

91 EXPRESS LANES FUND
(An Enterprise Fund of the
Orange County Transportation Authority)
FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

91 Express Lanes Fund
(An Enterprise Fund of the Orange County Transportation Authority)

Financial Statements
For the Year Ended June 30, 2025

Table of Contents

Independent Auditor's Report	1
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 <i>Government Auditing Standards</i>	4
Management's Discussion and Analysis (Unaudited)	6
Financial Statements:	
Statement of Net Position	11
Statement of Revenues, Expenses and Changes in Net Position	12
Statement of Cash Flows	13
Notes to the Financial Statements	15

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Orange County Transportation Authority
Orange, California

Report on the Audit of the Financial Statements***Opinion***

We have audited the accompanying financial statements of the 91 Express Lanes Fund (91 EL), a major enterprise fund of the Orange County Transportation Authority (OCTA) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the 91 EL's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the 91 EL, a major enterprise fund of OCTA, as of June 30, 2025, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OCTA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the 91 EL and do not purport to, and do not, present fairly the financial position of OCTA as of June 30, 2025, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the OCTA's internal control, as it relates to the 91 EL. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the 91 EL's financial statements. The management's discussion and analysis, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. The information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2025 on our consideration of OCTA's internal control over financial reporting, as it relates to the 91 EL, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of OCTA's internal control over financial reporting or on compliance, as it relates to the 91 EL. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OCTA's internal control over financial reporting and compliance, as it relates to the 91 EL.


Crowe LLP

Costa Mesa, California
October 31, 2025

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 91 Express Lanes Fund (91 EL), a major enterprise fund of the Orange County Transportation Authority (OCTA), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the 91 EL's basic financial statements, and have issued our report thereon dated October 31, 2025. As discussed in Note 1, the financial statements present only the 91 EL and do not purport to, and do not, present fairly the financial position of OCTA, the changes in its financial position, or where applicable, its cash flows in conformity with accounting principles generally accepted in the United States of America.

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 and compliance (internal control), as it relates to the 91 EL, as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OCTA's internal control, as it relates to the 91 EL. Accordingly, we do not express an opinion on the effectiveness of OCTA's internal control, as it relates to the 91 EL.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 91 EL's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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


Crowe LLP

Costa Mesa, California
October 31, 2025

**91 Express Lanes Fund
Management's Discussion and Analysis (unaudited)
For the Year Ended June 30, 2025**

As management of the 91 Express Lanes Fund (91 EL), an enterprise fund of the Orange County Transportation Authority (OCTA), we offer readers of the 91 EL financial statements this narrative overview and analysis of the 91 EL's financial activities for the fiscal year ended June 30, 2025. We encourage readers to consider the information on financial performance presented in conjunction with the financial statements that begin on page 11.

Financial Highlights

- At the end of fiscal year 2024-25, the total net position of the 91 EL was \$435,116,715, comprising net investment in capital assets of \$66,837,135; restricted net position of \$12,576,331; and unrestricted net position of \$355,703,249. Net position increased \$64,087,339 during fiscal year 2024-25, which represents an increase of 17.3% from the fiscal year 2023-24 ending net position. The increase was primarily driven by operating revenues exceeding expenses, favorable investment earnings, and reduced transfers to the Orange County Local Transportation Authority (OCLTA) for the SR-91 Improvement Project.
- In fiscal year 2024-25, total operating revenues increased by \$2,292,276, which represents a 3.1% increase from the fiscal year 2023-24. The increase in operating revenue was primarily driven by higher traffic volumes on the 91 Express Lanes, combined with increase in the average gross revenue per trip.
- Total operating expenses increased by \$2,696,083, which represents a 13.5% increase from fiscal year 2023-24, primarily attributable to higher costs for management and operational services and professional services.
- At the end of fiscal year 2024-25, investment earnings increased by \$4,744,849, which represents a 32.1% increase compared to fiscal year 2023-24. The increase was primarily attributable to higher available cash balances and favorable investment performance during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the 91 EL's financial statements. The financial statements are comprised of the fund financial statements and notes to the financial statements.

The statement of net position presents information on all of the 91 EL's assets, deferred outflows of resources, deferred inflows of resources, and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the 91 EL is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how the 91 EL's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The 91 EL fund financial statements can be found on pages 11-14 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 15-26 of this report.

91 Express Lanes Fund
Management's Discussion and Analysis (unaudited)
For the Year Ended June 30, 2025

91 Express Lanes Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the 91 EL's financial position. At June 30, 2025, the 91 EL's net position was \$435,116,715, an increase of \$64,087,339 or 17.3% from June 30, 2024. Our analysis below focuses on net position (Table 1) and changes in net position (Table 2) of the 91 EL's financial activities.

Table 1
91 Express Lanes Fund
Net Position

	2025	2024
Assets		
Current and other assets	\$ 375,234,018	\$ 314,557,508
Restricted assets	13,403,496	13,452,646
Noncurrent receivables, net	7,886,019	4,737,647
Capital assets, net	116,462,706	119,552,293
Total assets	512,986,239	452,300,094
Total deferred outflows of resources	3,654,691	4,324,253
Liabilities		
Current liabilities	37,134,906	33,417,356
Long-term liabilities	40,874,485	48,018,854
Total liabilities	78,009,391	81,436,210
Total deferred inflows of resources	3,514,824	4,158,761
Net position		
Net investment in capital assets	66,837,135	70,703,790
Restricted	12,576,331	8,000,000
Unrestricted	355,703,249	292,325,586
Total net position	\$ 435,116,715	\$ 371,029,376

In fiscal year 2024-25, total assets increased by \$60,686,145 which represents an increase of 13.4% from fiscal year 2023-24, primarily due to an increase of \$61,123,179 in cash and investments, which resulted from higher operating cash flows, an increase of \$2,780,319 in violations account receivables, and partially offset by a decrease of \$3,089,587 in capital assets. Total liabilities decreased by \$3,426,819 or 4.2% primarily due to principal payment of the Toll Road Revenue Bonds, Series 2023.

The 91 EL's net investment in capital assets was \$66,837,135 in fiscal year 2024-25 compared to \$70,703,790 in fiscal year 2023-24. The 91 EL's net position reflects its investment in capital assets (i.e. improvements; equipment; computer hardware and software; furniture and fixtures; transponders; intangible right-to-use lease assets; and toll facility franchise), less any related outstanding debt used to acquire these assets. The 91 EL uses these capital assets to provide improved mobility for 91 EL customers and commuters along the SR-91 corridor. The \$3,866,655 decrease in net investment in capital assets was primarily driven by depreciation of computer hardware and software, as well as the

91 Express Lanes Fund
Management's Discussion and Analysis (unaudited)
For the Year Ended June 30, 2025

amortization of toll facility franchise. The decline also reflected the reallocation of previously unspent capital borrowing proceeds, which are now reserved for debt service.

Restricted net position, representing resources subject to external restrictions on how they may be used, accounted for 2.9% of total net position as of June 30, 2025. The \$4,576,331 increase in restricted net position was primarily attributable to the reallocation of Senior Lien (Debt Service) Reserves, which have been designated for future debt service payments.

Unrestricted net position represents the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. Unrestricted net position increased from \$292,325,586 as of June 30, 2024 to \$355,703,249 as of June 30, 2025. This increase of \$63,377,663 was primarily attributable to operating revenues exceeding operating expenses, favorable investment earnings, and a reduction in transfers to the OCLTA for the SR-91 Improvement Project.

Table 2
91 Express Lanes Fund
Changes in Net Position

	2025	2024
Operating revenues		
Tolls, fees, and fines	\$ 75,960,347	\$ 73,668,071
Operating expenses		
Management and operational services	6,878,431	5,875,462
Administrative overhead	4,069,510	3,685,194
Other operating expenses	149,195	18,652
Insurance claims and premiums	253,030	597,820
Professional services	5,996,616	4,374,822
General and administrative	330,711	332,599
Depreciation and amortization	4,981,318	5,078,179
Total operating expenses	22,658,811	19,962,728
Operating income	53,301,536	53,705,343
Nonoperating revenues (expenses)		
Investment earnings	19,515,231	14,770,382
Interest expense	(1,581,381)	(1,875,126)
Other	968,060	424,819
Total nonoperating revenues	18,901,910	13,320,075
Income before transfers	72,203,446	67,025,418
Transfers to other OCTA funds	(8,116,107)	(15,244,810)
Changes in net position	64,087,339	51,780,608
Total net position—beginning	371,029,376	319,248,768
Total net position—ending	\$ 435,116,715	\$ 371,029,376

91 Express Lanes Fund
Management's Discussion and Analysis (unaudited)
For the Year Ended June 30, 2025

The 91 EL's total operating revenues increased by 3.1%, while total operating expenses increased by 13.5%. The increase in operating revenues was primarily driven by higher traffic volumes, increase in the average gross revenue per trip, and higher collections from toll violators. The increase in operating expenses was mainly attributable to higher management and operational service costs related to toll road operations, as well as professional services for toll account servicing.

Total traffic volume on the 91 EL during fiscal year 2024-25 was 21,992,452 trips reflecting an increase of 3.9% in comparison to fiscal year 2023-24. Investment earnings increased by \$4,744,849 which represents a 32.1% increase compared to fiscal year 2023-24, primarily reflecting higher cash balances and favorable investment performance.

Capital Assets

As of June 30, 2025, the 91 EL had \$116,462,706 net of accumulated depreciation and amortization, invested in a broad range of capital assets including: the toll facility franchise, construction in progress, improvements, communication equipment, computer hardware and software, transponders, intangible right-to-use asset, and equipment, furniture and fixtures (Table 3). The total decrease in the 91 EL's capital assets for fiscal year 2024-25 was \$3,089,587 primarily due to depreciation and amortization.

Table 3
91 Express Lanes Fund
Capital Assets, net of Depreciation and Amortization

	2025	2024
Construction in progress	\$ 5,624,528	\$ 4,327,477
Buildings and improvements	13,239	16,170
Leasehold improvements	371,015	485,884
Communications equipment	131,675	200,375
Computer hardware and software	3,400,600	4,473,892
Transponders	82,477	205,237
Equipment, furniture and fixtures	4,319	6,909
Lease assets - building	2,073,799	2,488,602
Toll facility franchise	104,761,054	107,347,747
Total capital assets, net	\$ 116,462,706	\$ 119,552,293

The 91 EL had outstanding capital expense commitments, the most significant of which were \$7,437,045 for the electronic toll and traffic management (ETTM) and \$2,268,407 for the back-office system. Major capital asset additions during fiscal year 2024-25 included \$476,201 for the ETTM system, \$594,678 for the back-office system, and \$820,851 for the Advanced Traffic Management Software (ATMS). The ETTM system and ATMS remain in construction in progress and are projected for completion in fiscal year 2025-26. Capital assets, net decreased by \$3,089,587, primarily due to amortization of the toll facility franchise and depreciation of the back-office system. Total construction in progress increased by \$1,297,051 as a result of payments for the ETTM system and the acquisition of ATMS. Additional detail regarding the 91 EL's capital assets is provided in Note 5 to the financial statements.

**91 Express Lanes Fund
Management's Discussion and Analysis (unaudited)
For the Year Ended June 30, 2025**

Debt Administration

As of June 30, 2025, the 91 EL had \$41,725,000 in tax-exempt bonds outstanding compared to \$47,545,000 at June 30, 2024. The reduction was due to principal payment of 2023 series Toll Revenue Bonds in fiscal year 2024-25. Additional information on long-term debt can be found in note 7 to the financial statements.

Economic and Other Factors

The 91 EL makes up \$76,926,340 or 4.4% of OCTA's fiscal year 2025-26 adopted revenue budget. For fiscal year 2025-26, budgeted toll revenue is forecasted to increase by 16.0% from the fiscal year 2024-25 budgeted value. This increase is due to a forecasted increase in revenue and traffic volumes. In addition, collection receipts from violators have risen since the 91 EL implemented the practice of placing unpaid tolls and fees on vehicle registration holds. This increase in collections has been incorporated into the revenue projection to better align the budget with actuals. The budgeted average long term rate of growth for toll road revenue beyond fiscal year 2025-26 is 4.4%.

The majority of expenses related to the 91 EL within the fiscal year 2025-26 budget are on-going general costs related to day to day operations of the toll facility. Since the 91 EL is a fully electronic toll facility, motorists pay tolls through the convenient use of windshield mounted FasTrak® transponders that automatically deduct toll charges from a prepaid account. At the end of fiscal year 2024-25, there were 186,084 active customer accounts, with 739,969 transponders assigned to those accounts, which represents an increase of 7,204 and 22,372, respectively from fiscal year 2023-24.

OCTA, in concert with Caltrans and RCTC, issued an annual SR-91 Implementation Plan to establish a program of projects eligible for funding by potential excess 91 EL toll revenue and other funds. The projects are presented in the following groups: Orange County Projects, Riverside County Projects, and Bi-County Projects. The Orange County Projects have a total cost of approximately \$814 million. The projects include improvements to the SR-91 between SR-57 and SR-55, Placentia Metrolink Rail Station, and Metrolink Improvements. The Riverside County projects have a total cost of approximately \$393.5 million. The improvements include the I-15/91 Express Lanes Connector, Green River Road Bike Lane Gap Closure, Santa Ana River Trail, the SR-71/SR-91 Interchange Improvements, and the SR-91 Improvements East of I-15. The Bi-County projects benefit both Orange and Riverside Counties, with total projects exceeding \$674 million. These projects include the SR-241/SR-91 Tolloed Express Connector, 91 Eastbound Corridor Operations Project, and 91 Westbound Improvements.

Contacting 91 EL's Management

This financial report is designed to provide a general overview of the 91 EL's finances for all those with an interest in the government's finances and to demonstrate the 91 EL's accountability for the money it receives. Questions related to any of the information provided in this report or requests for additional information should be addressed to the Finance and Administration Division at the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584.

91 Express Lanes Fund
(An Enterprise Fund of the Orange County Transportation Authority)
Statement of Net Position
June 30, 2025

Assets

Current assets:

Cash and investments	\$ 365,037,360
Receivables:	
Interest	2,670,418
Violations, net	5,653,317
Other, net	1,795,789
Due from other governments	77,134

Total current assets	375,234,018
-----------------------------	--------------------

Noncurrent assets:

Restricted cash and investments	13,403,496
Receivable violations, net	7,886,019
Capital assets, net:	
Nondepreciable	5,624,528
Depreciable and amortizable	110,838,178

Total noncurrent assets	137,752,221
--------------------------------	--------------------

Total assets	512,986,239
---------------------	--------------------

Deferred outflows of resources

Deferred outflows - refunding	3,654,691
-------------------------------	-----------

Total deferred outflows of resources	3,654,691
---	------------------

Liabilities

Current liabilities:

Accounts payable	8,240,095
Accrued interest payable	786,919
Due to other funds	8,847,738
Due to other governments	2,367,376
Unearned revenue	10,075,480
Other liabilities	291,284
Lease liabilities, current	411,014
Long-term debt, current	6,115,000

Total current liabilities	37,134,906
----------------------------------	-------------------

Noncurrent liabilities:

Lease liabilities	1,873,841
Long-term debt	39,000,644

Total noncurrent liabilities	40,874,485
-------------------------------------	-------------------

Total liabilities	78,009,391
--------------------------	-------------------

Deferred inflows of resources

Deferred inflows - refunding	3,514,824
------------------------------	-----------

Total deferred inflows of resources	3,514,824
--	------------------

Net position

Net investment in capital assets	66,837,135
Restricted for:	
Debt service	4,576,331
Capital reserves	5,000,000
Operating reserves	3,000,000
Unrestricted	355,703,249

Total net position	\$ 435,116,715
---------------------------	-----------------------

See accompanying notes to the financial statements.

91 Express Lanes Fund
(An Enterprise Fund of the Orange County Transportation Authority)
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

Operating revenues	
Tolls, fees, and fines	\$ 75,960,347
Operating expenses	
Management and operational services	6,878,431
Administrative overhead	4,069,510
Other operating expenses	149,195
Insurance claims and premiums	253,030
Professional services	5,996,616
General and administrative	330,711
Depreciation and amortization	4,981,318
Total operating expenses	22,658,811
Operating income	53,301,536
Nonoperating revenues (expenses)	
Investment earnings	19,515,231
Interest expense	(1,581,381)
Other	968,060
Total nonoperating revenues	18,901,910
Income before transfers	72,203,446
Transfers to other OCTA funds	(8,116,107)
Change in net position	64,087,339
Total net position - beginning	371,029,376
Total net position - ending	\$ 435,116,715

See accompanying notes to the financial statements.

91 Express Lanes Fund
(An Enterprise Fund of the Orange County Transportation Authority)
Statement of Cash Flows
For the Year Ended June 30, 2025

Cash flows from operating activities	
Receipts from customers and users	\$ 73,072,514
Payments to suppliers	(11,075,789)
Payments for OCTA interfund services used	(4,069,510)
Other revenues received	968,060
Net cash provided by operating activities	58,895,275
Cash flows from noncapital financing activities	
Reimbursement from other governments	6,314
Transfers to other OCTA funds	(8,448,897)
Net cash used for noncapital financing activities	(8,442,583)
Cash flows from capital and related financing activities	
Principal payment on long-term debt	(5,820,000)
Interest paid on long-term debt	(2,231,750)
Acquisition and construction of capital assets	(963,775)
Net cash used for capital and related financing activities	(9,015,525)
Cash flows from investing activities	
Investment earnings	19,686,012
Net cash provided by investing activities	19,686,012
Net increase in cash and cash equivalents	61,123,179
Cash and cash equivalents at beginning of year	317,317,677
Cash and cash equivalents at end of year	\$ 378,440,856
Reconciliation of cash and cash equivalents to statement of net position	
Cash and investments	\$ 365,037,360
Restricted cash and investments	13,403,496
Total cash and cash equivalents	\$ 378,440,856

See accompanying notes to the financial statements.

91 Express Lanes Fund
(An Enterprise Fund of the Orange County Transportation Authority)
Statement of Cash Flows
For the Year Ended June 30, 2025

Reconciliation of operating income to net cash provided by operating activities

Operating income	\$ 53,301,536
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	2,394,624
Amortization of toll road franchise agreement	2,586,694
Other nonoperating revenues	968,060
Change in assets and liabilities:	
Violations receivables, net	(2,780,319)
Other receivables, net	(59,211)
Other assets	(243,148)
Amortization of prepaid insurance	253,030
Accounts payable	1,775,920
Due to other governments	746,392
Unearned revenue	(220,045)
Other liabilities	171,742
Total adjustments	5,593,739
Net cash provided by operating activities	\$ 58,895,275

Noncash capital, financing and investing activities:

Amortization of bond premium	\$ 618,355
Amortization of deferred loss on refunding 2003 series	669,562
Amortization of deferred gain on refunding 2013 series	643,937
Capital assets accrued in payables	2,364,940
Change in fair value of investments	159,922

See accompanying notes to the financial statements.

91 Express Lanes Fund

Notes to the Financial Statements

For the Year Ended June 30, 2025

1. REPORTING ENTITY

On January 3, 2003, the OCTA purchased from the California Private Transportation Company (CPTC) its interest in a Franchise Agreement for the 91 Express Lanes. See note 5 for further information.

These financial statements include only the activities of the 91 Express Lanes (91 EL) Fund, an enterprise fund of OCTA. These financial statements are not intended to present the activities of OCTA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the 91 Express Lanes Fund are in conformity with generally accepted accounting principles (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Basis of Accounting

The financial statements of the 91 Express Lanes Fund are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, consisting substantially of tolls and fees, are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Toll amounts are collected from customers on a prepaid basis, and unearned tolls are reported as unearned revenue. Toll revenue is recognized when the customers utilize the toll road facility.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the 91 Express Lanes Fund are charges to customers for use of the toll facility and are presented net of discounts and allowances. Operating expenses for the 91 Express Lanes Fund include the cost of services, administrative expenses, and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the 91 Express Lanes Fund's policy to use restricted resources first and then unrestricted resources as they are needed.

Cash and Investments

The 91 Express Lanes Fund participates in OCTA's Commingled Investment Pool. OCTA maintains cash and investments in accordance with an Investment Policy (Policy) adopted initially by OCTA's Board of Directors (Board) on May 8, 1995, and most recently amended on July 1, 2024. The Policy complies with, or is more restrictive than, the California Government Code (Code). At June 30, 2025 the investment portfolios were maintained at U.S. Bank, N.A. as custodial bank. OCTA's Commingled Investment Pool is managed by four private sector investment managers. Separate investment manager accounts are maintained for the proceeds of bond issues, with the earnings for each bond issue accounted for separately. Cash from other OCTA revenue sources is commingled for investment purposes in the OCTA Commingled Investment Pool, with investment earnings allocated to the different accounts based on average daily account balances.

OCTA holds investments that are measured at fair value on a recurring basis. OCTA categorizes the fair value measurements of its investments based on the hierarchy established by GAAP. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value:

91 Express Lanes Fund

Notes to the Financial Statements

For the Year Ended June 30, 2025

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are inputs-other than quoted prices included in Level 1-that are observable including quoted prices for similar assets in active markets and quoted prices for identical or similar assets in markets that are not active; Level 3 inputs are unobservable inputs. Refer to the OCTA Annual Comprehensive Financial Report (ACFR) for details on valuation techniques and fair value hierarchy.

Investments in U.S. government and U.S. agency securities, medium-term notes, repurchase agreements, variable and floating rate securities, mortgage and asset-backed securities and corporate notes are carried at fair value based on quoted prices of similar assets, except for money market investments and participating interest-earning investment contracts with a remaining maturity of one year or less at purchase date, which are carried at amortized cost which approximates fair value.

The Policy requires that assets in the portfolio consist of the following investments, with maximum permissible concentrations based on book value, and may be more restrictive than applicable state statutes for the following investment types: OCTA notes and bonds, U.S. treasuries, federal agencies, municipal debt, banker's acceptances, commercial paper, negotiable certificates of deposit, repurchase agreements, medium-term notes, money market and mutual funds, mortgage or asset-backed securities, supranationals, Local Agency Investment Fund (LAIF), Orange County Investment Pool (OCIP), investment pools, variable and floating rate securities, bank deposits and derivatives.

All investments are subject to a maximum maturity of five years, unless specific direction to exceed the limit is given by the Board and as permitted by the Code. OCTA policy is to invest only in high quality instruments as permitted by the Code, subject to the limitations of the Policy.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, OCTA considers all short-term investments with an initial maturity of three months or less to be cash equivalents. All deposits, commercial paper, money market funds, certificates of deposit, and the 91 Express Lanes Fund's share of the OCTA Commingled Investment Pool represent cash and cash equivalents for cash flow purposes.

Restricted Cash and Investments

Investments set aside in the Senior Lien Reserve Fund, Major Maintenance Reserve Fund, and Operating Reserve Fund are pursuant to the terms of the 2023 Indenture for the \$47,545,000 Toll Road Revenue Refunding Bonds and their use is limited by applicable debt covenants.

Permitted investments per the debt covenants include: government obligations, State of California and local agency obligations, banker's acceptances, commercial paper, negotiable certificates of deposit, repurchase agreements, money market funds, other mutual funds, investment agreements, and variable and floating rate securities.

Receivables

Violations receivables include an estimate for outstanding unpaid violations that the 91 Express Lanes Fund anticipates to collect. For violations less than or equal to 90 days old, the receivable is based on a 12-month average of violations collected, and is recorded net of an allowance for uncollectible accounts of \$3,287,559 at June 30, 2025. For unpaid violations in excess of 90 days, the receivable is estimated using a three-year average of violations collected and is recorded net of uncollectible accounts as the majority is not considered probable of collection.

91 Express Lanes Fund

Notes to the Financial Statements

For the Year Ended June 30, 2025

Other receivables include amounts due from other California toll road agencies related to their customers' use of the 91 Express Lanes, as well as amounts owed from customers, net of an allowance for uncollectible accounts of \$309,477 at June 30, 2025.

An estimated \$7,886,019 of violation and customer receivables are not expected to be collected within one year. The 91 Express Lanes utilizes an outside collection agency to assist in the recovery of unpaid customer balances and violations exceeding 90 days.

Due from other Governments

Due from other governments include receivables due from other government agencies.

Capital Assets

Capital assets are tangible and intangible assets, which include toll facility franchise, construction in progress, leasehold improvements, equipment, computer hardware, software, furniture and fixtures, lease assets (intangible right-to-use), and transponders. Capital assets are defined by the 91 Express Lanes Fund as assets with an initial, individual cost of more than \$5,000 and a useful life in excess of one year. It is also the 91 Express Lanes Fund's policy to capitalize non-sticker transponder purchases, as they are considered a significant class of assets even though individually under \$5,000. Such assets are recorded at historical cost. The costs of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized. The 91 Express Lanes also records the value of intangible right-to-use assets based on the underlying lease asset in accordance with GASB Statement No. 87, Leases. The lease asset is amortized each year for the shorter of lease term or useful life of asset.

Capital assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

Capital Asset Type	Useful Life
Leasehold improvements	10-30 years
Equipment, furniture and fixtures	3-10 years
Computer hardware and software	3-5 years
Transponders	5-7 years
Lease assets - building	7-10 years
Toll franchise facility	63 years

OCTA purchased the interest in the Franchise Agreement for the toll facility from CPTC on January 3, 2003. The toll facility franchise is amortized over the remaining life of the Franchise Agreement through December 2065. GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, is not applicable to 91 Express Lanes Fund, as there are no exchange or exchange-like transactions between OCTA and Caltrans, and there are no franchise fees or installment payments payable to Caltrans.

Leases

OCTA adopted GASB Statement No. 87, Leases, effective fiscal year 2021-22. The 91 Express Lanes Fund recorded lease liabilities and lease assets at the commencement of the lease term. The lease liabilities are measured at the present value of payments expected to be made during the lease term less any lease incentives. The lease assets are measured at the amount of the initial measurement of the

91 Express Lanes Fund Notes to the Financial Statements

For the Year Ended June 30, 2025

lease liabilities, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position may include a separate section for deferred outflows of resources. This financial statement element represents the consumption of net assets that relates to future periods and, accordingly, will not be recognized as an expense until that time. Similarly, in addition to liabilities, the Statement of Net Position may report deferred inflows of resources. This element represents the acquisition of net assets applicable to future periods and will not be recognized as revenue until then.

As of June 30, 2025, the 91 Express Lanes Fund reported both a deferred outflow of resources (loss on refunding) and a deferred inflow of resources (gain on refunding) related to the 2003 and 2013 series, respectively, in the Statement of Net Position.

A loss on refunding arises when the reacquisition price of refunded debt exceeds its carrying amount. This amount is recorded as a deferred outflow and amortized over the shorter of the remaining life of the refunded debt or the life of the refunding debt. Conversely, a gain on refunding occurs when the carrying amount of the refunded debt exceeds the reacquisition price. This amount is recorded as a deferred inflow of resources and, similarly, is amortized over the shorter of the remaining life of the refunded debt or the life of the refunding debt.

Due to other Governments

Due to other governments include payables due to other government agencies.

Risk Management

The 91 Express Lanes Fund purchases commercial property insurance including fire, flood and earthquake coverage, which also covers business interruption related to the operation of the toll facility. Additionally, the 91 Express Lanes Fund participates in OCTA's self-insurance general liability program. Liability claims are resolved by OCTA and are an expense of the 91 Express Lanes Fund.

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources and is classified into three categories:

- *Net investment in capital assets* - Reflects net position of the 91 Express Lanes Fund invested in capital assets and the intangible asset net of related debt. This net position is not accessible for other purposes.
- *Restricted net position* - Represents net position not accessible for general use, with the use subject to restrictions enforceable by third parties. The net position has been restricted by the 2023 Toll Road Revenue Refunding Bonds Master Indenture of Trust for debt service, capital, and operating reserves.
- *Unrestricted net position* - Represents net position available for general use.

91 Express Lanes Fund
Notes to the Financial Statements

For the Year Ended June 30, 2025

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures during the reporting period. As such, actual results could differ from those estimates.

Administrative Services Costs

OCTA allocates indirect costs related to administrative services from certain funds to benefiting funds. For fiscal year 2024-25, \$4,069,510 of administrative services were charged to the 91 EL and are reported as operating expenses in the statement of revenues, expenditures and changes in net position.

3. CASH AND INVESTMENTS

Cash and investments are comprised of the following at June 30, 2025:

Cash		
Petty cash	\$	550
Deposits		1,360,275
Total cash		1,360,825
Investments		
With OCTA Commingled Investment Pool		353,130,541
With trustee		23,949,490
Total investments		377,080,031
Total cash and investments	\$	378,440,856

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

Unrestricted cash and investments	\$	365,037,360
Restricted cash and investments		13,403,496
Total cash and investments	\$	378,440,856

As of June 30, 2025, the 91 Express Lanes Fund had the following investments:

Investments	Fair Value	Yield	Interest Rate	Maturity	Weighted Average Maturity (Years)
OCTA Commingled Investment Pool	\$ 353,130,541	Refer to the OCTA Annual Comprehensive Financial Report for information related to the OCTA Commingled Investment Pool.*			
Held by trustee:					
*Money Market Funds	15,949,490	3.96% - 4.15%	3.96% - 4.15%	07/01/2025	0.003
*Negotiable CDs	8,000,000	4.25% - 4.45%	4.25% - 4.45%	7/07/2025	0.019
Total investments	\$ 377,080,031				

Portfolio Weighted Average 2.508

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

91 Express Lanes Fund

Notes to the Financial Statements

For the Year Ended June 30, 2025

As of June 30, 2025, the 91 Express Lanes Fund had \$353,130,541 invested in the OCTA's Commingled Investment Pool (CIP). OCTA's CIP investments are carried at fair value except for money market investments and participating interest-earning investment contracts with a remaining maturity of one year or less at purchase date carried at amortized cost which approximates fair value.

Deposits and withdrawals in the OCTA's CIP are made on the basis of \$1.00 (cost basis) and not fair value. Accordingly, the 91 Express Lanes Fund's investment in the OCTA's CIP at June 30, 2025 is uncategorized, not defined as a Level 1, Level 2, or Level 3 input.

Refer to the OCTA Annual Comprehensive Financial Report for fiscal year 2024-25 for details on valuation techniques, fair value hierarchy, interest rate risk, variable rate notes and custodial credit risk related to the OCTA's CIP underlying investments.

Credit Risk

The Policy sets minimum acceptable credit ratings for investments from any of the three nationally recognized rating services: Standard & Poor's Corporation (S&P), Moody's Investors Service (Moody's), and Fitch Ratings (Fitch). For an issuer of short-term debt, the rating must be no less than A-1 (S&P), P-1 (Moody's), or F1 (Fitch), while an issuer of long-term debt must be rated no less than an "A" by two of the three rating services. OCTA's CIP is not rated.

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of fair value of the 91 Express Lanes Fund's portfolio at June 30, 2025 (NR means Not Rated):

Investments	S&P	Moody's	% of 91 Express Lanes Fund
OCTA Commingled Investment Pool	N/A	N/A	93.66 %
Held by trustee:			
Money Market Funds	AAA	Aaa	4.22 %
Negotiable CDs	A-1	P-1	2.12 %
Total investments			100.00 %

Concentration of Credit Risk

At June 30, 2025, OCTA did not exceed the Policy maximum concentrations. Issuer/Counter-Party Diversification Guidelines for All Securities Except U.S. Treasuries and U.S. Government Agency Securities:

- Any one corporation, bank, local agency, special purpose vehicle or other corporate issuer name for one or more series of securities shall not exceed 5% of the portfolio.

Issuer/Counter-Party Diversification Guidelines for OCTA's Debt:

- OCTA can purchase all or a portion of the Orange County Transportation Authority's debt, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by OCTA or by a department, board, agency or authority of OCTA which may bear interest at a fixed or floating rate, providing the purchase does not exceed 25% of the Maximum Portfolio and when authorized by the Internal Revenue Service.

There is no issuer exceeding 5% of the fair value of the 91 Express Lanes Fund's portfolio at June 30, 2025.

91 Express Lanes Fund
Notes to the Financial Statements

For the Year Ended June 30, 2025

4. INTERFUND ACTIVITIES

Due To Other Funds

As of June 30, 2025, the 91 EL reported a balance of \$8,847,738 due to the OCLTA in connection with the SR-91 Improvement Project.

Interfund Transfers

During fiscal year 2024-25, the 91 EL transferred \$8,116,107 to the OCLTA for SR-91 Improvement Project.

5. CAPITAL ASSETS

Capital asset activity for the 91 Express Lanes Fund for the year ended June 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Construction in progress	\$ 4,327,477	\$ 1,297,051	\$ —	\$ 5,624,528
Capital assets, being depreciated:				
Buildings and improvements	119,773	—	—	119,773
Leasehold improvements	2,349,447	—	—	2,349,447
Communications equipment	2,861,175	—	(769,262)	2,091,913
Computer hardware and software	8,664,151	594,678	—	9,258,829
Transponders	3,677,041	—	(2,245,599)	1,431,442
Equipment, furniture and fixtures	46,890	—	—	46,890
Lease assets - building	3,733,010	—	—	3,733,010
Toll facility franchise	205,263,668	—	—	205,263,668
Total capital assets, being depreciated and amortized	226,715,155	594,678	(3,014,861)	224,294,972
Less accumulated depreciation and amortization for:				
Buildings and improvements	(103,603)	(2,931)	—	(106,534)
Leasehold improvements	(1,863,563)	(114,869)	—	(1,978,432)
Communications equipment	(2,660,800)	(68,700)	769,262	(1,960,238)
Computer hardware and software	(4,190,259)	(1,667,970)	—	(5,858,229)
Transponders	(3,471,804)	(122,760)	2,245,599	(1,348,965)
Equipment, furniture and fixtures	(39,981)	(2,590)	—	(42,571)
Lease assets - building	(1,244,408)	(414,803)	—	(1,659,211)
Toll facility franchise	(97,915,921)	(2,586,693)	—	(100,502,614)
Total accumulated depreciation and amortization	(111,490,339)	(4,981,316)	3,014,861	(113,456,794)
Total capital assets, being depreciated and amortized, net	115,224,816	(4,386,638)	—	110,838,178
Total capital assets, net	\$ 119,552,293	\$ (3,089,587)	\$ —	\$ 116,462,706

91 Express Lanes Fund

Notes to the Financial Statements

For the Year Ended June 30, 2025

On January 3, 2003, OCTA acquired from the California Private Transportation Company (CPTC) its interest in a Franchise Agreement for the operation of a 10-mile toll facility on State Route (SR) 91 between the Orange/Riverside County line and SR-55. This acquisition was authorized by Assembly Bill (AB) 1010 (Correa), enacted in September 2002, which granted OCTA the authority to collect tolls and finance related costs through 2030, while eliminating non-compete provisions that restricted improvements along SR-91. The Franchise Agreement, originally between CPTC and the California Department of Transportation (Caltrans), provided CPTC with the right to develop, construct, and operate the toll facility under a 35-year lease; Caltrans retains legal title to the real property, and no franchise fees or installment payments are owed to Caltrans.

In September 2008, Senate Bill (SB) 1316 (Correa) updated AB 1010, authorizing OCTA to assign its franchise rights and obligations in the Riverside County portion of SR-91 to the Riverside County Transportation Commission (RCTC). This legislation permitted RCTC to expand the corridor by adding toll and general-purpose lanes and extended the maximum franchise term to December 31, 2065. SB 1316 also required OCTA and RCTC to coordinate tolling operations in the event of such an assignment. In December 2011, OCTA Board approved the assignment of franchise rights, interests, and obligations in the Riverside County portion to RCTC, along with the extension of the expiration date to 2065. The Board also approved a cooperative agreement with RCTC governing the joint operation of the 91 Express Lanes extension.

In fiscal year 2022-23, OCTA assessed GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, and determined that 91 Express Lanes agreement was not applicable to this standard, wherein exchange or exchange-like transactions does not exist between OCTA and Caltrans.

6. LEASES

OCTA adopted GASB Statement No. 87, Leases, effective fiscal year 2021-22. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The 91 Express Lanes has two leasing arrangements, summarized below:

The 91 Express Lanes entered into a 180-month lease agreement for its Anaheim office space beginning in September 2015, with the lease expiring in August 2030. At June 30, 2025, the balance of intangible right to use lease asset and lease liability were \$1,890,236 and \$2,087,732, respectively. During fiscal year 2025, the 91 Express Lanes recorded \$365,853 in amortization expense and \$48,216 in interest expense for the right to use the office space. The 91 Express Lanes used an incremental discount rate of 2.12%, based on an estimated incremental borrowing rate.

The 91 Express Lanes entered into a 120-month lease agreement for RCTC office space beginning in April 2019, with the lease expiring in March 2029. At June 30, 2025, the balance of intangible right to use lease asset and lease liability were \$183,563 and \$197,123, respectively. During fiscal year 2025, the 91 Express Lanes recorded \$48,950 in amortization expense and \$4,090 in interest expense for the intangible right-to-use the office space. The 91 Express Lanes used an incremental discount rate of 1.80%, based on an estimated increment borrowing rate.

91 Express Lanes Fund
Notes to the Financial Statements

For the Year Ended June 30, 2025

Remaining obligations associated with these leases are as follows:

Year ending June 30,	Principal		Interest		Total
2026	\$	411,014	\$	43,997	\$ 455,011
2027		432,876		35,237	468,113
2028		455,267		26,016	481,283
2029		464,676		16,314	480,990
2030		445,481		6,753	452,234
2031		75,541		200	75,741
Total	\$	2,284,855	\$	128,517	\$ 2,413,372

The amortized lease asset activities, net of accumulated depreciation and amortization for the year ended June 30, 2025, are as follows:

Lease Assets	Beginning Balance	Additions	Reductions	Ending Balance
91 EL Anaheim Office	\$ 2,256,089	\$ —	\$ (365,853)	\$ 1,890,236
91 EL RCTC Office	232,513	—	(48,950)	183,563
Total lease assets	\$ 2,488,602	\$ —	\$ (414,803)	\$ 2,073,799

Lease liability activities associated with these leases are as follows:

Lease Liabilities	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
91 EL Anaheim Office	\$ 2,429,628	\$ —	\$ (341,896)	\$ 2,087,732	\$ 361,033
91 EL RCTC Office	245,026	—	(47,903)	197,123	49,981
Total lease liabilities	\$ 2,674,654	\$ —	\$ (389,799)	\$ 2,284,855	\$ 411,014

7. LONG TERM DEBT

Toll Road Revenue Refunding Bonds

On August 8, 2013, OCTA issued \$124,415,000 of Senior Lien Toll Road Revenue Refunding Bonds, Series 2013, to refund the outstanding Series 2003-A, 2003-B-1, and 2003-B-2 Bonds. The refunding reduced total debt service payments and addressed the mandatory tender of the Series 2003-B Bonds.

On July 6, 2023, OCTA issued \$47,545,000 of Senior Lien Toll Road Revenue Refunding Bonds, Series 2023, to refund the outstanding Series 2013 Bonds. The refunding lowered total debt service payments and generated net present value savings of \$5,521,000.

OCTA's outstanding Toll Road Revenue Refunding Bonds are limited obligations of the Authority, payable solely from pledged toll revenues, and contain a provision that, in the event of default, bondholders may seek legal remedies to compel OCTA to cure the default, which could have finance-related consequences.

91 Express Lanes Fund

Notes to the Financial Statements

For the Year Ended June 30, 2025

The Toll Road Revenue Refunding Bonds are rated Aa3 by Moody's, AA- by Fitch, and AA- by Standard & Poor's.

A summary of the terms of the Toll Road Revenue Refunding Bonds is as follows:

	2023 Series (Toll Road Revenue Bonds)	
Issuance date		7/6/2023
Closing date		7/6/2023
Original issue amount	\$	47,545,000
Cash reserve requirements	\$	12,576,331
Cash reserve balance*	\$	13,403,496
Interest rate		5%
Maturity		August 2030
Principal payment date		August 15
Balance as of June 30, 2025	\$	41,725,000
Unamortized premium	\$	3,390,644
Gain on refunding (2013 Series)	\$	3,514,824
Loss on refunding (2003 Series)	\$	(3,654,691)

* Pursuant to the 2023 Toll Road Revenue Refunding Bonds Master Indenture of Trust and Supplemental Indentures, the following three reserve funds are required to be maintained: Senior Lien Reserve Fund \$4,576,331, Major Maintenance Reserve Fund \$5,000,000 and Operating Reserve Fund \$3,000,000. At June 30, 2025, all reserve requirements have been satisfied.

Annual debt service requirements on the tax-exempt bonds to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2026	\$ 6,115,000	\$ 1,933,375	\$ 8,048,375
2027	6,430,000	1,619,750	8,049,750
2028	6,760,000	1,290,000	8,050,000
2029	7,105,000	943,375	8,048,375
2030	7,465,000	579,125	8,044,125
2031	7,850,000	196,250	8,046,250
Total	\$ 41,725,000	\$ 6,561,875	\$ 48,286,875

Changes in Long-Term Debt

Long-term debt activity for the year ended June 30, 2025, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Toll road revenue bonds	\$ 47,545,000	\$ —	\$ (5,820,000)	\$ 41,725,000	\$ 6,115,000
Unamortized premium	4,008,999	—	(618,355)	3,390,644	—
Total long-term debt	\$ 51,553,999	\$ —	\$ (6,438,355)	\$ 45,115,644	\$ 6,115,000

91 Express Lanes Fund

Notes to the Financial Statements

For the Year Ended June 30, 2025

Pledged Revenue

The 91 Express Lanes debt issuance outstanding is repaid and secured by the pledging of certain revenues, as defined in the debt agreement. The amount and term of the remainder of this commitment is indicated in the debt service to maturity table. The purpose for which the proceeds of the debt issuance were utilized is disclosed in the debt description. Pursuant to the 2023 Toll Road Revenue Refunding Bonds Master Indenture of Trust and Supplemental Indentures, the 91 Express Lanes Fund will covenant to fix and prescribe toll rates for each type of vehicle and each time of day sufficient to produce adjusted net toll revenues for each fiscal year at least equal to 1.3 times annual debt service on Senior Lien Bonds and Parity Obligations. Adjusted net toll revenues includes tolls and investment earnings on specified reserve accounts minus operating expenses, excluding interest expense, depreciation, and amortization of the toll facility franchise.

Pledged revenue for the year ended June 30, 2025, is as follows:

Pledged Revenue	Annual Amount of Net Pledged Revenue	Annual Debt Service Payments	Pledged Revenue Coverage	Required Debt Coverage
91 EL net toll road revenues	\$ 77,269,629	\$ 8,051,750	9.60	1.30

8. COMMITMENTS AND CONTINGENCIES

Operator Agreement

In connection with the purchase of the toll facility interest, OCTA entered into an operating agreement with Cofiroute Global Mobility, subsequently Cofiroute USA, LLC (Cofiroute), to provide operating services in the annual amount of \$4,994,000 plus inflation for three initial years with two one-year extension options, subject to Board of Directors approval. The agreement was in effect from January 3, 2003 through January 2, 2006. On January 6, 2006, OCTA entered into a second operating agreement with Cofiroute, effective January 3, 2006 through January 2, 2011. The annual amount of the base contract is \$5,448,768 plus inflation adjustments after the first year. The agreement carried two two-year extension options through January 2, 2015. On June 27, 2011, the OCTA Board of Directors approved a subsequent amendment to the operating agreement with Cofiroute, which authorized the addition of two five-year extension options beginning July 1, 2011 through June 30, 2016 for the first extension term and beginning July 1, 2016 through June 30, 2021 as the second extension term. The second extension term was approved on May 9, 2016. Cofiroute is responsible for the day-to-day operations of the toll facility.

On May 24, 2013 OCTA completed a three-party agreement expiring on June 30, 2021, with Riverside County Transportation Commission (RCTC) and Cofiroute for operations of the 91 Express Lanes. This helps in ensuring a streamlined consistent inter-county travel for motorists on the original 10-mile span of the 91 Express Lanes and the eight miles extension into Riverside County.

In fiscal year 2018-19, OCTA and RCTC began procurement for a new operating agreement, which includes the development of a new back-office system for both segments of the 91 Express Lanes. The OCTA Board of Directors and RCTC Commission subsequently approved the re-selection of Cofiroute as the operator, with the agreement executed in January 2020. The new agreement expires on January 31, 2027, and carries two three-year extension options.

91 Express Lanes Fund Notes to the Financial Statements

For the Year Ended June 30, 2025

Purchase Commitments

The 91 Express Lanes has various outstanding contracts. Total purchase commitments as of June 30, 2025 were \$62,974,548, the most significant are with Cofiroute and RCTC for the operations of the 91 Express Lanes, Kapsch TrafficCom for toll lanes integrator services, and California Highway Patrol (CHP) for patrol services.

9. EFFECT OF NEW PRONOUNCEMENTS

GASB Statement No. 101 – Compensated Absences

In June 2022, GASB issued Statement No. 101, Compensated Absences. The primary objective of this Statement is to better align the recognition and measurement of compensated absences with the definitions of liabilities and accounting principles established in the GASB Conceptual Framework. The Statement requires governments to recognize a liability for compensated absences when the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid to employees. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The implementation of this Statement did not have a material effect on the financial statements.

GASB Statement No. 102 – Certain Risk Disclosures

In April 2023, GASB issued Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide financial statement users with essential information about risks that could affect a government's ability to meet its obligations. Specifically, it requires disclosures related to certain concentrations and constraints that limit a government's ability to raise resources or reduce spending, if those risks are known to the government prior to the issuance of the financial statements, are currently vulnerable to the risk, and it is at least reasonably possible that an event associated with the risk could occur in the near term. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The implementation of this Statement did not have a material effect on the financial statements.