



CONTRA COSTA
transportation
authority

Annual Comprehensive Financial Report

FISCAL YEAR ENDED JUNE 30, 2022

2999 Oak Road, Suite 100
Walnut Creek, CA 94597

**CONTRA COSTA
TRANSPORTATION AUTHORITY
WALNUT CREEK, CALIFORNIA**

**ANNUAL COMPREHENSIVE FINANCIAL
REPORT**

FOR THE YEAR ENDED JUNE 30, 2022

Prepared by: Finance Department

CONTRA COSTA TRANSPORTATION AUTHORITY
Annual Comprehensive Financial Report
For the Year Ended June 30, 2022

Table of Contents

Introductory Section (Unaudited)

Letter of Transmittal	i
Certificate of Achievement – GFOA	vii
Board Members	viii
Authority Organizational Chart	ix

Financial Section

Independent Auditor’s Report	1
Management’s Discussion and Analysis (Unaudited)	5

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position	20
Statement of Activities	21

Fund Financial Statements:

Governmental Funds:

Balance Sheet	24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances	26
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:

Measure J General Fund	29
Measure J Local Streets and Roads Special Revenue Fund	31
Measure C Special Revenue Fund	32

Notes to Basic Financial Statements	33
---	----

Required Supplementary Information (Unaudited):

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios	61
Schedule of Contributions – Pension Plan	62
Schedule of Changes in Net OPEB Liability and Related Ratios	63
Schedule of Contributions – OPEB Plan	64

Individual and Combining Fund Financial Statements and Schedules:

Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:

Measure J Debt Service Funds	65
------------------------------------	----

Combining Financial Statements – Other Governmental Funds:

Combining Balance Sheet	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	67
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	68

CONTRA COSTA TRANSPORTATION AUTHORITY
Annual Comprehensive Financial Report
For the Year Ended June 30, 2022

Table of Contents (continued)

Statistical Section (Unaudited)

Financial Trends:	
Net Position by Component	74
Changes in Net Position	75
Changes in Fund Balances	76
Fund Balances of Governmental Funds	78
Revenue Capacity:	
Sales Tax Revenues	79
Taxable Sales by Type of Business	80
Debt Capacity:	
Outstanding Debt by Type	81
Economic and Demographic Information:	
Demographics and Economic Statistics	82
Principal Employers	83
Operating Information:	
Authority Employees by Function	84
Operating Indicators by Function / Program	85
Capital Asset Statistics by Function / Program	86

Introductory Section



CONTRA COSTA
transportation
authority

COMMISSIONERS

Chris Kelley,
Chair

Federal Glover,
Vice Chair

Newell Arnerich

Tom Butt

Teresa Gerringer

Loella Haskew

David Hudson

Karen Mitchoff

Sue Noack

Lamar Thorpe

Holland White

Timothy Haile,
Executive Director

December 15, 2022

To the Contra Costa County Taxpayers & Contra Costa Transportation Authority Commissioners:

The Annual Comprehensive Financial Report for the Contra Costa Transportation Authority (the Authority) for the year ended June 30, 2022 is hereby submitted. Responsibility for both accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

The Authority was established in 1988 when Contra Costa County voters passed Measure C, which was a 20-year, one-half of one percent (½%) sales tax for specified transportation purposes. In 2004, based upon the success of Measure C, the voters of Contra Costa County passed Measure J which extended the one-half of one percent countywide transportation sales tax through 2034.

The Authority's financial statements have been audited by the accounting firm Macias Gini & O'Connell LLP. The independent auditor concluded that the Authority's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with U.S. Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of this report.

The Management's Discussion & Analysis (MD&A) provides a narrative introduction, overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A is found immediately following the independent auditor's report in the financial section.

INTERNAL CONTROLS

The Authority's management is responsible for establishing and maintaining an internal control structure designed to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the calculation of costs and benefits requires estimates and judgments by management.

2999 Oak Road
Suite 100
Walnut Creek
CA 94597
PHONE: 925.256.4700
FAX: 925.256.4701
www.ccta.net

PROFILE OF THE AUTHORITY

The Authority serves Contra Costa County and its nineteen cities and towns, located in the East Bay of the San Francisco Bay Area. The county covers approximately 733 square miles and has a population of 1.1 million people.

The Authority was established with the passage of Contra Costa County's Measure C in November 1988. As required under the Local Transportation Authority and Improvement Act (SB 142, Chapter 786, Statutes of 1987: §180000 et seq. of the Public Utilities Code), the expenditures by Measure C are "for the construction and improvement of state highways, the construction maintenance, improvement, and operation of local streets, roads, and highways, and the construction, improvement, and operation of public transit systems," including paratransit services (California Public Utilities Code §180205) and for specific efforts supporting such investments.

In June 1990, the Authority was designated by the cities and towns in Contra Costa County and the County of Contra Costa (the County) as the Congestion Management Agency (the CMA) for the County pursuant to provisions of Senate Constitutional Amendment 1, approved by the voters of the State, thereby being charged with the statutory obligation to carry out congestion management responsibilities for Contra Costa County.

In 2004, the voters extended the sales tax measure by passing Measure J, which extended the one-half of one percent countywide from 2009 to 2034. Measure J built on the foundation established by Measure C, by providing needed transportation projects and programs throughout Contra Costa County.

The Authority Board is comprised of eleven members: eight elected officials appointed by each of the four sub-regional transportation committees from central, east, southwest, and west parts of the County; two elected County officials appointed by the Board of Supervisors representing the County; and one elected official appointed by the Contra Costa Conference of Mayors. The Executive Director of the Authority is appointed by the Authority Board and runs the day-to-day business.

The Authority's annual budget serves as the foundation for planning and controlling the Authority's finances. As such, the Authority maintains extensive budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Authority Board. For additional budgetary information, see Note 2 to the basic financial statements. The Authority operates on an annual budget cycle with the budget process beginning in March and culminating in final Authority approval in June.

ECONOMIC OUTLOOK

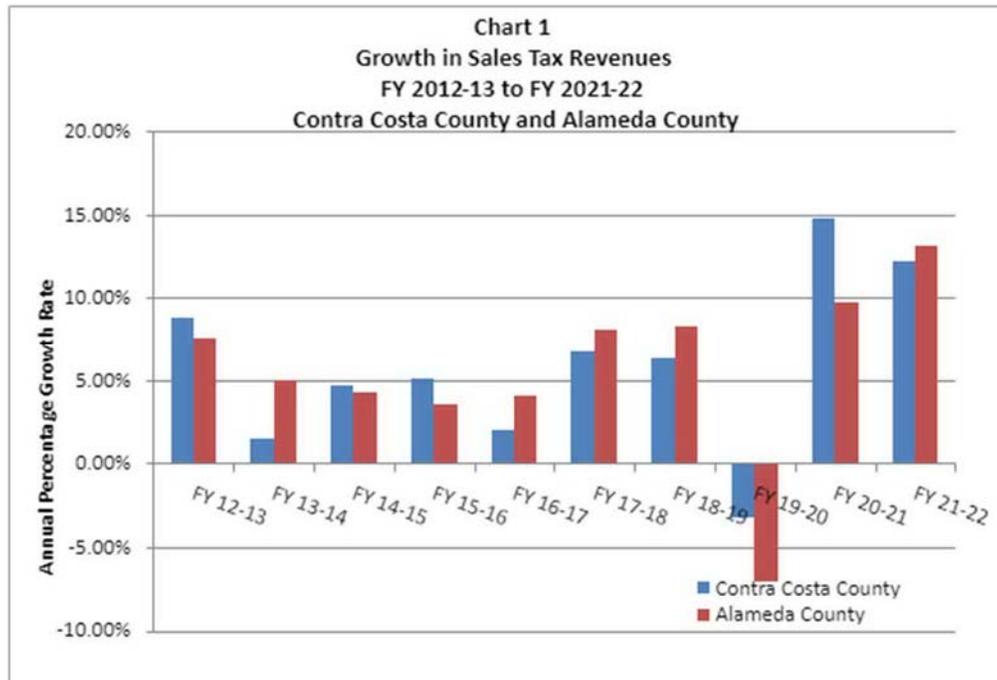
Contra Costa County's economy has continued to be influenced by COVID-19. The impacts locally, within the state and globally will be seen for the next few years. In the last year, remote work, distance learning, telehealth and other digital strategies have replaced some activities that once occurred in person. The State of California regions have shown stronger recovery's than others. Contra Costa was one of those regions with a steady recovery and benefited in fiscal year 2022 with very strong consumer confidence. Growth has remained strong despite the increases with inflation, rising interest rates and the inflationary pressures on food and energy because of the Russian invasion on Ukraine. Economic concerns in the next year will be the growing inflation which is putting pressure on increasing the costs of products and services. Economic expansion will depend on addressing the supply bottlenecks and labor shortages. The continued momentum of demand for travel and experiences and the return of commuters will help stabilize the industries that have seen the biggest negative impact because of the pandemic.

Contra Costa County’s unemployment rate pre-pandemic was 3.1% in February of 2020 and reached a high of 14.8% in April 2020 during the pandemic. The unemployment rate saw a quick recovery as many workers returned to the workforce as businesses related to professional, business and private services, leisure and hospitality, trade, restaurants and retail, transportation, manufacturing and other services returned. In the period of January to June of 2022, the unemployment rate declined from 4.7% to 3.2%. As of October of 2022, the unemployment rate remains at 3.2% with expectations of continued improvement into the next calendar year of 2023.

Fiscal year 2022 sales tax revenue exceeded projections at \$120.3 million and increased over \$13 million or 12.16% over the prior year. One of the strongest industry groups was general consumer goods which directly has benefited from the passage of Assembly Bill No. 147 in April of 2019 and enacted in October of 2019 required retailers within or outside of California that meet statewide transaction thresholds to collect and remit sales tax. This bill has delivered an enormous amount of economic support and will continue as consumers have selected digital commerce as a preferred method of shopping. The fiscal year started with financing rates at all-time lows and quickly shifted to increased pressure on inflation and the federal government started increasing interest rates. The major industry groups, general consumer goods, autos and transportation, building and construction, restaurants and hotels and fuel and service stations reported higher returns than the previous year. Consumers returned to work and continued to eat out and travel despite the inflation, increased interest rates and rising fuel costs. Demand by consumers will remain strong in the upcoming year. Holiday shopping in the late calendar year of 2022 is set to be one of the largest on-line seasons.

ECONOMIC BASE FOR SALES TAX REVENUES

The economic base in Contra Costa County is somewhat different than the sales tax base in adjacent Bay Area counties. Chart 1 illustrates the different growth rates in sales tax revenues in Contra Costa and Alameda counties over the past several years. The chart shows the effect of the pandemic in FY 2019-20 and strong return on sales tax revenues in both counties in FY 2020-21 and FY 2021-22.



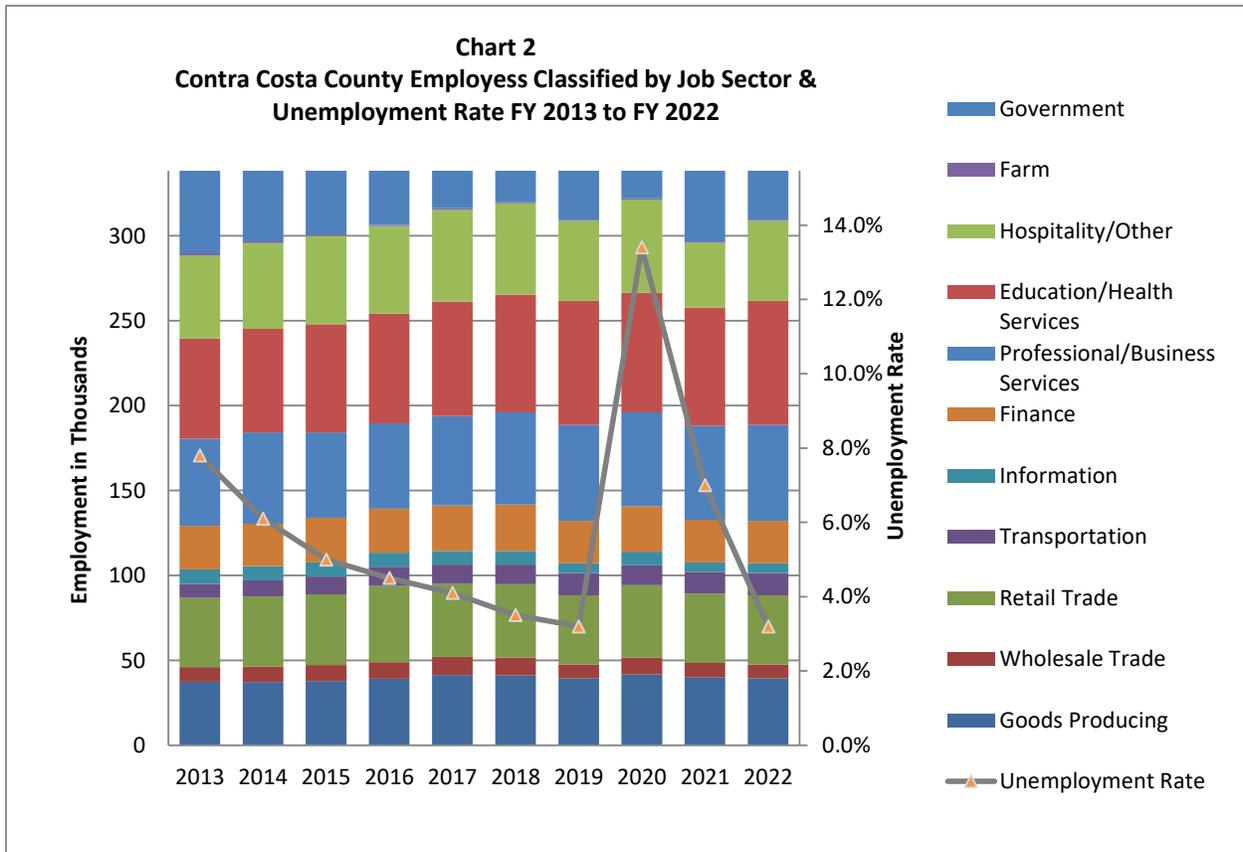
Source: Authority audited financial statements and State Board of Equalization

COMPONENTS OF TAXABLE TRANSACTIONS

For fiscal year 2022, Contra Costa County sales tax increased 12.16% over fiscal year 2021; whereas, Alameda County sales tax for 2022 increased 13.08% over 2021. The leading industry groups of total taxable transactions for Contra Costa County are General Consumer Goods (31%), Autos and Transportation (19%), Business and Industry (14%), Restaurants and Hotels (10%), Building and Construction (10%), Fuel and Service Stations (9%) and Food and Drug (7%).

EMPLOYMENT

Chart 2 shows the employment diversity in Contra Costa County as of March 2021 (most recent data available). The global pandemic started in March 2020 when unemployment in Contra Costa County was reporting 3.1% and increasing to 14.8% in April of 2020 and has steadily declined to 3.2% in June of 2022. The labor force is 549 thousand and an employment workforce of 532 thousand. As of October 2022, the estimated number of employees returning to work since June was 100 thousand and the remaining unemployed is 17 thousand or 3.2% of the 537 thousand that make up the labor force in Contra Costa County. Labor markets improved over the course of the last year and some employers are having difficulty finding workers. Some of the labor shortage can be contributed to increased turnover, early retirements, childcare needs, challenges in negotiating job offers and enhanced unemployment benefits.



Source: State of California – Employment Development Department

LONG RANGE FINANCIAL PLANNING

The Authority implements the Measure J Expenditure Plan by preparing Strategic Plans approximately every two to three years. The update provides the opportunity to review our plans and policies and amend them to respond to new or evolving issues. More specifically, the sales tax revenues update allows us to commit funding to specific projects and programs for a specified period of time (approximately 4 to 7 years). It also gives the Authority the ability to look long term and, if needed, allows us to make adjustments to projects and programs based on sales tax revenue reductions or increases.

The Measure C Strategic Plan update was approved by the Authority Board in January 2012. Measure C stopped collecting sales tax receipts on March 31, 2009, and the majority of Measure C projects and programs are complete. There are several projects still underway, and this update committed funds to I-680 Corridor and State Route 4. The strategic plan also includes policies to wind down Measure C by fiscal year 2023.

The last Measure J Strategic Plan update was approved by the Authority Board in June 2022. The next plan will be approved in 2025. Revenue projections play a major role in shaping the strategic plan as forecasting the future sales tax revenue is inherently uncertain. Advantageous interest rates on the 2015, 2017, 2018 and 2021 bond issuances have resulted in significant Measure J programming capacity now available for projects. The 2022 Strategic Plan makes commitments of Measure J funding for specific projects through June 30, 2027. Sales tax revenues are estimated to total \$2.59 billion over the 25-year life of Measure J.

In the adopted strategic plan, the Authority addressed the potential impacts of a declining sales tax revenue projection because of the COVID-19 pandemic. Current year sales tax revenue are exceeding projections in the current strategic plan, but the long-term impacts are unknown and need to be addressed immediately. The Authority approved the framework and principles for preparing and prioritizing future Measure J appropriations to remaining projects programmed in the 2022 Measure J Strategic Plan. A total of thirty-two locally sponsored projects were evaluated and staff reviewed Authority managed projects as well to determine set priorities for advancement. This criteria and process of future allocations will be essential in allocating all remaining Measure J funding.

The result of the work done by the Authority and the regional transportation planning committees kept projects moving forward. The projects department is focused on major improvements to address current and future transportation needs. During the fiscal year, the major projects were the Interstate 680 / State Route 4 Interchange Improvements adding capacity and safety within the interchange area, Interstate 680 Carpool Lane project will provide continuous High Occupancy Vehicle lane in the southbound lane will provide a continuous High Occupancy Lane from one end of the county to the other and Express Bus infrastructure, the Antioch eBART parking lot expansion for additional parking, the Bollinger Canyon Road – Iron Horse Trail Bicycle and Pedestrian Overcrossing project provides upgrades for bicycle and pedestrian safety. These projects greatly improve the efficiency of vehicular travel and enhancing safety. Other major streets projects were completed in the cities of San Ramon, Martinez and Moraga. These projects made improvements to major thoroughfares and additional safety features for pedestrians and bicyclists. The planning department performs and works with the individual cities to help with regional planning tasks, project modeling and studies related to corridors, bus implementation plans, ridesharing and land use planning as it relates to transportation. Also, the planning department facilitates funding related to regional transportation of Livable Communities Grants while supporting local efforts to achieve pedestrian/bicycle friendly projects linked into the overall transit system. All the regional partnerships help facilitate the implementation of critical transportation improvements. These projects have and will reduce congestion and commute time throughout the county and provide needed jobs. Measure J continues to fund programs such as Bus Transit, Paratransit, Express Bus, Safe Transportation for Children, and Commute Alternatives.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

This is the eleventh year the Authority has prepared the Annual Comprehensive Financial Report, made possible by the dedication of the finance staff, Yuliana Tjeng, Sherri Sylva, Irene Ortega and Paula Troy. I would also like to thank all Authority staff, as without their efforts this report would not be possible. Credit must be given to the Authority Board and Executive Director, Timothy Haile, for their support and leadership. Finally, we thank the taxpayers of Contra Costa County who have entrusted the Authority with the responsibility to provide improved transportation systems throughout the county.

Sincerely,



Brian Kelleher
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Contra Costa Transportation Authority
California**

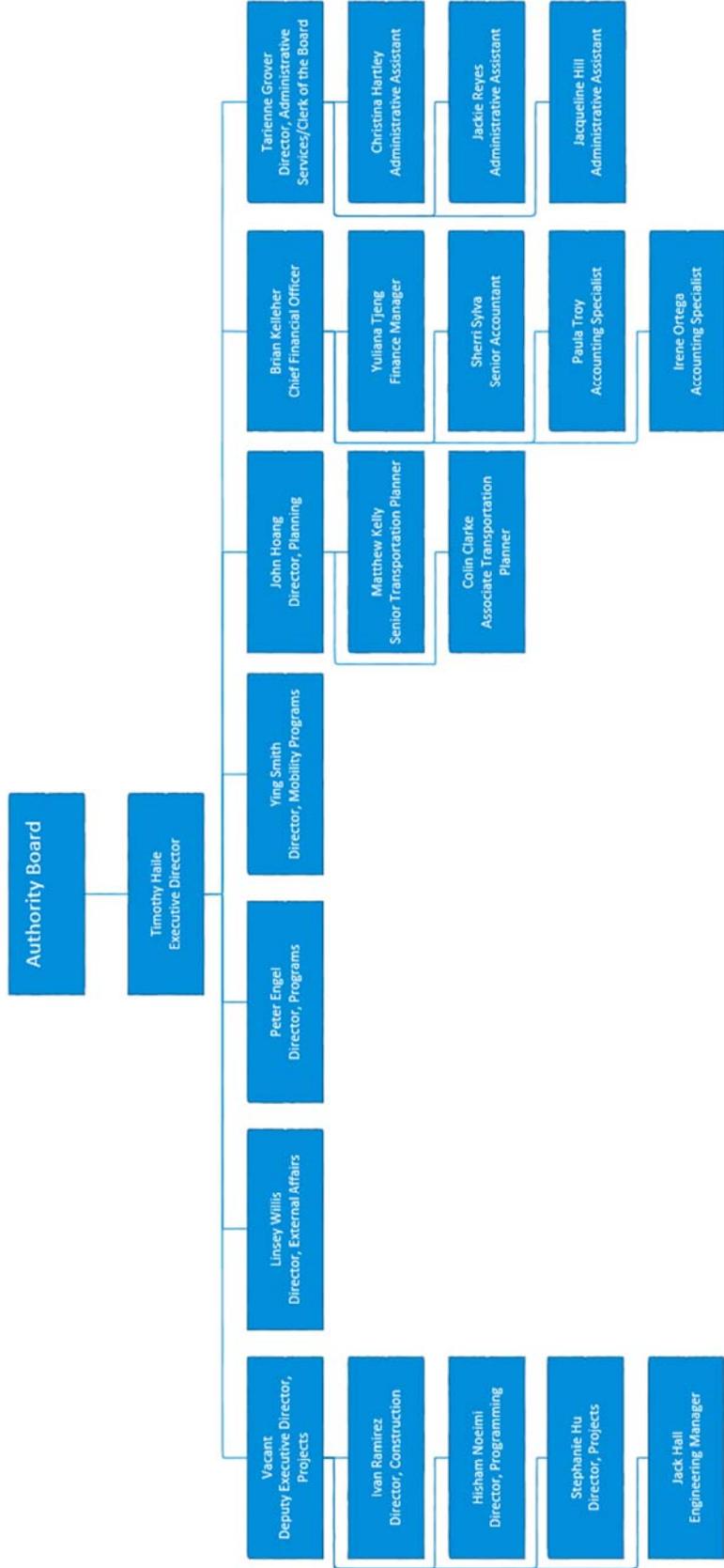
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

CONTRA COSTA TRANSPORTATION AUTHORITY

BOARD MEMBERS (AS OF JUNE 30, 2022)

Commissioners	Names	Appointed By
Board Chair	Chris Kelley	WCCTAC
Board Vice Chair	Federal Glover	Board of Supervisors
Commissioner	Tom Butt	WCCTAC
Commissioner	Teresa Gerringer	SWAT
Commissioner	Dave Hudson	SWAT
Commissioner	Karen Mitchoff	Board of Supervisors
Commissioner	Newell Arnerich	Conference of Mayors
Commissioner	Loella Haskew	TRANSPAC
Commissioner	Sue Noack	TRANSPAC
Commissioner	Lamar Thorpe	TRANSPLAN
Commissioner	Holland White	TRANSPLAN
Alternate Commissioners	Names	Appointed By
Commissioner Alt. – 1 st (Glover)	Candace Andersen	Board of Supervisors
Commissioner Alt. – 2 nd (Glover) / 1 st (Mitchoff)	John Gioia	Board of Supervisors
Commissioner Alt. – 3 rd (Glover)	Diane Burgis	Board of Supervisors
Commissioner Alt. (Arnerich)	Dave Hudson	Conference of Mayors
Commissioner Alt. (Gerringer)	Renata Sos	SWAT
Commissioner Alt. (Hudson)	Karen Stepper	SWAT
Commissioner Alt. (Noack)	Peter Cloven	TRANSPAC
Commissioner Alt. (Haskew)	Tim McGallian	TRANSPAC
Commissioner Alt. (Thorpe)	Joel Bryant	TRANSPLAN
Commissioner Alt. (White)	Aaron Meadows	TRANSPLAN
Commissioner Alt. (Butt and Kelley)	Paul Fadelli	WCCTAC
Ex-Officios	Names	Appointed By
Representative (BART)	Mark Foley	BART
	Alt. Debora Allen	BART
Representative (MTC)	Amy Worth	MTC
Representative (Bus Operators)	Maureen Powers	WestCat
	Alt. H.E. Christian Peoples	AC Transit





This Page Intentionally Left Blank.



Independent Auditor's Report

Board of Commissioners
Contra Costa Transportation Authority
Walnut Creek, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Contra Costa Transportation Authority (Authority), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic 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 respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2022, and the respective changes in financial position and the respective statements of revenues, expenditures and changes in fund balance – budget and actual for the Measure J General Fund, Measure J Local Streets and Roads Special Revenue Fund, and Measure C Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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*, 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 the Authority 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 opinions.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 Authority's internal control. 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.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability and related ratios, schedule of contributions – pension plan, schedule of changes in net OPEB liability and related ratios, and schedule of contributions – OPEB plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority’s basic financial statements. The individual and combining fund financial statements and schedules are presented for purposes of additional analysis and are 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 basic 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 individual and combining fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022 on our consideration of the Authority’s internal control over financial reporting 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 solely 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 the Authority’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority’s internal control over financial reporting and compliance.



Walnut Creek, California
December 15, 2022



This Page Intentionally Left Blank.

CONTRA COSTA TRANSPORTATION AUTHORITY

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2022

Contra Costa Transportation Authority's (the Authority) Management Discussion and Analysis (MD&A) provides to the Authority Board, Administration & Projects Committee (which serves as the Authority's Audit Committee), interested parties and the public in general a narrative overview and analysis of the financial activities of the Authority for the year ended June 30, 2022. Please read this MD&A in conjunction with the accompanying basic financial statements.

SUMMARY OF FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED JUNE 30, 2022

- ❖ The Authority-wide Financial Statements, the Statement of Net Position and the Statement of Activities, show that liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources of the Authority by (\$354.2 million) as of June 30, 2022. The deficit is due to the Authority's issuance of debt. A major factor to consider when reviewing the Statement of Net Position is that the Authority does not hold or retain title for the projects it constructs. The Authority enters into debt financing, which is used to accelerate projects for the benefit of Contra Costa County residents and taxpayers. The reporting of this debt, without having a corresponding asset, results in a negative net position.
- ❖ No corresponding asset exists on the Authority's financial statements for assets acquired with long-term debt. Other agencies, such as Caltrans, BART, Contra Costa County, or the cities within Contra Costa County, typically hold title to the transportation assets built or improved by Measure C and Measure J financing. As of June 30, 2022, Measure C and Measure J had spent \$1.9 billion on transportation infrastructure improvements within Contra Costa County, on assets that are owned by and shown on the financial statements of other public agencies. An additional \$779.5 million to date has been spent by the Authority for Measure C and J programs (i.e. Local Street Maintenance and Improvement, Commute Alternatives, Bus Transit, and Paratransit).
- ❖ Total assets amount to \$168.2 million, consisting primarily of cash and investments amounting to \$127.0 million, receivables due from others amounting to \$35.3 million, net pension asset amounting to \$2.0 million (see Note 9), net Other Postemployment Benefits (OPEB) asset amounting to \$2.0 million (see Note 10) and capital and intangible assets (net of depreciation and amortization) amounting to \$1.8 million. Total assets increased by \$6.9 million from the prior year, primarily due to \$4.1 million increases in net pension asset and net OPEB asset and \$1.7 million in capital and intangible assets related to the implementation of Government Accounting Standards Board (GASB) Statement No. 87 which required the inclusion of lease assets in capital assets of the Statement of Net Position.
- ❖ Liabilities totaled \$520.1 million, consisting of accounts payable and accrued liabilities, accrued employee benefits, and long-term debt. Liabilities decreased by \$29.1 million. During the fiscal year, the long-term debt decreased \$27.5 million due to the payment of debt and amortization of the Sales Tax Revenue Bonds. Additional changes to the liabilities include a decrease of \$2.0 million in accounts payable compared to the prior year, and an increase of \$1.8 million in lease liability due to the implementation of the lease accounting standard (see Note 10).
- ❖ Sales tax revenues of \$120.3 million were recognized for the year ended June 30, 2022, which is an increase of \$13.0 million (12.2%) from the prior year and reporting an all-time high. The County of Contra Costa (County) began to control COVID-19 infections and regain momentum in the economy and labor markets. All of the major industry groups experienced strong growth and was led by general consumer goods, building and construction and new auto sales. Fuel and service stations and restaurant and hotel sectors that were affected by the pandemic started to show growth as the County recovers from the pandemic. Sales tax revenue accounted for 82.1%, program revenues accounted for 19.7%, and investment income accounted for -1.8%, of revenues earned by the Authority.

CONTRA COSTA TRANSPORTATION AUTHORITY
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

- ❖ Total expenses including interest on long-term debt were \$110.1 million, which represents a decrease of \$32.1 million from the prior year. In the year ended June 30, 2022, expenses on Programs and Transportation Projects amounted to \$50.2 million and \$41.4 million, respectively. Construction costs can fluctuate based on the phase and number of capital projects being constructed annually and decreased \$26.0 million. Some major construction projects are nearing completion and include the SR4 East Widening (\$5.3 million), I-680 Carpool Lane Gap Closure & Corridor Improvements (\$11.6 million), and the I-680 and SR242 Interchange Improvements (\$13.0 million). Interest expenses related to long-term debt decreased by \$5.8 million primarily as a result of the termination of the Authority's interest rate swap agreement in the prior year (see Note 7).
- ❖ The Authority's net position increased \$36.6 million during the year ended June 30, 2022. In addition to improved sales tax revenues, the Authority completed project milestones that resulted in reduced expenses by \$24.9 million.

BACKGROUND AND SUPPORTING INFORMATION

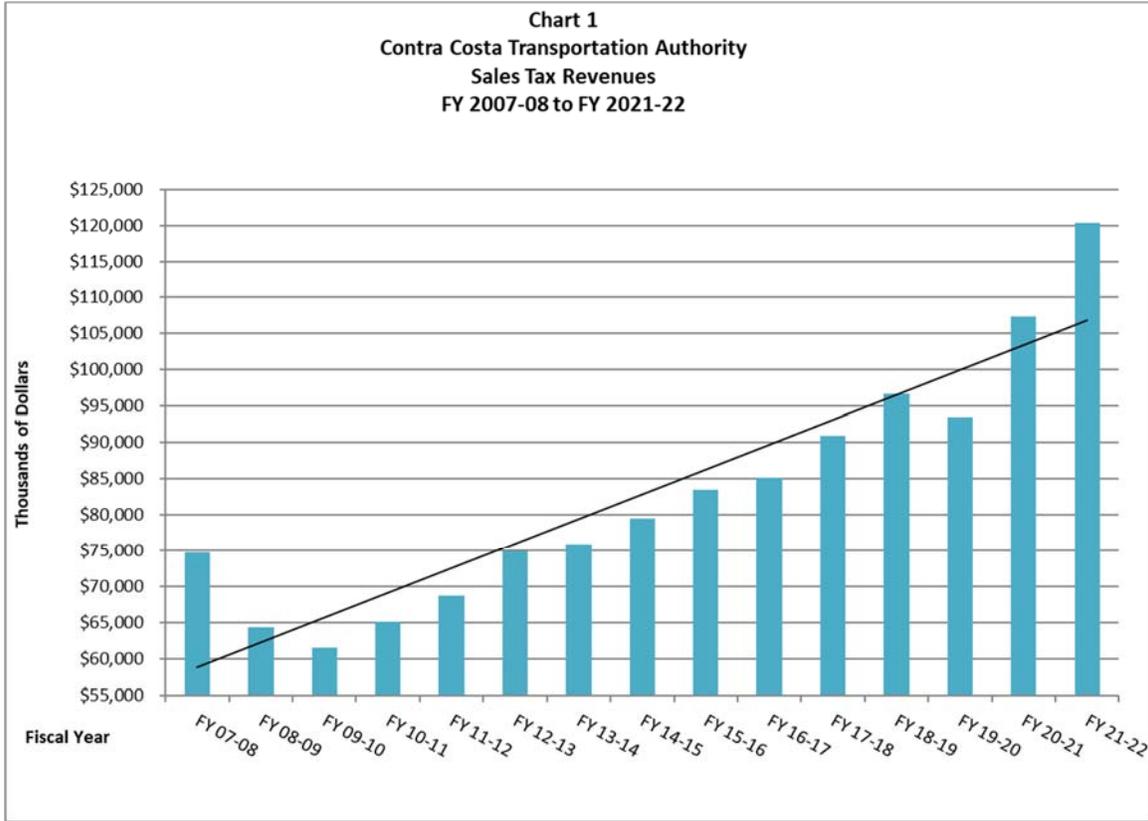
Organization. The Contra Costa Transportation Authority (Authority) is a government special district established under Division 19 of the California Public Utilities Code Section 180000 et seq., pursuant to Contra Costa County Ordinance 88-01 (as amended by Ordinance 06-02). The Authority became effective in its current role following a ballot referendum approved by the voters of Contra Costa County on November 8, 1988. The referendum, Measure C, established a county-wide half-percent sales tax imposed effective April 1, 1989 and remaining in effect through March 31, 2009. The Authority is responsible for carrying out the provisions of Measure C, the Expenditure Plan, and the Growth Management Plan. On November 2, 2004, the voters in Contra Costa County approved Measure J, extending the county-wide half-percent sales tax from April 1, 2009 (the end of the term of Measure C) through March 31, 2034. The Authority is also responsible for carrying out the provisions of Measure J, the Expenditure Plan and the Growth Management Plan.

The Authority is governed by a Board of 11 elected officials, two members appointed by the County Board of Supervisors, two members appointed by each of the four subregional transportation areas, and one appointed by the Contra Costa County Conference of Mayors.

Sales Tax Revenues. The Authority relies primarily on the county-wide half-cent sales tax revenues for carrying out the provisions of Measure C and Measure J. Sales tax revenues in the year ended June 30, 2022, were \$120.3 million, which represents 82.1% of all the revenues received by the Authority. Sales tax revenue increased \$13.0 million or 12.2% from the sales tax revenues received in Fiscal Year 2020-21. Revenues improved steadily throughout the year as businesses reopened and unemployment declined. Many sectors saw gains of 10% to 22% because of the reduction in COVID-19 infections and limits on gatherings and travel shifted. Consumers spending increased on general goods \$2.2 million (6.3%), autos and transportation \$2.1 million (10.1%) and restaurants and hotels \$2.7 million (29.0%). Fuel and service stations \$4.3 million (58.9%), increased significantly reflecting the fuel price spikes during the fiscal year as well as increased return to work and travel behavior shifts. As people shifted to a work from home scenario, they had additional resources to spend based on reduced commute and work-related expenses, and few entertainment and travel options. Buyers shifted to online shopping for home offices, virtual classrooms, electronics, home furnishing and recreational equipment pushing general consumer goods up. Retailers are responding by increasing their investment in mobile shopping platforms and delivery systems.

CONTRA COSTA TRANSPORTATION AUTHORITY
 Management's Discussion and Analysis (Unaudited) (Continued)
 For the Year Ended June 30, 2022

Chart 1 shows the annual sales tax revenues received from Fiscal Year 2007-08 through Fiscal Year 2021-22.



Source: Authority audited financial statements

The County economy in the last fiscal year began to gain momentum throughout the fiscal year as the County continued to mitigate the COVID-19 pandemic moving forward on rebuilding the economic expansion that has taken place in the post-recession era of the last decade. Current economic conditions reflect the impact from the pandemic and the County-based health and safety decisions related to reopening of businesses. The federal stimulus packages are aimed to benefit the ones most impacted by the recovery process. The high unemployment rates were primarily felt in lower wage sectors whereas knowledge workers including professionals, analysts and marketers continued to work from home. The business and industry groups were met with the demand for equipment, supplies and technology to accommodate work and school at home conversions and were faced with supply shortage and increased costs related to inflation. The supply chain continues to see improvements and will benefit all of the general consumers. Improved outdoor dining opportunities along with meal delivery and improved full-service online grocery stores have made a long-term change in the consumer shopping experience. Fuel and service station revenue spiked up as fuel prices have gradually risen on top of people began to return to work and the pent-up demand for travel has shifted to local and regional destinations. The current outlook will be determined by the ongoing control of the pandemic coupled with potential new variants. Inflation in the last quarter of the fiscal year was harsh, rising prices were hitting consumers in many basic areas, but the consumers kept spending and those higher prices translated to higher sales tax revenues. The Federal Reserve has increased interest rates to suppress the inflation to help achieve stable prices. The Federal Reserve Board's recent actions to curb inflation are anticipated to put downward pressure on sales of autos, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

CONTRA COSTA TRANSPORTATION AUTHORITY
Management’s Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority’s Financial Statements are organized in three parts:

1. The Management Discussion and Analysis,
2. The Basic Financial Statements, which include the Authority-wide and the Fund financial statements along with the Notes to these financial statements, and
3. Required Supplementary Information

This report also contains other supplementary information in addition to the basic financial statements themselves.

Authority-wide Government-wide Financial Statements

The Authority-wide financial statements are designed to provide a longer-term view of the Authority’s financial position, using a full accrual accounting method similar to the model used in the private sector. A main difference for the Authority, as compared to other government entities, concerns the impacts of the volume of outstanding debt and the absence of Authority title to the transportation infrastructure assets constructed with that debt.

- The Statement of Net Position provides a broader overview of the long-term assets and liabilities of the Authority. The principal owed on the bonds issued by the Authority, over all of the years the principal is to be repaid, is reported in the current year statements as an unpaid liability.
- The Statement of Net Position also reports the Authority’s long-term assets, such as depreciated capital equipment and leasehold improvements. For the Authority, this is a small number, since other agencies hold title to the transportation projects that the Authority funds which upon completion were “contributed” to its members, the State, or other governments.
- The resulting negative unrestricted net position is due to the Authority borrowing to construct projects on behalf of Contra Costa County residents and taxpayers, transportation infrastructure assets that are owned by other public agencies.

Table 1 compares features of the government-wide financial statements and the traditional governmental fund accounting financial statements.

Table 1

Comparison of Qualities of the Government-Wide Financial Statements
Compared to Financial Statements Prepared Under Traditional Governmental Fund Accounting

Quality	Government-wide Financial Statements	Governmental Fund Financial Statements
Scope	Entire Authority	Activities of the Authority that are not proprietary or fiduciary
Required Statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities <p style="text-align: center;">(government-wide)</p>	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances • Budgetary Comparison Schedule <p style="text-align: center;">(for each individual fund)</p>
Basis of Accounting, Measurement Focus	<ul style="list-style-type: none"> • Full accrual accounting • Economic resources focus 	<ul style="list-style-type: none"> • Modified accrual accounting • Focus on current financial resources

CONTRA COSTA TRANSPORTATION AUTHORITY
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

The **Statement of Net Position** summarizes the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. The Statement of Net Position is designed to provide information about the financial position of the Authority as a whole, including all of its capital assets and long-term liabilities, on a full accrual basis of accounting similar to the accounting model used by private sector firms. Table 2 summarizes the net position of governmental activities for the years ended June 30, 2022 and June 30, 2021.

Table 2
Statement of Net Position
Governmental Activities

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS		
Cash and investments	\$ 111,977,850	\$ 111,160,194
Restricted cash and investments	15,020,283	13,286,168
Receivables	35,273,795	36,729,791
Noncurrent assets		
Net pension asset/(liability)	2,042,187	(427,041)
Net OPEB asset	2,048,000	407,000
Capital assets, net of accumulated depreciation and amortization	1,839,805	167,844
TOTAL ASSETS	<u>168,201,920</u>	<u>161,323,956</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pension	2,946,638	1,097,724
Deferred outflows of resources related to OPEB	273,000	334,000
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>3,219,638</u>	<u>1,431,724</u>
LIABILITIES		
Long-term liabilities	461,718,845	489,246,020
Other liabilities	58,415,617	59,968,112
TOTAL LIABILITIES	<u>520,134,462</u>	<u>549,214,132</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to refunding of debt	3,077,818	3,337,774
Deferred inflows of resources related to pensions	1,006,005	809,184
Deferred inflows of resources related to OPEB	1,370,000	202,000
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>5,453,823</u>	<u>4,348,958</u>
NET POSITION (DEFICIT)		
Net investment in capital assets	79,385	167,844
Restricted for transportation projects and programs	103,856,311	101,208,041
Unrestricted deficit	<u>(458,102,423)</u>	<u>(492,183,295)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (354,166,727)</u>	<u>\$ (390,807,410)</u>

Cash and Investments at June 30, 2022 consists of investments in the State Local Agency Investment Fund of \$38.3 million, U.S. Treasury Notes of \$53.9 million, Federal Agency securities of \$10.3 million, Corporate Notes of \$3.2 million, Municipal Obligations of \$0.7 million, Money Market Mutual Funds of \$15.1 million. (For additional details on the composition and categorization of cash and investments please see Note 3.)

CONTRA COSTA TRANSPORTATION AUTHORITY
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Receivables at June 30, 2022 consists of sales tax \$21.6 million, interest \$0.2 million and intergovernmental \$13.5 million. Intergovernmental decreased \$1.9 million. The decrease is not a result of a loss in funding, but the result of the timing associated with the I-680 Carpool Lane Gap Closure/Transit Corridor Improvements and the Interchange Improvements on I-680/State Route 242 capital improvement projects partially funded by federal, state and local grant funds.

Other assets at June 30, 2022 includes the reported net pension asset of \$2.0 million and net OPEB asset of \$2.0 million as of the measurement date of June 30, 2021. (For additional information please see Note 9 and 10).

Capital Assets at June 30, 2022 was \$1.8 million. An increase of \$1.7 million was primarily contributed by the recognition of the intangible right-to-use lease asset as a result of the implementation of Government Accounting Standards Board (GASB) Statement No. 87, which required the recognition of lease assets in the Statement of Net Position. (For additional information please see Note 10). Despite of large capital transportation projects worked during the year; the Authority does not hold title to the related capital assets. (For additional information please see Note 5.)

Deferred Outflows of Resources. The Authority reported deferred outflows amounting to \$3.2 million. The deferred outflow of resources related to pensions as of the measurement date was \$2.9 million. (For additional information please see Note 9). The deferred outflow of resources related to OPEB as of the measurement date was \$0.3 million. (For additional information please see Note 10).

Other liabilities totaled \$58.4 million, consisting of accounts payable and accrued liabilities \$45.7 million, accrued employee benefits \$1.1 million, and deposits payable \$11.7 million.

Long-term debt. At June 30, 2022, the Authority reported \$461.7 million for the Sales Tax Bonds used to finance transportation projects. (For additional information please see Note 7).

Deferred Inflows of Resources. The Authority reported deferred inflows amounting to \$5.5 million. The deferred inflow of resources on the refunding of the 2012B and 2018A Sales Tax Revenue Bonds net of amortization was \$3.1 million. (For additional information please see Note 7). The Authority reported deferred inflows for resources related to pensions as of the measurement date of June 30, 2021 was \$1.0 million. (For additional information please see Note 9). The Authority reported deferred inflows for resources related to OPEB as of the measurement date of June 30, 2021 was \$1.4 million. (For additional information please see Note 10).

The **Statement of Activities** presents information about the Authority's revenues and expenses on the full accrual basis, with an emphasis on measuring the net revenues or expenses for each of the Authority's main activities. The statement explains the change in net position for a given year. All of the Authority's activities are governmental type activities.

Expenses are categorized by the main Authority functions and debt service. These functions primarily include transportation projects and programs. Revenues restricted to funding of specific Authority functions are considered program revenues. All other revenues are classified as general revenues, which may be used to finance all Authority functions. Sales tax revenues are included in the general revenue category, along with interest earnings on investments. Table 3 is the Statement of Activities, which presents the change in net position of governmental activities, for the years ended June 30, 2022 and June 30, 2021.

CONTRA COSTA TRANSPORTATION AUTHORITY
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Table 3
Statement of Activities
Governmental Activities

	For the Year Ended:	
	June 30, 2022	June 30, 2021
REVENUES		
General revenues		
Sales taxes	\$ 120,303,503	\$ 107,255,903
Other general revenues/(losses)	(2,646,831)	288,548
Program revenues		
Operating grants and contributions	3,448,654	3,261,933
Capital grants	25,605,082	51,058,335
TOTAL REVENUES	146,710,408	161,864,719
EXPENSES		
Administration	2,152,227	2,151,030
Unallocated pension and OPEB expense	(4,533,321)	384,011
Project management	1,729,515	2,097,723
Programs	50,212,736	48,869,811
Transportation projects	41,434,892	66,302,116
Regional planning	2,991,863	1,417,058
Congestion management	1,490,775	1,220,797
Transportation demand management	1,907,201	1,360,128
Transportation planning land use solutions	22,138	61,993
Transportation innovation - GoMentum	77,634	11,851
Debt service interest and related fees	12,584,065	18,335,744
TOTAL EXPENSES	110,069,725	142,212,262
CHANGE IN NET POSITION	36,640,683	19,652,457
Net position - beginning (deficit)	(390,807,410)	(410,459,867)
TOTAL NET POSITION (DEFICIT)	\$ (354,166,727)	\$ (390,807,410)

Sales tax revenues are the largest revenue source amounting to \$120.3 million, up 12.2% from \$107.3 million for the preceding year. Sales tax revenues are general revenues, available for all Authority purposes as defined in the Measure J Expenditure Plan and represents 82.1% of all Authority revenues for the year ended June 30, 2022. The increase in sales tax is discussed in detail at the beginning of this MD&A.

Investment loss was \$2.6 million for the year ended June 30, 2022, which includes interest revenue and accounting of net unrealized gains and losses on investments at year end. Interest revenue came in \$1.8 million lower than last year. Due to market fluctuations, the Authority's investment earnings were offset by an unrealized loss of \$3.1 million during the fiscal year. Cash and investments are invested in separate portfolios depending upon the objectives of the assets being managed. The \$127.0 million of cash and investments include \$15.0 million restricted for debt service. The Authority's investment portfolio included \$68.2 million of individual securities, such as U.S. Treasury Notes, Federal Agency Securities and other securities permitted by State law and the Authority's adopted Investment Policy. The investment portfolio yield to maturity at June 30, 2022 was 2.96%, meeting the benchmark (Bank of America/Merrill Lynch 1

CONTRA COSTA TRANSPORTATION AUTHORITY
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

to 3 Year U.S. Treasury Index) measure of 2.99%. This portfolio is actively managed by Public Trust Advisors, the Authority's independent investment advisor.

Program revenues represent \$29.1 million or about 19.8% of total revenues, and decreased \$25.3 million from last year. Capital grant revenues totaled \$25.6 million, which included reimbursement from the State Local Partnership Program for \$11.5 million, State Transportation Improvement Program (STIP) for \$0.5 million, local agencies contributions for \$3.2 million, Federal SAFETEA-LU (DEMO) program for \$1.6 million and Federal Surface Transportation Program for \$5.9 million. The major active capital projects are I-680/State Route 4 Interchange Improvements and the I-680 Carpool Lane Completion/Express Lanes. Many capital projects are in construction phase and some are nearing completion and the Authority has received the majority of the grant reimbursements. The funding sources vary as the Authority is reimbursed for different phases of the projects from design to construction or draws on grants that have an earlier sunset date. Operating grants and contributions include contributions from local agencies for \$0.5 million, State Motor Vehicle Registration Surcharge for \$1.6 million and Federal Surface Transportation Program for \$1.1 million.

Expenses, including depreciation and amortization, are classified by function. A brief description of activity within each function is as follows:

- The **Administration** function includes tasks and costs related to the overall operation and management of the Authority. Office expenses including rents and leases, office supplies, and equipment, and general service contracts are also charged to the Administration category. Finally, capital assets acquisitions, depreciation and intangible right-to-use lease asset amortization expense are recorded in this category. Administration expense was \$2.2 million for year ended June 30, 2022, which remained consistent compared to prior year. Administrative salaries and benefits of \$0.7 million are 0.6% of sales tax revenues in the year ended June 30, 2022, less than the 1% administrative limitation policy.
- **Unallocated pension and OPEB expense** represents the unrealized (gain)/loss on pension and OPEB accounting mostly derived from the differences between the projected and actual earnings on plan investments. Pension and OPEB actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. With the unrealized (gain)/loss fluctuating from year to year and being irrelevant to the Authority's program, it is presented independently apart from the Administration or any other functions to offer the financial statement's readers a better review of the Authority's financial performance. The unrealized revenues from pension and OPEB for the years ended June 30, 2022 were \$4.1 million and \$0.4 million respectively.
- **Project management** includes tasks and costs related to the oversight of Measure J and Measure C projects. Measure J projects include the SR 4 East Widening, I-680/State Route 4 Interchange Improvements, I-680 Carpool Lane Completion/Express Lanes and the BART East County Rail Extension. Measure C projects included the Interstate 680 Corridor. Project management for the year ended June 30, 2022 was \$1.7 million, which is a decrease of \$0.4 million as some staff costs were reallocated to alternate reimbursable projects and programs.
- **Programs** established in Measure C include expenses related to Local Street Maintenance and Improvement, Bus Transit, Paratransit, and Commute Alternatives. Measure J included these programs and created new ones to improve or expand needs in Contra Costa County. Express bus is a countywide program to transport commuters to and from residential areas to transit and employment centers. Measure J includes subregional programs to provide funds to certain regions of the county for Additional Local Street and Maintenance Improvements, Bus Transit Enhancements, Additional Paratransit, Safe Transportation for Children and Ferry Service.

CONTRA COSTA TRANSPORTATION AUTHORITY
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Overall program expenses increased from the prior year from \$48.9 million to \$50.2 million. The increase is due to the timing associated with program allocations. Staff worked with the participating jurisdictions to update approved allocations and timing of several project reimbursements; whereas, local street maintenance expenses decreased based on sales tax revenues over the prior year, which provides additional revenues to the various programs.

- **Transportation Projects** expenses include annual project expenses, right-of-way (ROW) costs, construction contract costs, engineering design and management contract costs, and attorney's fees for Measure C and Measure J projects as authorized in the Strategic Plans. Transportation Project expenses are further categorized by Highways and Arterials, Transit, and Trail projects. Project costs totaled \$41.4 million for the year ended June 30, 2022, which was \$24.9 million less than the project costs for the year ended June 30, 2021. Project costs are discussed in detail at the general fund level.
- The **Regional Planning** function includes tasks and costs related to implementation of the Growth Management Plan. This function also includes regional transportation planning activities, and the development and maintenance of the county-wide travel demand models. Regional Planning costs were \$3.0 million for the year ended June 30, 2022, which increased \$1.6 million from the prior year, primarily due to the regional planning tasks.
- **Congestion Management** includes activities related to the mandated Congestion Management Plan (CMP), such as monitoring of compliance with established standards. The cost of assisting local jurisdictions with funding applications for state and federal funds and participating in regional planning efforts is also charged to this organizational unit. Congestion Management costs were \$1.5 million, an increase of \$0.3 million from the prior year. Current work continues on the Bicycle and Pedestrian Plan and Congestion Management support.
- **Transportation Demand Management** spent \$1.9 million for ridesharing and the implementation of other trip reduction strategies such as the carpool and vanpool incentive programs and the guaranteed ride home program.
- **Transportation Planning Land Use Solutions** is a program that provides funding to assist local jurisdictions in developing long-range plans for Transportation Oriented Development projects. The program is funded by MTC through CMAQ/STP funds. Expenditures for this program were \$0.02 million, primarily for ongoing work related to development of the Sustainable Communities Strategy and Growth Management Programs.
- **Transportation Innovation – GoMentum** is a program that provides a public agency and private sector partnership to advance connected and automated vehicle safety. Funding to the Authority is a State of California grant to assist in redefining the role technology plays in transportation speed and efficiency. Expenditures for this program were \$0.08 million, primarily for staff oversight on automated vehicle testing and site enhancements at the vehicle testing ground to better serve our customers and surrounding communities.
- **Debt Service** is another category of expenses. Since the Statement of Activities is on a full accrual basis, only interest costs and related fees are shown in the statement. The principal repayment is not shown as an expense line item. As of June 30, 2022, the Authority incurred interest expense and bond amortization costs of \$12.6 million.

CONTRA COSTA TRANSPORTATION AUTHORITY
 Management's Discussion and Analysis (Unaudited) (Continued)
 For the Year Ended June 30, 2022

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2021/22 original budget (adopted June 2021) General Fund expenditures and transfers out in the amount of \$145.7 million, to the final budget amount of \$134.9 million there was a decrease in budgeted expenditures and transfers out of \$10.8 million. The causes for these decreases are summarized below (in millions).

$$\frac{\text{Beginning Balance}}{\$145.7} + \frac{\text{Supplemental Changes}}{\$(10.8)} = \frac{\text{Final Budget}}{\$134.9}$$

During the fiscal year, the total revenues for the General Fund were \$113.2 million. This was \$2.4 million higher than budgeted. The total expenditures and transfers out for the General Fund were \$118.1 million. This was \$16.8 million less than budgeted.

Sales tax revenues were greater than budget by \$9.1 million. During the fiscal year, the COVID-19 pandemic continued to see improvements in the infection rates and the county began to alter associated restrictions. A number of economic factors increased consumer spending and in March of 2022, the Authority increased the sales tax budget by \$7.4 million or 10.2% from the original budget. Sales tax revenue increased \$9.6 million or 12.2% over the prior year. Capital project expenditure reimbursements are based on timelines and these reimbursements are often difficult to project as capital project timelines may be altered by unforeseeable events. Recognized revenues related to reimbursable expenditures on three major capital projects was \$18.9 million and over than budget by \$0.1 million due to delays in capital project schedules. Program revenues were less than budget as the Authority acts as a conduit to funding programs throughout the County and relies on the project proponents to bill the Authority. Several state and local grants were under budget as these revenues are based on the timing of the capital and program expenditures. This is not a loss of funding but a timing of expenditures related to these projects and programs.

Supplemental changes to the 2021/22 fiscal year General Fund budget were:

- Increase of \$0.1 million for supplies and services for administration as one-time service fee for the Authority's web redesign as well as information technology equipment purchases to support the current hybrid work environment.
- Decrease of \$0.2 million for salaries and benefits and services for project management division related to staff allocations to other projects and programs.
- Increase of \$2.4 million for programs associated with current funding allocations from sales tax revenue increases of 12.2%. Safe transportation for children increased \$0.6 million, bus transit enhancements increased \$0.6 million and express bus increased \$0.5 million.
- Net decrease of \$6.1 million related to capital improvement projects based on timing of project expenditures and revised project timelines.
- Net decrease of \$4.3 million related to countywide capital and maintenance based on timing of project expenditures.
- Net decrease of \$2.1 million related to subregional projects based on timing of project expenditures.
- Net increase of \$0.6 million from original to final budget for salary and benefit and supplies and services for regional planning, congestion management and transportation planning land use solutions based on the consulting services associated with growth management, action planning and monitoring, project modeling studies, sustainable communities strategy implementation and investment growth strategy programs.

CONTRA COSTA TRANSPORTATION AUTHORITY
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Transportation Capital Improvement Projects were \$17.0 million under budget for the year ended June 30, 2022. Capital projects are typically multi-year projects and the timing is often difficult to determine accurately as many factors affect the budget projections such as weather delays and the approval process from other agencies. In FY2021-22, COVID-19 played a role in altering capital projects timelines with reduced labor and alternate project priorities. Following are the larger variances for the fiscal year:

- i. SR4 East Widening was under budget by \$1.6 million as close-out services progressed slower than anticipated.
- ii. East County Corridor was under budget by \$1.1 million due to the Mokelumne Trail Overcrossing project that started this fiscal year.
- iii. I-680/SR242 Interchange Improvements was under budget \$4.3 million as construction stayed within the established timeline.
- iv. I-80 Carpool Lane Extension and Improvements projects category was under budget by \$0.6 million for construction and construction management project close-out services.
- v. An I-680 Carpool Lane Gap Closure and Corridor improvement was under budget by \$4.8 million as construction continues and meets the project timelines.
- vi. Countywide capital and maintenance projects were under budget \$2.1 million as the Authority continues to work with cities and agencies to complete projects related to BART Parking, Access & Other Improvements, Transportation for Livable Communities and Pedestrian, Bicycle & Trail Facilities throughout the County.
- vii. Subregional projects were under budget \$2.3 million as the Authority continues to work with cities and agencies to complete projects with-in their jurisdiction.

FUND FINANCIAL STATEMENTS

Governmental Funds. The Authority's financial records are maintained on a standard government fund accounting, modified accrual basis. This basis is required to ensure compliance with finance-related legal standards. The perspective of fund-based financial statements is narrower than Authority-wide statements, with a focus on spendable assets and short-term liabilities rather than on cash flows in future years. The focus of these fund statements is on major funds. Measure J is the operating fund for the Authority and is the General Fund. Measure C is a Special Revenue Fund to track remaining projects and planning activities. The General Fund is always a major fund. The Measure C Special Revenue Fund, Measure J Streets and Roads Special Revenue Funds and the Measure J Debt Service Funds are also Major Funds. Budget comparison statements are also presented for the General Fund and the major Special Revenue Funds. Discussion of the Major Fund Statements is as follows:

Measure J General Fund

General Fund's ending fund balance was \$63.6 million as of June 30, 2022, which represents a decrease of \$4.9 million for the year. The decrease is due to the use of sales tax revenues to reimburse project costs.

Sales tax revenues were \$88.9 million in the year ended June 30, 2022. Measure J saw an increase in sales tax receipts this fiscal year, which is discussed in detail at the beginning of this MD&A.

Grant revenues were \$26.2 million in federal, state and local grant funds, which decreased \$23.8 million from the prior year. The annual variation in grant funding is dependent on the timing of reimbursement on capital projects.

The Authority received \$9.2 million in State Local Partnership Program (LPP) funds for I-680/SR4 Interchange Improvements construction. The I-680 Carpool Lane Completion/Express Lanes received STIP funds of \$2.6 million. Bay Area Toll Authority (BATA) funds were \$0.4 million for I-680 Carpool Lane

CONTRA COSTA TRANSPORTATION AUTHORITY
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Gap Closure project management and construction services. Federal Surface Transportation Program funds were \$7.8 million, of which \$1.1 million was for regional planning efforts. State Planning, Programming and Monitoring (PPM) funds were \$0.3 million. Contributions from local agencies associated with studies, project management and construction expenditures incurred by the Authority were \$3.3 million, \$0.2 million from local cities and the County for congestion management services, \$0.5 million from Contra Costa County for the SR239 project, \$0.5 million from the City of San Ramon for the Iron Horse Trail overcrossing project, \$0.2 million from TRANSPAC for the Monument Boulevard study and \$1.4 million advance returned for SR4 E Widening project. Federal Demo funds in the amount of \$0.8 million and contributions from Contra Costa County will be received in the following fiscal year as expenditures need to be incurred prior to submittal for reimbursement.

Transportation Project expenditures at June 30, 2022 were \$41.2 million, which represents a decrease of \$24.9 million from the prior year. Projects are categorized under Capital Improvement Projects, Countywide Capital and Maintenance Projects and Subregional Projects. Large capital project expenditures can increase significantly based on the construction phases and related construction management services.

Following are the main project costs for the fiscal year:

- i. Caldecott Tunnel Fourth Bore spent \$0.3 million on construction and construction support services related to the landscaping and mitigation project.
- ii. BART – East CC Rail Extension spent \$0.7 million on construction and construction management services to extend rail or other high-speed transit service from Pittsburg/Bay Point BART station.
- iii. East County Corridor spent \$4.4 million on construction and construction support services for the Balfour Road Interchange and SR239 environmental projects.
- iv. I-680/SR242 Interchange Improvements spent \$18.3 million on construction, construction support and right-of-way services.
- v. I-680 Carpool Lane Gap Closure spent \$8.5 million on construction and construction support services.

Measure C Special Revenue Fund

Measure C Fund's ending fund balance was \$5.2 million as of June 30, 2022, which represents an increase of \$3.4 for the year. The increase is due to a transfer in from Measure J for \$3.2 million on the Interchange Improvements on I-680/SR242 and \$0.6 million on SR4 East Widening project cost charged to measure C fund in the prior year. The remaining fund balance will be utilized in future years on the remaining Measure C commitments.

Measure J Debt Service Fund

Measure J Debt Service Fund's ending fund balance was \$15.0 million as of June 30, 2022, which represents an increase of \$1.7 million for the year. The increase is due to use of cash reserves set aside for annual debt service. Remaining fund balance represents cash and restricted cash for debt service.

Notes to the Basic Financial Statements

The notes provide additional information that is important for a full understanding of the data provided in the Authority-wide and the traditional fund-based financial statements. These are contained in the attached reports.

CONTRA COSTA TRANSPORTATION AUTHORITY
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

AUTHORITY'S OUTLOOK

The result of the work done by the Authority and the regional transportation planning committees to advance the projects programmed in the 2022 Measure J Strategic Plan is paying off. At this time, a significant portion of Measure J capital projects programmed in the Strategic Plan is complete and project development work on the next wave of projects is underway, including the next phases of Interstate 680 State Route 4 interchange, State Route 239, I-680 Northbound Express Lane, I-680 Transit Bus On Shoulder, I-680 Coordinated Adaptive Ramp Metering, Shared Mobility Hubs, and other Innovate 680 related projects. In addition, construction is well underway on the Mokelumne Trail Pedestrian and Bicycle Overcrossing and is expected to start soon on the Iron Horse Trail Pedestrian and Bicycle Overcrossing at Bollinger Canyon Road in the City of San Ramon.

The Authority also continued its effort to leverage its limited Measure J funds by applying for State and Federal sources. The Authority received \$10.8 million in SB 1 – Transit and Intercity City Rail Program (TIRCP) funds for the Bollinger Canyon Road Shared Mobility Hub, and \$2 million for Transit Bus On Shoulder Testing and Training at GoMentum Station. Additional funding applications are expected to be announced in 2023 including \$394 million funding request for I-680 Forward, \$19.7 million for the next phase of I-80 San Pablo Dam Road Interchange, and \$4.8 million for I-680 Coordinated Adaptive Ramp Metering Enhancements. The Authority also submitted funding applications to advance multiple technology projects including the Countywide Smart Signal Upgrade Project, DigiMotion, Advanced Driving System, and Dynamic Personal Micro Transit Project.

The Authority continued to work with other regional transportation agencies on coordinating projects and developing goals for the various corridors in Contra Costa. With the creation of the I-680 and I-80 Corridor partnerships last year, the Authority and the other agencies worked together to identify projects and discuss the vision for the corridors including the implementation of Smart Corridors, conversion to zero-emission buses, shared mobility hubs, shared autonomous vehicle program and coordinated adaptive ramp metering. These innovative projects will enhance safety while leveraging technology through the collaboration with the regional agencies to benefit all the citizens in the Bay Area.

The Authority also started work on the State Route 4 Vision Study in 2022. The Study aims to identify future generation of projects to improve mobility of all modes. Work on the Ferry Service Feasibility Study is expected to also begin in 2023. The East County Integrated Transit Study was also completed in 2022 providing a vision on how to provide transit connection to East Contra Costa County beyond Antioch. In addition, significant progress was made on the I-80 Design Alternative Assessment study being carried out in partnership with the Alameda County Transportation Commission and the Metropolitan Transportation Commission.

Measure J continues to fund programs such as Bus Transit, Paratransit, Express Bus, Safe Transportation for Children, and Commute Alternatives and the Authority continues to fund improvements to local BART stations to make commuting smoother, safer, and more enjoyable every day. These improvements include easier BART station access and wayfinding signage to help passengers navigate BART stations more easily. The Authority is also helping to fund new bike lockers to help people bike to BART and safely store their bicycle. By encouraging more residents to bike to BART, the community can reduce parking demand at the stations and increase access to transit.

The Authority meets annually with every city and town within the county to set goals and discuss programs, legislation, project delivery, and planning issues. It provides an opportunity for them to ask a number of questions that will be used to help prioritize projects and programs for the next Strategic Plan.

CONTRA COSTA TRANSPORTATION AUTHORITY
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

The Authority vision for the future was the focus of a two-day workshop in 2022. The workshop provided an opportunity to share possible responses to the uncertainty and disruptions triggered by the global pandemic.

In 2015, the Authority and our key partners launched GoMentum Station, a new test bed site for cutting-edge automated and connected vehicle technology at the Concord Naval Weapons Station in Contra Costa. This 5,000-acre test facility features 20 miles of paved roadway and is the largest secure testing facility in the United States. Rather than exclusively trying to "build our way" out of congestion, GoMentum Station's vision centers around the use of emerging technologies and public-private partnerships to meet transportation demands and reduce greenhouse gas emissions in Contra Costa County. Our vision is centered on: Creating smart jobs to increase the region's economic competitiveness, partnering with our communities to improve safety, mobility and the environment and creating a world-class connected vehicle test bed with active industry and government participation.

Every five years, the Authority evaluates and updates its Countywide Transportation Plan, or CTP, our 30-year blueprint for the county's transportation future. With feedback from stakeholders throughout the County, updating the CTP helps ensure that we accurately plan, fund, and implement our transportation vision for Contra Costa County. The CTP helped fund projects like the Caldecott Tunnel, Highway 4 expansion, extension of eBART to Antioch, and expanded bicycle and pedestrian facilities to keep our County moving. The CTP may also help garner additional money from state and federal funding sources. In the past, we have been successful at using sales tax dollars to leverage these additional funds. But we can no longer depend on State and Federal dollars, as those budgets are shrinking. The CTP was completed in 2017.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the Authority. Questions concerning information provided in this report, or any requests for additional financial information, should be addressed to Brian Kelleher, Chief Financial Officer of the Contra Costa Transportation Authority, 2999 Oak Road, Suite 100, Walnut Creek, CA 94597.

CONTRA COSTA TRANSPORTATION AUTHORITY

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position reports the difference between the Authority's total assets and deferred outflows of resources and the Authority's total liabilities and deferred inflows of resources. The Statement of Net Position presents information similar to the traditional balance sheet format except that it focuses on the composition of the Authority's net position, by subtracting total liabilities and deferred inflows of resources from total assets and deferred outflows of resources.

The Statement of Net Position summarizes the financial position of all the Authority's Governmental Activities in a single column. The Authority's Governmental Activities include the activities of all of governmental funds, capital assets and debt accounts.

The Statement of Activities reports increases and decreases in the Authority's net position. It is also prepared on the full accrual basis, which means it includes all the Authority's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund Financial Statements, which reflect only current assets, deferred outflows of resources, current liabilities, deferred inflows of resources, available revenues, and measurable expenditures.

The Statement of Activities presents the Authority's expenses listed by program. Program revenues—that is, revenues that are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each program. The Authority's general revenues are then listed in the Governmental Activities column, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

These financial statements along with the fund financial statements and footnotes are called *Basic Financial Statements*.

CONTRA COSTA TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2022

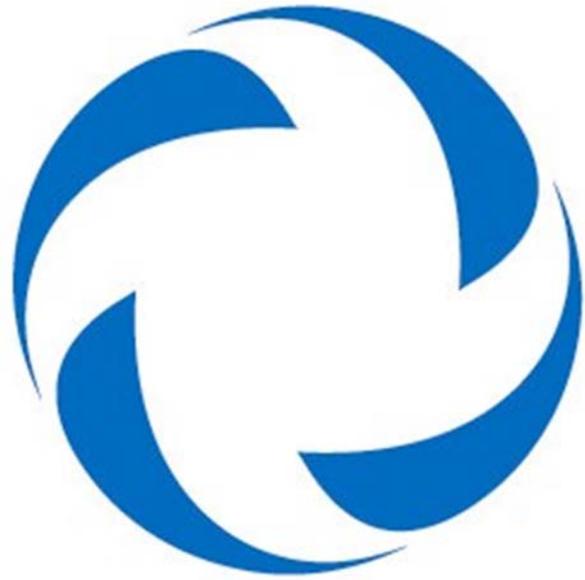
	Governmental Activities
ASSETS	
Cash and investments (Note 3)	\$ 111,977,850
Restricted cash and investments (Note 3)	15,020,283
Sales tax receivable	21,638,029
Interest receivable	183,764
Intergovernmental receivable	13,452,002
Noncurrent assets	
Net pension asset (Note 9)	2,042,187
Net OPEB asset (Note 10)	2,048,000
Capital assets, net of accumulated depreciation and amortization (Note 5)	1,839,805
TOTAL ASSETS	168,201,920
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions (Note 9)	2,946,638
Deferred outflows of resources related to OPEB (Note 10B)	273,000
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,219,638
LIABILITIES	
Accounts payable and accrued liabilities	45,664,293
Accrued employee benefits	1,071,548
Deposits payable (Note 6)	11,679,776
Current portion of long-term liabilities (Note 7)	32,710,521
Noncurrent liabilities	
Liabilities due in more than one year (Note 7)	429,008,324
TOTAL LIABILITIES	520,134,462
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to refunding of debt	3,077,818
Deferred inflows of resources related to pensions (Note 9)	1,006,005
Deferred inflows of resources related to OPEB (Note 10B)	1,370,000
TOTAL DEFERRED INFLOWS OF RESOURCES	5,453,823
NET POSITION (DEFICIT) (Note 13)	
Net investment in capital assets	79,385
Restricted for:	
Transportation projects and programs	103,856,311
Unrestricted deficit	(458,102,423)
TOTAL NET POSITION (DEFICIT)	\$ (354,166,727)

See accompanying notes to basic financial statements.

**CONTRA COSTA TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Operating Grants and Contributions	Capital Grants	
Governmental Activities:				
Administration	\$ 2,152,227	\$ -	\$ -	\$ (2,152,227)
Unallocated pension and OPEB expense	(4,533,321)	-	-	4,533,321
Project management	1,729,515	-	-	(1,729,515)
Programs	50,212,736	274,307	-	(49,938,429)
Transportation projects	41,434,892	-	25,605,082	(15,829,810)
Regional planning	2,991,863	-	-	(2,991,863)
Congestion management	1,490,775	1,597,443	-	106,668
Transportation demand management	1,907,201	1,576,740	-	(330,461)
Transportation planning land use solutions	22,138	-	-	(22,138)
Transportation Innovation - GoMentum	77,634	164	-	(77,470)
Interest and related fees	12,584,065	-	-	(12,584,065)
Total governmental activities	\$ 110,069,725	\$ 3,448,654	\$ 25,605,082	(81,015,989)
General Revenues:				
Sales taxes				120,303,503
Investment income/(loss)				(2,647,137)
Miscellaneous				306
Total general revenues				117,656,672
Change in net position				36,640,683
Net position at beginning of year				(390,807,410)
Net position at end of year				\$ (354,166,727)

See accompanying notes to basic financial statements.



This Page Intentionally Left Blank.

CONTRA COSTA TRANSPORTATION AUTHORITY

FUND FINANCIAL STATEMENTS

The Fund Financial Statements are presented by individual major funds, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year.

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the Authority for fiscal year 2022. Individual non-major funds may be found in the Combining Financial Statements section.

MEASURE J GENERAL FUND

The *General Fund* is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund. All intergovernmental revenue is recorded in the General Fund, except for those restricted funds required to be recorded in the major Measure C Special Revenue Funds and the non-major Special Revenue Funds. The Authority also transfers sales tax revenues to Debt Service Funds, on a monthly basis, to cover interest and principal coming due. General Fund expenditures include salaries and benefits of the Authority's staff. Salaries and benefits for administration are limited by Measure J (as defined) to one percent of the sales tax revenue on an annual basis.

MEASURE J LOCAL STREETS AND ROADS SPECIAL REVENUE FUND

This Fund is used by the Authority to account for the accumulation of resources required to be allocated to local cities and the County for local transportation improvements, including streets and roads. Monies are disbursed to the local agencies upon compliance with certain provisions included in Measure J. Under the provisions of Measure J and policies adopted by the Authority, 18% of net sales tax revenues are to be used for local street maintenance and improvements. An additional 2.09% of net sales tax revenue is allocated to Central County, West County, and Southwest County.

MEASURE C SPECIAL REVENUE FUND

Prior to April 1, 2009 when Measure J became effective, there was Measure C, a County-wide half-percent sales tax to fund transportation programs and projects. The Authority is responsible for carrying out the provisions of Measure C. The Measure C Fund was established to record financial activities associated with the projects and programs in the Measure C expenditure plan.

MEASURE J DEBT SERVICE FUND

This fund account for resources used to service the Authority's 2015, 2017, 2018 and 2021 Sales Tax Revenue Bonds.

**CONTRA COSTA TRANSPORTATION AUTHORITY
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022**

	Measure J General Fund	Measure J Local Streets and Roads Fund	Measure C Fund	Measure J Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments (Note 3)	\$ 65,967,993	\$ 24,813,428	\$ 5,242,547	\$ -	\$ 15,953,882	\$ 111,977,850
Restricted cash and investments (Note 3)	-	-	-	15,020,283	-	15,020,283
Sales tax receivable	15,992,667	4,347,080	-	-	1,298,282	21,638,029
Interest receivable	183,764	-	-	-	-	183,764
Intergovernmental receivable	13,448,602	-	-	-	3,400	13,452,002
Total Assets	\$ 95,593,026	\$ 29,160,508	\$ 5,242,547	\$ 15,020,283	\$ 17,255,564	\$ 162,271,928
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Accounts payable and accrued liabilities	\$ 15,630,880	\$ 29,160,508	\$ 14,789	\$ -	\$ 858,116	\$ 45,664,293
Accrued employee benefits	1,069,438	-	-	-	2,110	1,071,548
Deposits payable	11,279,950	-	-	-	399,826	11,679,776
Total Liabilities	27,980,268	29,160,508	14,789	-	1,260,052	58,415,617
Deferred Inflows of Resources						
Unavailable revenue	2,789,359	-	-	-	3,400	2,792,759
Fund Balances (Note 13)						
Restricted:						
Air quality	-	-	-	-	2,007,067	2,007,067
GoMentum	-	-	-	-	260,718	260,718
Fund Exchange Reserve	1,216,048	-	-	-	-	1,216,048
Commute alternatives	-	-	-	-	1,820,517	1,820,517
Transportation projects	-	-	5,227,758	15,020,283	-	20,248,041
Paratransit program	-	-	-	-	11,903,810	11,903,810
Additional paratransit program	2,354,619	-	-	-	-	2,354,619
Safe transportation for children	7,430,595	-	-	-	-	7,430,595
Ferry service	14,157,521	-	-	-	-	14,157,521
Bus transit and improvements	2,221,514	-	-	-	-	2,221,514
Express bus	1,953,835	-	-	-	-	1,953,835
Subregional bus transit	340,618	-	-	-	-	340,618
Transportation for livable communities projects (TLC)	18,311,589	-	-	-	-	18,311,589
Additional TLC	3,941,429	-	-	-	-	3,941,429
Pedestrian, bicycle and trail facilities	4,859,342	-	-	-	-	4,859,342
Additional pedestrian, bicycle and trail facilities	167,205	-	-	-	-	167,205
Subregional transportation needs	4,233,714	-	-	-	-	4,233,714
Planning and facilities	3,819,744	-	-	-	-	3,819,744
Administration	2,922,138	-	-	-	-	2,922,138
Unassigned	(3,106,512)	-	-	-	-	(3,106,512)
Total Fund Balances	64,823,399	-	5,227,758	15,020,283	15,992,112	101,063,552
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 95,593,026	\$ 29,160,508	\$ 5,242,547	\$ 15,020,283	\$ 17,255,564	\$ 162,271,928

See accompanying notes to basic financial statements.

**CONTRA COSTA TRANSPORTATION AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total Fund Balances on Governmental Funds Balance Sheet \$ 101,063,552

Amounts reported for governmental activities in the statement of net position are different because:

Capital and intangible assets used in governmental activities are not financial resources and therefore, are not reported in the funds (Note 5). 1,839,805

Net pension asset and pension related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. (Note 7):

Net pension asset	\$	2,042,187		
Deferred outflows of resources		2,946,638		
Deferred inflows of resources		(1,006,005)		
		<u>3,982,820</u>		<u>3,982,820</u>

Net OPEB asset and OPEB related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds (Note 8).

Net OPEB asset	\$	2,048,000		
Deferred outflows of resources		273,000		
Deferred inflows of resources		(1,370,000)		
		<u>951,000</u>		<u>951,000</u>

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current period expenditures. Those assets are offset by deferred inflows of resources in the governmental funds. 2,792,759

Lease liabilities are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds. (1,760,420)

Long-term liabilities, including the sales tax bonds payable and its related hedging derivative, are not due and payable in the current period and, therefore, are not reported in the governmental funds (Note 6):

Sales tax revenue bonds outstanding	\$	(400,285,000)		
Unamortized premium on bonds		(59,673,425)		
Deferred inflow of resources on refunding of debt		(3,077,818)		
Subtotal		<u>(463,036,243)</u>		<u>(463,036,243)</u>

Net Position (deficit) on the Statement of Net Position \$ (354,166,727)

See accompanying notes to basic financial statements.

**CONTRA COSTA TRANSPORTATION AUTHORITY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022**

	Measure J General Fund	Measure J Local Streets and Roads Fund	Measure C Fund	Measure J Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Sales tax	\$ 88,916,319	\$ 24,168,974	\$ -	\$ -	\$ 7,218,210	\$ 120,303,503
Investment income/(loss)	(1,967,198)	-	(168,118)	2,463	(514,284)	(2,647,137)
Federal Surface Transportation Program (CMA)	1,072,478	-	-	-	-	1,072,478
Federal Surface Transportation Program (Innovate-680)	6,717,930	-	-	-	-	6,717,930
Federal Demo (East County Corridors)	830,882	-	-	-	-	830,882
Federal Congestion Mitigation (CMAQ)	-	-	-	-	8,268	8,268
State Planning, Programming and Monitoring (PPM)	274,332	-	-	-	-	274,332
State Local Partnership Program (680/242)	9,180,340	-	-	-	-	9,180,340
State Local Partnership Program (I-680 Carpool)	1,053,257	-	-	-	-	1,053,257
State Transportation Imp. Program (I-680 Carpool)	485,729	-	-	-	-	485,729
State Funds - East County Integrated Transit Study	599,063	-	-	-	-	599,063
State Funds - Trade Corridor Enhancement Program	1,063,722	-	-	-	-	1,063,722
State Motor Vehicle Registration Surcharge (TFCA)	-	-	-	-	1,576,740	1,576,740
Contributions from CMA member agencies	187,696	-	-	-	-	187,696
Bay Area Toll Authority (I-680 Carpool Ln Ext & I/C Imp)	375,668	-	-	-	-	375,668
Contra Costa County (East County Corridors)	526,065	-	-	-	-	526,065
East Contra Costa Regional Fee and Financing Authority	652,671	-	-	-	-	652,671
Contributions (MTC/SR4 Study)	58,697	-	-	-	-	58,697
Contributions (TRANSPAC/Study)	189,457	-	-	-	-	189,457
Contributions (CTC/SR4 E)	1,380,529	-	-	-	-	1,380,529
Contributions (San Ramon/Iron Horse Trail)	1,804,577	-	-	-	-	1,804,577
Contributions (Others)	-	-	-	-	164	164
Escrow Earnings (SR4 East)	1,078,782	-	-	-	-	1,078,782
Miscellaneous revenue	306	-	-	-	-	306
Total Revenues	114,481,302	24,168,974	(168,118)	2,463	8,289,098	146,773,719
EXPENDITURES						
Current:						
Administration:						
Salaries and employee benefits	727,693	-	-	-	-	727,693
Services, supplies & capital outlay	1,336,075	-	-	-	-	1,336,075
Project Management:						
Salaries and employee benefits	1,575,893	-	-	-	-	1,575,893
Services, supplies & capital outlay	153,622	-	-	-	-	153,622
Programs:						
Commute alternatives	-	-	-	-	892,389	892,389
Additional paratransit	853,344	-	-	-	-	853,344
Bus transit enhancements	3,418,918	-	-	-	-	3,418,918
Ferry Service program	3,651,299	-	-	-	-	3,651,299
Paratransit	-	-	-	-	4,151,750	4,151,750
Express bus program	4,345,215	-	-	-	-	4,345,215
Bus transit and improvement program	5,093,544	-	-	-	-	5,093,544
Safe transportation for children	3,637,303	-	-	-	-	3,637,303
Local street and maintenance	-	21,654,631	-	-	-	21,654,631
Subregional local street and maintenance	-	2,514,343	-	-	-	2,514,343
Transportation Projects:						
Highways and arterials	-	-	150,057	-	-	150,057
Transit	-	-	111,488	-	-	111,488
Capital improvement projects	32,781,191	-	-	-	-	32,781,191
Countywide capital and maintenance projects	6,718,013	-	-	-	-	6,718,013
Subregional projects	1,674,144	-	-	-	-	1,674,144
Regional Planning:						
Salaries and employee benefits	363,515	-	-	-	-	363,515
Services, supplies & capital outlay	2,628,348	-	-	-	-	2,628,348
Congestion Management:						
Salaries and employee benefits	1,055,696	-	-	-	-	1,055,696
Services, supplies & capital outlay	435,079	-	-	-	-	435,079
Transportation Demand Management (Air Quality):						
Salaries and employee benefits	-	-	-	-	52,411	52,411
Contributions to other agencies	-	-	-	-	1,854,790	1,854,790
Transportation Planning Land Use Solutions:						
Salaries and employee benefits	22,138	-	-	-	-	22,138

See accompanying notes to basic financial statements.

**CONTRA COSTA TRANSPORTATION AUTHORITY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022**

	Measure J General Fund	Measure J Local Streets and Roads Fund	Measure C Fund	Measure J Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Expenditures (Continued)						
Gomentum:						
Salaries and employee benefits	\$ -	\$ -	\$ -	\$ -	\$ 1,415	\$ 1,415
Services, supplies & capital outlay	-	-	-	-	32,319	32,319
Fund Exchange Reserve:						
Salaries and employee benefits	43,899	-	-	-	-	43,899
Debt service:						
Principal	-	-	-	23,745,000	-	23,745,000
Interest and related fees	-	-	-	18,386,615	-	18,386,615
Total Expenditures	<u>70,514,929</u>	<u>24,168,974</u>	<u>261,545</u>	<u>42,131,615</u>	<u>6,985,074</u>	<u>144,062,137</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>43,966,373</u>	<u>-</u>	<u>(429,663)</u>	<u>(42,129,152)</u>	<u>1,304,024</u>	<u>2,711,582</u>
OTHER FINANCING SOURCES (USES)						
Transfer in (Note 4)	-	-	3,801,117	43,863,268	-	47,664,385
Transfer out (Note 4)	(47,664,385)	-	-	-	-	(47,664,385)
Total Other Financing Sources (Uses)	<u>(47,664,385)</u>	<u>-</u>	<u>3,801,117</u>	<u>43,863,268</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(3,698,012)	-	3,371,454	1,734,116	1,304,024	2,711,582
Fund Balances - Beginning	68,521,411	-	1,856,304	13,286,167	14,688,088	98,351,970
Fund Balances - Ending	<u>\$ 64,823,399</u>	<u>\$ -</u>	<u>\$ 5,227,758</u>	<u>\$ 15,020,283</u>	<u>\$ 15,992,112</u>	<u>\$ 101,063,552</u>

See accompanying notes to basic financial statements.

**CONTRA COSTA TRANSPORTATION AUTHORITY
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 2,711,582

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital assets acquisition and other adjustments	\$	52,217	
Depreciation expense		(59,249)	(7,032)

The costs of intangible right-to-use lease assets are allocated over their lease terms and reported as amortization expenses in the current period. (411,182)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This represents the change in the deferred inflows of resources during the current period. (63,311)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. These transactions, however, have no effect on net position. The governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of bond premium	\$	5,542,594	
Amortization of gain on refunding		259,955	
Retirement of long-term debt		23,745,000	29,547,549

Lease payments require the use of current financial resources, but reduces lease liabilities in the statement of net position. 329,756

Changes to net OPEB asset and OPEB related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 412,000

Changes to net pension asset and pension related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 4,121,321

Change in net position of governmental activities \$ 36,640,683

See accompanying notes to basic financial statements.

CONTRA COSTA TRANSPORTATION AUTHORITY
MEASURE J GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Budget			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Sales tax	\$ 72,431,800	\$ 79,822,800	\$ 88,916,319	\$ 9,093,519
Investment income/(loss)	500,000	500,000	(1,967,198)	(2,467,198)
Federal Surface Transportation Program (CMA)	1,223,721	1,176,940	1,072,478	(104,462)
Federal Surface Transportation Program (SCS)	221,325	66,398	-	(66,398)
Federal Surface Transportation Program (Innovate 680) (CIP8)	9,442,890	6,913,000	6,717,930	(195,070)
Federal Demo (East County Corridors)	2,760,000	2,000,000	830,882	(1,169,118)
State Planning, Programming and Monitoring (PPM)	356,000	383,384	274,332	(109,052)
State Funds - (East County Integrated Transit Study)	-	1,000	599,063	598,063
State Local Partnership Program (I-680/4 I/C Imp)	12,139,000	7,806,800	9,180,340	1,373,540
State Local Partnership Program (I-680 Carpool)	1,182,571	1,914,571	1,053,257	(861,314)
State Transportation Imp. Program (I-680 Carpool)	1,555,700	1,735,000	485,729	(1,249,271)
State Funds - Trade Corridor Enhancement Program	-	-	1,063,722	1,063,722
Contributions from CMA member agencies	275,743	275,061	187,696	(87,365)
Bay Area Toll Authority (I-680 Carpool Ln Ext & I/C Imp)	-	375,000	375,668	668
East Contra Costa Regional Fee and Financing Authority	64,166	2,636,203	652,671	(1,983,532)
Tri Valley Transportation Development (I-680)	-	-	-	-
Contributions (Local Agencies)	3,693,445	5,392,648	3,959,325	(1,433,323)
Escrow Earnings (SR4 East)	100,000	1,080,000	1,078,782	(1,218)
Miscellaneous revenue	1,000	1,000	306	(694)
Total Revenues	105,947,361	110,780,752	114,481,302	3,700,550
EXPENDITURES				
Current expenditures:				
Administration:				
Salaries and employee benefits	632,402	647,221	727,693	(80,472)
Services, supplies & capital outlay	1,496,400	1,622,400	1,336,075	286,325
Project Management:				
Salaries and employee benefits	1,666,081	1,518,943	1,575,893	(56,950)
Services, supplies & capital outlay	242,500	317,500	153,622	163,878
Programs:				
Additional paratransit	1,127,000	1,542,000	853,344	688,656
Bus transit enhancements	3,592,800	3,928,800	3,418,918	509,882
Express bus program	4,314,000	4,844,000	4,345,215	498,785
Bus transit and improvement program	5,000,000	5,600,000	5,093,544	506,456
Ferry service	3,651,300	3,651,300	3,651,299	1
Safe transportation for children	4,554,100	5,108,600	3,637,303	1,471,297
Transportation Projects:				
Capital improvement projects	51,492,533	45,376,273	32,781,190	12,595,083
Countywide capital and maintenance projects	13,138,243	8,794,011	6,718,013	2,075,998
Subregional projects	6,079,934	4,022,134	1,674,144	2,347,990
Regional Planning:				
Salaries and employee benefits	539,610	523,140	363,516	159,624
Services, supplies & capital outlay	2,600,500	3,380,000	2,628,348	751,652

(continued)

See accompanying notes to basic financial statements.

CONTRA COSTA TRANSPORTATION AUTHORITY
MEASURE J GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Congestion Management:				
Salaries and employee benefits	\$ 856,060	\$ 1,178,395	\$ 1,055,696	\$ 122,699
Services, supplies & capital outlay	1,109,500	665,000	435,079	229,921
Transportation Planning Land Use Solutions:				
Salaries and employee benefits	101,229	48,388	22,138	26,250
Services, supplies & capital outlay	10,000	10,000	-	10,000
Fund Exchange Reserve:				
Salaries and employee benefits	-	100,000	43,899	56,101
Total Expenditures	<u>102,204,192</u>	<u>92,878,105</u>	<u>70,514,929</u>	<u>22,363,176</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>3,743,169</u>	<u>17,902,647</u>	<u>43,966,373</u>	<u>26,063,726</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	1,100,000	-	(1,100,000)
Transfer out	<u>(43,454,300)</u>	<u>(42,131,015)</u>	<u>(47,664,385)</u>	<u>(5,533,370)</u>
Total Other Financing Sources (Uses)	<u>(43,454,300)</u>	<u>(41,031,015)</u>	<u>(47,664,385)</u>	<u>(6,633,370)</u>
NET CHANGES IN FUND BALANCES	<u>\$ (39,711,131)</u>	<u>\$ (23,128,368)</u>	<u>(3,698,012)</u>	<u>\$ 19,430,356</u>
Fund Balance - Beginning			<u>68,521,411</u>	
Fund Balance - Ending			<u>\$ 64,823,399</u>	

See accompanying notes to basic financial statements.

**CONTRA COSTA TRANSPORTATION AUTHORITY
MEASURE J LOCAL STREETS AND ROADS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales tax	\$ 19,688,200	\$ 21,697,200	\$ 24,168,974	\$ 2,471,774
Total Revenues	<u>19,688,200</u>	<u>21,697,200</u>	<u>24,168,974</u>	<u>2,471,774</u>
EXPENDITURES				
Current expenditures:				
Programs:				
Local street and maintenance	17,640,000	19,440,000	21,654,631	(2,214,631)
Subregional local street and maintenance	<u>2,048,200</u>	<u>2,257,200</u>	<u>2,514,343</u>	<u>(257,143)</u>
Total Expenditures	<u>19,688,200</u>	<u>21,697,200</u>	<u>24,168,974</u>	<u>(2,471,774)</u>
NET CHANGES IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - Beginning			<u>-</u>	
Fund Balance - Ending			<u>\$ -</u>	

See accompanying notes to basic financial statements.

**CONTRA COSTA TRANSPORTATION AUTHORITY
MEASURE C SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budget</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income/(loss)	\$ 15,000	\$ 15,000	\$ (168,118)	\$ (183,118)
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>(168,118)</u>	<u>(183,118)</u>
EXPENDITURES				
Current expenditures:				
Transportation Projects:				
Highways and arterials	1,606,623	4,799,383	150,057	4,649,326
Transit	100,000	204,093	111,488	92,605
Total Expenditures	<u>1,706,623</u>	<u>5,003,476</u>	<u>261,545</u>	<u>4,741,931</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,691,623)	(4,988,476)	(429,663)	4,558,813
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	3,801,117	3,801,117
NET CHANGES IN FUND BALANCES	<u>\$ (1,691,623)</u>	<u>\$ (4,988,476)</u>	3,371,454	<u>\$ 8,359,930</u>
Fund Balance - Beginning			<u>1,856,304</u>	
Fund Balance - Ending			<u>\$ 5,227,758</u>	

See accompanying notes to basic financial statements.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Contra Costa Transportation Authority (the Authority) was established in 1988 when Contra Costa County (the County) voters passed a 20-year, one-half of one percent (½%) sales tax for specified transportation purposes. In 2004, the voters of Contra Costa County extended the one-half of one percent countywide transportation sales tax through 2034.

Measure C, passed in November 1988, officially authorizing the imposition of the ½% countywide sales tax, the proceeds of which are principally reserved for highway improvements, local transportation improvements, transit funding, growth management, and regional planning purposes in the County. The Measure C ½% sales tax commenced April 1, 1989 and expired on March 31, 2009. The Measure J ½% sales tax began April 1, 2009 and will remain in effect until March 31, 2034.

The sales tax revenues received by the Authority under Measure C and Measure J, after deducting certain administrative costs, are to be spent for programs as set forth in the respective expenditure plans. All revenues, including interest and other revenues, not designated by Measure C or Measure J for a specific purpose (see Sales Taxes discussion below) are to be spent on capital projects set forth in the expenditure plans. The Authority may, under certain circumstances, amend the original expenditure plans.

The Authority has been designated by the cities in Contra Costa County and the County (collectively, the Members) as the Congestion Management Agency (the CMA) for the County pursuant to provisions of Senate Constitutional Amendment 1, approved by the voters of the State in June 1990, thereby being charged with the statutory obligation to carry out congestion management responsibilities for Contra Costa County. In 1992, the Authority amended Measure C by ordinance to permit expenditures associated with the CMA to be eligible General Fund expenditures under Measure C, as defined in the expenditure plan. Measure J authorizes these expenditures in the original expenditure plan. The CMA Members are required to reimburse the Authority for expenditures as approved by the Board.

The Authority has also been designated by the CMA Members to be the recipient of funds generated from the motor vehicle registrations surcharge collected by the Bay Area Air Quality Management District (the Air Quality District) for programs to reduce air pollution from motor vehicles. The Authority anticipates that all expenditures incurred for the Air Quality District program will be reimbursed by the Air Quality District.

The basic financial statements of the Authority include all of its financial activities. The Authority is the sole independent entity responsible for receiving and allocating funds necessary to complete the programs and is governed by an eleven-member board comprised of representatives who are elected officials from the County and local cities. The Authority Board is comprised of eleven members: eight elected officials appointed by each of the four sub-regional transportation committees from central, east, southwest, and west parts of the County; two elected County officials appointed by the Board of Supervisors representing the County; and one elected official appointed by the Contra Costa Conference of Mayors. The Executive Director of the Authority is appointed by the Authority Board and runs the day-to-day business.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

The Authority's basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the acknowledged standard-setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the Authority). Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) grants and contributions that are restricted to meeting the operational needs of a particular program and (b) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Authority's funds. The emphasis of fund financial statements is on major individual governmental funds, each of which is displayed in a separate column. All remaining funds are aggregated and reported as non-major funds.

C. Sales Taxes

The Authority recognizes taxpayer-assessed revenues such as sales taxes, net of estimated refunds, in the accounting period in which they become susceptible to accrual, which means when the revenues become both measurable and available to finance expenditures of the current fiscal period in the governmental fund financial statements. In the government-wide financial statements, sales taxes are recognized on the accrual basis in the period the underlying sales exchange transaction occurs.

Sales tax receivables represent sales tax receipts in the two months subsequent to the Authority's fiscal year-end relating to the prior fiscal year's sales activities. The Authority has contracted with the California Department of Tax and Fee Administration for collection and distribution of the ½% sales tax. The Department of Tax and Fee Administration receives an administrative fee for providing this service. The Authority records sales tax revenues net of such fees in the Measure J General Fund, major fund Measure J Local Streets and Roads Special Revenue Fund, and non-major funds Measure J Paratransit and Measure J Commute Alternatives Special Revenue Funds.

Under the provisions of Measure J and policies adopted by the Authority, portions of net sales taxes are required to be expended on certain programs and activities. Measure J includes programs that were successful under Measure C and added additional programs to improve or expand transit needs in Contra Costa County. Local Street and Maintenance, Bus Transit, Paratransit, and Commute Alternatives (formerly Carpool/Vanpool) continued on. Additional programs such as Express Bus, Safe Transportation for Children and Ferry Service were developed to address transportation needs countywide and specific regions within it.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Specifically, 20.09% of net sales tax revenues are to be used for local street maintenance and improvements, 1.00% is to be used for commute alternative programs, including carpools, vanpools and transit, and 5.00% for transportation services for seniors and people with disabilities. These programs are accounted for in the Measure J Local Streets and Roads Special Revenue Fund, Measure J Commute Alternatives Special Revenue Fund, and Measure J Paratransit Special Revenue Fund, respectively.

In addition, bus services (5.00%) provide bus transit operators funding and alleviate traffic congestion and improve regional or local mobility. Express bus (4.30%) is a countywide program to transport commuters to and from residential areas to transit and employment centers.

Subregional programs were created to address the diverse transportation needs in each subregion of the County. The following programs are allocated to subregions based on the Measure J expenditure plan: Bus Transit Enhancements (3.36%), Additional Paratransit (1.15%), Safe Transportation for Children (4.55%) and Ferry Service (2.25%). These programs are accounted for in the Measure J General Fund and any fund balances remaining at year-end are reported in the Measure J General Fund as Restricted for Bus Transit and Improvements, Restricted for Express Bus, Restricted for Subregional Bus Transit, Restricted for Additional Paratransit, Restricted for Safe Transportation for Children, and Restricted for Ferry Service, respectively.

The Authority transfers sales tax revenues to the Measure J Debt Service Fund, on a monthly basis, to cover interest and principal expenditures.

D. Major Funds

The Authority's major governmental funds are required to be identified and presented separately in the fund financial statements.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures equal to at least ten percent of the totals for all funds, and those that are determined by management to be particularly important to financial statement users. The Authority reports the following major funds: Measure J General Fund, Measure J Local Streets and Roads Special Revenue Fund, Measure C Special Revenue Fund, and Measure J Debt Service Fund.

MEASURE J GENERAL FUND – The *General Fund* is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund. All intergovernmental revenue is recorded in the General Fund, except for those restricted funds required to be recorded in Special Revenue Funds. The Authority transfers sales tax revenues to the Debt Service Fund, on a monthly basis, to cover interest and principal coming due. General Fund expenditures include salaries and benefits of the Authority's staff. Salaries and benefits for administration are limited by Measure J to one percent of the sales tax revenue on an annual basis.

MEASURE J LOCAL STREETS AND ROADS SPECIAL REVENUE FUND – This Fund is used by the Authority to account for the accumulation of resources required to be allocated to local cities and the County for local transportation improvements, including streets and roads. Monies are disbursed to the local agencies upon compliance with certain provisions included in Measure J. Under the provisions of Measure J and policies adopted by the Authority, 18.00% of net sales tax revenues are to be used for local street maintenance and improvements and 2.09% of net sales tax revenues is allocated to Central County, West County, and Southwest County.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASURE C SPECIAL REVENUE FUND – Prior to April 1, 2009, when Measure J became effective, there was Measure C, a County-wide half-percent sales tax to fund transportation programs and projects.

The Authority is responsible for carrying out the provisions of Measure C. The Measure C Fund was established to record financial activities associated with the projects and programs in the Measure C expenditure plan.

MEASURE J DEBT SERVICE FUND – This fund accounts for resources used to service the Authority’s Sales Tax Revenue Bonds, Series 2015, Series 2017, Series 2018 and Series 2021.

NON-MAJOR FUNDS

The Authority has other governmental funds discussed below, which were determined to be non-major funds and are presented in the supplementary information of this report. These non-major *special revenue funds* are used by the Authority to account for the accumulation and expenditures of restricted resources. These special revenue funds include:

- *Measure J Paratransit Special Revenue Fund* – accounts for the portion of sales tax to be used to transport seniors and people with disabilities.
- *Measure J Commute Alternatives Special Revenue Fund* – accounts for the portion of sales taxes to be used for commuter alternative programs, including carpools, vanpools and park and ride lots.
- *Air Quality Special Revenue Fund* – accounts for funds received from the Air Quality District to be used for programs to reduce air pollution from motor vehicles.
- *GoMentum Special Revenue Fund* – accounts for funds received from the State of California and contributions from GoMentum Station to be used for planning, operations and construction of GoMentum Station.

E. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Revenues from grants are recognized in the fiscal year for which all eligibility requirements have been satisfied. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Non-exchange transactions, in which the Authority gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, sales tax revenues are recognized in the period the underlying sales exchange transaction occurs. Revenue from grants, entitlements, and donations is recognized in the period in which all eligibility requirements have been satisfied.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues susceptible to accrual include sales tax, interest, and grants, which are accrued when earned and its receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

The Authority may fund projects with a combination of cost-reimbursement grants, bond proceeds, advances, and general revenues. Thus, both restricted and unrestricted net position may be available to finance expenditures. The Authority's strategy is to first apply restricted resources to such activities, followed by general revenues if necessary.

F. Return of Funds from Local Agencies

Return of funds from local agencies represents amounts determined to be owed to the Authority based on a final reconciliation of project costs, or as a result of Measure C or Measure J compliance audits commissioned by the Authority. There were no returns of funds from local agencies during the year ended June 30, 2022.

G. Compensated Absences

Compensated absences comprise of unpaid vacation and sick leave, which is accrued as earned. The Authority's liability for compensated absences is recorded in the Authority's General Fund.

H. Fund Balance

The Authority is required to report the fund balance for governmental funds in specific classifications (nonspendable, restricted, committed, assigned and unassigned), which creates a hierarchy primarily based on the extent to which the Authority is bound to honor the constraints on the specific purposes for which funds can be spent. The Authority can only spend sales tax revenues as approved by the voters in the Measure C and Measure J Expenditure Plans, grants in accordance with the terms of the grants, and bond proceeds in accordance with the terms of the bond agreement; therefore, all of the Authority's fund balance is restricted at June 30, 2022.

I. Use of Management Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Effects of New Pronouncements

GASB Statement No. 87 – During the year ended June 30, 2022, the Authority implemented GASB Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. 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, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The Authority’s implementation of this statement resulted in the recognition of an intangible right-to-use lease asset and a lease liability in the amount of \$2,090,176 as of July 1, 2021, as discussed in Note 7.

GASB Statement No. 89 – In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this statement are 1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and 2) to simplify accounting for interest cost incurred before the end of a construction period. The implementation of this statement did not have a material effect on the Authority’s financial statements.

GASB Statement No. 92 – In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. The implementation of this statement did not have a material effect on the Authority’s financial statements.

GASB Statement No. 93 – In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The implementation of this statement did not have a material effect on the Authority’s financial statements.

GASB Statement No. 97 – In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of this statement did not have a material effect on the Authority’s financial statements.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement Nos. 34, 53, and 63 are effective upon issuance. The implementation of these requirements did not have a material effect on the Authority’s financial statements.

The Authority is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

GASB Statement No. 91 – In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosure. The requirements of this statement are effective for the Authority’s fiscal year ending June 30, 2023.

GASB Statement No. 94 – In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for the Authority’s fiscal year ending June 30, 2023.

GASB Statement No. 96 – In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for the Authority’s fiscal year ending June 30, 2023.

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, public-private partnerships, and subscription-based information technology agreements are effective for the Authority’s fiscal year ending June 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for the Authority’s fiscal year ending June 30, 2024.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting for Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the Authority’s fiscal year ending June 30, 2024.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for the Authority’s fiscal year ending June 30, 2025.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

The Authority’s level of budgetary control where expenditures may not exceed appropriations is established at the fund level. The Authority follows these procedures in establishing the budgetary data reflected in the financial statements. The Measure C and Measure J Funds, however, may exceed the budgetary expenditures as long as the amounts owed to the Cities and the County are based on the expenditure plan:

1. The Executive Director or his or her designee submits a proposed operating budget to the Authority Board for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to adoption of the final budget, public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted by the Authority Board.
4. All budget adjustments must be approved by the Authority Board. Expenditures may not legally exceed the levels as specified in the budget control resolution.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. Budgets are adopted on a basis consistent with GAAP.

Overages in any particular budget expenditures category (organizational unit) must receive an approved budget change adjustment by the Authority Board for the following conditions: for capital project expenditures, if expenditures are expected to exceed the budget by \$10,000 or five percent, whichever is greater; for all other expenditures, if expenditures are projected to exceed the budget for the budgetary category by \$5,000 or five percent, whichever is greater.

The Authority has also adopted a Strategic Plan, which determines availability of funds for projects and is used as a guide for project appropriations. The plan is normally updated every two to three years, and is used in the development of the annual budget. The Authority maintains a financial system for budgetary and financial control. The Authority issued the 2011 Measure C Strategic Plan and the Measure J Strategic Plan updated in June 2022, September 2019, March 2016, December 2013 and December 2011, respectively.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

A. Excess of Expenditures over Appropriation

During fiscal year 2022, the following funds had expenditures in excess of budget are shown below:

<u>Fund</u>	<u>Excess of Expenditures Over Appropriations</u>
Measure J General Fund	
Administration: Salaries and employee benefits	\$ 80,472
Project Management: Salaries and employee benefits	56,950
Measure J Local Streets and Roads Special Revenue Fund	
Program: Local street and maintenance	2,214,631
Program: Subregional local street and maintenance	257,143
Measure J Debt Service Fund	
Debt Service: Interest and related fees	600
Measure J Air Quality Nonmajor Governmental Fund	
Program: Air Quality	253,636

These funds had sufficient resources to finance these expenditures.

NOTE 3 – CASH AND INVESTMENTS

The Authority pools cash from all sources and funds except cash and investments held by fiscal agents so that it can be invested at the maximum yield, consistent with safety and liquidity objectives, while individual funds can make expenditures at any time. Each fund’s portion of the pool is displayed on the statement of net position and combined balance sheet as “Cash and Investments.”

Investments are stated at fair value. The Authority records investment transactions on the trade date. The Authority measures its investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, using observable market transactions or available market information. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year. Investment income is allocated among funds on the basis of year-end fund balances in these funds. Investment income from cash and investments with trustees is credited directly to the related fund.

Disclosures regarding applicable deposits and investment risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 3 – CASH AND INVESTMENTS (Continued)

A. Carrying Amount at Fair Value

Cash and investments are carried at fair value and are categorized as follows at June 30, 2022:

	Available for Operations	Held by Fiscal Agents	Total
U.S. Treasury Notes	\$ 53,884,104	\$ -	\$ 53,884,104
Federal Agency Securities	10,303,298	-	10,303,298
Corporate Notes	3,217,669	-	3,217,669
Municipal Obligations	721,785	-	721,785
Money Market Mutual Funds	98,692	15,020,283	15,118,975
Local Agency Investment Fund	38,343,267	-	38,343,267
Total Investments	<u>106,568,815</u>	<u>15,020,283</u>	<u>121,589,098</u>
Cash in Bank	<u>5,409,035</u>	<u>-</u>	<u>5,409,035</u>
Total Cash and Investments	<u>\$ 111,977,850</u>	<u>\$ 15,020,283</u>	<u>\$ 126,998,133</u>
Cash and Investments:			
Unrestricted Cash and Investments	\$ 111,977,850	\$ -	\$ 111,977,850
Restricted Cash and Investments	<u>-</u>	<u>15,020,283</u>	<u>15,020,283</u>
Total Cash and Investments	<u>\$ 111,977,850</u>	<u>\$ 15,020,283</u>	<u>\$ 126,998,133</u>

B. Authorized Investments by the Authority and Debt Agreements

The Authority has contracted with Public Trust Advisors to serve as the Authority’s investment advisor. The Authority has adopted a written Investment Policy, which is more restrictive than State law as to terms of maturity, credit quality and type of investment. The following table identifies the investment types authorized for the Authority by the Authority’s Investment Policy and the California Government Code. The following table also identifies certain provisions that address interest rate risk, credit risk, and concentration of credit risk.

The Authority must also maintain required amounts of cash and investments with fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds. The California Government Code requires these funds to be invested in accordance with Authority ordinance, bond indentures or State statute.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 3 – CASH AND INVESTMENTS (Continued)

The investments authorized by debt agreements are the same as those authorized by the Authority’s Investment Policy:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio ^(B)	Maximum Investment in One Issuer ^(B)
U.S. Treasury Obligations	5 years	N/A	None	None
U.S. Agency Obligations ^(A)	5 years	N/A	None	None
Repurchase Agreements	90 days	N/A	None	None
Reverse Repurchase Agreements (requires Authority approval)	92 days	N/A	20 % of the base value	None
State of California Obligations	5 years	Highest 2 rating categories	None	None
California Local Agency Obligations	5 years	Highest 2 rating categories	None	None
Bankers Acceptances	180 days	Highest rating categories	40%	None
Commercial Paper	270 days	A1	25%	None
Medium Term Corporate Notes	5 years	AA	30%	None
Mortgage Pass-Through Securities	5 years	AA	10%	None
Insured or Collateralized Bank Deposits	N/A	N/A	None	None
Negotiable Certificates of Deposit	5 years	AA	30%	None
California Local Agency Investment Fund	Upon Demand	N/A	\$75,000,000 per account	\$75,000,000 per account
Joint Powers Authority	N/A	N/A	None	None
Money Market Mutual Funds	N/A	Highest rating categories	20%	5%

^(A) Securities issued by agencies of the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC).

^(B) “None” means “No limitation”

C. Custodial Credit Risk

Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned. The Authority does not have a policy for custodial credit risk on deposits. As of June 30, 2022, the carrying amount of the Authority’s deposits was \$5,409,035 and the bank balance was \$5,544,547. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the Authority’s deposits in bank, \$500,000 was covered by federal depository insurance and \$5,044,547 was collateralized by the pledging financial institutions as required by Section 53652 of the California Governmental Code.

Under the California Government Code, Section 53652, the fair value of the pledged securities must equal at least 110 percent of the Authority’s deposits, with the exception of mortgage-backed securities, which must equal at least 150 percent.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investments: For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority does not have a policy regarding custodial credit risk on investments. As of June 30, 2022, the Authority’s investments are not exposed to custodial credit risk.

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates and will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Authority’s investments to market interest rate fluctuations is provided by the following table that shows the distribution to the Authority’s investments by maturity:

Investment Type	Maturities		Total
	Less than One Year	One to Five Years	
U.S. Treasury Notes	\$ 537,646	\$ 53,346,458	\$ 53,884,104
Federal Agency Securities	5,458,264	4,845,034	10,303,298
Corporate Notes	505,361	2,712,308	3,217,669
Municipal Obligations	721,785	-	721,785
Money Market Mutual Funds *	15,118,975	-	15,118,975
Local Agency Investment Fund *	38,343,267	-	38,343,267
Total Investments	<u>\$ 60,685,298</u>	<u>\$ 60,903,800</u>	<u>\$ 121,589,098</u>

* Maturity is based on the weighted-average maturity of the investment.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. Presented below is the actual rating as of June 30, 2022 for each investment type as provided by Standard and Poor’s investment rating system:

Investment Type	Credit Rating			Total
	AAA	AA+	AA	
Federal Agency Securities	\$ -	\$ 10,303,298	\$ -	\$ 10,303,298
Corporate Notes	-	505,361	2,712,308	3,217,669
Municipal Obligations	-	721,785	-	721,785
Money Market Mutual Funds	15,118,975	-	-	15,118,975
Total	<u>\$ 15,118,975</u>	<u>\$ 11,530,444</u>	<u>\$ 2,712,308</u>	29,361,727
Not rated:				
Local Agency Investment Fund				38,343,267
Total Investments				<u>\$ 67,704,994</u>

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 3 – CASH AND INVESTMENTS (Continued)

F. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority’s investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this disclosure. As of June 30, 2022, the Authority did not have any investments in any one issuer that represent 5 percent or more of total investments.

G. Fair Value Hierarchy

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Authority has the following recurring fair value measurements as of June 30, 2022:

Investments	Balance at June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments subject to fair value hierarchy:			
U.S. Treasury Notes	\$ 53,884,104	\$ 53,884,104	\$ -
Federal Agency Securities	10,303,298	-	10,303,298
Corporate Notes	3,217,669	-	3,217,669
Municipal Obligations	721,785	-	721,785
Total investments subject to fair value hierarchy	68,126,856	\$ 53,884,104	\$ 14,242,752
Investments not subject to fair value hierarchy			
Local Agency Investment Fund	38,343,267		
Money Market Mutual Funds	15,118,975		
Total Investments	\$ 121,589,098		

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

The Authority’s investment in the Local Agency Investment Fund and money market mutual funds are not subject to fair value hierarchy. The Authority’s money market mutual funds are invested in the First American Government Obligation Fund and are measured at net asset value (NAV) where fair value is measured based on the Authority’s pro rata share of the funds’ total NAV.

H. Local Agency Investment Fund (LAIF)

The Authority is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. Included in LAIF’s investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 3 – CASH AND INVESTMENTS (Continued)

The total amount invested by all public agencies in LAIF as of June 30, 2022 is approximately \$35.8 billion. The fair value of the Authority’s investment in the LAIF pool is reported in the accompanying financial statements at amounts based upon the Authority’s pro rata share of the fair value provided by LAIF, for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). LAIF is part of the Pooled Money Investment Account (PMIA) with a total portfolio of approximately \$234.5 billion as of June 30, 2022. Of that amount, 98.12% is invested in non-derivative financial products and 1.88% in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members, as designated by State statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis that is different than the fair value of the Authority’s position in the pool.

NOTE 4 – INTERFUND TRANSACTIONS

Transfers Between Funds

With Board approval, as required under Measure C and Measure J or under the terms of the Authority’s debt issues, resources are transferred from one Authority fund to another. Interfund transfers for the year ended June 30, 2022 were as follows:

<u>Fund Receiving Transfer</u>	<u>Fund Making Transfer</u>	<u>Purpose</u>	<u>Amount Transferred</u>
Measure C Special Revenue Fund	Measure J General Fund	(A)	\$ 3,801,117
Measure J Debt Service Fund	Measure J General Fund	(B)	43,863,268
	Total		<u>\$ 47,664,385</u>

Purposes of Transfers:

- (A) Reimbursements for prior years capital improvement projects funding.
- (B) Transfer sales tax revenues for debt service on the Sales Tax Revenue Bonds.

NOTE 5 – CAPITAL ASSETS

A. Capital Assets Contributed to Other Entities

The Authority excludes from its financial statements assets contributed to and maintained by other governments or organizations. The Authority has constructed a variety of capital projects consisting of local streets and roads and other transportation infrastructure projects, which upon completion were “contributed” to its Members, the State, or other governments responsible for their maintenance and care. Since those other agencies maintain the contributed capital assets, the cost of those assets has been excluded from the accompanying financial statements. This concept is followed regardless of whether infrastructure is financed with revenues or long-term debt. As of June 30, 2022, through Measures C and J, the Authority has expended \$1.94 billion on infrastructure capital asset projects since the Authority’s inception.

B. Authority Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. The Authority defines capital assets as equipment, financial systems and leasehold improvements with an individual cost of more than \$5,000 and an estimated useful life in excess of two years.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 5 – CAPITAL ASSETS (Continued)

Capital assets with limited useful lives are required to be depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight-line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The Authority has assigned a useful life of three to five years for Office Equipment, seven years for Furniture, five years for the Financial System and sixteen years for Leasehold Improvements.

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. Contributions are required to be accounted for as revenues at the time the capital assets are contributed.

The Authority's capital assets comprise the following at June 30, 2022:

	Balance at July 1, 2021	Additions	Retirements	Balance at June 30, 2022
Cost:				
Office Equipment	\$ 212,991	\$ 52,217	\$ (89,452)	\$ 175,756
Furniture	216,781	-	-	216,781
Financial System	456,266	-	-	456,266
Leasehold Improvements	415,240	-	-	415,240
Intangible Right-to-Use Lease Assets*	2,090,176	-	-	2,090,176
Subtotal	<u>3,391,454</u>	<u>52,217</u>	<u>(89,452)</u>	<u>3,354,219</u>
Accumulated Depreciation/Amortization:				
Office Equipment	(193,707)	(15,264)	89,452	(119,519)
Furniture	(215,826)	(955)	-	(216,781)
Financial System	(439,189)	(17,077)	-	(456,266)
Leasehold Improvements	(284,713)	(25,953)	-	(310,666)
Intangible Right-to-Use Lease Assets*	-	(411,182)	-	(411,182)
Subtotal	<u>(1,133,435)</u>	<u>(470,431)</u>	<u>89,452</u>	<u>(1,514,414)</u>
Capital Assets, Net	<u>\$ 2,258,019</u>	<u>\$ (418,214)</u>	<u>\$ -</u>	<u>\$ 1,839,805</u>

* Beginning balances have been restated for the effects of GASB Statement No. 87. See Note 7 for discussion.

NOTE 6 – DEPOSITS PAYABLE

On February 17, 2021, the Authority entered an agreement with East Contra Costa Regional Fee and Financing Authority (ECCRFFA), a joint exercise of powers entity, to deliver the Mokulemne Project. Under the agreement, ECCRFFA advanced the Authority \$11,000,000 (Advanced Funds) for the purpose of paying the Authority's project costs. Any unspent Advanced Funds shall be returned to ECCRFFA within 30 days after filing a notice of completion for the project. The Authority shall return the Advanced Funds to ECCRFFA in full by June 30, 2026 (Return Deadline). The Authority shall return the Advanced Funds in one or both of the following ways, as determined by the Authority: (a) reimbursing ECCRFFA directly and/or (b) irrevocably programming funds for ECCRFFA projects. However, if Regional Measure 3 (RM 3) remains valid following a California Supreme Court decision upholding the validity of RM 3, the Authority shall return ECCRFFA the full amount of all Advanced Funds by the earlier of the following: (a) six months after that Supreme Court Action and allocation of RM3 funds to the Mokelumne Project by MTC; or (b) the Return Deadline.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 7 – LONG-TERM DEBT

A. Changes in Long-Term Obligations

Changes in Authority’s long-term obligations during the year consist of the following items:

	Balance		Payments/	Balance	Amounts Due
	July 1, 2021	Additions	Adjustments	June 30, 2022	Within One Year
Lease Liability*	\$ 2,090,176	\$ -	\$ (329,756)	\$ 1,760,420	\$ 387,479
Bonds					
2015A Sales Tax Revenue Bonds	146,060,000	-	(19,480,000)	126,580,000	21,290,000
2017A Sales Tax Revenue Bonds	73,025,000	-	(4,075,000)	68,950,000	4,930,000
2018B Sales Tax Revenue Bonds	95,030,000	-	-	95,030,000	-
2021A&B Sales Tax Revenue Bonds	109,915,000	-	(190,000)	109,725,000	115,000
Total long-term obligations	426,120,176	-	(24,074,756)	402,045,420	26,722,479
Add Unamortized Premium on Bonds					
2015A Bond Premium	23,330,904	-	(3,890,872)	19,440,032	3,987,676
2017A Bond Premium	13,252,001	-	(1,081,597)	12,170,404	1,172,765
2021A Bond Premium	28,633,114	-	(570,125)	28,062,989	827,601
Total Unamortized Premium	65,216,019	-	(5,542,594)	59,673,425	5,988,042
Total long-term obligations, net	<u>\$ 491,336,195</u>	<u>\$ -</u>	<u>\$(29,617,350)</u>	<u>\$ 461,718,845</u>	<u>\$ 32,710,521</u>

* Beginning balance has been restated for the effects of GASB Statement No. 87.

The Authority issued the bonds summarized above to finance infrastructure capital assets contributed to other governments (See Note 5).

Outstanding Bonded Debt

On June 2, 2021, the Authority issued \$109.9 million in Sales Tax Revenue Bonds (Limited Tax Bonds), comprised of \$97.2 million Series 2021A and \$12.7 million Taxable Refunding Bonds Series 2021B (the “2021 Bonds”). Proceeds of the 2021A Bonds were used to current refund \$100 million of the 2018A Bonds and fund a termination fee relating the 2018A Bonds Swap, while proceeds of the 2021B Bonds were used to current refund \$12.5 million of the 2012B Bonds. Interest rates on the 2021A Series range 4.00 percent to 5.00 percent. Interest rates on the Taxable 2021B Series range 0.20 percent to 2.25 percent. The refunding resulted in net present value savings of \$3.6 million and an accounting gain of \$51.4 million.

In addition, the refunding of the 2012B and 2018A Sales Tax Revenue Bonds resulted in a deferred inflow of resources on refunding of debt in the amount of \$1.59 million, which represents the gain and is being amortized over 12.5 years. As of June 30, 2022, the unamortized balance was \$1,453,651.

On August 23, 2018, the Authority issued \$195.0 million in Sales Tax Revenue Bonds (Limited Tax Bonds), comprised of \$100.0 million Series 2018A and \$95.0 million Series 2018B (the “2018 Bonds”). Proceeds of the 2018A Bonds were used to current refund \$100 million of the 2012A Bonds, while proceeds of the 2018B Bonds were used to current refund \$101.5 million of the 2012A Bonds and fund a partial termination fee relating the 2012A Bonds’ Swap. Series 2018A was refunded in the amount of \$100 million by the Series 2021A on June 2, 2021.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 7 – LONG-TERM DEBT (Continued)

On June 1, 2017, the Authority issued \$83.6 million in Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2017A (the “2017 Bonds”). Proceeds of the 2017 Bonds and the bond premium of \$16.9 million were used to finance a portion of the costs associated with certain transportation projects authorized by the Measure J expenditure plan. Interest rates on the 2017A Series range 2.00 percent to 5.00 percent.

On October 15, 2015, the Authority issued \$166.6 million in Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2015A (the “2015 Bonds”). Proceeds of the 2015 Bonds were used to partially current refund \$84.47 million of the 2012B Sales Tax Revenue Bonds. The refunding resulted in a deferred inflow of resources on refunding of debt. As of June 30, 2022, the unamortized balance was \$1,624,167.

In addition, proceeds of the 2015 Bonds of \$85.9 million and a bond premium of \$32.1 million were used to finance a portion of the costs associated with certain transportation projects authorized by the Measure J expenditure plan. Interest rates on the 2015 Bonds range 2.00 percent to 5.00 percent.

The 2015, 2017, 2018 and 2021 Bonds are limited obligations of the Authority payable solely from and secured solely by a pledge of sales tax revenues collected from Measure J. The Measure J sales tax will expire on March 31, 2034. The 2015, 2017, 2018 and 2021 Bonds are not secured by a debt service reserve.

Lease Liability

The Authority entered into a lease agreement with SVF Oak Road Walnut Creek Corporation dated March 10, 2010 for the office space located at 2999 Oak Road, Suite 100, in Walnut Creek, California through July 2026. This agreement does not contain a purchase option. An initial lease liability was recorded in the amount of \$2,090,176 as of July 1, 2021. As of June 30, 2022, the value of the lease liability was \$1,760,420. The Authority is required to make monthly payments in amounts ranging from \$40,935 to \$23,552 over the life of the lease. The intangible right-to-use lease asset is amortized over the life of the lease. As of June 30, 2022, the value of the right-to-use lease asset and accumulated amortization was \$2,090,176 and \$411,182, respectively.

B. Annual Future Payments

The following table presents the Authority’s aggregate annual amount of principal and interest of bonds required to retire the outstanding debt:

Year ending	Principal	Interest	Total
June 30:			
2023	\$ 26,335,000	\$ 18,684,935	\$ 45,019,935
2024	27,595,000	17,423,290	45,018,290
2025	28,305,000	16,100,365	44,405,365
2026	29,105,000	14,743,530	43,848,530
2027	30,450,000	13,383,433	43,833,433
2028-2032	175,640,000	43,191,408	218,831,408
2033-2034	82,855,000	5,372,105	88,227,105
	<u>\$ 400,285,000</u>	<u>\$ 128,899,066</u>	<u>\$ 529,184,066</u>

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 7 – LONG-TERM DEBT (Continued)

The annual lease payment schedule for the lease liabilities is as follows:

Year ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30:			
2023	\$ 387,479	\$ 63,364	\$ 450,843
2024	415,809	47,370	463,179
2025	446,458	30,180	476,638
2026	478,354	11,741	490,095
2027	32,320	108	32,428
	<u>\$ 1,760,420</u>	<u>\$ 152,763</u>	<u>\$ 1,913,183</u>

The total projected Measure J Sales Tax revenue, as reported in the 2022 Measure J Strategic Plan, is expected to approximate \$2.6 billion, which is sufficient to repay the estimated debt service and lease requirements of \$531.1 million.

NOTE 8 – EXCHANGE PROGRAM

The Authority participates in a Local Fund Exchange Program for providing local funds to agencies for use in projects that either do not have the ability to make use of state or federal funds or would face unacceptable delays, cost increases, or undue hardships if state or federal funds were utilized.

The Authority entered into an agreement with the City of San Ramon to exchange State Transportation Improvement Program fund with the City’s local funding for its transportation project in the total amount of \$9,200,000. The revenue received as a result of the exchange was \$1,299,053 as of June 30, 2022.

NOTE 9 – PENSION PLAN

A. General Information about the Pension Plan

Plan Descriptions: All qualified permanent and probationary Authority employees are eligible to participate in the Local Government’s Miscellaneous (all other) Employee Pension Plan, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Pension Plan are established by State statute and Authority resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website <https://www.calpers.ca.gov>.

The State passed the California Employees’ Pension Reform Act (PEPRA) which became effective on January 1, 2013. PEPRA changes include the classification of active employees into two distinct classifications: classic members and new members. Classic members represent active members hired before January 1, 2013, and retain the pension plan benefits in effect prior to PEPRA. New members are active members hired on or after January 1, 2013, and are subject to PEPRA.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees’ Retirement Law.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 9 – PENSION PLAN (Continued)

The Pension Plan’s provisions and benefits in effect at June 30, are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 – 67
Monthly benefits, as a percentage of eligible compensation	2%-2.418%	2.00%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	10.34%	7.59%

Contributions: The Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Pension Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2022, the Authority actuarially determined contractually required contribution was \$279,450.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

The Authority’s net pension asset for the Pension Plan is measured as the proportionate share of the net pension liability. The net pension asset of the Pension Plan is measured as of June 30, 2021, and the total pension asset for the Pension Plan used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The Authority’s proportion of the net pension asset was based on a projection of the Authority’s long-term share of contributions to the pension plans related to the projected contributions of all participating employers, actuarially determined. The Authority’s proportionate share of the net pension asset for the Pension Plan was -0.03776% or \$2,042,187.

For the measurement period ended June 30, 2021, the Authority recognized negative pension expense of \$3,841,871. At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 279,450	\$ -
Differences between expected and actual experience	-	229,009
Net differences between projected and actual earnings on plan investments	1,782,721	-
Change in employer's proportion	700,651	181,036
Difference between the employer's contributions and the employer's proportionate share of contributions	183,816	595,960
Total	<u>\$ 2,946,638</u>	<u>\$ 1,006,005</u>

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 9 – PENSION PLAN (Continued)

For the measurement period ended June 30, 2021, the Authority reported \$279,450 as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction (addition) of the net pension liability (asset) in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30:	Deferred Outflows/(Inflows) of Resources
2023	\$ 349,332
2024	379,496
2025	439,703
2026	492,652
	\$ 1,661,183

Actuarial Assumptions: The total pension liabilities in the June 30, 2020 actuarial valuations, which were rolled forward to June 30, 2021, were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% net of Pension Plan Investment and administrative expenses; includes inflation
Mortality	Derived using CalPERS' Membership Data for all Funds ⁽¹⁾

⁽¹⁾ The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the CalPERS December 2017 experience study report available on CalPERS website.

All other actuarial assumptions used in the June 30, 2020 valuation was based on the results an actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates. The experience study report can be obtained at the CalPERS website under Forms and Publications.

Discount Rate: The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans would run out of assets. Therefore, the 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report named "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB Statement No. 68 section.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 9 – PENSION PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class, which was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Year 1-10 ^(a)</u>	<u>Real Return Year 11+ ^(b)</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

^(a) An expected inflation of 2.00% used for this period

^(b) An expected inflation of 2.92% used for this period

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the Authority's proportionate share of the net pension liability (asset) of the Pension Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the Authority's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	<u>1% Decrease (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>1% Increase (8.15%)</u>
Proportionate Share of Net Pension Liability / (Asset)	\$404,496	\$(2,042,187)	\$(4,064,824)

Pension Plan Fiduciary Net Position: Detailed information about the Pension Plan's fiduciary net position is available in the separately issued CalPERS financial report, copies of which may be obtained from the CalPERS Executive Offices, Lincoln Plaza East, 400 Q Street, Sacramento, California 95814.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Descriptions and Benefits Provided: The Authority participates in the California Employers’ Retirement Benefit Trust (CERBT), an irrevocable trust established to fund postemployment healthcare benefits. The CERBT fund is an agent multiple employer trust that was established by CalPERS and is managed by an appointed governing body not under the control of the Authority. This trust is not considered a component unit of the Authority and has been excluded from these financial statements.

The Authority adopted an additional Employer Health Vesting plan which became effective on November 1, 2019, and shall apply to employees hired after the effective date. Employees hired before November 1, 2019, retain the plan benefits in effect. Employees become eligible to retire and receive healthcare benefits upon reaching the age of 50 or over with 5 years of CalPERS-credited service or being converted to disability, retiring directly from the Authority, and continue participating in Public Employees’ Medical and Hospital Care Act (PEMHCA) after retirement. New employees hired on or after November 1, 2019, are subject to the new vesting schedule requirements. Employees become eligible to retire and receive healthcare benefits upon reaching the age of 50 or over with 10 years of CalPERS-credited service is required to receive 50% of the employer contribution. Five of the ten years of service must be with the Authority. Each additional service credit year after ten years increases the employer contribution percentage by 5% until 20 years at which time the retiring employee is eligible for 100% of the employer contribution. As an exception to the vesting requirement, an employee who retires under disability directly from the Authority, and continues to participate in PEMHCA after retirement, is eligible for the full employer contributions. Each eligible retiree is entitled to reimbursement for health care premium costs incurred on a CalPERS health insurance plan based on 95% Kaiser Region 1 Basic plan. The Authority pays monthly health insurance premiums up to \$814, \$1,628, and \$2,117 for a retiree, couple, and family, respectively.

Contribution: The Authority contributes an amount equal to the actuarially determined contribution (ADC) to the CERBT annually.

Employees covered by benefit terms: At the June 30, 2021 measurement date, the following employees were covered by the benefit terms:

	Number of Covered Participants
Inactive plan members or beneficiaries currently receiving benefits	16
Active plan members	18
	34

Net OPEB Liability and assumptions: The Authority’s net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation dated June 30, 2021.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Actuarial Assumptions:	
Discount Rate	6.25%
Inflation	2.50%
Salary Increase	2.75% per annum, in aggregate
Investment Rate of Return	6.25%
Healthy Mortality	CalPERS 2000-2019 Experience Study projected fully generational using scale MP-2021
Disabled Mortality	CalPERS 2000-2019 Experience Study projected fully generational using scale MP-2021
Health Trend Rate	6.50% for non-Medicare, 5.65% for Medicare (Non-Kaiser) and 4.60% for Medicare (Kaiser) for 2023, gradually decreasing to an ultimate rate of 3.75% in 2076 and later years

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	59.00%	4.56%
Fixed Income	25.00%	0.78%
TIPS	5.00%	-0.08%
Commodities	3.00%	1.22%
REITs	8.00%	4.06%
Total	<u>100.00%</u>	
Long-Term Expected Rate of Inflation		2.50%
Long-Term Net Rate of Return (rounded)		6.25%

The discount rate used to measure the total OPEB liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that the Authority's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Net OPEB Liability: The changes in the net OPEB liability of the OPEB Plan, measured as of June 30, 2021 are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2021 (Measurement Date June 30, 2020)	\$ 4,457,000	\$ 4,864,000	\$ (407,000)
Changes recognized for the measurement period:			
Service cost	228,000	-	228,000
Interest	310,000	-	310,000
Actual vs. expected experience	(531,000)	-	(531,000)
Assumption changes	(20,000)	-	(20,000)
Contributions - employer	-	249,000	(249,000)
Net investment income	-	1,381,000	(1,381,000)
Benefit payments	(191,000)	(191,000)	-
Administrative expense	-	(2,000)	2,000
Net Change	(204,000)	1,437,000	(1,641,000)
Balance at June 30, 2022 (Measurement Date June 30, 2021)	\$ 4,253,000	\$ 6,301,000	\$ (2,048,000)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate: The following presents the net OPEB liability (asset) of the Authority, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current discount rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability (Asset)	\$ (1,496,000)	\$ (2,048,000)	\$ (2,504,000)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Trend Rate: The following presents the net OPEB liability (asset) of the Authority, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability / (Asset)	\$ (2,484,000)	\$ (2,048,000)	\$ (1,511,000)

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERBT financial report, which may be obtained from CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

B. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Most changes in the net OPEB liability (asset) are included in OPEB expense in the year of change, including changes resulting from current-period service cost, interest on the total OPEB liability, changes in benefit terms, and projected earnings on the OPEB plan's investments. Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in the future as OPEB expense. For the year ended June 30, 2022 the Authority recognized \$139,000 of OPEB income as a result of significant increase of the investment return exceeding expenses.

The recognition period differs depending on the source of the gain or loss:

Source	Initial Recognition Period
Difference between projected and actual earnings on OPEB plan investments	5 years
Changes of assumptions	Expected remaining service lives
Differences between expected and actual experience	Expected remaining service lives

The expected remaining service lives for the measurement period ended June 30, 2021 was 6.3 years.

As of June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions subsequent to measurement date	\$ 273,000	\$ -
Differences between expected and actual experience	-	600,000
Change in assumptions	-	22,000
Net difference between projected and actual earnings on OPEB plan investments	-	748,000
	<u>\$ 273,000</u>	<u>\$ 1,370,000</u>

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

The \$273,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2023. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in expense as follows:

Year Ending June 30:	Deferred Inflows of Resources
2023	\$ (317,000)
2024	(307,000)
2025	(309,000)
2026	(311,000)
2027	(85,000)
Thereafter	(41,000)
	<u>\$ (1,370,000)</u>

NOTE 11 – DEFERRED COMPENSATION PLAN

Authority employees may voluntarily defer a portion of their compensation under Authority-sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Section 457. The Executive Director also currently receives a 457 Plan contribution as part of his compensation agreement. For staff, the Authority will contribute \$1,200 to \$3,600 annually based on years of service. Under these 457 Plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plans.

The Authority has no liability for any losses which may be incurred by the Plans and does not participate in any gains, but it does have the duty of due care that would be required of an ordinary prudent investor. The Authority has contracts with CalPERS and with Voya Institutional Plan Services to manage and invest the assets of the 457 Plans. These administrators pool the assets of the 457 Plans with those of other participants and do not make separate investments for the Authority. 457 Plan assets are subject to agreements which incorporated changes in the laws governing deferred compensation plan assets and are held by a trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these 457 Plans are not the Authority’s property and are not subject to claims by general creditors of the Authority, they have been excluded from these financial statements.

NOTE 12 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Authority manages and finances these risks by purchasing commercial insurance. A Property insurance policy is purchased with a \$25,000,000 “All Risk” limit, and a \$5,000 “All Risk” deductible. The Authority purchases a Liability policy which includes General Liability, Public Officials Errors & Omissions and Non-Owned/Hired Auto limits of \$10,000,000. This policy also includes Employment Practices Liability coverage at a \$2,000,000 limit. Retentions on this policy range from \$1,000 to \$10,000 depending on the type of loss incurred. The Authority purchases a Crime policy with limits ranging from \$50,000 to \$1,000,000 depending on the nature of the claim, with deductibles ranging from \$2,500 - \$10,000 also dependent upon the nature of the claim. The Authority has no deductible for workers compensation with a \$1,000,000 limit. There have been no significant reductions in insurance coverage from the previous year, nor have settled claims exceeded the Authority’s commercial insurance coverage’s in any of the past three years. As of June 30, 2022, the Authority had no material claims outstanding for general liability or for workers’ compensation cases.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 13 – NET POSITION AND FUND BALANCES

Net Position is measured on the full accrual basis of accounting, while Fund Balance is measured on the modified accrual basis.

A. Net Position

Net Position is the excess of all the Authority assets and deferred outflows of resources over all its liabilities and deferred inflows of resources. Net Position is divided into three captions. These captions apply only to Net Position, which are determined only at the Government-wide level, and are described below:

Net investment in Capital Assets: This category describes the portion of Net Position which is represented by the current net book value of the Authority’s capital assets.

Restricted: This category describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions, which the Authority cannot unilaterally alter. These principally include restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those amounts, to fund construction commitments and debt service requirements.

Unrestricted: This category describes the portion of net position which is not restricted to use. As of June 30, 2022, the Authority had an unrestricted negative net position amounting to \$458,102,423. This negative net position is a result of long-term debt that have been issued to fund capital projects, which are contributed or transferred to other governments upon completion since those entities are responsible for maintaining them. Authority management has estimated that since Measure C’s inception, and subsequently Measure J’s passage, the Authority has constructed \$1.94 billion in capital assets. These assets are reflected on other governments’ financial statements in accordance with generally accepted accounting principles. The Authority’s debt will be funded by Measure J sales tax revenues, which is expected to be sufficient to repay the Authority’s outstanding debt.

B. Fund Balances

In the fund financial statements, fund balances represent the net current assets of each fund. Net current assets generally represent a fund’s cash and receivables, less its liabilities and deferred inflows of resources.

The fund balance for governmental funds are reported in specific classifications (nonspendable, restricted, committed, assigned and unassigned) that create a hierarchy primarily based on the extent to which the Authority is bound to honor the constraints on the specific purposes for which funds can be spent. The Authority has \$104,170,064 in restricted fund balance at June 30, 2022 as it is bound by the Measure C and Measure J Expenditure Plans approved by voters, and terms of grant and bond agreements.

CONTRA COSTA TRANSPORTATION AUTHORITY
Notes to Basic Financial Statements
June 30, 2022

NOTE 14 – COMMITMENTS AND CONTINGENCIES

The Authority is subject to litigation arising in the normal course of business. In the opinion of the Authority's management, there is no pending litigation which is likely to have a material adverse effect on the financial position of the Authority.

The Authority receives federal and State grant funds. The amounts, if any, of the Authority's grant expenditures which may be disallowed upon audit by the granting agencies cannot be determined at this time, although the Authority expects any such amounts to be immaterial.

The Authority has various contracts with private consulting companies and cooperative agreements with governmental entities. As of June 30, 2022, the Authority had outstanding commitments approximating \$98.6 million. These commitments include \$17.9 million to WMH Corp., \$9.5 million to WSP USA Inc., \$8.5 million to Advanced Mobility Group, \$6.2 million to JJA, Inc, \$5.5 million to the San Francisco Bay Area Rapid Transit District (BART) system, \$4.0 million to the City of Richmond, \$3.8 million to Contra Costa County, \$3.8 million to HDR Engineering, Inc. and \$3.0 million to Caltrans-Department of Transportation for Authority projects related to Innovate 680, I-680/State Route 4 Interchange improvements, State Highway Route 4 widening, SR239 environmental and engineering, I-680 HOV Lane Completion and Express Lane, I-80/Central Avenue improvements, Walnut Creek BART Station Modernization, eBART Antioch Parking Lot Expansion and Norris Canyon safety improvements.

CONTRA COSTA TRANSPORTATION AUTHORITY
 Required Supplementary Information (Unaudited)
 Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
 As of June 30, 2022
 Last 10 Years*
 (Dollars In Thousands)

Fiscal year	2015	2016	2017	2018	2019	2020	2021	2022
Proportion of net pension liability	0.03557%	0.00001%	0.00896%	0.01157%	0.01083%	0.00064%	0.00392%	0.00000%
Proportionate share of the net pension liability/(asset) \$	2,213	-	776	1,147	1,044	65	427	(2,042)
Covered payroll	\$ 2,087	\$ 2,215	\$ 2,430	\$ 2,416	\$ 2,548	\$ 2,777	\$ 3,145	\$ 3,116
Proportionate share of the net pension liability as a percentage of covered payroll	106.04%	0.00%	31.93%	47.47%	40.97%	2.34%	13.58%	-65.53%
Plan fiduciary net position as a percentage of total pension liability	80.43%	78.40%	74.06%	73.31%	75.26%	75.26%	75.10%	88.29%

Notes to Schedule:

Change in benefit terms - The figures above do not include any liability impact that may have resulted from plan changes that occurred after June 30, 2014, as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of two years additional service credit.

Changes in assumptions

The discount rates were changed as follows: 7.50% in measurement period 2014, 7.65% in measurement periods 2015 and 2016, 7.15% in measurement period 2017.

During measurement period 2018, demographic assumptions and inflation rate were changed based on the CalPERS Experience Study and Review of Actuarial Assumptions December 2017.

* Fiscal year 2015 was the first year of implementation of GASB Statement No. 68, therefore only eight years of information is shown.

CONTRA COSTA TRANSPORTATION AUTHORITY
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pension Plan
As of June 30, 2022
Last 10 Years*
(Dollars In Thousands)

Fiscal year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution (actuarially determined)	\$ 318	\$ 207	\$ 206	\$ 226	\$ 229	\$ 256	\$ 275	\$ 293	\$ 279
Contributions in relation to the contractually required contributions	(318)	(207)	(206)	(226)	(229)	(256)	(275)	(293)	(279)
One-time lump sum contributions	-	(2,210)	-	-	-	(1,238)	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (2,210)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,238)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,087	\$ 2,215	\$ 2,430	\$ 2,416	\$ 2,548	\$ 2,777	\$ 3,145	\$ 3,116	\$ 3,066
Contributions as a percentage of covered payroll	15.24%	109.12%	8.48%	9.35%	8.99%	53.80%	8.74%	9.40%	9.10%

Notes to Schedule:

The actuarial methods and assumptions used to determine the fiscal year 2022 contribution rates are as follows:

Valuation date:	6/30/2019
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level dollar amount
Asset Valuation Method	Market value of assets
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.00%, net of pension plan investment and administrative expenses, includes inflation
Retirement Age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

* Fiscal year 2015, using the fiscal year 2014 measurement period, was the first year of implementation of GASB Statement No. 68, therefore only nine years of information is shown.

CONTRA COSTA TRANSPORTATION AUTHORITY
Required Supplementary Information (Unaudited)
Schedules of Changes in Net OPEB Liability and Related Ratios
As of June 30, 2022
Last 10 Years*
(Dollars in thousands)

Fiscal year	2018	2019	2020	2021	2022
Total OPEB liability					
Service cost	\$ 231	\$ 238	\$ 245	\$ 221	\$ 228
Interest on total OPEB liability	235	259	284	287	310
Changes in assumptions	-	-	(11)	-	(20)
Differences between expected and actual experience	-	-	(283)	-	(531)
Benefits payments, including refunds of employee contributions	(106)	(124)	(148)	(171)	(191)
Net change in total OPEB liability	360	373	87	337	(204)
Total OPEB liability - beginning	3,300	3,660	4,033	4,120	4,457
Total OPEB liability - ending	3,660	4,033	4,120	4,457	4,253
Plan fiduciary net position					
Contributions - Employer	278	291	325	323	249
Net investment income	346	297	272	168	1,381
Benefit payments, including refunds of employee contributions	(106)	(124)	(148)	(171)	(191)
Administrative expense	(2)	(7)	(1)	(2)	(2)
Net change in plan fiduciary net position	516	457	448	318	1,437
Plan fiduciary net position - beginning	3,125	3,641	4,098	4,546	4,864
Plan fiduciary net position - ending	3,641	4,098	4,546	4,864	6,301
Plan net OPEB liability / (asset) - ending	<u>\$ 19</u>	<u>\$ (65)</u>	<u>\$ (426)</u>	<u>\$ (407)</u>	<u>\$ (2,048)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	99.48%	101.61%	110.34%	109.13%	148.15%
Covered-employee payroll	2,740	2,800	3,062	3,562	3,478
Plan net OPEB liability as a percentage of covered-employee payroll	0.69%	-2.32%	-13.91%	-11.43%	-58.88%

* Fiscal year 2018 was the first year implementation of GASB Statement No. 75, therefore only five years of information is shown.

CONTRA COSTA TRANSPORTATION AUTHORITY
Required Supplementary Information (Unaudited)
Schedule of Contributions - OPEB Plan
As of June 30, 2022
Last 10 Years*
(Dollars In Thousands)

Fiscal year	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 278	\$ 292	\$ 325	\$ 323	\$ 249	\$ 122
Contractually in relation to the actuarially determined contribution	<u>(278)</u>	<u>(292)</u>	<u>(325)</u>	<u>(323)</u>	<u>(249)</u>	<u>(273)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (151)</u>				
Covered-employee payroll	\$ 2,740	\$ 2,800	\$ 3,062	\$ 3,562	\$ 3,478	\$ 3,172
Contributions as a percentage of covered-employee payroll	10.15%	10.43%	10.61%	9.07%	7.16%	8.61%

Notes to Schedule:

Actuarially determined contribution for fiscal year	June 30, 2022
Valuation date:	June 30, 2021
Actuarial cost method	Entry Age Normal, Level Percentage of Payroll
Asset valuation method	Investment gains and losses spread over 5-year rolling period
Discount rate	6.25%
Inflation	2.75%
Medical trend	Non-Medicare: 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Kaiser) - 4.6% for 2023, decreasing to an ultimate rate of 3.75% in 2076
Motility	CalPERS 2000-2019 experience study
Mortality improvement	Mortality projected fully generational with Scale MP-21

* Fiscal year 2018 was the first year of implementation of GASB Statement No. 75, therefore only six years of information is shown.

**CONTRA COSTA TRANSPORTATION AUTHORITY
MEASURE J DEBT SERVICE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	Measure J Bonds			Variance with Final Budget - Positive (Negative)
	Budget		Actual	
	Original	Final		
REVENUES				
Investment income	\$ 6,000	\$ 6,000	\$ 2,463	\$ (3,537)
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>2,463</u>	<u>(3,537)</u>
EXPENDITURES				
Debt service:				
Principal	23,555,000	23,745,000	23,745,000	-
Interest and related fees	19,899,300	18,386,015	18,386,615	(600)
Total Expenditures	<u>43,454,300</u>	<u>42,131,015</u>	<u>42,131,615</u>	<u>(600)</u>
Deficiency of Revenues Under Expenditures	<u>(43,448,300)</u>	<u>(42,125,015)</u>	<u>(42,129,152)</u>	<u>(4,137)</u>
OTHER FINANCING SOURCES				
Transfer in	43,454,300	42,131,015	43,863,268	1,732,253
NET CHANGES IN FUND BALANCES	<u>\$ 6,000</u>	<u>\$ 6,000</u>	1,734,116	<u>\$ 1,728,116</u>
Fund Balances - Beginning			<u>13,286,167</u>	
Fund Balances - Ending			<u>\$ 15,020,283</u>	

**CONTRA COSTA TRANSPORTATION AUTHORITY
OTHER GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022**

	Measure J Paratransit	Measure J Commute Alternatives	Air Quality	GoMentum	Total Non-Major Special Revenue Funds
ASSETS					
Cash and investments	\$ 11,262,057	\$ 1,711,766	\$ 2,316,740	\$ 663,319	\$ 15,953,882
Sales tax receivable	1,081,902	216,380	-	-	1,298,282
Intergovernmental receivable	-	3,400	-	-	3,400
Total Assets	\$ 12,343,959	\$ 1,931,546	\$ 2,316,740	\$ 663,319	\$ 17,255,564
LIABILITIES					
Accounts payable and accrued liabilities	\$ 439,026	\$ 107,175	\$ 309,140	\$ 2,775	\$ 858,116
Benefits payable	1,123	454	533	-	2,110
Deposits payable	-	-	-	399,826	399,826
Total Liabilities	440,149	107,629	309,673	402,601	1,260,052
Deferred Inflows of Resources					
Unavailable revenue	-	3,400	-	-	3,400
FUND BALANCES					
Restricted:					
Paratransit program	11,903,810	-	-	-	11,903,810
Commute alternatives	-	1,820,517	-	-	1,820,517
Air quality	-	-	2,007,067	-	2,007,067
GoMentum	-	-	-	260,718	260,718
Total Fund Balances	11,903,810	1,820,517	2,007,067	260,718	15,992,112
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,343,959	\$ 1,931,546	\$ 2,316,740	\$ 663,319	\$ 17,255,564

**CONTRA COSTA TRANSPORTATION AUTHORITY
OTHER GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022**

	Measure J Paratransit	Measure J Commute Alternatives	Air Quality	GoMentum	Total Non-Major Special Revenue Funds
REVENUES					
Sales tax	\$ 6,015,175	\$ 1,203,035	\$ -	\$ -	\$ 7,218,210
Investment income	(382,810)	(58,545)	(64,545)	(8,384)	(514,284)
Federal Congestion Mitigation (CMAQ)	-	8,268	-	-	8,268
Contributions (Others)	-	164	-	-	164
State Motor Vehicle Registration Surcharge (TFCA)	-	-	1,576,740	-	1,576,740
Total Revenues	5,632,365	1,152,922	1,512,195	(8,384)	8,289,098
EXPENDITURES					
Current expenditures:					
Program Management:					
Salaries and employee benefits	-	-	-	1,415	1,415
Programs:					
Paratransit	4,151,750	-	-	-	4,151,750
Commute alternatives	-	892,389	-	-	892,389
Air Quality	-	-	1,907,201	-	1,907,201
GoMentum	-	-	-	32,319	32,319
Total Expenditures	4,151,750	892,389	1,907,201	33,734	6,985,074
Excess of Revenues Over Expenditures	1,480,615	260,533	(395,006)	(42,118)	1,304,024
NET CHANGES IN FUND BALANCES	1,480,615	260,533	(395,006)	(42,118)	1,304,024
Fund Balances - Beginning	10,423,195	1,559,984	2,402,073	302,836	14,688,088
Fund Balances - Ending	\$ 11,903,810	\$ 1,820,517	\$ 2,007,067	\$ 260,718	\$ 15,992,112

**CONTRA COSTA TRANSPORTATION AUTHORITY
MEASURE J PARATRANSIT FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budget</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Sales tax	\$ 4,900,000	\$ 5,400,000	\$ 6,015,175	\$ 615,175
Investment income/(loss)	75,000	75,000	(382,810)	(457,810)
Total Revenues	<u>4,975,000</u>	<u>5,475,000</u>	<u>5,632,365</u>	<u>157,365</u>
EXPENDITURES				
Current expenditures:				
Program:				
Paratransit	4,524,719	5,035,067	4,151,750	883,317
Total Expenditures	<u>4,524,719</u>	<u>5,035,067</u>	<u>4,151,750</u>	<u>883,317</u>
NET CHANGES IN FUND BALANCES	<u>\$ 450,281</u>	<u>\$ 439,933</u>	1,480,615	<u>\$ 1,040,682</u>
Fund Balance - Beginning			<u>10,423,195</u>	
Fund Balance - Ending			<u>\$ 11,903,810</u>	

**CONTRA COSTA TRANSPORTATION AUTHORITY
MEASURE J COMMUTE ALTERNATIVES
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budget</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Sales tax	\$ 980,000	\$ 1,080,000	\$ 1,203,035	\$ 123,035
Investment income/(loss)	10,000	10,000	(58,545)	(68,545)
Federal Congestion Mitigation (CMAQ)	125,000	200,000	8,268	(191,732)
Contributions (Others)	-	-	164	164
Total Revenues	<u>1,115,000</u>	<u>1,290,000</u>	<u>1,152,922</u>	<u>(137,078)</u>
EXPENDITURES				
Current expenditures:				
Program:				
Commuter alternatives	980,000	1,480,000	892,389	587,611
Total Expenditures	<u>980,000</u>	<u>1,480,000</u>	<u>892,389</u>	<u>587,611</u>
NET CHANGES IN FUND BALANCES	<u>\$ 135,000</u>	<u>\$ (190,000)</u>	260,533	<u>\$ 450,533</u>
Fund Balance - Beginning			<u>1,559,984</u>	
Fund Balance - Ending			<u>\$ 1,820,517</u>	

**CONTRA COSTA TRANSPORTATION AUTHORITY
AIR QUALITY
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budget</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income/(loss)	\$ 15,000	\$ 15,000	\$ (64,545)	\$ (79,545)
State Motor Vehicle Registration Surcharge	1,652,549	1,652,549	1,576,740	(75,809)
Total Revenues	<u>1,667,549</u>	<u>1,667,549</u>	<u>1,512,195</u>	<u>(155,354)</u>
EXPENDITURES				
Current expenditures:				
Program:				
Air Quality	1,659,010	1,653,565	1,907,201	(253,636)
Total Expenditures	<u>1,659,010</u>	<u>1,653,565</u>	<u>1,907,201</u>	<u>(253,636)</u>
NET CHANGES IN FUND BALANCES	<u>\$ 8,539</u>	<u>\$ 13,984</u>	(395,006)	<u>\$ (408,990)</u>
Fund Balance - Beginning			<u>2,402,073</u>	
Fund Balance - Ending			<u>\$ 2,007,067</u>	

**CONTRA COSTA TRANSPORTATION AUTHORITY
GOMENTUM
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budget</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment income/(loss)	\$ 2,500	\$ 2,500	\$ (8,384)	\$ (10,884)
State Funds (ATSP)	175,000	175,000	-	(175,000)
Total Revenues	<u>177,500</u>	<u>177,500</u>	<u>(8,384)</u>	<u>(185,884)</u>
EXPENDITURES				
Current expenditures:				
Program Management:				
Salaries and employee benefits	71,289	30,805	1,415	29,390
Program:				
GoMentum	100,000	100,000	32,319	67,681
Total Expenditures	<u>171,289</u>	<u>130,805</u>	<u>33,734</u>	<u>97,071</u>
NET CHANGES IN FUND BALANCES	<u>\$ 6,211</u>	<u>\$ 46,695</u>	<u>(42,118)</u>	<u>\$ (88,813)</u>
Fund Balance - Beginning			<u>302,836</u>	
Fund Balance - Ending			<u>\$ 260,718</u>	



This Page Intentionally Left Blank.

Statistical Section

Statistical Section

This part of the Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the Authority's most significant local revenue source, sales taxes.

Debt Capacity

These schedules contain information to help the reader assess the affordability of the Authority's current levels of outstanding debt.

Economic and Demographic Information

These schedules contain demographic and economic information to help the reader understand the environment within which the Authority's financial activities take place.

Operating Information

These schedules contain operational and resource information to help the reader understand how the Authority's financial information relates to the services the Authority provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Authority's relevant Annual Comprehensive Financial Reports.

CONTRA COSTA TRANSPORTATION AUTHORITY
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	<u>2013</u>	<u>2014^(b)</u>	<u>2015</u>	<u>2016</u>	<u>2017^(c)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental Activities										
Net Investment in capital assets	\$ 581,099	\$ 482,246	\$ 440,120	\$ 367,420	\$ 401,962	\$ 328,289	\$ 259,685	\$ 203,561	\$ 167,844	\$ 79,385
Restricted for:										
Transportation projects and programs	291,500,312	230,931,506	152,106,987	187,528,982	252,914,128	200,635,859	137,142,774	105,249,331	101,208,041	103,856,311
Unrestricted deficit	<u>(409,612,824)</u>	<u>(415,656,842)</u>	<u>(399,074,219)</u>	<u>(489,152,000)</u>	<u>(573,026,495)</u>	<u>(557,967,568)</u>	<u>(537,415,371)</u>	<u>(515,913,577)</u>	<u>(492,183,295)</u>	<u>(458,102,423)</u>
TOTAL NET POSITION ^(a)	<u>\$ (117,531,413)</u>	<u>\$ (184,243,090)</u>	<u>\$ (246,527,112)</u>	<u>\$ (301,255,598)</u>	<u>\$ (319,710,405)</u>	<u>\$ (357,003,420)</u>	<u>\$ (400,012,912)</u>	<u>\$ (410,460,685)</u>	<u>\$ (390,807,410)</u>	<u>\$ (354,166,727)</u>

^(a) The Authority is required to exclude from its financial statements assets contributed to and maintained by other governments or organizations. The Authority has constructed a variety of capital projects consisting of streets and roads and other transportation infrastructure projects, which upon completion were "contributed" to its members, the State of California, or other governments responsible for their maintenance and care. Since those other agencies maintain the contributed capital assets, the cost of those assets has been excluded from the accompanying financial statements. This concept is followed regardless of whether infrastructure is financed with general and program revenues or long-term debt. The reporting of Authority debt without having a corresponding asset, results in a negative net position.

^(b) The unrestricted deficit was restated by \$2.510 million in fiscal year ended June 30, 2014 due to the adoption of new accounting standards on pension benefits.

^(c) The unrestricted deficit was restated by \$0.506 million in fiscal year ended June 30, 2017 due to the adoption of new accounting standards on other postemployment benefits.

CONTRA COSTA TRANSPORTATION AUTHORITY
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

Governmental Activities	Fiscal Year Ending June 30:									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Administration	\$ 1,754,080	\$ 2,040,014	\$ 4,285,426	\$ 2,016,578	\$ 3,200,432	\$ 1,205,731	\$ 3,255,698	\$ 5,382,999	\$ 2,151,030	\$ 2,152,227
Unallocated pension and OPEB expense/(revenue)	35,000	39,004	(2,254,874)	(324,087)	414,628	975,628	(1,291,007)	242,864	384,011	(4,533,321)
Project management	1,022,447	1,084,284	1,230,929	1,909,688	1,667,243	2,161,899	1,994,624	2,475,649	2,097,723	1,729,515
Programs	30,119,263	33,407,099	34,154,564	37,395,628	36,529,870	37,502,050	41,876,602	45,966,652	48,869,811	50,212,736
Transportation projects	197,336,500	147,824,865	142,857,702	130,524,676	81,077,235	69,537,547	108,991,037	115,606,075	66,302,116	41,434,892
Regional planning	752,778	1,241,067	1,906,506	2,763,457	984,022	845,123	947,896	986,186	1,417,058	2,991,863
Congestion management	2,095,254	1,704,329	2,239,963	2,642,523	2,267,426	1,725,961	1,551,459	932,969	1,220,797	1,490,775
Transportation demand management	995,735	1,188,297	1,235,249	1,423,559	1,395,515	1,501,138	1,521,759	1,636,182	1,360,128	1,907,201
Transportation planning land use solutions	227,258	317,122	159,855	199,160	90,548	140,393	88,279	53,456	61,993	22,138
Transportation innovation - GoMentum	-	-	-	-	-	-	1,046,785	2,139,110	11,851	77,634
Interest and related fees	10,528,790	16,855,284	15,384,930	15,790,288	17,800,839	20,073,677	18,167,588	18,079,366	18,335,744	12,584,065
Total expenses	244,867,105	205,701,365	201,200,250	194,341,470	145,427,758	135,669,147	178,150,720	193,501,508	142,212,262	110,069,725
Program Revenues										
Operating and capital grants and contributions	54,701,350	64,497,856	58,333,072	54,233,202	41,737,865	5,876,457	31,574,983	83,780,875	54,321,086	29,053,736
Net (Expense) / Revenue and Changes in Net Position	(190,165,755)	(141,203,509)	(142,867,178)	(140,108,268)	(103,689,893)	(129,792,690)	(146,575,737)	(109,720,633)	(87,891,176)	(81,015,989)
General Revenues:										
Sales taxes	74,797,783	75,899,529	79,454,678	83,467,877	85,106,100	90,862,632	96,608,409	93,472,111	107,255,903	120,303,503
Investment income/(loss)	449,477	1,099,701	1,128,478	1,911,053	635,052	1,635,799	6,955,518	5,794,786	288,548	(2,647,137)
Miscellaneous	10,022	3,049	-	852	-	1,244	2,318	5,963	-	306
Total general revenues	75,257,282	77,002,279	80,583,156	85,379,782	85,741,152	92,499,675	103,566,245	99,272,860	107,544,451	117,656,672
Change in net position	\$(114,908,473)	\$(64,201,230)	\$(62,284,022)	\$(54,728,486)	\$(17,948,741)	\$(37,293,015)	\$(43,009,492)	\$(10,447,773)	\$19,653,275	\$36,640,683

CONTRA COSTA TRANSPORTATION AUTHORITY
CHANGES IN FUND BALANCES (Continued)
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30:									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Sales tax	\$ 74,797,783	\$ 75,898,529	\$ 79,454,678	\$ 83,467,877	\$ 85,106,100	\$ 90,862,632	\$ 96,608,409	\$ 93,472,111	\$ 107,255,903	\$ 120,303,503
Investment income/(loss)	449,477	1,099,701	1,128,478	1,911,053	635,052	1,635,799	6,955,497	5,794,786	288,548	(2,647,137)
Federal grants and contributions	502,817	4,096,001	2,678,989	2,105,717	3,386,282	1,377,134	1,831,105	1,973,445	4,086,967	8,629,558
State grants and contributions	826,577	3,669,665	2,188,838	7,549,405	12,543,772	2,159,629	6,916,879	58,059,880	31,492,907	14,233,183
Local grants and contributions	36,568,252	71,270,728	51,659,144	47,335,765	25,073,429	4,148,903	22,703,402	23,521,488	16,475,235	6,254,306
Miscellaneous revenue	10,022	3,049	125	852	-	1,244	2,318	5,963	-	306
Total Revenues	113,154,928	156,037,673	137,110,252	142,370,669	126,744,635	100,185,341	135,017,610	182,827,673	159,599,560	146,773,719
Expenditures										
Current expenditures:										
Administration:										
Salaries and employee benefits	506,042	613,832	2,834,289	665,935	667,502	629,375	1,863,926	795,127	705,112	727,693
Services, supplies & capital outlay	1,102,038	1,326,356	1,408,817	1,277,479	2,567,472	1,326,453	1,323,169	4,531,748	1,410,201	1,336,075
Project Management:										
Salaries and employee benefits	1,017,626	1,065,309	1,178,833	1,649,594	1,565,683	1,883,038	1,825,150	2,293,987	1,859,856	1,575,893
Services, supplies & capital outlay	4,821	18,975	52,096	260,094	101,560	278,861	169,474	181,662	237,867	153,622
Programs:										
Additional paratransit	703,702	766,928	783,160	948,099	878,167	952,714	1,129,520	1,256,270	1,088,107	853,344
Bus transit enhancements	2,231,383	2,595,771	2,689,378	2,966,918	2,897,369	2,889,592	3,133,397	3,597,880	3,967,902	3,418,918
Ferry service	-	-	-	-	-	-	1,240,188	2,488,942	3,586,206	3,651,299
Express bus program	2,753,683	3,338,329	3,497,965	3,792,797	3,643,347	3,769,035	3,507,951	4,419,681	4,320,613	4,345,215
Bus transit and improvement program	3,205,084	3,885,383	4,035,596	4,407,949	4,257,369	4,387,686	4,091,025	5,139,126	5,029,393	5,093,544
Safe transportation for children	2,712,105	3,499,521	3,100,228	4,088,677	3,852,058	3,105,417	4,286,577	3,958,059	3,601,656	3,637,303
Local street and maintenance	13,463,602	13,661,735	14,301,842	15,024,218	15,319,098	16,355,274	17,389,514	16,824,980	19,306,063	21,654,631
Subregional local street and maintenance	1,563,274	1,586,279	1,660,603	1,744,479	1,778,717	1,899,028	2,019,116	1,953,567	2,241,648	2,514,343
Transportation Projects:										
Highways and arterials	6,673,014	7,009,326	5,130,996	4,237,455	1,766,363	5,963,946	2,535,141	4,937,301	161,289	150,057
Transit	22,102,975	6,326,144	3,514,279	9,460,771	121,099	20,174	642,777	49,510	42,389	111,488
Capital improvement projects	165,149,840	122,518,065	114,378,944	101,323,587	62,729,414	43,670,645	87,447,937	95,103,505	58,791,454	32,781,191
Countywide capital and maintenance projects	976,250	3,324,526	5,336,705	6,793,145	7,716,223	14,012,242	10,840,868	5,288,854	5,239,856	6,718,013
Subregional projects	2,434,421	8,647,458	14,498,872	8,709,957	8,743,707	5,872,169	7,523,672	10,226,906	2,067,128	1,674,144
Regional Planning:										
Salaries and employee benefits	232,996	248,785	280,156	386,032	392,970	352,114	427,064	449,489	550,424	363,515
Services, supplies & capital outlay	519,782	992,282	1,626,350	2,377,425	591,052	493,009	520,832	536,697	866,634	2,628,348
Congestion Management:										
Salaries and employee benefits	1,310,780	1,171,204	1,371,372	912,053	1,019,455	880,125	1,024,133	397,183	816,662	1,055,696
Services, supplies & capital outlay	784,474	533,125	868,591	1,730,470	1,247,951	845,836	527,327	535,786	404,135	435,079
Transportation Planning Land Use Solutions:										
Salaries and employee benefits	86,850	156,970	91,259	69,849	72,532	140,393	88,278	53,457	61,993	22,138
Services, supplies & capital outlay	140,408	160,152	68,596	129,311	18,016	-	-	-	-	-
Paratransit	2,562,890	3,136,548	3,312,703	3,764,227	3,309,880	3,223,082	4,017,533	5,456,608	4,900,516	4,151,750
Carpool/Commute alternatives	923,540	936,605	773,089	658,264	593,865	920,222	1,061,782	871,538	827,707	892,389
Transportation Demand Management (Air Quality)	995,735	1,188,297	1,235,249	1,423,559	1,395,515	1,501,138	1,521,759	1,636,182	1,360,128	1,907,201
Transportation innovation - GoMentum	-	-	-	-	-	-	1,046,785	2,139,110	11,851	33,735
Fund Exchange Reserve	-	-	-	-	-	-	-	-	-	43,899

(Continued)

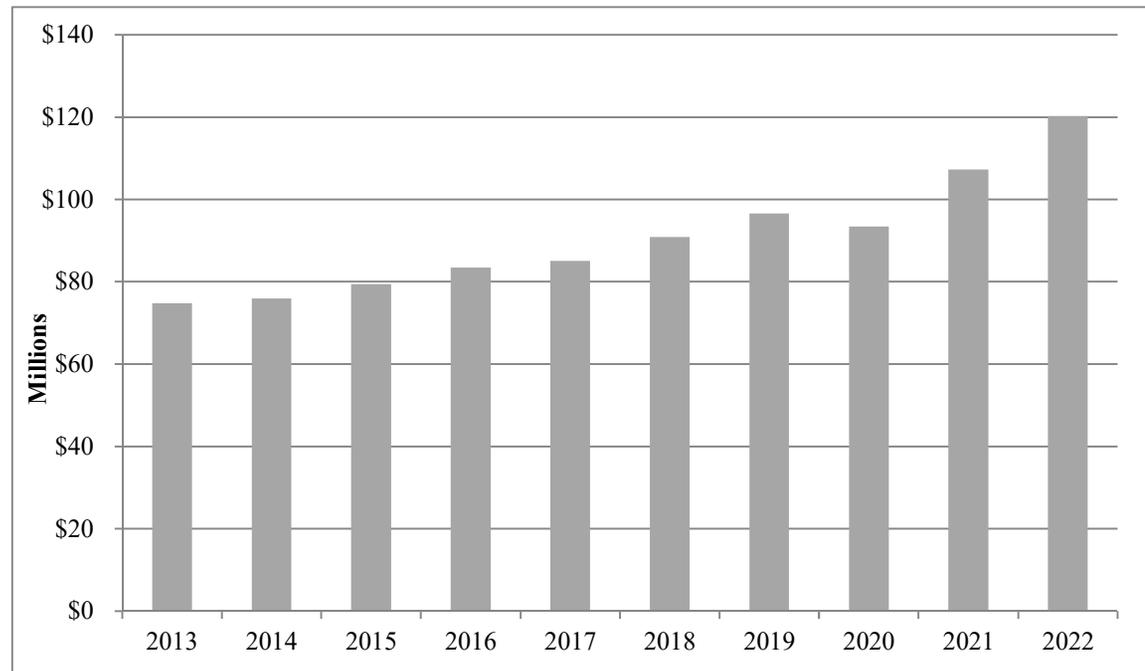
CONTRA COSTA TRANSPORTATION AUTHORITY
CHANGES IN FUND BALANCES (Continued)
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30:									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt service:										
Bond principal	\$ -	\$ 11,860,000	\$ 12,095,000	\$ 12,460,000	\$ 15,305,000	\$ 15,225,000	\$ 16,350,000	\$ 18,620,000	\$ 21,060,000	\$ 23,745,000
Note principal	200,990,000	-	-	-	-	-	-	-	-	-
Interest and related fees	9,318,766	16,038,574	15,809,803	15,182,540	18,893,091	21,794,167	34,252,105	21,568,871	20,305,000	18,386,015
Issuance costs	1,456,899	-	-	975,000	381,212	72,896	602,767	-	27,182,334	600
Total Expenditures	445,922,980	216,606,479	215,934,771	207,419,884	161,825,687	152,463,631	212,409,767	215,312,026	192,004,124	144,062,138
Excess (Deficiency) of Revenues Over (Under) Expenditures	(332,768,052)	(60,568,806)	(78,824,519)	(65,049,215)	(35,081,052)	(52,278,290)	(77,392,157)	(32,484,353)	(32,404,564)	2,711,581
Other Financing Sources (Uses)										
Bond proceeds	390,220,000	-	-	166,640,000	83,570,000	-	195,030,000	-	109,915,000	-
Premium	37,223,699	-	-	32,066,270	16,896,219	-	20,319,072	-	28,633,114	-
Payment to refunded bond escrow agent	-	-	-	(98,235,060)	-	-	(201,450,000)	-	(112,450,000)	-
Transfer in	343,594,858	91,861,369	108,151,918	105,214,217	74,885,153	78,110,841	79,580,907	55,704,941	41,688,894	47,664,385
Transfer out	(343,594,858)	(91,861,369)	(108,151,918)	(105,214,217)	(74,885,153)	(78,110,841)	(79,580,907)	(55,704,941)	(41,688,894)	(47,664,385)
Total Other Financing Sources (Uses)	427,443,699	-	-	100,471,210	100,466,219	-	13,899,072	-	26,098,114	-
Net Change in Fund Balances	94,675,647	(60,568,806)	(78,824,519)	35,421,995	65,385,167	(52,278,290)	(63,493,085)	(32,484,353)	(6,306,450)	2,711,581
Fund Balances - Beginning	196,824,665	291,500,312	230,931,506	152,106,987	187,528,982	252,914,149	200,635,859	137,142,774	104,658,421	98,351,971
Fund Balances - Ending	\$ 291,500,312	\$ 230,931,506	\$ 152,106,987	\$ 187,528,982	\$ 252,914,149	\$ 200,635,859	\$ 137,142,774	\$ 104,658,421	\$ 98,351,971	\$ 101,063,552
Debt Service as a Percentage of Noncapital Expenditures	47.16%	12.88%	12.92%	13.33%	21.13%	24.28%	23.82%	18.67%	21.54%	29.25%

**CONTRA COSTA TRANSPORTATION AUTHORITY
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)**

	Fiscal Year Ending June 30:									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 3,000	\$ -	\$ -
Restricted	61,275,508	70,735,740	72,338,377	95,815,896	107,052,631	102,870,584	85,387,488	75,236,897	68,521,411	63,607,351
All Other Governmental Funds										
Restricted	230,224,804	160,195,766	79,768,610	91,713,086	145,861,518	97,765,275	51,755,286	29,421,524	29,830,560	37,456,201
Total Governmental Funds										
Restricted	<u>\$ 291,500,312</u>	<u>\$ 230,931,506</u>	<u>\$ 152,106,987</u>	<u>\$ 187,528,982</u>	<u>\$ 252,914,149</u>	<u>\$ 200,635,859</u>	<u>\$ 137,142,774</u>	<u>\$ 104,658,421</u>	<u>\$ 98,351,971</u>	<u>\$ 101,063,552</u>

**CONTRA COSTA TRANSPORTATION AUTHORITY
SALES TAX REVENUES
LAST TEN FISCAL YEARS**



<u>Fiscal Year Ended June 30:</u>	<u>Authority Sales Tax Rate</u>	<u>Sales Tax</u>	<u>Annual Growth</u>	<u>Taxable Sales (A)</u>
2013	0.5%	\$ 74,797,783	8.83%	\$ 14,471,988,000
2014	0.5%	75,898,529	1.47%	15,030,047,000
2015	0.5%	79,454,678	4.69%	15,670,053,000
2016	0.5%	83,467,877	5.05%	15,924,591,516
2017	0.5%	85,106,100	1.96%	16,558,840,255
2018	0.5%	90,862,632	6.76%	17,607,890,223
2019	0.5%	96,608,409	6.32%	18,080,745,538
2020	0.5%	93,472,111	-3.25%	18,043,574,659
2021	0.5%	107,255,903	14.75%	20,032,046,532
2022	0.5%	120,303,503	12.16%	21,830,484,058

(A) Source: California Department of Tax and Fee Administration (CDTFA).

CONTRA COSTA TRANSPORTATION AUTHORITY
TAXABLE SALES BY TYPE OF BUSINESS
FISCAL YEAR 2022 & 2021
(In Thousands)

Type of Business	2022	2021	\$ Difference	% Difference
Apparel Stores	\$ 1,158,438	\$ 983,880	\$ 174,558	17.7%
General Merchandise	1,871,465	1,745,564	125,901	7.2%
Food Stores	1,009,154	1,005,551	3,603	0.4%
Eating and Drinking Places	2,166,574	1,690,691	475,883	28.1%
Building Materials	1,536,932	1,517,564	19,368	1.3%
Auto Dealers and Supplies	2,623,996	2,740,679	(116,683)	-4.3%
Service Stations	1,728,632	1,137,946	590,686	51.9%
Other Retail Stores	814,679	762,493	52,186	6.8%
<i>Total Retail and Food Services</i>	12,909,870	11,584,368	1,325,502	11.4%
<i>All Other Outlets</i>	8,920,614	8,447,679	472,935	5.6%
Total All Outlets	\$ 21,830,484	\$ 20,032,047	\$ 1,798,437	9.0%

Source: California Department of Tax and Fee Administration (CDTFA).

CONTRA COSTA TRANSPORTATION AUTHORITY
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year Ended June 30:	Debt Service ^(a)			Outstanding Debt			Outstanding Debt per Capita	Percentage of Personal Income
	Principal	Interest and related fees	Total	Sales Tax Bonds	Lease Liability ^(b)	Total Debt		
2013	\$ 200,990	\$ 9,319	\$ 210,309	\$ 427,197	\$ -	\$ 427,197	\$ 0.40	0.63%
2014	11,860	16,038	27,898	412,428	-	412,428	0.38	0.58%
2015	12,095	15,810	27,905	397,424	-	397,424	0.36	0.51%
2016	12,460	15,183	27,643	480,145	-	480,145	0.43	0.58%
2017	15,305	18,893	34,198	561,485	-	561,485	0.49	0.64%
2018	15,225	21,794	37,019	542,118	-	542,118	0.47	0.57%
2019	16,350	20,852	37,202	534,974	-	534,974	0.46	0.54%
2020	18,620	21,569	40,189	511,105	-	511,105	0.44	0.48%
2021	21,060	20,305	41,365	489,247	2,090	491,337	0.43	0.45%
2022	23,745	18,386	42,131	459,959	1,760	461,719	0.40	0.39%

^(a) Details regarding the Authority's outstanding debt can be found in Note 7 of this report.

**CONTRA COSTA TRANSPORTATION AUTHORITY
DEMOGRAPHICS AND ECONOMIC STATISTICS
CALENDAR YEAR 2013-2022**

Year	Population (a)	Personal Income (b) (In thousands)	Per Capita Personal Income (b)	Outstanding Debt per Capita (In thousands)	Labor Force (c)	Employment (c)	Unemployment (c)	Unemployment Rate (c)
2013	\$ 1,076,429	\$ 67,315,559	\$ 62,536	\$ 0.40	538,200	499,000	39,200	7.3%
2014	1,087,008	71,152,275	65,457	0.38	539,000	506,500	32,500	6.0%
2015	1,102,871	77,877,241	70,613	0.36	546,200	517,400	28,800	5.3%
2016	1,123,429	82,426,924	73,371	0.43	554,000	527,000	27,000	4.9%
2017	1,139,513	88,024,256	77,247	0.49	555,400	532,400	23,000	4.1%
2018	1,149,363	94,900,003	82,567	0.47	561,900	542,200	19,700	3.5%
2019	1,155,879	98,778,343	85,457	0.46	564,600	546,800	17,800	3.2%
2020	1,153,561	106,318,748	92,166	0.44	546,900	473,500	73,400	13.4% **
2021	1,153,854	109,817,615 *	95,175	0.43	537,200	495,800	41,400	7.7%
2022	1,156,555	117,558,409 *	101,645	0.40	549,700	532,200	17,500	3.2%

* Estimated growth based on population and CPI

** The national shelter-in-place order started in March of 2020 as a result of the Coronavirus disease 2019 (COVID-19)

(a) Source: State of California Department of Finance

(b) Source: Bureau of Economic Analysis

(c) Source: State of California Employment Development Department

**CONTRA COSTA TRANSPORTATION AUTHORITY
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2022			2013		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Contra Costa County (incl. Health Services), multiple locations	10,000+	1	2.17%	10,000+	1	2.00%
Chevron (various entities), multiple locations	10,000+	2	1.36%	10,000+	2	1.28%
Kaiser Permanente Foundation, multiple locations	1,000-4,999	3	1.04%	1,000-4,999	4	0.82%
John Muir Medical Center, multiple locations	1,000-4,999	4	0.56%	1,000-4,999	3	1.00%
Bio-Rad Laboratories Inc.	1,000-4,999	5	0.41%	1,000-4,999	-	0.09%
Rober Half International, multiple locations	500-999	6	0.24%	500-999	5	0.25%
Sutter Delta Medical Center	500-999	7	0.18%	500-999	6	0.24%
U.S. Veterans Medical Center	500-999	8	0.18%	500-999	7	0.19%
Los Mendanos College	500-999	9	0.14%	500-999	9	0.11%
San Ramon Medical Center	500-999	10	0.12%	500-999	10	0.10%
Shell Oil Products	500-999	-	-	500-999	8	0.14%
All Others			93.58%			93.77%
Total	532,200		100.00%	499,000		100.00%

Source: State of California Employment Development Department

**CONTRA COSTA TRANSPORTATION AUTHORITY
 FULL-TIME EQUIVALENT AUTHORITY EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS**

Functions/Programs	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities:										
Administration	3.37	3.80	3.59	3.70	3.74	2.97	2.80	3.54	2.98	3.08
Project management	7.02	6.89	6.74	8.37	8.69	9.04	8.74	11.01	8.50	7.79
Programs	0.49	0.54	0.69	0.83	0.94	0.92	1.13	0.98	1.09	0.81
Regional planning	1.54	1.48	1.53	1.52	1.26	1.66	1.91	1.98	2.33	1.54
Congestion management	6.50	5.85	6.46	4.65	4.70	4.29	4.58	1.76	3.45	4.47
Transportation demand management	0.62	0.58	0.53	0.52	0.33	0.46	0.45	0.49	0.40	0.22
Transportation planning land use solutions	0.46	0.86	0.46	0.41	0.34	0.66	0.39	0.24	0.25	0.09
Total	20.00	19.00	18.00							

Source: Authority's Finance Department

**CONTRA COSTA TRANSPORTATION AUTHORITY
OPERATING INDICATORS BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS**

Functions/Programs	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government:										
Accounts Payable Invoices Processed	1,646	2,050	2,171	2,127	1,791	1,791	1,644	1,774	1,514	1,523
Number of Payments Processed ^(a)	1,219	1,466	1,605	1,645	1,517	2,184	2,109	2,133	1,923	1,781
Number of Contracts Processed	99	95	99	83	104	105	144	131	110	121
Purchase Orders Issued	118	115	100	101	98	94	97	99	45	44
Number of Journals Processed	1,533	1,454	1,399	1,528	1,333	1,183	1,056	979	883	743
Number of Receipts Processed	88	103	89	94	77	63	70	83	121	97
Total	4,703	5,283	5,463	5,578	4,920	5,420	5,120	5,199	4,596	4,309

Source: Authority's Finance Department

**CONTRA COSTA TRANSPORTATION AUTHORITY
CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS**

Functions/Programs (a)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government:										
Leashold Improvements	1	1	1	1	1	1	1	1	1	1
Financial System	1	1	1	1	1	1	1	1	1	1
Total	2									

Source: Authority's Finance Department

(a) The Authority was established with the passage of Contra Costa's Measure C in November 1988, which was a 20-year, one-half of one percent (1/2%) sales tax for specified transportation purposes. In 2004, based upon the success of Measure C, the voters of Contra Costa passed Measure J which extended the one-half of one percent countywide transportation sales tax through 2034. As required under the Local Transportation Authority and Improvement Act (SB 142, Chapter 786, Statutes of 1987: §180000 et seq. of the Public Utilities Code), the expenditures by Measure C and Measure J are "for the construction and improvement of state highways, the construction maintenance, improvement, and operation of local streets, roads, and highways, and the construction, improvement, and operation of public transit systems," including paratransit services (California Public Utilities Code §180205) and for specific efforts supporting such investments. The main difference for the Authority, as compared to other government entities, is that all capital expenditures are paid for on behalf of the local jurisdictions; therefore, no corresponding asset exists on the Authority's ledger for transportation infrastructure assets. The only assets held by the Authority is related to the administration of the Authority.