502,232.40	4.43
ROCKWELL AUTOMATION INC	8/15/2023	314,848.80	305,061.75	4.94
ROYAL BANK OF CANADA	11/1/2024	4,205,160.00	3,808,920.00	4.89
ROYAL BANK OF CANADA	4/14/2025	2,524,065.75	2,444,654.50	4.81
SALESFORCE INC	7/15/2024	349,821.50	328,317.50	4.63
SALESFORCE INC	7/15/2024	564,711.85	529,998.25	4.63
SALESFORCE INC	7/15/2024	149,923.50	140,707.50	4.63
CHARLES SCHWAB CORP	3/18/2024	889,555.00	845,268.60	4.78
CHARLES SCHWAB CORP	3/18/2024	1,229,385.00	1,168,180.20	4.78
CHARLES SCHWAB CORP	3/18/2024	2,333,832.50	2,217,642.90	4.78
CHARLES SCHWAB CORP	3/18/2024	389,805.00	370,398.60	4.78
CHARLES SCHWAB CORP	3/18/2024	524,737.50	498,613.50	4.78
CHARLES SCHWAB CORP	3/18/2024	2,006,720.00	1,899,480.00	4.78
SECURITY BENEFIT GLOBAL FUNDING	5/17/2024	3,128,810.60	2,920,603.00	6.10
SOUTHERN CALIFORNIA EDISON CO	4/1/2024	4,014,000.00	3,794,120.00	5.13
SOUTHERN CALIFORNIA GAS CO	9/15/2024	919,545.78	897,868.12	4.94
SOUTHERN CALIFORNIA GAS CO	9/15/2024	2,785,336.95	2,719,784.10	4.94
STATE STREET CORP	3/30/2026	386,433.75	356,531.25	5.17

DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
STATE STREET CORP	3/30/2026	128,811.25	118,843.75	5.17
STATE STREET CORP	3/30/2026	1,020,130.00	950,750.00	5.17
STATE STREET CORP	3/30/2026	510,065.00	475,375.00	5.17
STATE STREET CORP	2/6/2026	745,000.00	693,498.15	4.86
STATE STREET CORP	2/6/2026	855,000.00	795,893.85	4.86
STATE STREET CORP	2/6/2026	1,625,000.00	1,512,663.75	4.86
STATE STREET CORP	2/6/2026	255,000.00	237,371.85	4.86
STATE STREET CORP	2/6/2026	285,000.00	265,297.95	4.86
TARGET CORP	7/1/2024	743,848.00	688,828.00	4.55
TARGET CORP	7/1/2024	425,056.00	393,616.00	4.55
TARGET CORP	7/1/2024	318,792.00	295,212.00	4.55
NORTHERN TRUST CORP	5/10/2027	2,442,500.00	2,448,075.00	4.52
NATIONAL SECURITIES CLEARING CORP	11/21/2024	3,254,251.35	3,260,305.65	4.96
TORONTO-DOMINION BANK	6/12/2024	3,171,900.00	2,901,270.00	4.90
TOYOTA MOTOR CREDIT CORP	1/11/2024	1,249,925.00	1,191,187.50	4.84
TOYOTA MOTOR CREDIT CORP	1/11/2024	649,961.00	619,417.50	4.84
TOYOTA MOTOR CREDIT CORP	1/11/2024	249,985.00	238,237.50	4.84
TOYOTA MOTOR CREDIT CORP	4/6/2023	1,798,542.00	1,773,810.00	4.62
TOYOTA MOTOR CREDIT CORP	6/18/2024	3,086,322.90	2,890,231.50	4.88
TOYOTA MOTOR CREDIT CORP	1/13/2025	973,693.50	915,310.50	4.51
USAA CAPITAL CORP	5/1/2025	1,415,356.60	1,374,176.60	4.80
USAA CAPITAL CORP	5/1/2025	488,397.70	474,187.70	4.80
UNILEVER CAPITAL CORP	8/12/2024	485,000.00	453,363.45	4.66
UNILEVER CAPITAL CORP	8/12/2024	220,000.00	205,649.40	4.66
US BANCORP	2/5/2024	2,107,940.00	1,968,100.00	4.78
US BANCORP	7/30/2024	2,662,075.00	2,412,725.00	4.60
UNITEDHEALTH GROUP INC	5/15/2024	963,996.40	909,280.90	4.69
UNITEDHEALTH GROUP INC	5/15/2024	1,188,762.40	1,121,289.40	4.69
UNITEDHEALTH GROUP INC	5/15/2024	419,563.20	395,749.20	4.69
UNITEDHEALTH GROUP INC	5/15/2024	514,464.40	485,263.90	4.69
UNITEDHEALTH GROUP INC	5/15/2024	1,988,520.00	1,884,520.00	4.69
UNITEDHEALTH GROUP INC	10/15/2025	404,963.55	411,439.50	4.55
UNITEDHEALTH GROUP INC	10/15/2025	134,987.85	137,146.50	4.55
WALMART INC	6/26/2023	3,083,010.00	2,977,170.00	4.76
WALMART INC	6/26/2023	2,056,460.00	1,984,780.00	4.76
WALMART INC	9/9/2025	1,374,037.50	1,357,881.25	4.38
WALMART INC	9/9/2025	854,401.50	844,355.25	4.38
WALMART INC	9/9/2025	1,274,107.50	1,259,126.25	4.38
WALMART INC	9/9/2025	474,667.50	469,086.25	4.38
WALMART INC	9/9/2025	329,769.00	325,891.50	4.38
WELLS FARGO & CO	8/15/2026	1,000,000.00	979,740.00	5.35
WELLS FARGO & CO	8/15/2026	360,000.00	352,706.40	5.35
WISCONSIN PUBLIC SERVICE CORP	11/10/2025	504,888.90	511,615.50	4.85
WISCONSIN PUBLIC SERVICE CORP	11/10/2025	179,960.40	182,358.00	4.85
SUB-TOTAL		321,566,717.86	306,635,934.87	
<u>MORTGAGE AND ASSET-BACK SECURITIES</u>				
ALLYA 2022-1 A3	11/16/2026	1,944,623.45	1,893,340.80	4.84
ALLYA 2022-1 A3	11/16/2026	714,861.58	696,009.60	4.84
ALLYA 2022-2 A3	5/15/2027	1,124,986.05	1,120,128.75	5.00
ALLYA 2022-2 A3	5/15/2027	899,988.84	896,103.00	5.00
ALLYA 2022-2 A3	5/15/2027	349,995.66	348,484.50	5.00
ACAR 221 B	9/14/2026	1,549,965.28	1,491,255.00	4.81
ACAR 221 B	9/14/2026	499,988.80	481,050.00	4.81
AMXCA 2022-2 A	5/17/2027	2,749,391.70	2,657,875.00	4.89
AMXCA 2022-2 A	5/17/2027	4,409,024.51	4,262,265.00	4.89
AMXCA 2022-2 A	5/17/2027	949,789.86	918,175.00	4.89
AMXCA 2022-2 A	5/17/2027	3,124,898.44	3,044,475.00	4.89
AMXCA 2022-3 A	8/16/2027	1,089,755.86	1,094,670.00	4.86
AMCAR 2021-3 A3	8/18/2026	949,883.82	899,099.00	5.90
BMWLT 2021-1 A3	1/25/2024	257,914.77	255,227.65	5.06
BMWLT 2021-1 A3	1/25/2024	113,289.66	112,109.34	5.06
BMWLT 2022-1 A3	3/25/2025	1,589,762.30	1,530,613.50	6.76
BMWOT 2022-A A3	8/25/2026	1,004,947.74	972,960.60	5.04
BMWOT 2022-A A3	8/25/2026	1,699,911.60	1,645,804.00	5.04
BMWOT 2022-A A3	8/25/2026	344,982.06	334,001.40	5.04
BMWLT 2021-2 A3	12/26/2024	1,299,865.84	1,264,250.00	6.47
CAPITAL ONE MULTI TR A B S SER 2021 3 CL A 11/16/2	11/16/2026	2,149,703.73	1,993,007.00	5.01
CAPITAL ONE MULTI TR A B S SER 2021 3 CL A 11/16/2	11/16/2026	624,913.88	579,362.50	5.01
COMET 2022-1 A	3/17/2025	2,999,773.80	2,866,410.00	4.90
COMET 2022-1 A	3/17/2025	949,928.37	907,696.50	4.90
COMET 2022-1 A	3/17/2025	3,450,123.12	3,349,877.82	4.90
COMET 2022-2 A	5/15/2025	799,872.16	773,384.00	4.98
COMET 2022-2 A	5/15/2025	3,799,392.76	3,673,574.00	4.98
COMET 2022-2 A	5/15/2025	404,935.28	391,525.65	4.98
COMET 2022-2 A	5/15/2025	249,960.05	241,682.50	4.98
COMET-223-A	10/15/2025	1,649,741.12	1,657,078.50	4.84
COPAR 2022-1 A3	4/15/2027	1,089,761.84	1,050,792.70	4.93
COPAR 2022-1 A3	4/15/2027	379,916.97	366,331.40	4.93
COPAR 2021-1 A3	9/15/2026	879,983.37	824,313.60	4.99
COPAR 2021-1 A3	9/15/2026	359,993.20	337,219.20	4.99
CARMX 2021-2 A3	2/17/2026	914,802.82	877,356.90	5.14
CARMX 2021-2 A3	2/17/2026	399,913.80	383,544.00	5.14
CARMX 2020-3 B	3/16/2026	737,328.52	684,068.40	4.47
CARMX 2020-3 B	3/16/2026	121,012.50	112,449.60	4.47
CARMX 2020-2 A4	5/15/2025	1,492,593.75	1,404,223.50	5.43
CARMX 2019-4 B	7/15/2025	1,758,871.25	1,635,554.56	4.62
CARMX 2020-1 A3	12/16/2024	372,209.58	367,342.43	4.99
CARMX 2020-1 A3	12/16/2024	88,448.90	86,011.89	4.99
CARMX 2020-1 A4	6/16/2025	4,262,480.39	3,942,829.89	5.11
CARMX 2020-4 A3	8/15/2025	239,381.43	231,719.56	5.15
CARMX 2020-4 A3	8/15/2025	105,182.75	101,816.17	5.15
CARMX 2021-1 A3	12/15/2025	357,965.20	345,783.96	4.60
CARMX 2021-1 A3	12/15/2025	153,413.66	148,193.12	4.60
CARMX 2021-3 A3	6/15/2026	1,759,710.48	1,662,830.40	5.13

DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
CARMX 2021-3 A3	6/15/2026	2,899,522.95	2,739,891.00	5.13
CARMX 2021-3 A3	6/15/2026	764,874.16	722,764.35	5.13
CARMX 2021-3 A3	6/15/2026	1,249,794.38	1,180,987.50	5.13
CARMX 2022-2 A3	2/16/2027	1,434,781.74	1,394,906.10	5.05
CARMX 2022-2 A3	2/16/2027	494,924.71	481,169.70	5.05
CARMX 2022-3 A3	8/15/2025	1,879,955.63	1,832,041.20	5.19
CARMX 2022-3 A3	8/15/2025	649,984.66	633,418.50	5.19
CARMX 2022-4 A3	8/16/2027	2,194,485.27	2,206,150.60	5.19
CARMX 2022-4 A3	8/16/2027	3,299,226.15	3,316,764.00	5.19
CARMX 2022-4 A3	8/16/2027	759,821.78	763,860.80	5.19
CARMX 2022-4 A3	8/16/2027	1,199,718.60	1,206,096.00	5.19
CRVNA 2021-P1 A3	12/10/2025	1,968,372.36	1,911,037.40	6.04
DCENT 2021-1 A	9/16/2024	944,797.68	875,958.30	4.89
DCENT 2021-1 A	9/16/2024	389,916.50	361,506.60	4.89
DCENT 2022-2 A	5/17/2027	1,709,860.98	1,651,637.70	4.84
DCENT 2022-2 A	5/17/2027	714,941.87	690,597.05	4.84
DCENT 2022-2 A	5/17/2027	249,979.67	241,467.50	4.84
DCENT 2022-3 A	7/15/2027	2,249,720.78	2,159,370.00	5.26
DCENT 2022-3 A	7/15/2027	779,903.20	748,581.60	5.26
DRIVE 2021-3 A3	10/15/2025	1,399,791.68	1,386,980.00	4.43
DRIVE 2021-3 B	5/15/2026	1,249,989.13	1,205,912.50	5.60
DRIVE 2021-2 A3	3/17/2025	30,065.04	30,043.78	2.23
EART 2021-3 A3	2/18/2025	79,701.57	79,550.16	5.12
FORDO 2022-A A3	6/15/2026	769,908.52	733,309.50	4.61
FORDF 2019-2 B	4/15/2024	1,831,369.92	1,645,755.30	6.18
FORDF 2019-4 A	9/15/2024	4,357,395.70	4,019,811.30	5.41
FORDF 2019-4 A	9/15/2024	1,359,093.75	1,330,434.00	5.41
FORDF 2020-1 A1	9/15/2025	1,007,617.19	963,360.00	5.50
FORDF 2020-1 A1	9/15/2025	180,935.16	173,404.80	5.50
FORDF 2020-1 A1	9/15/2025	1,005,625.00	963,360.00	5.50
FORDO 2021-A A3	8/15/2025	489,519.34	474,614.32	4.45
FORDO 2021-A A3	8/15/2025	212,125.05	205,666.21	4.45
FORDO 2021-A A3	8/15/2025	929,583.80	901,767.21	4.45
FORDO 2022-B	9/15/2026	654,964.56	641,349.80	4.93
FORDO 2022-B	9/15/2026	189,989.72	186,040.40	4.93
GMCAR 2021-4 A3	9/16/2026	719,981.64	675,885.60	4.91
GMCAR 2021-4 A3	9/16/2026	1,074,972.59	1,009,134.75	4.91
GMCAR 2021-4 A3	9/16/2026	299,992.35	281,619.00	4.91
GMCAR 2022-2 A3	2/16/2027	899,811.90	869,490.00	4.93
GMCAR 2022-2 A3	2/16/2027	309,935.21	299,491.00	4.93
GMCAR 2020-3 A3	4/16/2025	318,359.17	311,308.70	4.32
GMCAR 2020-3 A3	4/16/2025	136,439.64	133,418.02	4.32
GMCAR 2020-4 A3	8/18/2025	191,163.16	185,280.52	5.07
GMCAR 2020-4 A3	8/18/2025	84,241.39	81,649.04	5.07
GMALT 2021-1 A3	2/20/2024	337,300.87	334,414.09	5.52
GMALT 2021-1 A3	2/20/2024	147,429.52	146,167.75	5.52
GMALT 2021-1 A3	2/20/2024	100,522.57	99,659.83	5.52
GMALT 2022-1 A3	3/20/2025	3,329,971.36	3,202,860.60	7.04
GMCAR 2022-4 A3	8/16/2027	1,399,770.54	1,394,904.00	5.03
GMCAR 2022-4 A3	8/16/2027	499,918.05	498,180.00	5.03
GMCAR 2022-3 A3	4/16/2027	1,149,992.07	1,118,593.50	4.98
GMCAR 2022-3 A3	4/16/2027	399,997.24	389,076.00	4.98
GMCAR 2022-1 A3	11/16/2026	804,930.05	764,766.10	4.47
GMCAR 2022-1 A3	11/16/2026	1,049,908.75	997,521.00	4.47
GMCAR 2022-1 A3	11/16/2026	274,976.10	261,255.50	4.47
GALC 212 A3	7/15/2025	2,299,705.37	2,137,712.00	6.12
GALC 212 A3	7/15/2025	899,884.71	836,496.00	6.12
GALC 221 A3	5/15/2025	2,699,534.79	2,693,034.00	5.57
GALC 221 A3	5/15/2025	999,827.70	997,420.00	5.57
HDMOT 2020-A A3	10/15/2024	63,981.18	63,780.11	3.87
HDMOT 2020-A A3	10/15/2024	27,795.10	27,707.75	3.87
HDMOT 2022-A A3	2/16/2027	1,894,684.48	1,828,618.15	5.06
HDMOT 2022-A A3	2/16/2027	639,893.44	617,580.80	5.06
HAROT 2020-1 A3	4/22/2024	812,807.23	805,674.26	4.40
HAROT 2022-1 A3	5/15/2026	1,084,836.82	1,027,896.45	5.07
HAROT 2021-3 A3	11/18/2025	5,399,921.16	5,119,686.00	5.22
HAROT 2021-4 A3	1/21/2026	959,797.63	907,564.80	4.94
HAROT 2021-4 A3	1/21/2026	1,509,681.69	1,427,523.80	4.94
HAROT 2021-4 A3	1/21/2026	354,925.17	335,609.90	4.94
HAROT 2022-2 A3	7/20/2026	1,614,903.75	1,575,561.70	5.01
HART 2019-B C	6/15/2026	1,557,011.72	1,449,180.00	5.25
HALST 2021-A A3	1/16/2024	153,558.61	152,278.51	5.75
HALST 2021-A A3	1/16/2024	66,764.61	66,208.05	5.75
HALST 2022-A A3	1/15/2025	1,919,957.57	1,840,800.00	6.39
HART 2022-A A3	10/15/2026	2,014,922.42	1,916,607.55	5.13
HALST 2022-C A3	10/15/2025	499,984.30	492,920.00	5.48
HART 2022-B A3	11/16/2026	1,149,999.54	1,112,613.50	5.42
HART 2022-B A3	11/16/2026	399,999.84	386,996.00	5.42
HART 2022-C A3	6/15/2027	1,624,992.20	1,636,862.50	5.14
HART 2022-C A3	6/15/2027	3,349,983.92	3,374,455.00	5.14
HART 2022-C A3	6/15/2027	579,997.22	584,234.00	5.14
HART 2022-C A3	6/15/2027	1,249,994.00	1,259,125.00	5.14
HART 2021-A A3	9/15/2025	600,695.41	579,083.24	5.26
HART 2021-A A3	9/15/2025	1,747,477.56	1,684,605.79	5.26
HART 2021-A A3	9/15/2025	263,114.52	253,648.03	5.26
HALST 21C A3	8/15/2024	1,209,890.49	1,169,912.70	5.98
HALST 21C A3	8/15/2024	499,954.75	483,435.00	5.98
HART 2021-B A3	1/15/2026	3,614,202.17	3,438,841.05	5.45
HART 2021-C A3	5/15/2026	679,848.22	638,907.60	5.31
HART 2021-C A3	5/15/2026	274,938.62	258,381.75	5.31
JDOT 2019-B A3	12/15/2023	3,320.59	3,317.94	4.68

DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
JDOT 2022 A3	9/15/2026	1,994,558.71	1,902,831.00	5.19
JDOT 2020 A3	8/15/2024	529,147.33	523,702.65	4.31
JDOT 2022-C A3	3/15/2027	2,899,774.96	2,905,336.00	5.06
JDOT 2022-C A3	3/15/2027	999,922.40	1,001,840.00	5.06
KCOT 221 A2	4/15/2025	619,343.99	606,024.23	6.79
KCOT 221 A2	4/15/2025	215,832.00	211,190.26	6.79
KCOT 221 A3	10/15/2026	1,849,735.45	1,748,842.00	5.77
KCOT 221 A3	10/15/2026	649,907.05	614,458.00	5.77
KCOT 222 A3	12/15/2026	1,764,676.48	1,722,781.20	5.34
KCOT 222 A3	12/15/2026	609,888.19	595,408.80	5.34
KCOT 2021-1 A3	8/15/2025	639,869.06	605,049.60	5.98
KCOT 2021-1 A3	8/15/2025	274,943.73	259,982.25	5.98
KCOT 212 A3	11/17/2025	1,064,959.85	995,338.35	5.89
KCOT 212 A3	11/17/2025	464,982.47	434,584.35	5.89
MCCT 211 A	11/21/2025	4,741,015.63	4,661,700.00	5.37
MBART 2022-1 A3	8/16/2027	999,802.20	1,000,650.00	5.24
MBALT 2020-B A3	11/15/2023	53,297.14	53,080.25	4.83
MBALT 2020-B A3	11/15/2023	23,687.62	23,591.22	4.83
MBALT 2021-B A3	11/15/2024	1,989,849.76	1,922,399.70	6.32
MBART 2020-1 A3	2/18/2025	165,851.33	162,857.17	4.16
MBART 2020-1 A3	2/18/2025	72,440.81	71,133.02	4.16
MMAF 22B A2	9/9/2025	2,499,677.00	2,500,925.00	5.56
MMAF 22B A2	9/9/2025	899,883.72	900,333.00	5.56
MMAF 20B A3	8/14/2025	3,469,950.38	3,330,748.90	5.45
MMAF 20B A3	8/14/2025	1,229,246.88	1,190,238.80	5.45
MMAF 2020-A A2	4/9/2024	424,055.88	418,577.84	5.01
MBART 2022-1 A3	8/16/2027	2,894,427.37	2,896,881.75	5.24
NAROT 2020-B A3	7/15/2024	208,346.24	206,241.35	3.95
NAROT 2020-B A3	7/15/2024	91,151.48	90,230.59	3.95
NAROT 2019-C A3	7/15/2024	95,362.09	94,969.45	3.85
NAROT 2019-C A3	7/15/2024	447,293.63	445,451.93	3.85
NAROT 2019-C A3	7/15/2024	40,869.47	40,701.19	3.85
NAROT 2022-B A3	5/17/2027	1,224,746.55	1,210,006.00	5.04
NAROT 2022-B A3	5/17/2027	279,942.07	276,572.80	5.04
PFSFC 20E A	10/15/2025	302,156.25	287,211.00	6.09
PFSFC 20E A	10/15/2025	1,007,421.87	957,370.00	6.09
PACIFICORP	4/1/2024	2,196,837.00	2,142,810.00	4.75
PACIFICORP	4/1/2024	1,147,911.60	1,123,128.00	4.75
SDART 2021-4 A3	8/15/2025	419,752.89	416,983.06	4.37
SDART 2021-4 B	6/15/2026	249,972.17	243,252.50	4.82
SRT 2022-A A3	7/21/2025	2,199,830.38	2,073,346.00	6.25
SDART 2021-3 B	12/15/2025	1,368,256.91	1,354,462.40	4.31
SDART 2022-6 A3	11/16/2026	1,499,959.80	1,476,690.00	5.62
SDART 2022-6 A3	11/16/2026	499,986.60	492,230.00	5.62
TAOT 2022-C A3	4/15/2027	644,892.22	627,926.85	5.00
TAOT 2022-C A3	4/15/2027	209,964.91	204,441.30	5.00
TAOT 2022-C A3	4/15/2027	247,509.38	248,250.15	5.00
TAOT 2022-C A3	4/15/2027	1,922,765.63	1,927,589.40	5.00
TAOT 2020-D A3	1/15/2025	889,963.33	872,032.84	4.70
TAOT 2020-D A3	1/15/2025	232,984.89	228,070.13	4.70
TAOT 2022-B A3	9/15/2026	1,039,975.66	1,001,156.00	5.09
TAOT 2022-B A3	9/15/2026	359,981.58	346,554.00	5.09
TAOT 2021-D A3	4/15/2026	899,980.83	844,803.00	5.33
TAOT 2021-D A3	4/15/2026	364,992.23	342,614.55	5.33
TLOT 2022-A A3	2/20/2025	1,217,382.81	1,202,362.50	5.60
TLOT 21B A3	10/21/2024	559,992.44	541,094.40	5.98
TLOT 21B A3	10/21/2024	239,996.76	231,897.60	5.98
TAOT 2022-D A3	9/15/2027	3,499,654.55	3,530,835.00	5.01
TAOT 2022-D A3	9/15/2027	1,299,871.69	1,311,453.00	5.01
TAOT 2021-A A3	5/15/2025	2,729,235.16	2,654,291.73	4.51
UART 211 A3	6/16/2025	179,718.11	178,060.87	3.55
VZOT 2020-B A	2/20/2025	364,645.04	358,018.05	3.44
VZOT 2020-B A	2/20/2025	156,276.45	153,436.31	3.44
VZOT 2019-C A1A	4/22/2024	73,564.29	73,370.59	4.48
VZOT 2019-C A1A	4/22/2024	31,791.60	31,707.89	4.48
VZOT 2020-A A1A	7/22/2024	147,928.51	147,260.85	3.99
VZOT 2020-A A1A	7/22/2024	63,397.93	63,111.79	3.99
VWALT 2022-A A3	7/21/2025	549,956.22	535,133.50	5.52
VWALT 2022-A A3	7/21/2025	189,984.88	184,864.30	5.52
VALET 2021-1 A3	6/22/2026	1,139,955.31	1,077,938.40	5.23
VALET 2021-1 A3	6/22/2026	239,990.59	226,934.40	5.23
WLAKE 2021-3 A3	6/16/2025	2,849,950.41	2,756,577.00	5.35
WLAKE 2021-3 A3	6/16/2025	999,982.60	967,220.00	5.35
WLAKE 223 A3	7/15/2026	3,499,748.70	3,480,785.00	6.08
WLAKE 223 A3	7/15/2026	1,299,906.66	1,292,863.00	6.08
WOLS 2021-A A3	8/15/2024	2,099,750.94	2,024,988.00	6.14
WOLS 2021-A A3	8/15/2024	899,893.26	867,852.00	6.14
WOART 2021-D A3	10/15/2026	1,069,854.27	1,006,420.60	5.11
WOART 2021-D A3	10/15/2026	434,940.75	409,152.30	5.11
WOART 2020-B A3	5/15/2025	335,698.78	329,269.10	4.29
WOART 2020-B A3	5/15/2025	143,870.90	141,115.33	4.29
SUB-TOTAL		241,689,214.56	233,956,300.77	

Municipal Debt

ALABAMA FED AID HWY FIN AUTH SPL OBLIG REV	9/1/2027	1,349,172.30	1,290,973.95	4.94
ANAHEIM CALIF HSG & PUB IMPT AUTH REV	10/1/2023	2,215,000.00	2,179,958.70	4.58
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2023	2,590,000.00	2,568,762.00	4.65
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2023	1,110,000.00	1,100,898.00	4.65
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2023	550,000.00	545,561.50	4.66
BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4/1/2023	240,000.00	238,063.20	4.66
CALIFORNIA EARTHQUAKE AUTH REV	7/1/2023	260,000.00	253,780.80	5.68
CALIFORNIA EARTHQUAKE AUTH REV	7/1/2023	105,000.00	102,488.40	5.68
CALIFORNIA EARTHQUAKE AUTH REV	7/1/2023	1,750,000.00	1,746,675.00	5.72
CALIFORNIA EARTHQUAKE AUTH REV	7/1/2023	630,000.00	628,803.00	5.72
CALIFORNIA ST	4/1/2024	3,239,373.40	3,029,284.90	4.40
CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	12/1/2022	435,000.00	435,000.00	0.35
CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	12/1/2022	190,000.00	190,000.00	0.35
CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	12/1/2023	160,000.00	153,555.20	4.57
CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	12/1/2023	70,000.00	67,180.40	4.57
CALIFORNIA ST UNIV REV	11/1/2023	700,000.00	673,708.00	4.70
CALIFORNIA ST UNIV REV	11/1/2023	760,000.00	731,454.40	4.70
CALIFORNIA ST UNIV REV	11/1/2023	300,000.00	288,732.00	4.70
CALIFORNIA ST UNIV REV	11/1/2023	330,000.00	317,605.20	4.70

DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
CALIFORNIA STATEWIDE CMNTYS DEV AUTH REV	2/1/2023	610,000.00	605,675.10	4.56
CALIFORNIA STATEWIDE CMNTYS DEV AUTH REV	2/1/2023	265,000.00	263,121.15	4.56
CONNECTICUT ST	7/1/2023	155,925.35	152,730.80	4.56
CONNECTICUT ST	7/1/2023	70,417.90	68,975.20	4.56
CONNECTICUT ST	6/15/2024	1,228,488.00	1,193,892.00	4.60
CONNECTICUT ST	6/15/2024	440,208.20	427,811.30	4.60
CORONA	5/1/2024	1,080,000.00	1,015,308.00	5.14
CORONA	5/1/2024	430,000.00	404,243.00	5.14
EL CAJON CALIF	4/1/2024	540,000.00	508,264.20	5.55
EL DORADO CALIF IRR DIST REV	3/1/2024	720,000.00	686,232.00	4.99
EL SEGUNDO CALIF PENSION OBLIG	7/1/2023	970,000.00	942,306.50	5.38
EL SEGUNDO CALIF PENSION OBLIG	7/1/2023	415,000.00	403,151.75	5.38
FLORIDA ST BRD ADMIN FIN CORP REV	7/1/2025	715,000.00	652,115.75	4.92
FLORIDA ST BRD ADMIN FIN CORP REV	7/1/2025	310,000.00	282,735.50	4.92
GOLDEN ST TOB SECURITIZATION CORP CALIF TOB SETTLE	6/1/2025	1,510,000.00	1,389,879.50	4.81
GOLDEN ST TOB SECURITIZATION CORP CALIF TOB SETTLE	6/1/2025	610,000.00	561,474.50	4.81
HAWAII ST ARPTS SYS CUSTOMER FAC CHARGE REV	7/1/2024	715,000.00	683,697.30	4.91
LOS ALTOS CALIF SCH DIST	10/1/2024	1,217,676.00	1,122,708.00	4.70
LOS ALTOS CALIF SCH DIST	10/1/2024	608,838.00	561,354.00	4.70
LOS ANGELES CALIF CMNTY COLLEGE DIST	8/1/2023	530,000.00	515,011.60	4.79
LOS ANGELES CALIF CMNTY COLLEGE DIST	8/1/2023	230,000.00	223,495.60	4.79
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2025	1,120,000.00	996,564.80	5.06
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2025	480,000.00	427,099.20	5.06
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2023	720,000.00	691,538.40	5.11
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2023	755,102.40	749,166.60	5.11
MASSACHUSETTS (COMMONWEALTH OF)	7/15/2024	3,120,000.00	3,071,515.20	4.64
MASSACHUSETTS (COMMONWEALTH OF)	7/15/2024	1,120,000.00	1,102,595.20	4.64
MASSACHUSETTS (COMMONWEALTH OF)	1/15/2025	1,740,000.00	1,706,452.80	4.62
MASSACHUSETTS (COMMONWEALTH OF)	1/15/2025	605,000.00	593,335.60	4.62
MASSACHUSETTS ST WTR RES AUTH	8/1/2023	2,365,000.00	2,323,612.50	4.45
MISSISSIPPI ST	11/1/2023	645,000.00	622,637.85	4.31
MISSISSIPPI ST	11/1/2023	280,000.00	270,292.40	4.31
NEW JERSEY ST TPK AUTH TPK REV	1/1/2025	595,000.00	551,344.85	4.63
NEW JERSEY ST TPK AUTH TPK REV	1/1/2025	255,000.00	236,290.65	4.63
NEW YORK ST	2/15/2024	3,000,000.00	2,911,710.00	4.54
NEW YORK STATE DORMITORY AUTHORITY	3/15/2025	2,690,000.00	2,467,025.90	4.75
NEW YORK STATE DORMITORY AUTHORITY	3/15/2024	3,570,000.00	3,456,902.40	4.88
NEW YORK ST URBAN DEV CORP REV	3/15/2024	1,945,000.00	1,849,675.55	4.57
NEW YORK ST URBAN DEV CORP REV	3/15/2024	845,000.00	803,586.55	4.57
RANCHO SANTIAGO CALIF CMNTY COLLEGE DIST	9/1/2023	865,000.00	838,643.45	4.58
REDONDO BEACH CALIF CMNTY FING AUTH LEASE REV	5/1/2026	1,045,000.00	926,800.05	4.96
REDONDO BEACH CALIF CMNTY FING AUTH LEASE REV	5/1/2026	450,000.00	399,100.50	4.96
RIVERSIDE CNTY CALIF PENSION OBLIG	2/15/2023	960,000.00	955,161.60	4.77
RIVERSIDE CNTY CALIF PENSION OBLIG	2/15/2023	415,000.00	412,908.40	4.77
RIVERSIDE CNTY CALIF INFRASTRUCTURE FING AUTH LEAS	11/1/2024	1,290,000.00	1,191,908.40	5.08
RIVERSIDE CNTY CALIF INFRASTRUCTURE FING AUTH LEAS	11/1/2024	520,000.00	480,459.20	5.08
SAN BERNARDINO CALIF CMNTY COLLEGE DIST	8/1/2024	620,000.00	584,660.00	4.53
SAN BERNARDINO CALIF CMNTY COLLEGE DIST	8/1/2024	270,000.00	254,610.00	4.53
SAN DIEGO CNTY CALIF REGL ARPT AUTH ARPT REV	7/1/2023	3,560,000.00	3,474,666.80	4.85
SAN DIEGO CNTY CALIF WTR AUTH WTR REV	5/1/2024	1,440,000.00	1,361,376.00	4.61
SAN DIEGO CNTY CALIF WTR AUTH WTR REV	5/1/2024	627,540.55	628,691.00	4.61
SAN JOSE EVERGREEN CALIF CMNTY COLLEGE DIST	9/1/2023	430,000.00	416,773.20	4.71
SEMITROPIC IMPT DIST SEMITROPIC WTR STORAGE DIST C	12/1/2022	1,140,117.00	1,100,000.00	2.14
SEMITROPIC IMPT DIST SEMITROPIC WTR STORAGE DIST C	12/1/2022	497,505.60	480,000.00	2.14
SOUTHERN CALIF PUB PWR AUTH PWR PROJ REV	7/1/2023	1,910,000.00	1,864,522.90	4.69
SOUTHERN CALIF PUB PWR AUTH PWR PROJ REV	7/1/2023	825,000.00	805,356.75	4.69
UPPER SANTA CLARA VY JT PWRS AUTH CALIF REV	8/1/2023	2,590,000.00	2,522,478.70	4.68
UPPER SANTA CLARA VY JT PWRS AUTH CALIF REV	8/1/2024	2,625,000.00	2,462,223.75	4.73
VALLEJO CALIF WTR REV	5/1/2023	590,000.00	581,710.50	4.88
VALLEJO CALIF WTR REV	5/1/2023	250,000.00	246,487.50	4.88
VENTURA CNTY CALIF PUB FING AUTH LEASE REV	11/1/2023	720,000.00	696,103.20	4.78
VENTURA CNTY CALIF PUB FING AUTH LEASE REV	11/1/2023	722,793.60	696,103.20	4.78
VENTURA CNTY CALIF PUB FING AUTH LEASE REV	11/1/2023	728,517.60	696,103.20	4.78
	SUB-TOTAL	81,296,675.90	78,114,862.15	
Variable & Floating Rate				
ACAR 2021-4 B	2/13/2026	1,049,836.83	1,032,454.50	3.87
ACAR 2021-4 B	2/13/2026	449,930.07	442,480.50	3.87
AMERICAN EXPRESS CO	11/4/2026	2,360,000.00	2,291,324.00	5.26
AMERICAN EXPRESS CO	11/4/2026	950,000.00	922,355.00	5.26
AMXCA 2022-4 A	10/15/2027	824,959.08	829,067.25	4.81
BANK OF AMERICA CORP	3/5/2024	744,982.00	696,493.00	5.43
BANK OF AMERICA CORP	3/5/2024	319,278.00	298,497.00	5.43
BANK OF AMERICA CORP	10/22/2025	1,527,212.50	1,364,319.50	5.74
BANK OF AMERICA CORP	10/22/2025	658,281.25	588,068.75	5.74
BANK OF AMERICA CORP	5/19/2024	995,000.00	976,711.90	5.36
BANK OF AMERICA CORP	5/19/2024	430,000.00	422,096.60	5.36
BANK OF AMERICA CORP	10/24/2024	1,510,000.00	1,442,412.40	5.25
BANK OF AMERICA CORP	10/24/2024	645,000.00	616,129.80	5.25
BANK OF AMERICA CORP	10/24/2024	2,256,637.50	2,149,290.00	5.25
BANK OF AMERICA CORP	10/24/2024	802,424.00	764,192.00	5.25
BANK OF AMERICA CORP	4/22/2025	595,000.00	555,795.45	5.37
BANK OF AMERICA CORP	4/22/2025	1,220,000.00	1,139,614.20	5.37
BANK OF AMERICA CORP	4/22/2025	255,000.00	238,198.05	5.37
BANK OF AMERICA CORP	4/22/2025	525,000.00	490,407.75	5.37
BANK OF AMERICA CORP	4/2/2026	550,000.00	523,721.00	5.47

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
BANK OF AMERICA CORP	7/22/2026	195,000.00	192,453.30	5.36
BANK OF NEW YORK MELLON CORP	6/13/2025	3,410,000.00	3,333,650.10	4.74
BANK OF NEW YORK MELLON CORP	7/24/2026	2,580,000.00	2,543,544.60	4.99
BANK OF NEW YORK MELLON CORP	7/24/2026	930,000.00	916,859.10	4.99
COPAR 2022-2 A3	5/15/2027	1,084,922.31	1,051,582.00	5.03
COPAR 2022-2 A3	5/15/2027	374,973.15	363,450.00	5.03
CARMX 2020-3 A3	3/17/2025	231,652.88	227,617.12	4.48
CARMX 2020-3 A3	3/17/2025	100,811.90	99,055.60	4.48
CITIGROUP INC	10/30/2024	1,740,000.00	1,657,384.80	5.32
CITIGROUP INC	10/30/2024	1,440,000.00	1,371,628.80	5.32
CITIGROUP INC	10/30/2024	760,000.00	723,915.20	5.32
CITIGROUP INC	10/30/2024	625,000.00	595,325.00	5.32
CITIGROUP INC	5/1/2025	205,000.00	191,244.50	5.37
CITIGROUP INC	5/1/2025	430,000.00	401,147.00	5.37
CITIGROUP INC	5/1/2025	2,515,000.00	2,346,243.50	5.37
CITIGROUP INC	5/1/2025	85,000.00	79,296.50	5.37
CITIGROUP INC	5/1/2025	185,000.00	172,586.50	5.37
CITIGROUP INC	5/1/2025	1,749,352.50	1,632,575.00	5.37
FNA 2014-M8 A2	6/25/2024	706,291.79	636,653.96	6.41
FNA 2014-M8 A2	6/25/2024	306,561.22	276,335.38	6.41
FNA 2014-M13 A2	8/25/2024	354,029.88	343,562.30	5.01
FHMS K-029 A2	2/25/2023	918,468.12	873,868.55	4.69
FHMS K-029 A2	2/25/2023	844,725.70	803,646.97	4.69
FHMS K-029 A2	2/25/2023	426,431.63	405,724.68	4.69
FHMS K-029 A2	2/25/2023	642,963.74	616,389.42	4.69
FHMS K-029 A2	2/25/2023	1,408,455.46	1,318,605.22	4.69
FHMS K-031 A2	4/25/2023	2,486,261.25	2,315,669.12	4.89
FHMS K-031 A2	4/25/2023	1,077,044.35	1,003,144.11	4.89
FHMS K-032 A2	5/25/2023	2,655,776.95	2,585,700.90	4.99
FHMS K-032 A2	5/25/2023	1,149,819.14	1,119,479.70	4.99
FHMS K-033 A2	7/25/2023	2,665,809.38	2,509,113.60	5.07
FHMS K-033 A2	7/25/2023	1,143,989.06	1,076,745.60	5.07
FHMS K-035 A2	8/25/2023	511,436.56	487,745.01	5.13
FHMS K-047 A2	5/25/2025	2,666,976.56	2,565,968.50	4.69
FHMS K-047 A2	5/25/2025	930,925.78	895,668.25	4.69
FHMS K-048 A2	6/25/2025	180,617.00	159,569.85	4.68
FHMS K-063 A2	1/25/2027	4,743,179.49	4,538,140.35	4.43
FHMS K-730 AM	1/25/2025	3,800,660.16	3,355,815.00	4.86
FHMS Q-015 A	8/25/2024	699,021.62	696,987.47	4.28
FHMS Q-015 A	8/25/2024	299,580.69	298,708.92	4.28
FN AL3382	3/1/2023	75,873.43	74,453.12	5.06
FN BM1757	4/1/2023	461,425.55	457,281.80	5.37
FIFTH THIRD BANK NA (OHIO)	10/27/2025	1,350,000.00	1,360,894.50	5.29
FIFTH THIRD BANK NA (OHIO)	10/27/2025	485,000.00	488,913.95	5.29
FIRST REPUBLIC BANK	2/12/2024	350,000.00	347,053.00	4.74
FIRST REPUBLIC BANK	2/12/2024	150,000.00	148,737.00	4.74
GMCAR 2021-1 A3	10/16/2025	273,384.72	264,495.34	4.70
GMALT 2021-2 A3	5/20/2024	895,179.68	882,087.41	5.93
GMALT 2021-2 A3	5/20/2024	387,104.73	381,443.21	5.93
GOLDMAN SACHS GROUP INC	3/8/2024	1,480,000.00	1,458,110.80	4.79
GOLDMAN SACHS GROUP INC	3/8/2024	635,000.00	625,608.35	4.79
GOLDMAN SACHS GROUP INC	10/21/2024	4,730,000.00	4,511,284.80	5.27
GOLDMAN SACHS GROUP INC	10/21/2024	320,236.80	305,203.20	5.27
HUNTINGTON NATIONAL BANK	5/16/2025	3,410,000.00	3,337,367.00	5.34
HUNTINGTON NATIONAL BANK	11/18/2025	1,775,000.00	1,777,840.00	5.43
HUNTINGTON NATIONAL BANK	11/18/2025	640,000.00	641,024.00	5.43
JPMORGAN CHASE & CO	12/5/2024	413,542.50	370,488.75	5.26
JPMORGAN CHASE & CO	12/5/2024	3,961,872.00	3,556,692.00	5.26
JPMORGAN CHASE & CO	12/5/2024	335,235.60	311,210.55	5.26
JPMORGAN CHASE & CO	6/1/2024	1,100,000.00	1,079,320.00	5.35
JPMORGAN CHASE & CO	6/1/2024	475,000.00	466,070.00	5.35
JPMORGAN CHASE & CO	9/16/2024	210,000.00	201,763.80	5.36
JPMORGAN CHASE & CO	9/16/2024	810,000.00	778,231.80	5.36
JPMORGAN CHASE & CO	9/16/2024	90,000.00	86,470.20	5.36
JPMORGAN CHASE & CO	9/16/2024	350,000.00	336,273.00	5.36
JPMORGAN CHASE & CO	9/16/2024	610,854.40	614,899.20	5.36
JPMORGAN CHASE & CO	9/16/2024	262,476.50	264,214.50	5.36
JPMORGAN CHASE & CO	2/16/2025	570,000.00	534,865.20	5.44
JPMORGAN CHASE & CO	2/16/2025	245,000.00	229,898.20	5.44
JPMORGAN CHASE & CO	3/16/2024	1,470,000.00	1,448,640.90	5.18
JPMORGAN CHASE & CO	3/16/2024	640,000.00	630,700.80	5.18
JPMORGAN CHASE & CO	6/1/2025	545,000.00	506,844.55	5.45
JPMORGAN CHASE & CO	6/1/2025	930,000.00	864,890.70	5.45
JPMORGAN CHASE & CO	6/1/2025	865,000.00	804,441.35	5.45
JPMORGAN CHASE & CO	6/1/2025	2,308,757.15	2,143,626.95	5.45
JPMORGAN CHASE & CO	6/1/2025	1,151,840.00	1,069,488.50	5.45
JPMORGAN CHASE & CO	6/1/2025	240,000.00	223,197.60	5.45
JPMORGAN CHASE & CO	6/1/2025	405,000.00	376,645.95	5.45
JPMORGAN CHASE & CO	8/9/2025	790,000.00	728,846.10	5.15
JPMORGAN CHASE & CO	8/9/2025	310,000.00	286,002.90	5.15
JPMORGAN CHASE & CO	12/10/2025	3,295,542.45	3,339,103.20	5.22
JPMORGAN CHASE & CO	2/24/2026	1,625,000.00	1,532,960.00	5.15
JPMORGAN CHASE & CO	2/24/2026	945,000.00	891,475.20	5.15
JPMORGAN CHASE & CO	4/26/2026	695,000.00	677,479.05	5.19
JPMORGAN CHASE & CO	4/26/2026	305,000.00	297,310.95	5.19
JDOT 2021 A3	9/15/2025	1,526,388.62	1,465,309.43	5.26
JDOT 2021 A3	9/15/2025	1,354,204.54	1,300,015.38	5.26
JDOT 2021 A3	9/15/2025	660,814.59	634,371.77	5.26
JDOT 2021 A3	9/15/2025	1,023,874.91	982,829.50	5.26
KEYCORP	5/23/2025	205,000.00	201,004.55	5.19
KEYCORP	5/23/2025	35,039.55	34,317.85	5.19
KEYBANK NA	6/14/2024	1,430,000.00	1,388,887.50	4.77
KEYBANK NA	6/14/2024	615,000.00	597,318.75	4.77
MORGAN STANLEY	10/21/2025	430,000.00	392,413.70	5.39
MORGAN STANLEY	10/21/2025	185,000.00	168,829.15	5.39
MORGAN STANLEY	1/25/2024	1,290,000.00	1,277,603.10	4.64
MORGAN STANLEY	1/25/2024	550,000.00	544,714.50	4.64
MORGAN STANLEY	1/22/2025	1,200,000.00	1,128,624.00	5.37
MORGAN STANLEY	1/22/2025	520,000.00	489,070.40	5.37
MORGAN STANLEY	1/22/2025	990,580.00	940,520.00	5.37
MORGAN STANLEY	1/22/2025	321,938.50	305,669.00	5.37
MORGAN STANLEY	10/21/2025	4,703,935.70	4,742,875.05	5.45
MORGAN STANLEY	2/18/2026	1,365,000.00	1,284,096.45	5.28
MORGAN STANLEY	2/18/2026	1,215,000.00	1,142,986.95	5.28
MORGAN STANLEY	2/18/2026	390,000.00	366,884.70	5.28
MORGAN STANLEY	10/16/2026	730,000.00	747,052.80	5.25
MORGAN STANLEY	10/16/2026	435,000.00	445,161.60	5.25
MORGAN STANLEY	4/5/2024	610,000.00	597,891.50	5.00
MORGAN STANLEY	4/5/2024	75,000.00	73,511.25	5.00
MORGAN STANLEY	4/5/2024	265,000.00	259,739.75	5.00
NALT 2020-B A3	10/16/2023	26,900.12	26,827.83	4.85
NALT 2020-B A3	10/16/2023	11,854.29	11,822.43	4.85

<u>Supranationals</u>		10/31/2024	10/31/2023
INTER-AMERICAN DEVELOPMENT BANK	9/23/2024	2,992,783.70	2,789,033.85
INTER-AMERICAN DEVELOPMENT BANK	9/23/2024	6,764,990.20	6,304,427.10
INTER-AMERICAN DEVELOPMENT BANK	9/23/2024	1,219,097.20	1,136,100.60
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	3/19/2024	5,349,700.00	4,865,900.00
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	11/24/2023	1,841,033.25	1,767,362.40
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	11/24/2023	3,043,442.50	2,921,656.00
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	11/24/2023	803,269.25	771,125.60
	SUB-TOTAL	22,014,316.10	20,555,605.55
SHORT-TERM PORTFOLIO - TOTAL		\$ 1,977,551,715.71	\$ 1,896,225,991.86

DEBT SERVICE RESERVE FUNDS				
DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
<u>91 EXPRESS LANES 2013 BONDS (US Bank DSRF)</u>				
LLOYDS BANK	12/9/2022	10,999,167.79	11,088,666.89	3.02%
First American Govt Obligations Fund	N/A	4,371.83	4,371.83	3.36%
FIRST AMERICAN GOVERNMENT OBLIGATIONS MMKT FUND (DSF)	N/A	556,777.27	556,777.27	3.36%
<u>91 EXPRESS LANES 2013 BONDS - OPERATING & MAINTENANCE RESERVES</u>				
BANK DEPOSITS	N/A	453,399.83	453,399.83	0.00%
OPERATING RESERVE - BARCLAYS CP	1/6/2023	3,051,908.67	3,050,675.28	3.17%
MAINTENANCE RESERVE - BARCLAYS CP	1/6/2023	10,337,110.00	10,332,932.40	3.17%
DEBT SERVICE RESERVE FUNDS - TOTAL		\$ 25,402,735.39	\$ 25,486,823.50	



January 25, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Fiscal Year 2022-23 First Quarter Budget Status Report

Overview

Orange County Transportation Authority staff has implemented the fiscal year 2022-23 budget. This report summarizes the material variances between the budget and actual revenues and expenses through the first quarter of fiscal year 2022-23.

Recommendation

Receive and file as an information item.

Background

The Board of Directors (Board) approved the Orange County Transportation Authority (OCTA) Fiscal Year (FY) 2022-23 Budget on June 14, 2022. The approved budget itemized the anticipated revenues and expenses necessary to deliver OCTA's transportation programs and projects.

The balanced budget as originally approved by the Board in June was \$1.65 billion. Sources of funds were comprised of \$1.235 billion in current FY revenues and \$415 million in use of prior year designations. Uses of funds were comprised of \$1.445 billion of current FY expenditures and \$205 million of designations.

Discussion

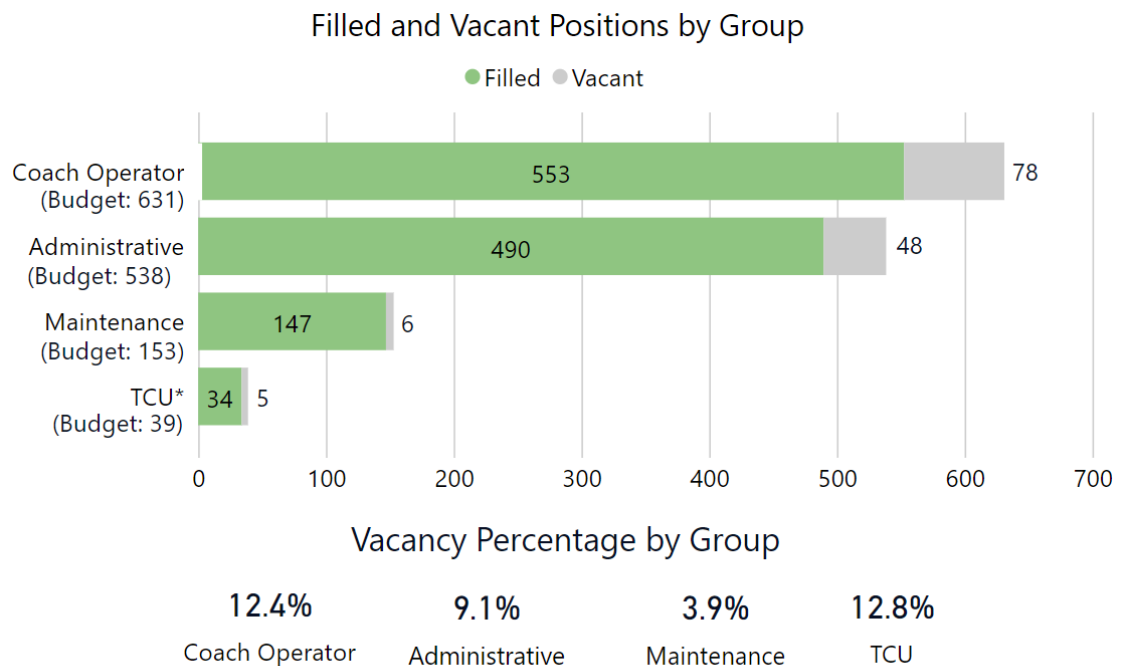
Staff monitors and analyzes revenues and expenditures versus the working budget. This report provides a summary level overview of staffing levels and explanations for material budget to actual variances within each pertinent OCTA Program. The OCTA Programs included are Bus, Regional Rail, 91 Express Lanes, Motorist Services, and Measure M2 (M2). A visual dashboard summary of this report is provided in Attachment A.

Unless indicated on an individual chart, the general color pattern used is outlined below:

- Gray – Budget
- Green – Within budget
- Yellow – Within five percent variance of budget
- Red – Over five percent variance of budget

Staffing

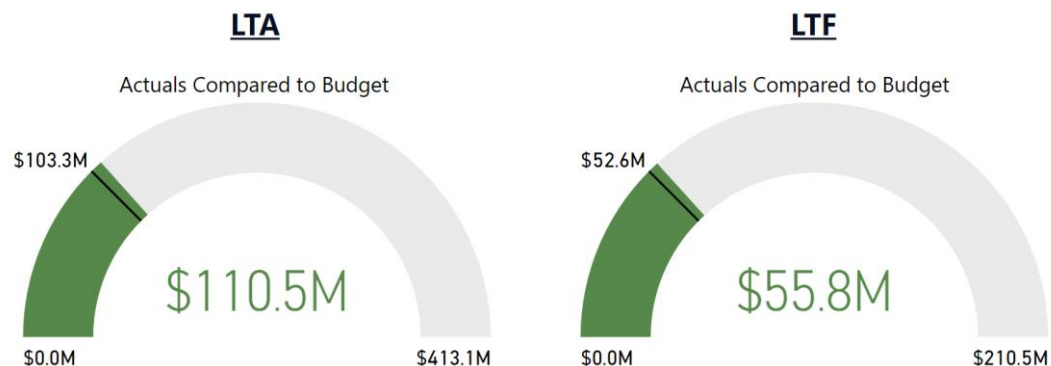
Total salaries and benefits were \$0.7 million over the budget. This is primarily due to more utilization of coach operator overtime than anticipated. This was offset by vacancies agency-wide, with the largest vacancy percentage in the coach operator's union group (12.4 percent) followed by administrative group (9.1 percent). Staff will continue to monitor this variance in the coming quarters.



*TCU - Transportation Communications International Union

Sales Tax Receipts

The charts below provide a FY snapshot for both the Local Transportation Authority (LTA) M2 Program and Local Transportation Fund (LTF) Bus Program sales tax revenues against the budget. LTA sales tax receipts of \$110.5 million were \$7.2 million higher than the budget and LTF sales tax receipts of \$55.8 million were \$3.2 million higher than the budget. Sales tax receipts outperformed the budget through the first quarter of FY 2022-23.

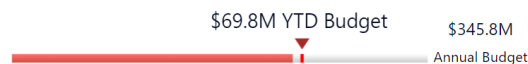


Major Programs

Bus Program



Operating Revenue



Operating Expense



Bus Program operating revenue of \$67.5 million was \$2.3 million under budget. This is primarily due to lower than anticipated fare revenue. Bus Program operating expenses of \$67.5 million were \$2.3 million under the budget. This is primarily due to recurring as-needed services and supplies, which can vary based on need, such as fuel, maintenance parts, and marketing efforts.

Capital Revenue



Capital Expense



Bus Program capital revenue of \$0.1 million was \$3.3 million under the budget due to less than anticipated revenue reimbursements based on lower capital expenses primarily for the construction of the Transit Security and Operations Center (TSOC) than budgeted. It is anticipated that construction of TSOC will begin in the second half of the FY. Capital revenue is often sought on a reimbursement basis after capital expenditures have occurred; therefore, underruns in capital revenue are often due to timing of capital expenditures. Bus Program capital expense also underran the budget by \$3.4 million. This is also primarily due to the timing of construction for TSOC.

Rail Program



Operating Revenue



Operating Expense



Rail Program operating revenue of \$0.7 million aligned to the budget. Operating expenses of \$0.5 million were \$0.2 million under the budget, primarily due to the timing of invoices for the Anaheim Canyon Metrolink Station. It is anticipated that invoices will be paid over the following quarter that will align expenditures with the budget.

Capital Revenue

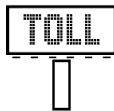


Capital Expense



Rail Program capital revenue of \$3.1 million was \$2.8 million over the budget due to revenue reimbursements received in the current FY for capital expenditures that occurred last FY. Capital expenses of \$0.1 million are in line with budget.

91 Express Lanes Program



Operating Revenue



Operating Expense



The 91 Express Lanes Program operating revenue of \$15.4 million exceeded the budget by \$2.2 million primarily due to higher than anticipated traffic volumes. Operating expenses of \$1.9 million underran by \$4.1 million, primarily due to the invoicing and timing of contracted services, professional services, office costs, and equipment/maintenance.

Capital Revenue



Capital Expense



The 91 Express Lanes Program capital revenue was \$1 million under the budget. Capital grant revenue is sought on a reimbursement basis after capital expenditures have occurred; therefore, underruns in capital revenue are often due to timing of capital expenditures. Capital expenses were \$1 million under budget primarily due to timing and invoicing pertaining to the Electronic Toll and Traffic Management System and 91 Express Lanes back-office system. These two items will take place in the second half of the FY.

Motorist Services Program



Operating Revenue



Operating Expense

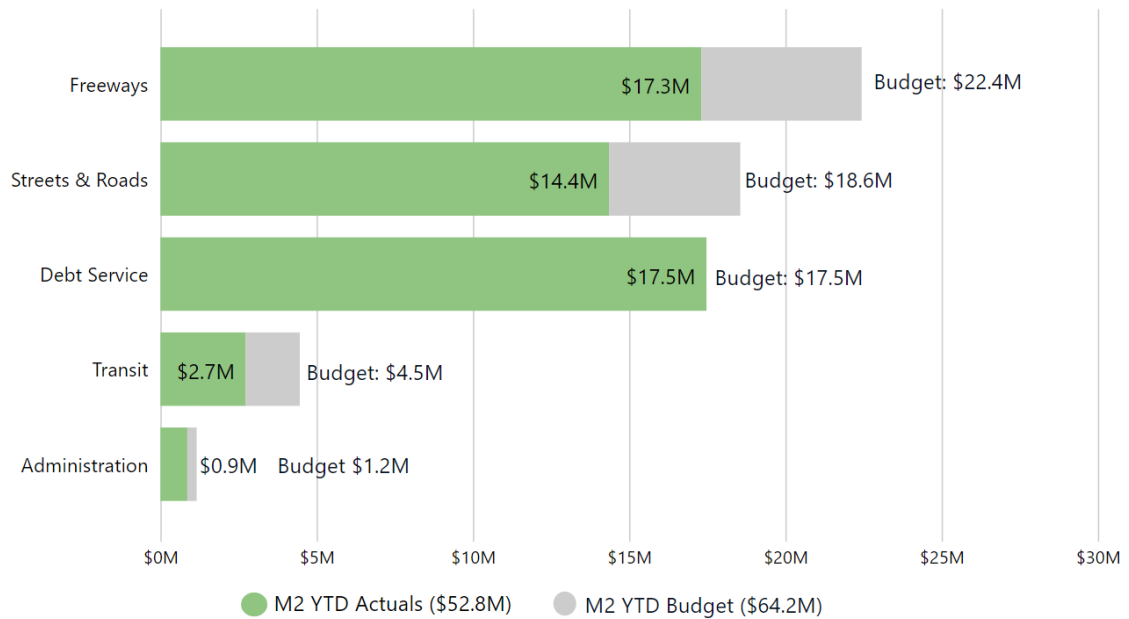


Motorist Services operating revenue of \$1.5 million aligned to the budget. Motorist Services operating expenses were \$136,000 lower than budget primarily due to the 511 program still pending an agreement with Los Angeles County Service Authority for Freeway Emergencies.

M2 Program

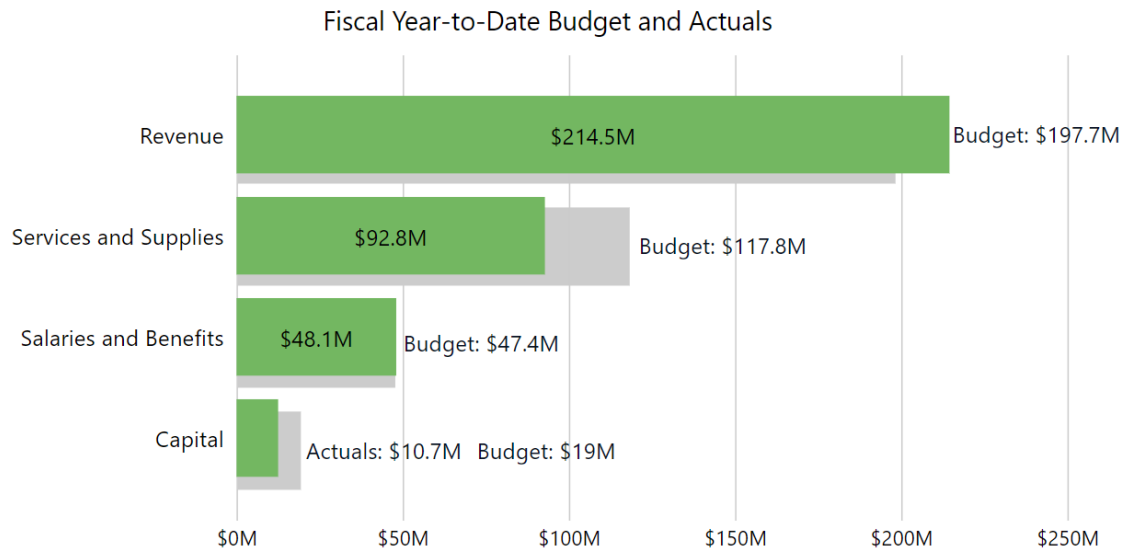


M2 Program Budget and Actuals by Mode



Total actual expenses for the M2 Program of \$52.8 million underran the budget by \$11.4 million, primarily due to less than anticipated Regional Traffic Signal Synchronization payments (\$4.7 million), timing of construction payments for the Interstate 5 (I-5) to El Toro Road (\$4.1 million), and lower than anticipated payments for Community-Based Transit Circulators (\$1.7 million).

Summary



Overall, revenue of \$214.5 million exceeded the budget by \$16.8 million, primarily due to greater than anticipated sales tax receipts.

Operating expenses of \$92.8 million were \$25 million under budget, primarily due to an underrun in contributions to local agencies based on fewer project payment requests for competitive M2 programs such as the Regional Capacity Program and Regional Traffic Signal Synchronization. Additionally, as-needed services and supplies, as well as right-of-way and engineering services, contributed to the underrun.

Salaries and benefits of \$48.1 million exceeded the budget by \$0.7 million. This was primarily due to more than anticipated coach operator overtime of \$2 million, which was offset by an underrun of \$1.3 million primarily due to coach operator and administrative vacancies.

Capital expenses of \$10.7 million were \$8.3 million under budget, primarily due to lower than anticipated expenses through the first quarter for I-5 to El Toro Road construction, Transit Security and Operations Center construction, and the Electronic Toll and Traffic Management System.

Attachment

A. FY 2022-23 First Quarter Budget Status Summary

Prepared by:



Anthony Baruch
Section Manager,
Financial Planning and Analysis
(714) 560-5332

Approved by:



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

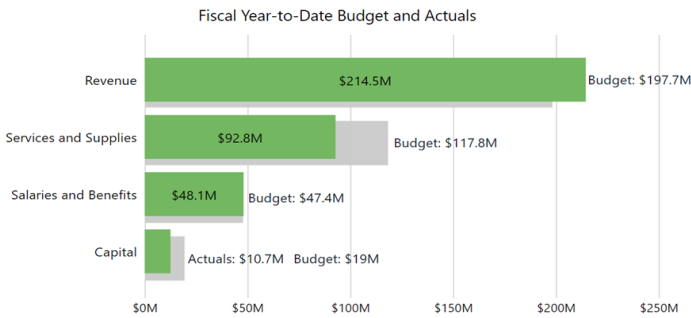


FY 2022-23 First Quarter Budget Status Summary

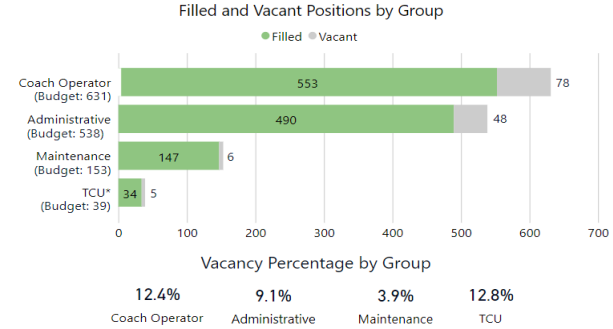
ATTACHMENT A

● Budget ● Within Budget ● Within 5% Variance ● Over 5% Variance

Total Authority



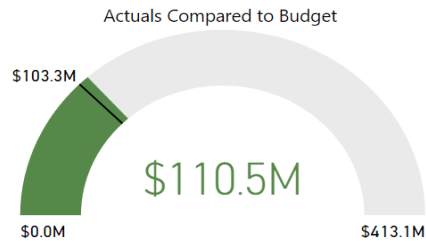
Staffing



Sales Tax Receipts

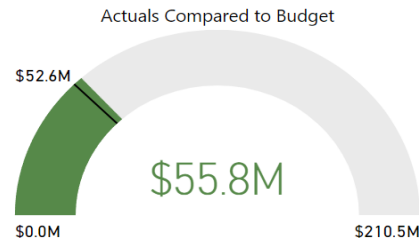
Local Transportation Authority (LTA)

LTA



Local Transportation Fund (LTF)

LTF



Major Operating Programs

Year-to-Date (YTD)

Bus Program



Operating Revenue



Operating Expense



Capital Revenue



Capital Expense



Rail Program



Operating Revenue



Operating Expense



Capital Revenue



Capital Expense



91 Express Lanes Program



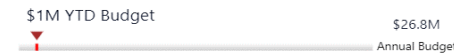
Operating Revenue



Operating Expense



Capital Revenue



Capital Expense



Motorist Services Program



Operating Revenue



Operating Expense





January 25, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Agreement for System Manager and Business Analyst Support Services

Overview

Consultant services are needed to support the various financial systems used by the Financial Planning and Analysis Department of the Orange County Transportation Authority. Proposals have been received and evaluated in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services. Approval is requested to execute a new agreement for system manager and business analyst support services.

Recommendations

- A. Approve the selection of Carpe Datum as the firm to provide system manager and business analyst support services.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-2-2575 between the Orange County Transportation Authority and Carpe Datum in the amount of \$591,600, for a two-year initial term from April 1, 2023 through March 31, 2025 with three, one-year option terms, to provide system manager and business analyst support services.

Discussion

The Orange County Transportation Authority's (OCTA) Financial Planning and Analysis (FP&A) Department requires the assistance of a consultant for the various systems that support OCTA's financial functions. FP&A is responsible for developing and maintaining the financial plans of OCTA, as well as conducting various fiscal studies, monitoring expenditures, reporting budget variances, verifying budget authority for requisitions and providing program controls for the Bus Program.

FP&A is in the process of migrating away from a custom application that was used for budgeting, budget maintenance, variance reporting, and ad hoc

analysis. This application, named Budget/Budget-to-Actuals Reporting (BUDBAR), was developed in Microsoft Access with a Microsoft structured query language (SQL) back-end.

BUDBAR functionality and Microsoft Excel forecasting models are being migrated to:

- Oracle's Enterprise Planning and Budgeting Cloud Services (PBCS) – a software as a service (SaaS) application offering annual and long-range planning and forecasting.
- FP&A Working Budget – a Microsoft Access-based system using a SQL server backend to provide support for transactional activity that cannot be performed in the cloud environment. This application will also provide support for processes that require a live connection to onsite accounting and procurement systems.
- Qlik Sense Dashboards – these workspaces will provide data for departmental research into budget status, position control, contract analysis and archived data.

The consultant filling the role of a systems manager and business analyst will be responsible for providing assistance with the migration away from a custom application, as well as technical leadership in the development of financial and business planning models in areas such as grant reimbursement, labor reporting, trend analysis, and cost-benefit analysis. In addition, the consultant will be an integral part in researching and providing recommendations to FP&A management regarding the impact of future technology trends to FP&A's systems.

Procurement Approach

This procurement was handled in accordance with OCTA's Board of Directors (Board)-approved procedures for professional and technical services. In addition to cost, many other factors are considered in an award for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal considering such factors as prior experience providing similar services, staffing and project organization, work plan, as well as cost and price.

On September 2, 2022, Request for Proposals (RFP) 2-2575 was issued electronically on CAMM NET. The project was advertised in a newspaper of general circulation on September 3 and September 5, 2022. A pre-proposal conference was held on September 7, 2022. Two addenda were issued to

provide a copy of the pre-proposal registration sheet and presentation slides, as well as to respond to questions related to the RFP.

On October 6, 2022, seven proposals were received. An evaluation committee consisting of OCTA staff from Contracts Administration and Materials Management, FP&A, Treasury and Public Finance, Revenue Administration, and Information Systems departments met to review all proposals received. The proposals were evaluated based on the following evaluation criteria and weightings:

- | | |
|-------------------------------------|------------|
| • Qualifications of the Firm | 25 percent |
| • Staffing and Project Organization | 30 percent |
| • Work Plan | 20 percent |
| • Cost and Price | 25 percent |

Several factors were considered in developing the criteria weightings. Qualifications of the firm was weighted at 25 percent to ensure the firm has experience in performing work of a similar nature. Staffing and project organization was weighted the highest at 30 percent as the proposed project staff needed to demonstrate a technical understanding of financial systems. Work plan was weighted at 20 percent as the firm needed to demonstrate its approach to providing the services specified in the scope of work. Cost and price was weighted at 25 percent to ensure that OCTA received value for the services provided.

On November 7, 2022, the evaluation committee reviewed all proposals based on the evaluation criteria and short-listed the two most qualified firms as listed below in alphabetical order:

Firm and Location

Carpe Datum (Carpe)
El Segundo, California

Kaygen, Inc. (Kaygen)
Irvine, California

On November 14, 2022, the evaluation committee conducted interviews with the two short-listed firms. The interview consisted of a presentation to demonstrate the firms' understanding of OCTA's requirements. The firms' project managers and key team members had an opportunity to present each teams' qualifications and respond to the evaluation committee's questions. Questions were asked relative to the firms' experience and understanding of the specific needs of OCTA's system manager and business analyst requirements, as well specific clarification questions related to each firm's proposal.

After considering the responses to the questions asked during the interviews, the evaluation committee reviewed the preliminary ranking and made adjustments to individual scores for both firms. However, the ranking of the two firms did not change and Carpe remained the higher-ranked firm with the higher overall score.

Based on the evaluation of the written technical proposals and the information obtained from the interviews, the evaluation committee recommends Carpe for consideration of the award. The following is a brief summary of the proposal evaluation results:

Qualifications of Firm

Carpe is a systems development and information technology (IT) consulting firm that was established in 1993 and is located in El Segundo, California. The firm has 30 years of extensive experience in providing services such as software design, programming and implementation, software acquisition studies, project management, data mining, and business process redesign services to transportation agencies, including the Los Angeles County Metropolitan Transportation Authority (LA Metro), Riverside Transit Agency, San Bernardino Associated Governments, San Diego Metropolitan Transit System, Long Beach Transit, and Omnitrans. Carpe currently provides system manager and business analyst support services to OCTA. The firm received positive feedback on their references. During the interview, Carpe provided clear responses and expanded on what their expertise brings to the project.

Kaygen is based in the City of Irvine and has provided IT professional services and consulting solutions to clients since 2003. The firm has experience assigning contracted consultants with clients to provide software selection, design, deployment, configuration, and integration, as well as post-implementation support efforts for clients such as Toyota, LA Metro and Thermofisher. The firm received positive feedback on their references. During the interview, Kaygen's responses focused on the firm's expertise in job recruitment efforts and placement of IT personnel rather than a technical understanding of financial systems.

Staffing and Project Organization

Carpe's proposed project manager for this project has 30 years of experience with software development. The individual is an expert-level user of the Microsoft Professional Suite, SQL Server, Adobe InDesign, Visual Basic Applications and Qlik Sense, all of which will be utilized during the project. In addition, this individual has experience working on current OCTA business systems such as CentralSquare Technologies' ONESolution Finance Suite, Ellipse Procurement Suite, Lawson Payroll and Human Resource Software, and Oracle's Enterprise Performance Management applications. During the interview, Carpe

demonstrated their knowledge and familiarity with OCTA's financial systems and expanded on their direct knowledge creating and supporting these systems.

Kaygen's proposed staff has experience with financial analysis, as well as systems development. Kaygen's proposed staff demonstrated experience supporting applications from SQL, SmartView, and QlikView. However, the proposal did not demonstrate experience with respect to systems of equal or similar complexity as those identified in the scope of work. In addition, the firm did not provide an organizational chart with the reporting structure and was not clear on differentiation of duties between staff members. During the interview, the firm did not have personnel present with direct knowledge and experience necessary to perform project objectives.

Work Plan

Carpe presented a comprehensive work plan that addressed all elements of the scope of work in its written proposal. Carpe's work plan elaborated on current financial systems in place as well as OCTA's future plans to fully migrate Microsoft Excel forecasting models to cloud services by 2023. The firm also addressed problems, issues, and constraints that may be encountered throughout the project term. Carpe's recommendations and discussion during the interview regarding anticipated issues and future considerations clearly demonstrated a comprehensive depth of knowledge and understanding of OCTA's requirements.

Kaygen's work plan demonstrated an understanding of project management and implementation; however, it did not provide detail on the scope of work systems and objectives, such as SQL server database administration and design. Both in their proposal and interview, the firm did not demonstrate expertise and knowledge of the scope of work or address problems, issues or constraints that may be encountered throughout the project term. During the interview, Kaygen did not provide a clear response when asked to elaborate about the scope of work objectives in terms of programming languages and financial systems.

Cost and Price

Pricing scores were based on a formula which assigned the highest score to the firm with the lowest total average hourly rate and scored the other proposals' total average hourly rate on their relation to the lowest total average hourly rate. Although Carpe did not provide the lowest total average hourly rate, the firm is the overall most qualified and was lower than the hourly rates in the OCTA project manager's independent cost estimate. Therefore, the firm's cost is deemed fair and reasonable.

Evaluation Summary

Based on the evaluation of the written proposals, the firms' qualifications, and information obtained from the interviews, the evaluation committee recommends the contract award to Carpe. Carpe demonstrated a thorough understanding of OCTA's specific requirements for system manager and business analyst support services and submitted a comprehensive proposal that was responsive to all requirements of the RFP.

Fiscal Impact

The local funds allocated for this agreement are included in the OCTA Fiscal Year 2022-23 Budget; Financial Planning and Analysis Account No. 1250-7519-A5266-CAV.

Summary

Staff is recommending the Board of Directors authorize the Chief Executive Officer to negotiate and execute Agreement No. C-2-2575 between the Orange County Transportation Authority and Carpe Datum, in the amount of \$591,600, for a two-year initial term from April 1, 2023 through March 31, 2025 with three, one-year option terms, to provide system manager and business analyst support services.

Attachments

- A. Review of Proposals, RFP 2-2575 System Manager/Business Analyst
- B. Proposal Evaluation Criteria Matrix (Short-Listed Firms), RFP 2-2575 System Manager/Business Analyst
- C. Contract History for the Past Two Years, RFP 2-2575 System Manager/Business Analyst

Prepared by:

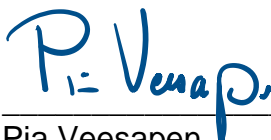


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ATTACHMENT A

Review of Proposals
RFP 2-2575 System Manager/Business Analyst
Presented to Finance and Administration Committee - January 11, 2023

Seven proposals were received, Two firms were interviewed, One firm is being recommended.

Overall Ranking	Proposal Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Total Average Hourly Rate
1	80	Carpe Datum El Segundo, California	None	Excellent qualifications and extensive experience providing system manager and business analyst services. Demonstrated a thorough understanding of project requirements. Proposed a highly qualified and experienced project manager. Comprehensive work plan addressing all the elements of the scope of work. Positive feedback. Excellent responses to interview questions reflecting depth of experience and knowledge.	\$140.00
2	61	Kaygen, Inc. Irvine, California	None	Experience providing information technology professional services and consulting solutions. Demonstrated understanding of project requirements. Proposed experienced staff with financial analysis and system development backgrounds. Work plan did not address all elements of the scope of work. Good references. Interview responses lacked detail.	\$133.40

Evaluation Panel:

Contracts Administration and Materials Management (1)
Financial Planning and Analysis (1)
Treasury and Public Finance (1)
Revenue Administration (1)
Information Systems (1)

Proposal Criteria

Qualifications of the Firm
Staffing and Project Organization
Work Plan
Cost and Price

Weight Factors

25%
30%
20%
25%

PROPOSAL EVALUATION CRITERIA MATRIX (Short-Listed Firms)
RFP 2-2575 System Manager/Business Analyst

Carpe Datum				Weights			Overall Score
Evaluator Number	1	2	3	4	5		
Qualifications of Firm	5.0	5.0	5.0	4.5	5.0	5	24.5
Staffing/Project Organization	3.5	3.5	3.5	3.0	3.5	6	20.4
Work Plan	5.0	5.0	4.5	4.5	5.0	4	19.2
Cost and Price	3.1	3.1	3.1	3.1	3.1	5	15.5
Overall Score	81.5	81.5	79.5	74.0	81.5		80
Kaygen, Inc.				Weights			Overall Score
Evaluator Number	1	2	3	4	5		
Qualifications of Firm	3.0	3.0	3.0	3.0	3.0	5	15.0
Staffing/Project Organization	3.0	3.0	3.0	3.0	3.0	6	18.0
Work Plan	3.0	3.0	3.0	3.0	3.0	4	12.0
Cost and Price	3.2	3.2	3.2	3.2	3.2	5	16.0
Overall Score	61.0	61.0	61.0	61.0	61.0		61

Range of technical scores for non-short-listed firms was 26 to 55.

CONTRACT HISTORY FOR THE PAST TWO YEARS**RFP 2-2575 System Manager/Business Analyst**

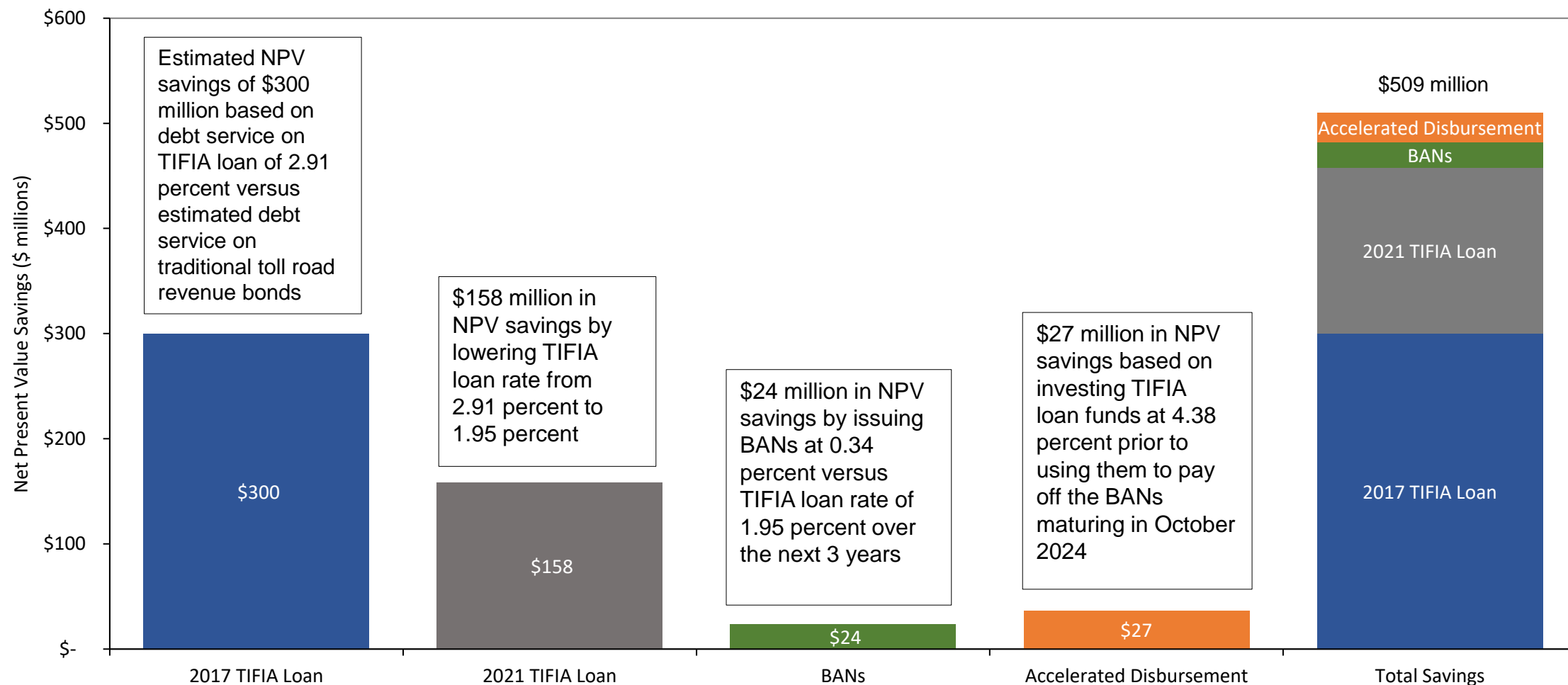
Prime and Subconsultants	Contract No.	Description	Contract Start Date	Contract End Date	Subconsultant Amount	Total Contract Amount
Carpe Datum						
Contract Type: Time and Expense	C-1-3495	System Manager/Business Analyst	October 4, 2021	March 31, 2023	N/A	\$397,340.00
<i>Subconsultant: N/A</i>						
Contract Type: Time and Expense	C-4-1559	System Manager/Business Analyst	September 2, 2014	September 30, 2021	N/A	\$1,662,768.00
<i>Subconsultant: N/A</i>						
Subtotal:						\$2,060,108.00
Kaygen, Inc.						
Contract Type: None	N/A	N/A	N/A	N/A	N/A	\$ -
<i>Subconsultant:</i>						
Subtotal: \$						-

Accelerated Transportation Infrastructure Finance and Innovation Act Loan Disbursement - Update

Overview

- The Orange County Transportation Authority (OCTA) has a \$628.93 million Transportation Infrastructure Finance and Innovation Act (TIFIA) loan with an interest rate of 1.95 percent
- OCTA utilized Bond Anticipation Notes (BAN) with an interest rate of 0.30 percent in lieu of drawing on the TIFIA loan to reduce financing costs
 - BANs net present value (NPV) savings is \$24 million
 - BANs mature in October 2024
- The significant increase in short-term treasury yields provided the opportunity for an additional reduction in financing costs
 - OCTA revised its TIFIA disbursement schedule taking a disbursement on December 15, 2022
 - OCTA invested the disbursement proceeds in a BANs defeasance escrow that will mature prior to October 2024 to repay the BANs
 - The escrowed funds are invested in short-term treasuries which are yielding 4.38 percent
 - NPV savings of 4.08 percent or \$27.3 million

TIFIA Loan Savings



Overall Savings Summary

- Total of \$509 million in present value savings associated with the I-405 Improvement Project financings
 - Original 2017 TIFIA Loan ~ \$300 million
 - 2021 TIFIA Reset Loan ~ \$158 million
 - 2021 BANs ~ \$24 million
 - 2022 Accelerated Disbursement ~ \$27 million