2023

Annual Comprehensive Financial Report

FISCAL YEAR ENDED JUNE 30, 2023

2999 Oak Road, Suite 100 Walnut Creek, CA 94597

CONTRA COSTA
transportation
authority

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CONTRA COSTA
TRANSPORTATION AUTHORITY
WALNUT CREEK, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

Prepared by: Finance Department

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CONTRA COSTA TRANSPORTATION AUTHORITY
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

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Introductory Section

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CONTRA COSTA
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November 27, 2023

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, 2023, 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 March 31, 2034.

The Authority's financial statements have been audited by the accounting firm Maze & Associates Accountancy Corporation (Maze & Associates). The independent auditor concluded that the Authority's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with accounting principles generally accepted in the United States of America (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.

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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, Statues 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 Authority's level of budgetary control where expenditures may not exceed appropriations is established at the fund level. The budget is legally enacted by the Authority Board on a basis consistent with GAAP. The Authority follows these procedures in establishing the budgetary data reflected in the financial statements. For additional budgetary information, see Note 2 of the 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.

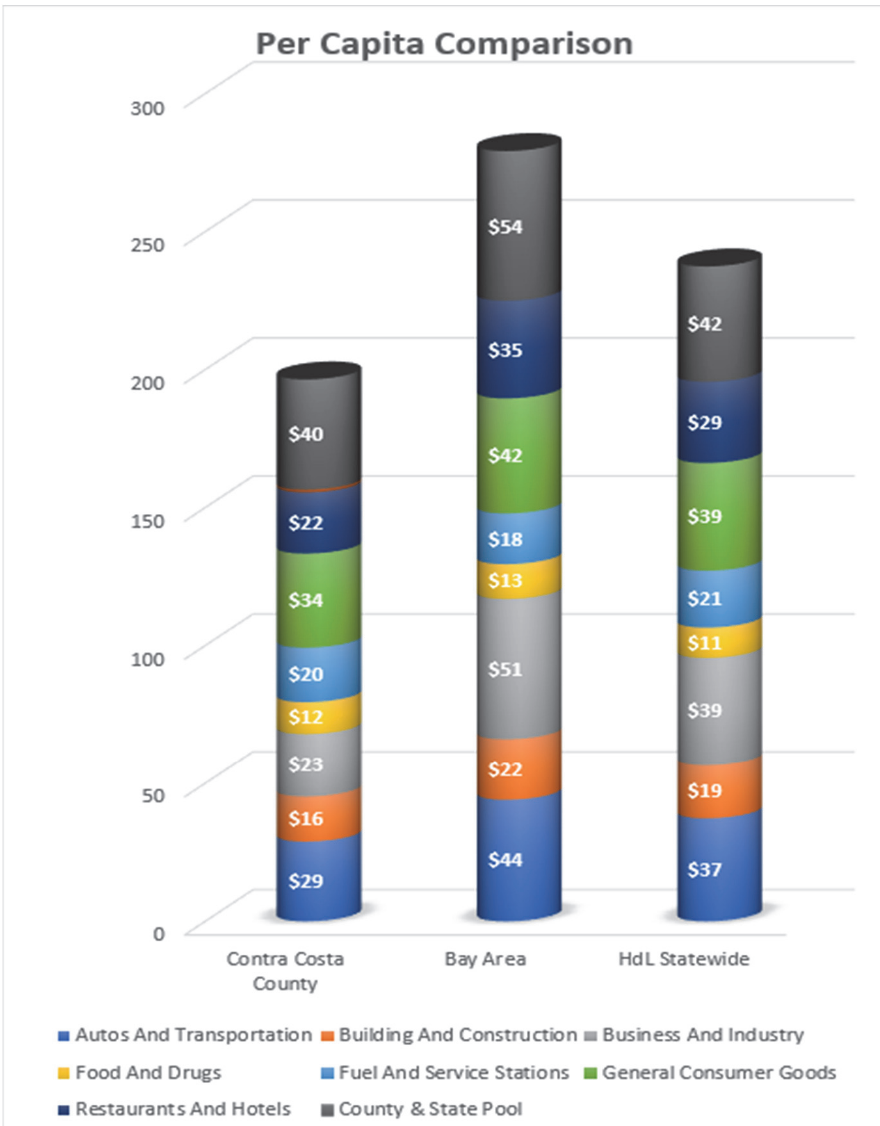
ECONOMIC OUTLOOK

Contra Costa County's economy has continued to improve in the post-pandemic years. Steady household spending has shielded the economy from a recession, a unique situation even as inflation exceeded Federal Reserve targets and interest rates on loans and credit cards rose. In California, sales tax performance for fiscal year 2022-23 grew by 2.1%, but it lags far behind the double-digit growth seen during the pandemic recovery. Looking ahead, households face tight budgets, and various industries grapple with challenges like labor costs, inventory issues, and competition. Sales tax revenues is expected to dip slightly in fiscal year 2023-24, with limited increases anticipated in the following year.

Economic concerns in the next year will be controlling inflation and the impacts of higher interest rates. As inflation eases, real interest rates are expected to climb while the Federal Open Market Committee remains on hold. Higher rates will impact growth in business, fixed investment spending has downshifted in household delinquencies on auto loans and credit cards are moving higher due to rising interest rates. The risk for a recession will depend on a slower improvement on the inflation front and cooling jobs market is set to renew pressure on real income.

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 as well as the State of California. The Chart below illustrates the sales tax revenues by per capita and broken down by industry type in Contra Costa County, the Bay Area and statewide.



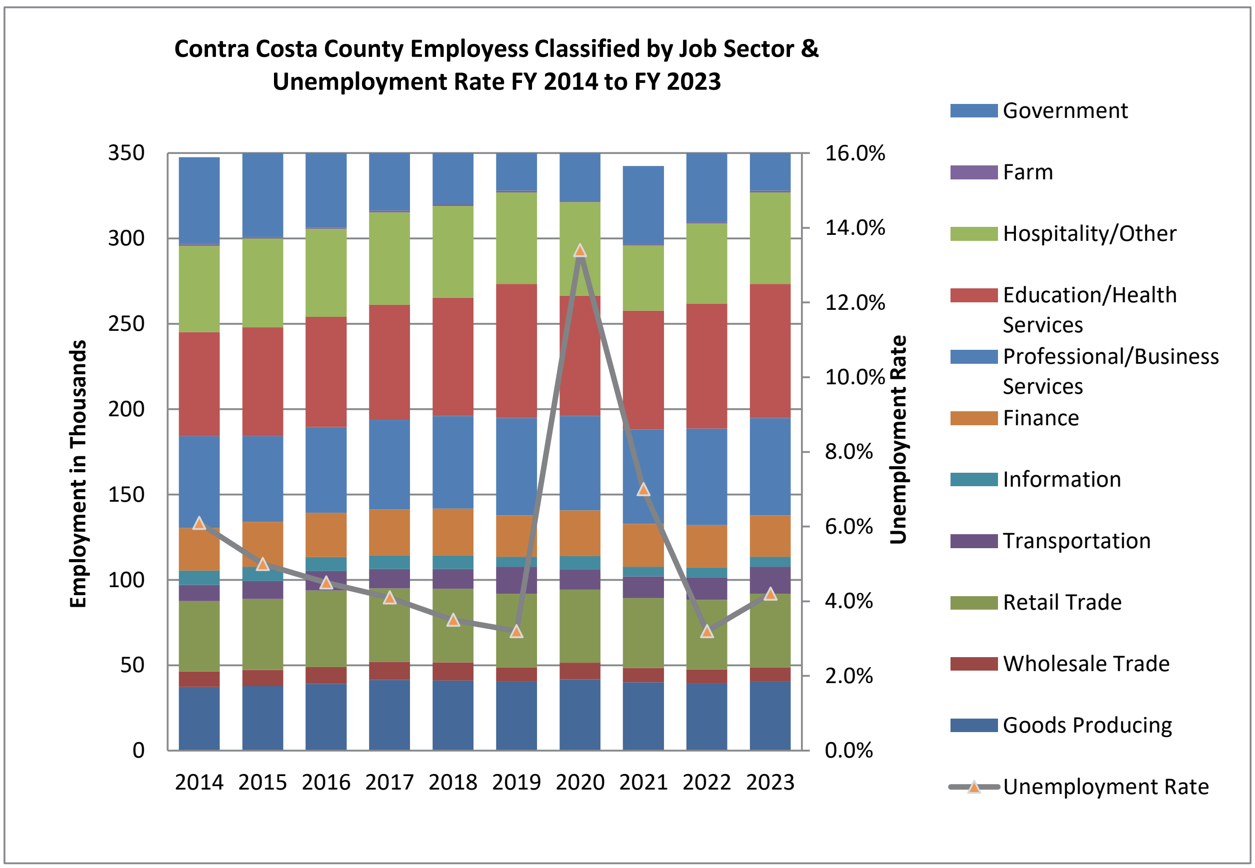
Source: HdL Companies

COMPONENTS OF TAXABLE TRANSACTIONS

Fiscal year 2023 sales tax revenue exceeded projections at $123.5 million and increased over $3.2 million or 2.66% 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 leading industry groups of total taxable transactions for Contra Costa County are General Consumer Goods (31%), Autos and Transportation (19%), Business and Industry (15%), Restaurants and Hotels (11%), Building and Construction (10%), Fuel and Service Stations (9%) and Food and Drug (5%).

EMPLOYMENT

The employment chart below shows the diversity in Contra Costa County as of December 2022 (most recent data available by industry type). Data from the Employment Development Department in June of 2023 reports the labor force is 550 thousand and an employment workforce of 527 thousand with 4.2% unemployed. This is a slight increase over June of 2022 at 3.5%. The labor market is seeing job gains in health care, leisure & hospitality, government, and social assistance. As of September 2023, the unemployment rate remains at 4.1% with expectations of improvement into the next calendar year of 2024.



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 unknow and need to be addressed immediately. The Authority approved the framework and principles for preparing and prioritizing future Measure J appropriations to remaining projects programed 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, 2022. 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 twelfth year the Authority has prepared the Annual Comprehensive Financial Report, made possible by the dedication of the finance staff, Yuliana Tjeng, Sherri Sylva, Paula Troy and Kathrina Yip. 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

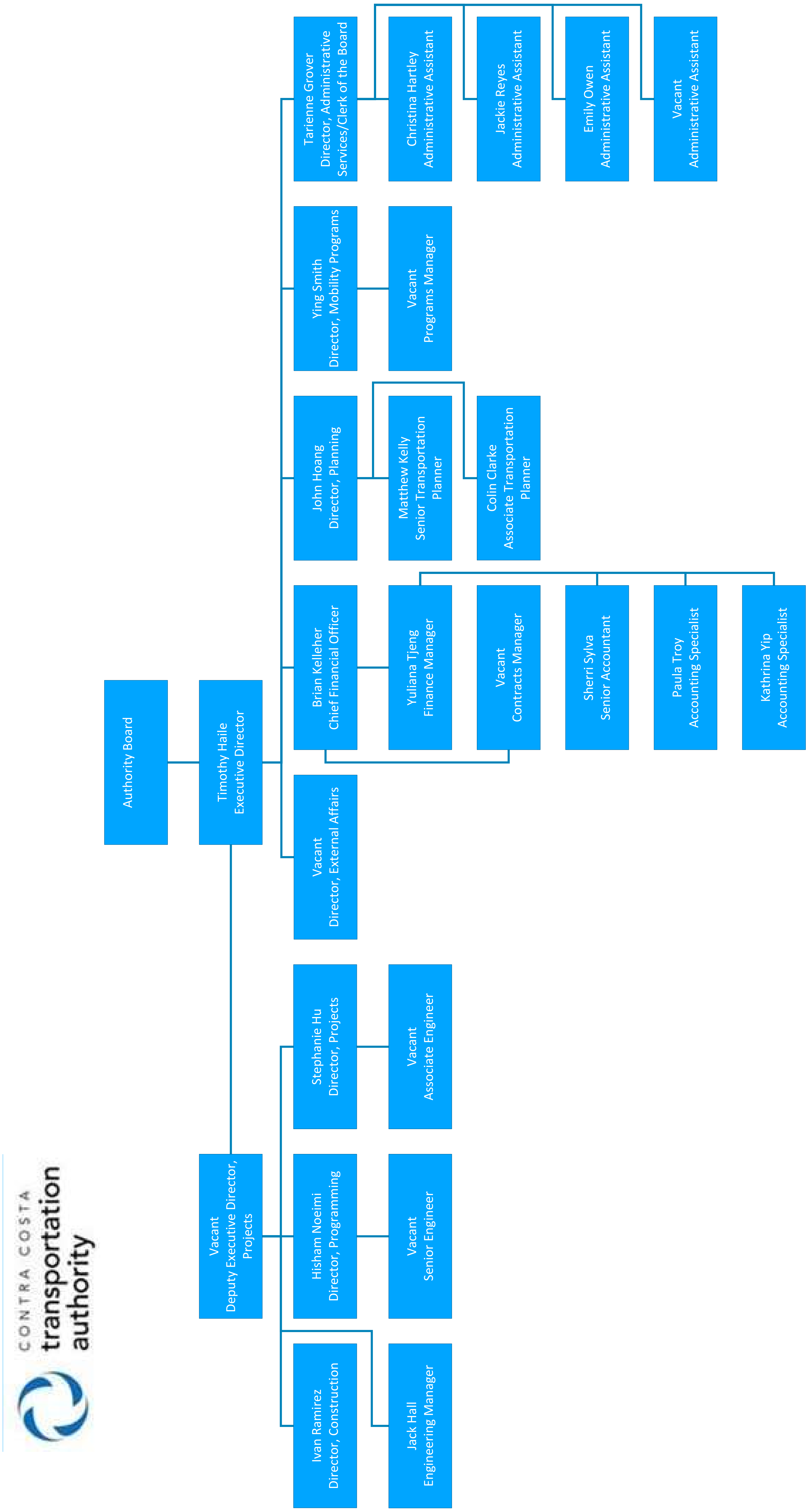
June 30, 2022

Christopher P. Morrill

Executive Director/CEO

Contra Costa Transportation Authority Board Members
(As of June 30, 2023)

Commissioners	Names	Appointed By
Board Chair	Federal Glover	Board of Supervisors
Board Vice Chair	Newell Arnerich	Conference of Mayors
Commissioner	Ken Carlson	Board of Supervisors
Commissioner	Dave Hudson	SWAT
Commissioner	Renata Sos	SWAT
Commissioner	Loella Haskew	TRANSPAC
Commissioner	Sue Noack	TRANSPAC
Commissioner	Aaron Meadows	TRANSPLAN
Commissioner	Lamar Thorpe	TRANSPLAN
Commissioner	Paul Fadelli	WCCTAC
Commissioner	Chris Kelley	WCCTAC
Alternate Commissioners	**Names**	**Appointed By**
Commissioner Alt. – 1st (Glover)	Candace Andersen	Board of Supervisors
Commissioner Alt. – 2nd (Glover)	Diane Burgis	Board of Supervisors
Commissioner Alt. – 3rd (Glover) / 1st (Carlson)	John Gioia	Board of Supervisors
Commissioner Alt. (Arnerich)	Teresa Gerringer	Conference of Mayors
Commissioner Alt. (Hudson)	Karen Stepper	SWAT
Commissioner Alt. (Sos)	Darlene Gee	SWAT
Commissioner Alt. (Haskew)	Carlyn Obringer	TRANSPAC
Commissioner Alt. (Noack)	Peter Cloven	TRANSPAC
Commissioner Alt. (Meadows)	Shanelle Scales-Preston	TRANSPLAN
Commissioner Alt. (Thorpe)	Joel Bryant	TRANSPLAN
Commissioner Alt. (Fadelli and Kelley)	Rita Xavier	WCCTAC
Ex-Officio Reps.	**Names**	**Appointed By**
Representative (Bus Operators)	H.E. Christian Peeples	AC Transit
	Alt. Amy Worth	County Connection
Representative (BART)	Mark Foley	BART
	Alt. Debora Allen	BART
Representative (MTC)	Federal Glover	MTC
Representative (MTC)	Sue Noack	MTC


CONTRA COSTA transportation authority
Authority Board
Timothy Haile
Executive Director
Vacant
Deputy Executive Director, Projects
Ivan Ramirez
Director, Construction
Jack Hall
Engineering Manager
Hisham Noeimi
Director, Programming
Vacant
Senior Engineer
Stephanie Hu
Director, Projects
Vacant
Associate Engineer
Vacant
Director, External Affairs
Brian Kelleher
Chief Financial Officer
Yuliana Tjeng
Finance Manager
Vacant
Contracts Manager
Sherri Sylva
Senior Accountant
Paula Troy
Accounting Specialist
Kathrina Yip
Accounting Specialist
John Hoang
Director, Planning
Matthew Kelly
Senior Transportation Planner
Colin Clarke
Associate Transportation Planner
Ying Smith
Director, Mobility Programs
Vacant
Programs Manager
Tarienne Grover
Director, Administrative Services/Clerk of the Board
Christina Hartley
Administrative Assistant
Jackie Reyes
Administrative Assistant
Emily Owen
Administrative Assistant
Vacant
Administrative Assistant

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Financial Section

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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, 2023, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregated remaining fund information of the Authority as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparisons listed in the Table of Contents as part of the basic financial statement statements 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 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.

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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 generally accepted auditing standards 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 generally accepted auditing standards 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 and other required supplementary information 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 accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 Supplementary Information is 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 Section and Statistical Section listed in the Table of Contents, 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 November 27, 2023, 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.

Maze + Associates

Pleasant Hill, California
November 27, 2023

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, 2023. Please read this MD&A in conjunction with the accompanying basic financial statements.

SUMMARY OF FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED JUNE 30, 2023

- 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 ($313.03 million) as of June 30, 2023. 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, 2023, Measure C and Measure J had spent $1.97 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 $832.1 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 $184.3 million, consisting primarily of cash and investments amounting to $139.3 million, receivables due from others amounting to $42.7 million, net Other Postemployment Benefits (OPEB) asset amounting to $0.8 million (see Note 10) and capital assets (net of depreciation) amounting to $1.5 million. Total assets increased by $16.1 million from the prior year, primarily due to $6.4 million increases in intergovernmental receivables, $12.3 million in cash and investments offset by $3.3 million decrease in net pension asset and net OPEB asset.

- Liabilities totaled $496.4 million, consisting of accounts payable and accrued liabilities, accrued employee benefits, and long-term debt. Liabilities decreased by $23.7 million. During the fiscal year, the Long-term debt decreased $32.7 million due to the payment of debt and amortization of the Sales Tax Revenue Bonds. Increase of $7.5 million in accounts payable compared to the prior year, and an increase of $1.3 million in net pension liability.

- Sales tax revenues of $123.5 million were earned for the year ended June 30, 2023, an increase of $3.2 million (2.7%) from the prior year and reporting an all-time high. The combination of inflation and increased purchases continues to impact sales tax revenue throughout the State of California, as well as locally. Sales tax reports showed steady sales generated in most of the major business groups e.g., general consumer goods, autos and transportation, business and industry, restaurants and hotels, and building and construction. Sales tax revenue accounted for 78.1%, program revenues accounted for 20.9%, and investment income accounted for 1.0% of revenues earned by the Authority.

- Total expenses including interest on long-term debt were $116.9 million, which represents an increase of $6.8 million from the prior year. In the year ended June 30, 2023, expenses on Programs and Transportation Projects amounted to $52.6 million and $36.0 million, respectively. Construction costs can fluctuate based on the phase and number of capital projects being constructed annually and decreased $5.5 million compared to the prior year. Some major construction projects are nearing completion and include the State Route (SR) 4 East Widening ($6.5 million), I-680 Carpool Lane Gap Closure & Corridor Improvements (9.0 million), and the I-680 and SR242 Interchange Improvements (10.5 million). Interest expenses related to long-term debt was $12.4 million (see Note 7).

- The Authority's net position increased $41.1 million during the year ended June 30, 2023. In addition to improved sales tax revenues, the Authority completed project milestones that resulted in reduced expenses.

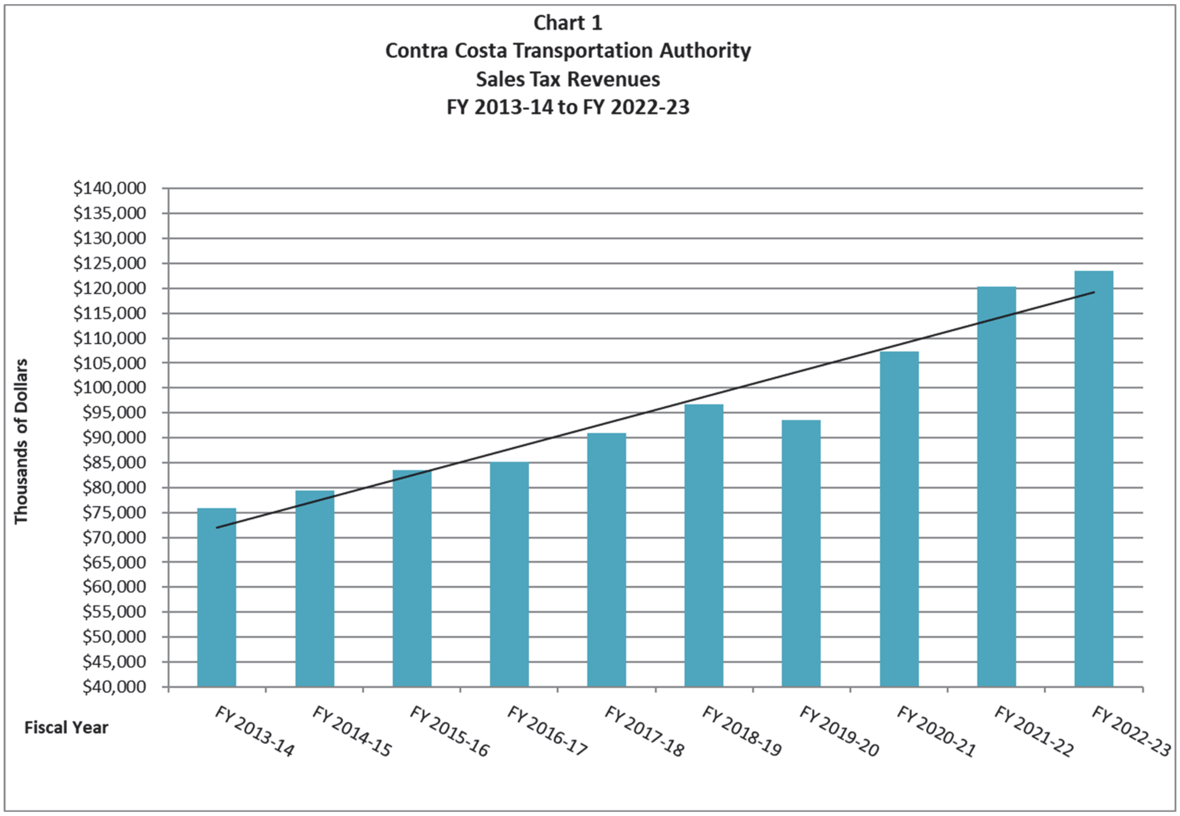
BACKGROUND AND SUPPORTING INFORMATION

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, 2023, were $123.5 million, which represents 78.1% of all the revenues received by the Authority. Sales tax revenue increased $3.2 million or 2.7% from the sales tax revenues received in Fiscal Year (FY) 2021-22. Revenues improved steadily throughout the year as businesses stabilized and unemployment declined. Many sectors saw steady growth recovering from the COVID19 pandemic a few years back. Consumers' spending increased on general goods $0.8 million (2.4%), autos and transportation $0.6 million (2.7%) and business and industry $0.8 million (4.7%). Restaurants and hotels $1.2 million (10.1%), increased significantly reflecting more patrons making restaurant trips and allocating their food budget more to dining out as well as more employees spent more time in office buildings and therefore campus food category saw improvement as well.

Chart 1 shows the annual sales tax revenues received from FY 2013-14 through FY2022-23.



Source: Authority audited financial statements

The county economy in the last fiscal year began to experience moderate declines from the growth spike seen during the pandemic recovery in the last couple of years. Sales tax for the next fiscal year appears likely to follow the recent trend of moderate declines before leveling off in early 2024. Cooling consumer confidence and greater pressure on household budgets may lead to a lackluster upcoming holiday shopping period. Furthermore, the possibility of a longer and more pronounced slowdown in economic activity exists as the Federal Reserve considers additional interest rate increases to combat high prices that are already stretching consumer wallets. The fuel-service stations sector contributed the most to this decline as falling fuel prices at the pump reduced receipts from gas stations and petroleum providers. Russia's invasion of Ukraine and other world events during this period last year, pushed the global cost of crude oil to record highs. This dynamic also carried into general consumer goods as retailers selling fuel experienced a similar drop. Sustained wet conditions further delayed projects, hindering building-construction returns. Higher interest rates represent a significant headwind for the industry with potential impacts of limited commercial development activity, slowing public infrastructure projects and homeowners left unable to access equity for renovations. Restaurant sales were a bright spot as they remained strong, with patrons allocating around 40% of their food budget to dining out almost back to the way it was prior to the pandemic.

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's statements as an unpaid liability.
- The Statement of Net Position also reports the Authority's long-term assets, such as depreciated capital equipment and infrastructure. 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	• Statement of Net Position • Statement of Activities (government-wide)	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances • Budgetary Comparison Schedule (for each individual fund)
Basis of Accounting, Measurement Focus	• Full accrual accounting • Economic resources focus	• Modified accrual accounting • Focus on current financial resources

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, 2023, and June 30, 2022.

Table 2
Statement of Net Position
Governmental Activities

	June 30, 2023	June 30, 2022
ASSETS		
Cash and investments	$ 124,261,408	$ 111,977,850
Restricted cash and investments	15,059,586	15,020,283
Receivables	42,703,579	35,273,795
Noncurrent assets		
Net OPEB asset	816,000	2,048,000
Capital assets, net of accumulated depreciation and amortization	1,468,055	1,839,805
TOTAL ASSETS	184,308,628	166,159,733
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pension	2,900,632	2,946,638
Deferred outflows of resources related to OPEB	544,000	273,000
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,444,632	3,219,638
LIABILITIES		
Long-term liabilities	430,355,703	459,676,658
Other liabilities	66,075,560	58,415,617
TOTAL LIABILITIES	496,431,263	518,092,275
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to refunding of debt	2,817,862	3,077,818
Deferred inflows of resources related to pensions	1,038,898	1,006,005
Deferred inflows of resources related to OPEB	491,000	1,370,000
TOTAL DEFERRED INFLOWS OF RESOURCES	4,347,760	5,453,823
NET POSITION (DEFICIT)		
Investment in capital assets	95,114	79,385
Restricted for transportation projects and programs	102,235,124	103,856,311
Reserves	13,713,889	-
Unrestricted deficit	(429,069,890)	(458,102,423)
TOTAL NET POSITION (DEFICIT)	$ (313,025,763)	$ (354,166,727)

Cash and Investments at June 30, 2023 consists of investments in the State Local Agency Investment Fund of $52.5 million, U.S. Treasury Notes of $62.2 million, Corporate Notes of $5.2 million, Municipal Obligations of $0.3 million, Money Market Mutual Funds of $15.5 million. (For additional details on the composition and categorization of cash and investments please see Note 3.)

Receivables at June 30, 2023 consist of sales tax $22.0 million, interest $0.8 million and intergovernmental $19.9 million. Intergovernmental increased $6.4 million. The increase is a result of the timing associated with the Interchange Improvements on I-680/SR4 capital improvement project and Mokelumne Trail project partially funded by Federal, State and local grant funds.

Other assets at June 30, 2023 includes the reported net OPEB asset of $0.8 million as of the measurement date of June 30, 2022. (For additional information please see Note 10).

Capital Assets at June 30, 2023, was $1.5 million. A decrease of $0.4 million mostly contributed by the depreciation and amortization of the capital assets and intangible right-to-lease asset. Despite large capital transportation projects worked during the year; the Authority does not hold title to these capital assets. (For additional information please see Note 5.)

Deferred Outflows of Resources. The Authority reported deferred outflows amounting to $3.4 million. The deferred outflow of resources related to pension 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 $0.5 million. (For additional information please see Note 10).

Other liabilities totaled $66.1 million, consisting of accounts payable and accrued liabilities $53.2 million, accrued employee benefits $1.2 million, and deposits payable $11.7 million.

Long-term debt. As of June 30, 2023, the Authority reported $430.3 million for the net pension liability of $1.3 million, lease liability of $1.4 million and Sales Tax Bonds of $427.6 million used to finance transportation projects. (For additional information please see Note 9 and 7, respectively).

Deferred Inflows of Resources. The Authority reported deferred inflows amounting to $4.3 million. The deferred inflow of resources on the refunding of the 2012B and 2018A Sales Tax Revenue Bonds net of amortization was $2.8 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, 2022, 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, 2022, was $0.5 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, 2023, and June 30, 2022.

Table 3
Statement of Activities
Governmental Activities

	For the Year Ended: June 30, 2023	June 30, 2022
REVENUES		
General revenues		
Sales taxes	$ 123,501,273	$ 120,303,503
Other general revenues/(losses)	1,567,744	(2,646,831)
Program revenues		
Operating grants and contributions	4,371,174	3,448,654
Capital grants	28,614,033	25,605,082
TOTAL REVENUES	158,054,224	146,710,408
EXPENSES		
Administration	2,435,602	2,152,227
Unallocated pension and OPEB expense	3,550,465	(4,533,321)
Project management	2,069,005	1,729,515
Programs	52,601,845	50,212,736
Transportation projects	35,966,264	41,434,892
Regional planning	2,902,244	2,991,863
Congestion management	2,243,752	1,490,775
Transportation demand management	1,596,915	1,907,201
Transportation planning land use solutions	12,081	22,138
Transportation innovation - GoMentum	1,098,150	77,634
Debt service interest and related fees	12,436,937	12,584,065
TOTAL EXPENSES	116,913,260	110,069,725
CHANGE IN NET POSITION	41,140,964	36,640,683
Net position - beginning (deficit)	(354,166,727)	(390,807,410)
TOTAL NET POSITION (DEFICIT)	$ (313,025,763)	$ (354,166,727)

Sales tax revenues are the largest revenue source amounting to $123.5 million, up 2.7% from $120.3 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 represent 78.1% of all Authority revenues for the year ended June 30, 2023. The increase in sales tax is discussed in detail at the beginning of this MD&A.

Investment income was $1.6 million for the year ended June 30, 2023, which includes interest revenue and accounting of unrealized gain/(losses) on investments at year end. Interest revenue came in $1.7 million higher from the prior year. Due to market fluctuations, the Authority's investment earnings recognized an unrealized gain of $0.2 million during the fiscal year. Cash and investments are invested in separate portfolios depending upon the objectives of the assets being managed. The $139.3 million of cash and investments include $15.1 million of bond principal and interest for debt service. The Authority's investment portfolio included $67.7 million of individual securities, such as U.S. Treasury Notes, Corporate Notes and other securities permitted by State law and the Authority's adopted Investment Policy. The investment portfolio yield to maturity at June 30, 2023 was 4.97%., meeting the benchmark (Bank of America/Merrill Lynch 1 to 3 Year U.S. Treasury Index) measure of 4.98%. This portfolio is actively managed by Public Trust Advisors, the Authority's independent investment advisor.

Program revenues represent $33.0 million or about 20.9% of total revenues and increased $3.9 million from last year. Capital grant revenues totaled $28.6 million, which included reimbursement from the State Local Partnership Program for $8.1 million, Regional Measure 3 for $11.7 million, Federal SAFETEA-LU (DEMO) program for $3.7 million and local agencies contributions for $4.3 million. The major active capital projects are I-680/SR 4 Interchange Improvements, Innovate 680 program and the Mokelumne Trail Bicycle and Pedestrian Overcrossing. Many capital projects are under construction, 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 $1.0 million, State Motor Vehicle Registration Surcharge for $1.5 million and Federal Surface Transportation Program for $1.4 million.

Expenses, including depreciation, 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, intangible right-to-use lease asset, depreciation and amortization expense are adjusted to this category as capital assets consist mainly of the financial system and leasehold improvements. Administration expense was $2.4 million for the year ended June 30, 2023, which remained close to prior year. Administrative salaries and benefits of $0.8 million are 0.7% of sales tax revenues in the year ended June 30, 2023, less than the 1% administrative limitation policy.

- **Unallocated pension and OPEB expense/(revenue)** 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 fluctuates from year to year and being irrelevance 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 expenses from pension and OPEB for the year ended June 30, 2023, were $3.5 million and $82 thousand respectively.

- **Project management** includes tasks and costs related to the oversight of Measure J and Measure C projects. Measure J projects include the Innovate 680, I-680/SR4 Interchange Improvements, Mokelumne Trail Bicycle and Pedestrian Overcrossing and Iron Horse Trail Overcrossing at Bollinger Canyon project. Measure C projects included the Interstate 680 Corridor. Project management for the year ended June 30, 2023 was $2.1 million, which is an increase of $0.3 million from the prior year.

- **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.

Overall program expenses increased from the prior year from $50.2 million to $52.6 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 $36.0 million for the year ended June 30, 2023, which was $5.5 million less than the project costs for the year ended June 30, 2022. Project costs are discussed in detail at the general fund level.

- The **Regional Planning** function includes tasks and costs related to the 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 $2.9 million for the year ended June 30, 2023, which remained close to the prior year.

- **Congestion Managemen**t 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 $2.2 million, an increase of $0.7 million from the prior year. Current work continues on the Regional Comprehensive Transportation Safety Action Plan and Congestion Management support.

- **Transportation Demand Management** spent $1.6 million for ride sharing 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 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 $1.1 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 the 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, 2023, the Authority incurred interest expense and bond amortization costs of $12.4 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2022-23 original budget (adopted June 2022) General Fund expenditures and transfers out in the amount of $148.5 million, to the final budget amount of $128.8 million there was a decrease in budgeted expenditures and transfers out of $19.7 million. The causes for these decreases are summarized below.

(In Millions)

Beginning Balance	+	Supplemental Changes	=	Final Budget
$ 148.5		$ (19.7)		$ 128.8

During the fiscal year, the total revenues for the General Fund were $108.6 million. This was $11.8 million lower than budgeted. The total expenditures and transfers out for the General Fund were $114.8 million. This was $14.0 million less than budgeted.

Sales tax revenues were greater than the budget by $10.0 million. Sales tax revenues show steady sales generated in most of the major business groups. The combination of inflation and increased purchases continues to impact sales tax revenue throughout Contra Costa County. In California, sale tax performance for fiscal year 2022-23 grew by 2.1%, but it lags far behind the double-digit growth seen during the pandemic recovery. It is reflected in the Authority's sales tax revenue moderate increase of $2.4 million or 2.7% 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 $11.3 million and under budget by $7.1 million due to delays in capital project schedules. Program revenues were less than the 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 fiscal year 2022-23 General Fund budget were:

- Decrease of $11.2 million for programs associated with current funding allocations from sales tax revenue. Transportation for Livable Community (TLC) and Pedestrian, Bicycle and Trail Facilities (PBTF) decreased $6.9 million and $4.3 million, respectively. The changes are as results of the timing of the capital and program expenditures.
- Net decrease of $7.3 million related to capital improvement projects based on timing of project expenditures and revised project timelines.
- Net decrease of $1.2 million related to subregional projects based on timing of project expenditures.
- Net decrease of $0.5 million related to countywide capital and maintenance based on timing of project expenditures.
- Net increase of $1.3 million from original to final budget for salary and benefit and supplies and services for congestion management based on the consulting services associated with growth management, action planning and monitoring, project modeling studies and investment growth strategy programs.
- Net increase of $0.3 million related to Fund Exchange Reserve fund for supplies and services expenditures.

Transportation Capital Improvement Projects were $9.8 million under budget for the year ended June 30, 2023. Capital projects are typically multi-year, 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. Following are the larger variances for the fiscal year:

i. SR4 East Widening was under budget by $0.4 million as close-out services progressed slower than anticipated.

ii. East County Corridor was under budget by $0.5 million due to the Mokelumne Trail Overcrossing project that started last fiscal year.

iii. I-680 Carpool Lane Gap Closure and Corridor improvement was under budget by $4.0 million as construction continues and meets the project timelines.

iv. Countywide capital and maintenance projects were under budget $4.4 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.

v. Subregional projects were under the budget of $0.5 million as the Authority continues to work with cities and agencies to complete projects within 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

The General Fund's ending fund balance was $58.6 million as of June 30, 2023, which represents a decrease of $6.2 million for the year. The decrease is due to the use of sales tax revenues to reimburse project costs.

Sales tax revenues were $91.3 million in the year ended June 30, 2023. Measure J saw an increase in sales tax receipts this fiscal year, which is discussed in detail at the beginning of this MD&A.

Grants and contributions were $16.5 million in Federal, State, and local grants and contributions, which decreased $9.7 million from the prior year. The annual variation in these fundings is dependent on the timing of reimbursement on capital projects.

The Authority received $6.8 million in State Local Partnership Program (LPP) funds for I-680/SR4 Interchange Improvements construction. The East County Corridors received $1.2 million in Federal SAFETEA-LU (DEMO) for project management and construction services. Federal Surface Transportation Program funds were $3.7 million, of which $0.8 million was for regional planning efforts and $2.9 million was for the Innovate 680 project. Contributions from local agencies associated with studies, project management and construction expenditures incurred by the Authority were $4.3 million, $0.3 million from local cities and the county for congestion management services, $0.3 million from Contra Costa County for the SR239 project, $1.1 million from the City of San Ramon for the Iron Horse Trail (IHT) overcrossing project, $0.8 million from Regional Measure X for the implementation of the Accessible Transportation Strategic Plan and $1.5 million from the City of San Ramon as part of the funding exchange agreement with the Authority utilizing State Transportation Improvement Program (STIP) revenues for the IHT overcrossing project.

Transportation Project expenditures at June 30, 2023, were $35.9 million, which represents a decrease of $5.3 million from the prior year. Projects are categorized under Capital Improvement Projects, Countywide Capital and Maintenance Projects, Subregional Projects and Non-Measure J Projects. Large capital project expenditures can decrease significantly based on the construction phases and related construction management services.

Following are the main project costs for the fiscal year:

i. East County Corridor spent $8.2 million on construction and construction support services for the SR4 Bypass: Laurel to Sand Creek and SR239 environmental projects.

ii. I-680/SR4 Interchange Improvements spent $10.5 million on construction, construction support and right-of-way services.

iii. I-80 Carpool Lane Extension Improvements spent $1.2 million on construction and construction support services for the environmental clearance phase.

iv. I-680 Carpool Lane Gap Closure spent $9.0 million on construction and construction support services.

<u>Measure C Special Revenue Fund</u>

Measure C Fund's ending fund balance was $5.2 million as of June 30, 2023, which represents a slight increase of $16 thousand for the year. The increase was a result of surplus investment income over the project administrative expenses. The remaining fund balance will be utilized in future years on the remaining Measure C commitments.

<u>Measure J Debt Service Fund</u>

Measure J Debt Service Fund's ending fund balance was $15.0 million as of June 30, 2023, which slightly increased by $39 thousand for the year. The increase was due to the net excess of investment income and use of cash reserves set aside for annual debt service. The 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.

AUTHORITY'S OUTLOOK

The result of the work done by the Authority and the regional transportation planning committees to prioritize projects and programs in the 2022 Measure J Strategic Plan to keep projects moving forward is paying off. Over the past year, staff has introduced, discussed, and developed a roadmap to developing a work plan for CCTA 4.0. Through this work plan and discussions, we are working to achieve CCTA's vision of the future transportation system with more focus on efficiency and outcomes-based decision making. A shift from "building the network" to "efficiently operating the network" is envisioned through CCTA 4.0. Metrics to determine the effectiveness of the network, improve coordination/integration between different transportation modes, and enhance the ability to quickly assess the impacts of different decisions are necessary. More focus on alternative modes, operational efficiencies, optimizing use of existing infrastructure, maximizing throughput, safety, and mode shift is essential to effectively manage the system. With the creation of the I-680 and I-80 Corridor partnerships, the Authority will work with the other regional transportation agencies to develop goals and implementation of the Smart Corridor, conversion to zero-emission buses, shared mobility hubs, shared autonomous vehicle program and adaptive ramp metering. These innovative projects enhance safety while leveraging technology through the collaboration with the regional agencies to benefit all the citizens in the Bay Area. 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.

Additional work and meetings are being done on additional ferry services and the Richmond/San Rafael Bridge to improve the corridors performance. In a collaborative effort with the City of San Ramon, the Authority is utilizing a construction manager/general contractor service to facilitate design and construction activities on the Bollinger Canyon Road – Iron Horse Trail Bicycle Pedestrian Overcrossing. The SR 239 project has completed the feasibility study and the project initiation document. This project will significantly enhance the impacted corridor in east county. However, there is a significant funding shortage that could be resolved with potential infrastructure bills. There have been significant improvements along the I-680 corridor and construction is being completed on the I-680 HOV lane and the I-680/SR4 interchange. During the fiscal year, several other projects saw approval of environmental documents to move these projects closer to the construction phase. Measure J continues to fund programs such as Bus Transit, Paratransit, Express Bus, Safe Transportation for Children, and Commute Alternatives.

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.

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. The GMS program continues to expand and grow, realizing over 300 reservations per month from testing partners. In September 2023, CCTA purchased two Local Motor Ollie shuttles to support education and public engagement of Shared Autonomous Vehicles (SAV) through the Summer Community Event Series. Developed GoMentum 2.0 Pre-Feasibility Study (Study), economic analysis, and workforce development framework. The Study identified potential locations at the Concord Naval Weapons Station to expand the program into a proving ground meeting the market and partner needs into the future. The economic analysis estimates over 700 million jobs will be created leading to approximately $158 million in economic development and benefits for Contra Costa County. The workforce development programs would create the needed training programs for upskilling, reskilling, and micro-credential degree programs. Staff have met with the GMS Ad Hoc Committee to provide guidance into the vision and next steps.

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 last completed in 2017 and the Authority is currently working on the next CTP to be completed in 2024.

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.

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, 2023

		Governmental Activities
ASSETS		
Cash and investments (Note 3)	$	124,261,407
Restricted cash and investments (Note 3)		15,059,586
Sales tax receivable		22,029,954
Interest receivable		812,287
Intergovernmental receivable		19,861,339
Noncurrent assets		
Net OPEB asset (Note 10)		816,000
Capital assets, net of accumulated depreciation and amortization (Note 5)		1,468,055
TOTAL ASSETS		184,308,628
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions (Note 9)		2,900,632
Deferred outflows of resources related to OPEB (Note 10B)		544,000
TOTAL DEFERRED OUTFLOWS OF RESOURCES		3,444,632
LIABILITIES		
Accounts payable and accrued liabilities		53,193,976
Accrued employee benefits		1,158,582
Deposits payable (Note 6)		11,723,002
Current portion of long-term liabilities (Note 7)		33,998,879
Noncurrent liabilities		
Net pension liability (Note 9)		1,347,379
Liabilities due in more that one year (Note 7)		395,009,445
TOTAL LIABILITIES		496,431,263
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to refunding of debt		2,817,862
Deferred inflows of resources related to pensions (Note 9)		1,038,898
Deferred inflows of resources related to OPEB (Note 10B)		491,000
TOTAL DEFERRED INFLOWS OF RESOURCES		4,347,760
NET POSITION (DEFICIT) (Note 13)		
Investment in capital assets		95,114
Restricted for:		
Transportation projects and programs		102,235,124
Assigned for:		
Reserves		13,713,889
Unrestricted deficit		(429,069,890)
TOTAL NET POSITION (DEFICIT)	$	(313,025,763)

See accompanying notes to basic financial statements.

CONTRA COSTA TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

		Program Revenues		
Functions/Programs	**Expenses**	**Operating Grants and Contributions**	**Capital Grants**	**Net (Expense) Revenue and Changes in Net Position**
Governmental Activities:				
Administration	$ 2,435,602	$ -	$ -	$ (2,435,602)
Unallocated pension and OPEB expense	3,550,465	-	-	(3,550,465)
Project management	2,069,005	-	-	(2,069,005)
Programs	52,601,845	1,046,324	-	(51,555,521)
Transportation projects	35,966,264	-	28,614,033	(7,352,231)
Regional planning	2,902,244	-	-	(2,902,244)
Congestion management	2,243,752	1,413,101	-	(830,651)
Transportation demand management	1,596,915	1,541,433	-	(55,482)
Transportation planning land use solutions	12,081	370,316	-	358,235
Transportation Innovation - GoMentum	1,098,150	-	-	(1,098,150)
Interest and related fees	12,436,937	-	-	(12,436,937)
Total governmental activities	$ 116,913,260	$ 4,371,174	$ 28,614,033	(83,928,053)
General Revenues:				
Sales taxes				123,501,273
Investment income/(loss)				1,565,768
Miscellaneous				1,976
Total general revenues				125,069,017
Change in net position				41,140,964
Net position at beginning of year				(354,166,727)
Net position at end of year				$ (313,025,763)

See accompanying notes to basic financial statements.

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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 2023. 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, 2023

	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)	$ 65,914,694	$ 35,531,858	$ 5,254,456	$ 30	$ 17,560,369	$ 124,261,407
Restricted cash and investments (Note 3)	-	-	-	15,059,586	-	15,059,586
Sales tax receivable	16,282,339	4,425,817	-	-	1,321,798	22,029,954
Interest receivable	812,287	-	-	-	-	812,287
Intergovernmental receivable	19,098,744	-	-	-	762,595	19,861,339
Total Assets	$ 102,108,064	$ 39,957,675	$ 5,254,456	$ 15,059,616	$ 19,644,762	$ 182,024,573
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Accounts payable and accrued liabilities	$ 14,346,313	$ 37,211,007	$ 10,850	$ -	$ 1,625,806	$ 53,193,976
Accrued employee benefits	1,153,297	-	-	-	5,285	1,158,582
Deposits payable	11,484,339	-	-	-	238,663	11,723,002
Total Liabilities	26,983,949	37,211,007	10,850	-	1,869,754	66,075,560
Deferred Inflows of Resources						
Unavailable revenue	16,518,005	-	-	-	610	16,518,615
Fund Balances (Note 13)						
Restricted:						
Air quality	-	-	-	-	1,976,238	1,976,238
Fund Exchange Reserve	1,939,066	-	-	-	-	1,939,066
Commute alternatives	-	-	-	-	2,031,847	2,031,847
Transportation projects	-	-	5,243,606	15,059,616	-	20,303,222
Paratransit program	-	-	-	-	12,946,004	12,946,004
Additional paratransit program	2,695,429	-	-	-	-	2,695,429
Safe transportation for children	7,774,875	-	-	-	-	7,774,875
Ferry service	13,019,969	-	-	-	-	13,019,969
Bus transit and improvements	2,061,083	-	-	-	-	2,061,083
Express bus	1,958,269	-	-	-	-	1,958,269
Transportation for livable communities projects (TLC)	20,857,895	-	-	-	-	20,857,895
Additional TLC	4,370,173	-	-	-	-	4,370,173
Pedestrian, bicycle and trail facilities	5,277,994	-	-	-	-	5,277,994
Additional pedestrian, bicycle and trail facilities	212,984	-	-	-	-	212,984
Subregional transportation needs	4,242,767	-	-	-	-	4,242,767
Planning and facilities	2,394,261	-	-	-	-	2,394,261
Administration	3,212,427	-	-	-	-	3,212,427
Assigned: Reserves	10,146,912	2,746,668	-	-	820,309	13,713,889
Unassigned	(21,557,994)	-	-	-	-	(21,557,994)
Total Fund Balances	58,606,110	2,746,668	5,243,606	15,059,616	17,774,398	99,430,398
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 102,108,064	$ 39,957,675	$ 5,254,456	$ 15,059,616	$ 19,644,762	$ 182,024,573

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, 2023

Total Fund Balances on Governmental Funds Balance Sheet		$ 99,430,398
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).		1,468,055
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 9):		
Net pension liability	$ (1,347,379)	
Deferred outflows of resources	2,900,632	
Deferred inflows of resources	(1,038,898)	
		514,355
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 10).		
Net OPEB asset	$ 816,000	
Deferred outflows of resources	544,000	
Deferred inflows of resources	(491,000)	
		869,000
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.		16,518,615
Lease liabilities are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds. (Note 7)		(1,372,941)
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 7):		
Sales tax revenue bonds outstanding	$ (373,950,000)	
Unamortized premium on bonds	(53,685,383)	
Deferred inflow of resources on refunding of debt	(2,817,862)	
Subtotal		(430,453,245)
Net Position (deficit) on the Statement of Net Position		$ (313,025,763)

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, 2023

	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	$ 91,279,791	$ 24,811,406	$ -	$ -	$ 7,410,076	$ 123,501,273
Investment income/(loss)	783,443	34,262	65,409	460,930	221,724	1,565,768
Federal Surface Transportation Program (CMA)	827,108	-	-	-	-	827,108
Federal Surface Transportation Program (Innovate-680)	2,898,762	-	-	-	-	2,898,762
Federal Demo (East County Corridors)	1,244,634	-	-	-	-	1,244,634
Federal Congestion Mitigation (CMAQ)	-	-	-	-	211,290	211,290
State Planning, Programming and Monitoring (PPM)	62,969	-	-	-	-	62,969
State Local Partnership Program (I-680/4 I/C Improv)	6,847,799	-	-	-	-	6,847,799
State Transportation Imp. Program (I-680 Carpool))	344,021	-	-	-	-	344,021
State Funds - VMT Mitigation Program	325,090	-	-	-	-	325,090
State Motor Vehicle Registration Surcharge (TFCA)	-	-	-	-	1,541,433	1,541,433
Regional Measure X (ATSP Implementation)	-	-	-	-	840,000	840,000
Contra Costa County (East County Corridors)	312,384	-	-	-	-	312,384
East Contra Costa Regional Fee and Financing Authority	122,419	-	-	-	-	122,419
Contributions (FER Fund)	1,457,126	-	-	-	-	1,457,126
Contributions (San Ramon/Iron Horse Trail)	1,139,152	-	-	-	-	1,139,152
Contributions from CMA member agencies	271,210	-	-	-	-	271,210
Contributions (StreetLight)	292,500	-	-	-	-	292,500
Contributions (GoMentum)	-	-	-	-	161,163	161,163
Contributions (ACTC - Bi County Travel Model)	172,961	-	-	-	-	172,961
Contributions (Innovate 680/TSP Implementation)	74,677	-	-	-	-	74,677
Contributions (Others)	107,682	-	-	-	4,971	112,653
Miscellaneous revenue	1,976	-	-	-	-	1,976
Total Revenues	108,565,704	24,845,668	65,409	460,930	10,390,657	144,328,368
EXPENDITURES						
Current:						
Administration:						
Salaries and employee benefits	835,939	-	-	-	-	835,939
Services, supplies & capital outlay	1,615,393	-	-	-	-	1,615,393
Project Management:						
Salaries and employee benefits	1,789,192	-	-	-	-	1,789,192
Services, supplies & capital outlay	279,813	-	-	-	-	279,813
Programs:						
Commute alternatives	-	-	-	-	1,130,277	1,130,277
Additional paratransit	947,462	-	-	-	-	947,462
Bus transit enhancements	4,097,796	-	-	-	-	4,097,796
Ferry Service program	3,724,965	-	-	-	-	3,724,965
Paratransit	-	-	-	-	5,459,298	5,459,298
Express bus program	4,742,474	-	-	-	-	4,742,474
Bus transit and improvement program	5,678,226	-	-	-	-	5,678,226
Safe transportation for children	4,722,347	-	-	-	-	4,722,347
Local street and maintenance	-	19,800,000	-	-	-	19,800,000
Subregional local street and maintenance	-	2,299,000	-	-	-	2,299,000
Transportation Projects:						
Highways and arterials	-	-	48,916	-	-	48,916
Transit	-	-	645	-	-	645
Capital improvement projects	30,129,556	-	-	-	-	30,129,556
Countywide capital and maintenance projects	3,094,248	-	-	-	-	3,094,248
Subregional projects	2,624,194	-	-	-	-	2,624,194
Non-Measure J projects	68,704	-	-	-	-	68,704
Regional Planning:						
Salaries and employee benefits	431,928	-	-	-	-	431,928
Services, supplies & capital outlay	2,470,316	-	-	-	-	2,470,316
Congestion Management:						
Salaries and employee benefits	1,123,258	-	-	-	-	1,123,258
Services, supplies & capital outlay	1,120,494	-	-	-	-	1,120,494
Transportation Demand Management (Air Quality):						
Salaries and employee benefits	-	-	-	-	77,088	77,088
Contributions to other agencies	-	-	-	-	1,519,827	1,519,827
Transportation Planning Land Use Solutions:						
Salaries and employee benefits	12,081	-	-	-	-	12,081

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, 2023

	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	-	-	-	-	2,980	2,980
Services, supplies & capital outlay	-	-	-	-	356,901	356,901
Fund Exchange Reserve:						
Services, supplies & capital outlay	738,269	-	-	-	-	738,269
Debt service:						
Principal	-	-	-	26,335,000	-	26,335,000
Interest and related fees	-	-	-	18,684,935	-	18,684,935
Total Expenditures	70,246,655	22,099,000	49,561	45,019,935	8,546,371	145,961,522
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,319,049	2,746,668	15,848	(44,559,005)	1,844,286	(1,633,154)
OTHER FINANCING SOURCES (USES)						
Transfer in (Note 4)	62,000	-	-	44,598,338	-	44,660,338
Transfer out (Note 4)	(44,598,338)	-	-	-	(62,000)	(44,660,338)
Total Other Financing Sources (Uses)	(44,536,338)	-	-	44,598,338	(62,000)	-
NET CHANGE IN FUND BALANCES	(6,217,289)	2,746,668	15,848	39,333	1,782,286	(1,633,154)
Fund Balances - Beginning	64,823,399	-	5,227,758	15,020,283	15,992,112	101,063,552
Fund Balances - Ending	$ 58,606,110	$ 2,746,668	$ 5,243,606	$ 15,059,616	$ 17,774,398	$ 99,430,398

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, 2023

Net Change in Fund Balances - Total Governmental Funds		$ (1,633,154)
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	$ 94,881	
Depreciation expense	(55,449)	39,432
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.		13,725,855
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	$ 5,988,042	
Amortization of gain on refunding	259,956	
Retirement of long-term debt	26,335,000	32,582,998
Lease payments require the use of current financal resources, but reduces lease liabilities in the statement of net position.		(23,702)
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.		(82,000)
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.		(3,468,465)
Change in net position of governmental activities		$ 41,140,964

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, 2023

	Budget			
	Original	**Final**	**Actual**	**Variance with Final Budget - Positive (Negative)**
REVENUES				
Sales tax	$ 81,301,000	$ 81,301,000	$ 91,279,791	$ 9,978,791
Investment income/(loss)	445,000	745,000	783,443	38,443
Federal Surface Transportation Program (CMA)	1,039,763	1,346,291	827,108	(519,183)
Federal Surface Transportation Program (Innovate 680) (CIP8)	12,481,502	9,900,000	2,898,762	(7,001,238)
Federal Demo (East County Corridors)	2,428,000	1,501,305	1,244,634	(256,671)
State Planning, Programming and Monitoring (PPM)	356,000	356,000	62,969	(293,031)
State Funds (East County Integrated Transit Study)	1,000	1,000	-	(1,000)
State Local Partnership Program (I-680/4 I/C Improv)	7,599,600	6,587,243	6,847,799	260,556
State Transportation Imp. Program (I-680 Carpool)	3,565,422	1,332,742	344,021	(988,721)
State Funds - VMT Mitigation Program	-	-	325,090	325,090
Regional Measure 3 (SR4 Mokulemne POC) (CIP5)	-	6,450,000	-	(6,450,000)
Regional Measure 3 (I-680/SR4 I/C Improv) (CIP6)	-	2,465,497	-	(2,465,497)
Bay Area Toll Authority (I-680 Carpool Ln) (CIP8)	50,000	50,000	-	(50,000)
Contra Costa County (East County Corridors)	784,000	375,326	312,384	(62,942)
East Contra Costa Regional Fee and Financing Authority	7,306,000	10,000	122,419	112,419
Contributions (FER Fund)	-	1,460,000	1,457,126	(2,874)
Contributions (San Ramon/Iron Horse Trail)	9,031,032	4,140,000	1,139,152	(3,000,848)
Contributions from CMA member agencies	479,318	274,577	271,210	(3,367)
Contributions (Local Agencies)	1,987,445	1,981,445	647,820	(1,333,625)
Escrow Earnings (SR4 East)	100,000	100,000	-	(100,000)
Miscellaneous revenue	1,000	1,000	1,976	976
Total Revenues	128,956,082	120,378,426	108,565,704	(11,812,722)
EXPENDITURES				
Current expenditures:				
Administration:				
Salaries and employee benefits	753,870	797,400	835,939	(38,539)
Services, supplies & capital outlay	1,722,400	1,729,900	1,615,393	114,507
Project Management:				
Salaries and employee benefits	1,844,123	1,870,819	1,789,192	81,627
Services, supplies & capital outlay	347,500	347,500	279,813	67,687
Programs:				
Additional paratransit	1,565,000	1,565,000	947,462	617,538
Bus transit enhancements	3,996,000	3,996,000	4,097,796	(101,796)
Express bus program	4,930,000	4,930,000	4,742,474	187,526
Bus transit and improvement program	5,700,000	5,700,000	5,678,226	21,774
Ferry service	3,709,330	3,709,330	3,724,965	(15,635)
Safe transportation for children	5,199,500	5,199,500	4,722,347	477,153
Transportation Projects:				
Capital improvement projects	42,360,674	35,105,141	30,129,555	4,975,586
Countywide capital and maintenance projects	19,173,879	7,486,899	3,094,248	4,392,651
Subregional projects	4,320,173	3,097,522	2,624,194	473,328
Non-Measure J projects	-	-	68,704	(68,704)
Regional Planning:				
Salaries and employee benefits	772,751	672,996	431,928	241,068
Services, supplies & capital outlay	4,090,000	4,102,500	2,470,316	1,632,184
Congestion Management:				
Salaries and employee benefits	811,966	1,200,025	1,123,258	76,767
Services, supplies & capital outlay	1,085,000	1,981,000	1,120,494	860,506
Transportation Planning Land Use Solutions:				
Salaries and employee benefits	43,951	19,352	12,081	7,271
Services, supplies & capital outlay	10,000	10,000	-	10,000
Fund Exchange Reserve:				
Services, supplies & capital outlay	-	300,000	738,269	(438,269)
Total Expenditures	102,436,117	83,820,884	70,246,655	13,642,933
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,519,965	36,557,542	38,319,049	1,830,211
OTHER FINANCING SOURCES (USES)				
Transfer in	-	62,000	62,000	-
Transfer out	(46,119,935)	(45,019,935)	(44,598,338)	421,597
Total Other Financing Sources (Uses)	(46,119,935)	(44,957,935)	(44,536,338)	421,597
NET CHANGES IN FUND BALANCES	$ (19,599,970)	$ (8,400,393)	(6,217,289)	$ 2,251,808
Fund Balance - Beginning			64,823,399	
Fund Balance - Ending			$ 58,606,110	

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, 2023

	Budget			
	Original	Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Sales tax	$ 22,099,000	$ 22,099,000	$ 24,811,406	$ 2,712,406
Investment income	-	-	34,262	34,262
Total Revenues	22,099,000	22,099,000	24,845,668	2,746,668
EXPENDITURES				
Current expenditures:				
Programs:				
Local street and maintenance	19,800,000	19,800,000	19,800,000	-
Subregional local street and maintenance	2,299,000	2,299,000	2,299,000	-
Total Expenditures	22,099,000	22,099,000	22,099,000	-
NET CHANGES IN FUND BALANCES	$ -	$ -	2,746,668	$ 2,746,668
Fund Balance - Beginning			-	
Fund Balance - Ending			$ 2,746,668	

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, 2023

	Budget			
	Original	**Final**	**Actual**	**Variance with Final Budget - Positive (Negative)**
REVENUES				
Investment income/(loss)	$ 43,000	$ 45,000	$ 65,409	$ 20,409
Total Revenues	43,000	45,000	65,409	20,409
EXPENDITURES				
Current expenditures:				
Transportation Projects:				
Highways and arterials	18,845	1,941,026	48,916	1,892,110
Transit	99,271	2,000	645	1,355
Total Expenditures	118,116	1,943,026	49,561	1,893,465
NET CHANGES IN FUND BALANCES	$ (75,116)	$ (1,898,026)	15,848	$ 1,913,874
Fund Balance - Beginning			5,227,758	
Fund Balance - Ending			$ 5,243,606	

See accompanying notes to basic financial statements.

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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.

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.

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

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.

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.

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

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.

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 s*pecial 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.

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

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.

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, 2023.

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.

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

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, 2023.

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.

J. Effects of New Pronouncements

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021 or FY 2022/2023. The Authority is evaluating the impact of this Statement on the financial statements. There was no impact to fund balance or net position.

GASB Statement No. 94 – In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objectives of this Statement improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022 or FY 2022/2023. The Authority is evaluating the impact of this Statement on the financial statements. There was no impact to fund balance or net position.

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

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objectives of this Statement is to provide 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 reporting periods beginning after June 15, 2022 or FY 2022/2023. The Authority is evaluating the impact of this Statement on the financial statements. There was no impact to fund balance or net position.

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. 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.

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.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

A. Excess of Expenditures over Appropriation

During fiscal year 2023, the following funds had expenditures in excess of budget are shown below:

Fund	Excess of Expenditures Over Appropriations
Measure J General Fund	
Administration: Salaries and Employee Benefits	$38,539
Program: Bus transit enhancements	101,796
Program: Ferry service	15,635
Transportation Projects: Non-Measure J projects	68,704
Fund Exchange Reserve: Services, Supplies & Capital outlay	438,269
Measure J GoMentum Other Governmental Fund	
Program: GoMentum	56,901

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

A. Carrying Amount at Fair Value

Cash and investments are carried at fair value and are categorized as follows at June 30, 2023:

	Available for Operations	Held by Fiscal Agents	Total
U.S. Treasury Notes	$ 62,249,478	$ -	$ 62,249,478
Corporate notes	5,173,589	-	5,173,589
Municipal Obligation	270,680	-	270,680
Money Market Mutual Funds	476,055	15,059,586	15,535,641
Local Agency Investment Fund	52,555,114	-	52,555,114
Escrow Retention (MMF)	464,326	-	464,326
Total investments	121,189,242	15,059,586	136,248,828
Cash in bank	3,072,165	-	3,072,165
Total Cash and Investments	$ 124,261,407	$ 15,059,586	$ 139,320,993
Cash and Investments:			
Unrestricted Cash and Investments	$ 124,261,407	$ -	$ 124,261,407
Restricted Cash and Investments	-	15,059,586	15,059,586
Total Cash and Investments	$ 124,261,407	$ 15,059,586	$ 139,320,993

NOTE 3 – CASH AND INVESTMENTS (Continued)

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.

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"

NOTE 3 – CASH AND INVESTMENTS (Continued)

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, 2023, the carrying amount of the Authority's deposits was $3,072,165 and the bank balance was $7,345,475 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 $6,845,475 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.

***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, 2023, 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:

	Maturities		
Investment Type	Less than One Year	One to Five Years	Total
U.S. Treasury Notes	$ -	$ 62,249,478	$ 62,249,478
Corporate Notes	905,958	4,267,631	5,173,589
Municipal Obligation	-	270,680	270,680
Money Market Mutual Funds *	15,535,641	-	15,535,641
Local Agency Investment Fund *	52,555,114	-	52,555,114
Escrow Retention (MMF)	464,326	-	464,326
Total Investments	$ 69,461,039	$ 66,787,789	$ 136,248,828

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

As reported by the State Treasurer, the average life of an investment in the LAIF portfolio was 260 days on June 30, 2023.

NOTE 3 – CASH AND INVESTMENTS (Continued)

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, 2023 for each investment type as provided by Standard and Poor's investment rating system:

	Credit Rating				
Investment Type	AAAm	AA+	AA	AA-	Total
U.S. Treasury Notes	$ -	$ 62,249,478	$ -	$ -	$ 62,249,478
Corporate Notes	-	-	3,964,500	1,209,089	5,173,589
Municipal Obligation	-	-	-	270,680	270,680
Money Market Mutual Funds	15,535,641	-	-	-	15,535,641
Total	$ 15,535,641	$ 62,249,478	$ 3,964,500	$ 1,479,769	$ 83,229,388
Not rated:					
Local Agency Investment Fund					$ 52,555,114
Escrow Retention (MMF)					464,326
Total Investments					$ 136,248,828

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, 2023, 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, 2023:

Investments	Balance at June 30, 2023	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	$ 62,249,478	$ 62,249,478	$ -
Corporate Notes	5,173,589	-	5,173,589
Municipal Obligation	270,680	-	270,680
Total investments subject to fair value hierarchy	$ 67,693,747	$ 62,249,478	$ 5,444,269
Investments not subject to fair value hierarchy			
Local Agency Investment Fund	52,555,114		
Escrow Retention (MMF)	464,326		
Money Market Mutual Funds	15,535,641		
Total Investments	$ 136,248,828		

NOTE 3 – CASH AND INVESTMENTS (Continued)

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.

The total amount invested by all public agencies in LAIF as of June 30, 2023 is approximately $25.67 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 $178.4 billion as of June 30, 2023. Of that amount, 97.15% is invested in non-derivative financial products and 2.85% 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, 2023 were as follows:

Fund Receiving Transfer	Fund Making Transfer	Purpose	Amount Transferred
Measure J General Fund	GoMentum Special Revenue Fund	(A)	$62,000
Measure J Debt Service Fund	Measure J General Fund	(B)	44,598,338
	Total		44,660,338

Purpose of Transfer:
(A) For shared autonomous vehicles (SAV) acquisition.
(B) Transfer sales tax revenues for debt service payments 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, 2023, through Measures C and J, the Authority has expended $1.97 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.

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.

NOTE 5 – CAPITAL ASSETS (Continued)

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, 2023:

	Balance at July 1, 2022	Additions	Balance at June 30, 2023
Cost:			
Office Equipment	$ 175,756	$ 32,881	$ 208,637
Furniture	216,781	-	216,781
Financial System	456,266	-	456,266
Other Equipment	-	62,000	62,000
Leasehold Improvements	415,240	-	415,240
Intangible Right to Use Lease Assets	2,090,176	-	2,090,176
Subtotal	3,354,219	94,881	3,449,100
Accumulated Depreciation/Amortization:			
Office Equipment	(119,519)	(20,197)	(139,716)
Furniture	(216,781)	-	(216,781)
Financial System	(456,266)	-	(456,266)
Other Equipment	-	(9,300)	(9,300)
Leasehold Improvements	(310,666)	(25,952)	(336,618)
Intangible Right to Use Lease Assets	(411,182)	(411,182)	(822,364)
Subtotal	(1,514,414)	(466,631)	(1,981,045)
Capital Assets, Net	$ 1,839,805	$ (371,750)	$ 1,468,055

NOTE 6 – DEPOSIT PAYABLE

On February 17, 2021, the Authority entered into an agreement with East Contra Costa Regional Fee and Financing Authority (ECCRFFA), a joint exercise of powers entity, to deliver the Mokelumne Project ("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) in one or both of the following ways, as determined by the Authority: (a) reimbursing ECCRFFA directly and/or (b) irrevocably programing 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 RM 3 funds to the Mokelumne Project by MTC; or (b) the Return Deadline.

Upon the California Supreme Court ruling dismissing a lawsuit challenging RM 3, a Resolution was approved by the Metropolitan Transportation Commission (MTC) on June 28, 2023, approving the allocation of RM 3 funds for the project sponsored by the Authority. The Authority returned the Advanced Funds to ECCRFFA in full shortly after the end of Fiscal Year 2023.

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 July 1, 2022	Payments/ Adjustments	Balance June 30, 2023	Amounts Due Within One Year
Lease Liability	$ 1,760,420	$ 387,479	$ 1,372,941	$ 415,809
Bonds				
2015A Sales Tax Revenue Bonds	126,580,000	21,290,000	105,290,000	22,305,000
2017A Sales Tax Revenue Bonds	68,950,000	4,930,000	64,020,000	5,175,000
2018B Sales Tax Revenue Bonds	95,030,000	-	95,030,000	-
2021A&B Sales Tax Revenue Bonds	109,725,000	115,000	109,610,000	115,000
Total long-term obligations	402,045,420	26,722,479	375,322,941	28,010,809
Add Unamortized Premium on Bonds				
2015A Bond Premium	19,440,032	3,987,676	15,452,356	3,987,914
2017A Bond Premium	12,170,404	1,172,765	10,997,639	1,172,555
2021A Bond Premium	28,062,989	827,601	27,235,388	827,601
Total Unamortized Premium	59,673,425	5,988,042	53,685,383	5,988,070
Total long-term obligations, net	$ 461,718,845	$ 32,710,521	$ 429,008,324	$ 33,998,879

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

NOTE 7 – LONG-TERM DEBT (Continued)

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, 2023, the unamortized balance was $1,329,052.

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.

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, 2023, the unamortized balance was $1,488,927.

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.

NOTE 7 – LONG-TERM DEBT (Continued)

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, 2023, the value of the lease liability was $1,372,941. 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, 2023, the value of the right-to-use lease asset and accumulated amortization was $2,090,176 and $822,364, 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 June 30:	Principal	Interest	Total
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	31,915,000	11,899,452	43,814,452
2029 - 2033	184,245,000	34,847,023	219,092,023
2034	42,335,000	1,817,038	44,152,038
Totals	$ 373,950,000	$ 110,214,130	$ 484,164,130

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

Year ending June 30:	Principal	Interest	Total
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
Totals	$ 1,372,941	$ 89,399	$ 1,462,340

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 $485.6 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 $1,457,126 as of June 30, 2023.

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.

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

Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% at 55	2.0% at 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Normal retirement age	50 - 55	52 - 67
Monthly benefits, as a percent of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	10.32%	7.47%

NOTE 9 – PENSION PLAN (Continued)

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, 2023, the Authority actuarially determined contractually required contribution was $313,506.

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

The Authority's net pension liability for the Pension Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Pension Plan is measured as of June 30, 2022, and the total pension liability for the Pension Plan used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, 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 is as follows:

	Proportionate Share of Net Pension (Asset)/Liability	Net Pension (Asset)/Liability
Proportion - June 30, 2022	-0.1076%	$ (2,042,187)
Proportion - June 30, 2023	0.0288%	1,347,379
Change - Increase (Decrease)	0.1363%	$ 3,389,566

For the year ended June 30, 2023, the Authority recognized pension expense of $3,468,465. As of June 30, 2023, 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	$ 313,506	$ -
Change in Proportion	2,175,197	(175,909)
Difference in expected and actual experience	27,058	(18,122)
Difference in actual contributions and proportion contributions	-	(844,867)
Changes of assumptions	138,067	-
Net differences between projected and actual earnings on plan investments	246,804	-
	$ 2,900,632	$ (1,038,898)

NOTE 9 – PENSION PLAN (Continued)

$313,506 reported 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 in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Due Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 382,513
2025	623,444
2026	391,317
2027	150,954
	$ 1,548,228

Actuarial Assumptions: For the measurement period ended June 30, 2022, the total pension liability was determined by rolling forward June 30, 2021 total pension liability. The June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions for all benefit tiers:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	(1)
Investment Rate of Return	6.90% (2)
Mortality	Derived using CalPERS membership data for all funds (3)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Projection Allowance floor on purchasing power applies, 2.30% thereafter

(1) Depending on age, service and type of employment

(2) Net of pension plan investment and administrative expenses, includes inflation.

(3) The morality table used was developed based on CalPERS specific data. The table includes generational mortality improvements using the Society of Actuaries Scale 80% of scale MP 2020. For more details on this table, please refer to the November 2021 experience study report (based on CalPERS demographic data from 2001 to 2019) that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation was based on the results a November 2021 actuarial experience study for the period 2001 to 2019. For further details of the Experience study report can be found on the CalPERS website.

NOTE 9 – PENSION PLAN (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate for the Plan assumed the contributions form all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and the contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

The table expected real rate of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return (a),(b)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management study.

NOTE 9 – PENSION PLAN (Continued)

Changes of Assumptions – Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

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 6.90 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 (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Proportionate Share of Net Pension Liability / (Asset)	$4,102,964	$1,347,379	($919,783)

Pension Plan Fiduciary Net Position: Detailed information about the Pension Plan's fiduciary net position is available in the separately issued CalPERS financial report.

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.

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

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 $868, $1,736, and $2,257 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, 2022 measurement date, the following employees were covered by the benefit terms:

Inactive employees (retirees) currently receiving benefit payments	16
Active employees	18
	34

Net OPEB Liability and assumptions: The Authority's net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation dated June 30, 2021.

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, 2022
Actuarial Cost Method	Entry Age normal, Level Percentage of Payroll
Actuarial assumptions	
Discount Rate	6.25%
Inflation	2.50% Annually
Salary Increases	2.75% Annually
Investment Rate of return	6.25%
Mortality	
	CalPERS 2000-2019 Experience Study projected fully generation with Scale MP-2021
Healthcare 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:

Asset Class	Target Allocation	Long-Term expected real rate of return
Global Equity	49.00%	4.56%
Fixed Income	23.00%	1.56%
TIPS	5.00%	-0.08%
Commodities	3.00%	1.22%
REITs	20.00%	4.06%
Total	100.00%	
Long - Term Expected Rate of Inflation		2.50%
Long - Term Net Rate of Return (rounded)		6.25%

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

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.

Changes in the Net OPEB Liability: The changes in the net OPEB liability of the OPEB Plan, measured as of June 30, 2022 are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2022 (Measurement Date June 30, 2021)	$ 4,253,000	$ 6,301,000	$ (2,048,000)
Changes recognized for the measurement period:			
Service cost	203,000	-	203,000
Interest	272,000	-	272,000
Contributions - Employer	-	93,000	(93,000)
Net Investment income	-	(848,000)	848,000
Benefit payments	(212,000)	(212,000)	-
Administrative expense	-	(2,000)	2,000
Net Change	263,000	(969,000)	1,232,000
Balance at June 30, 2023 (Measurement Date June 30, 2022)	$ 4,516,000	$ 5,332,000	$ (816,000)

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)	($232,000)	($816,000)	($1,300,000)

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

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 (5.25%)	Current Healthcare Cost Trend Rates (6.25%)	1% Increase (7.25%)
Net OPEB Liability (Asset)	($1,311,000)	($816,000)	($204,000)

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.

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, 2023 the Authority recognized $13,000 of OPEB expense as a result of significant increase of the investment return exceeding expenses.

As of June 30, 2023, 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	$ 111,000	$ -
Difference between expected and actual liability	-	474,000
Changes of assumptions	-	17,000
Net difference between projected and actual earnings on OPEB plan investments	433,000	-
Total	$ 544,000	$ 491,000

The $111,000 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, 2024. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in expense as follows:

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

Fiscal Year Ended June 30:	Annual Amortization
2024	$ (58,000)
2025	(60,000)
2026	(62,000)
2027	163,000
2028	(41,000)
	$ (58,000)

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, and Fire Damage Liability of $1,000,000. 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 a limit of $1,000,000 depending on the nature of the claim, with a deductible of 2,500. 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 coverages in any of the past three years.

As of June 30, 2023, the Authority had no material claims outstanding for general liability or for workers' compensation cases.

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 four 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.

Assigned: This category describes the portion of net position which is constrained by the Authority's intent to be used for a specific purpose but is neither restricted nor committed. Intent is expressed by the Authority or its designee and may be changed at the discretion of the Authority Board or its designee. As of June 30, 2023, the Authority had an assigned net position ("Reserves') of $13,713,889 as the difference between actual Measure J revenues collected and revenues estimated in the Authority's adopted budget for the fiscal year. The Reserves is maintained to soften impacts of future recessions on Measure J programs and ensure the Authority meet its obligations in the future.

Unrestricted: This category describes the portion of net position which is not restricted to use. As of June 30, 2023, the Authority had an unrestricted negative net position amounting to $429,069,890 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 $1.97 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.

NOTE 13 – NET POSITION AND FUND BALANCES (Continued)

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 $107,274,503 in restricted fund balance at June 30, 2023 as it is bound by the Measure C and Measure J Expenditure Plans approved by voters, and terms of grant and bondagreements.

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, 2023, the Authority had outstanding commitments approximating $114.6 million. These commitments include $21.1 million to Myers Shimmick JV., $12.6 million to WSP USA Inc., $8.9 million to Advanced Mobility Group, $8.2 million to the WMH Corporation, $4.8 million to the City of Pleasant Hill, $3.7 million to San Francisco Bay Area Rapid Transit District (BART) system and $3.2 million to Contra Costa County for Authority projects related to Iron Horse Trail Bicycle and Pedestrian Overcrossing, Caldecott Tunnel, State Highway Route 4 widening, SR4/SR160 Interchange Improvements, I-680 HOV Lane Completion and Express Lane, Innovate 680 Bay Area Mobility in Demand and Contra Costa Boulevard Improvements.

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Required Supplementary Information
(Unaudited)

CONTRA COSTA TRANSPORTATION AUTHORITY

As of June 30, 2023

Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios

Last 10 Years*

(Dollars In Thousands)

Measurement Period	2014	2015	2016	2017	2018
Proportion of the Net Pension Liability	0.03557%	0.00001%	0.00896%	0.01157%	0.01083%
Proportionate Share of the Net Pension Liability	$ 2,213	$ -	$ 776	$ 1,147	$ 1,044
Covered Payroll	$ 2,087	$ 2,215	$ 2,430	$ 2,416	$ 2,548
Proportionate Share of the net pension liability as a percentage of covered payroll	106.04%	0.00%	31.93%	47.47%	40.97%
Plan's Proportionate Share of Fiduciary Net Position as a Percentage of the Total Pension Liability	80.43%	78.40%	74.06%	73.31%	75.26%

Measurement Period	2019	2020	2021	2022
Proportion of the Net Pension Liability	0.00064%	0.00392%	-0.10755%	0.02879%
Proportionate Share of the Net Pension Liability	$ 65	$ 427	$ (2,042)	$ 1,347
Covered Payroll	$ 2,777	$ 3,145	$ 3,116	$ 3,442
Proportionate Share of the net pension liability as a percentage of covered payroll	2.34%	13.58%	-65.53%	39.15%
Plan's Proportionate Share of Fiduciary Net Position as a Percentage of the Total Pension Liability	75.26%	75.26%	88.29%	78.19%

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 2015-2016, 7.15% in measurement periods 2017-2021, and 6.90% in measurement period 2022.

* Fiscal year 2015 was the first year of implementation of GASB Statement No. 68, therefore only nine years of information is shown. Future years' information will be displayed up to 10 years as information becomes available.

CONTRA COSTA TRANSPORTATION AUTHORITY

As of June 30, 2023
Required Supplementary Information (Unaudited)
Schedule of Contributions – Pension Plan
Last 10 Years*
(Dollars In Thousands)

Fiscal Year	2014	2015 (a)	2016	2017	2018
Contractually required contribution (actuarially determined)	$ 318	$ 207	$ 206	$ 226	$ 229
Contributions in relation to the actuarially determined contributions	(318)	(207)	(206)	(226)	(229)
One-time lump sum contributions	-	(2,210)	-	-	-
Contribution deficiency (excess)	$ -	$ (2,210)	$ -	$ -	$ -
Covered payroll	$ 2,087	$ 2,215	$ 2,430	$ 2,416	$ 2,548
Contributions as a percentage of covered payroll	15.24%	9.35%	8.48%	9.35%	8.99%

Fiscal Year	2019 (a)	2020	2021	2022	2023
Contractually required contribution (actuarially determined)	$ 256	$ 275	$ 293	$ 279	$ 314
Contributions in relation to the actuarially determined contributions	(256)	(275)	(293)	(279)	(314)
One-time lump sum contributions	(1,238)	-	-	-	-
Contribution deficiency (excess)	$ (1,238)	$ -	$ -	$ -	$ -
Covered payroll	$ 2,777	$ 3,145	$ 3,116	$ 3,066	$ 3,442
Contributions as a percentage of covered payroll	9.22%	8.74%	9.40%	9.10%	9.12%

Notes to Schedule:

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

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	6.90%, net of pension plan investment and administrative expenses, includes inflation
Mortality	Derived using CalPERS membership data for all funds (3)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Projection Allowance floor on purchasing power applies, 2.30% thereafter

(a) During the fiscal years ending June 30, 2015, June 30, 2019, Contra Costa Transportation Authority contributed an additional $2,210,000 and 1,238,000, respectively, toward the Unfunded Accrued Liability in addition to the Actuarially Determined Contribution.

* Fiscal year 2015 was the first year of implementation of GASB Statement No. 68, therefore only nine years of information is shown. Future years' information will be displayed up to 10 years as information becomes available.

CONTRA COSTA TRANSPORTATION AUTHORITY

Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios
As of June 30, 2023
Last 10 Years*
(Dollars In Thousands)

Measurement period - Year ended June 30,	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service cost	$ 231	$ 238	$ 245	$ 221	$ 228	$ 203
Interest	235	259	284	287	310	272
Changes in assumption	-	-	(11)	-	(20)	-
Differences between expected and actual experience	-	-	(283)	-	(531)	-
Benefits	(106)	(124)	(148)	(171)	(191)	(212)
Net change in total OPEB liability	360	373	87	337	(204)	263
Total OPEB liability - beginning	3,300	3,660	4,033	4,120	4,457	4,253
Total OPEB liability - ending	3,660	4,033	4,120	4,457	4,253	4,516
Plan fiduciary net position						
Contribution - employer	$ 278	$ 291	$ 325	$ 323	$ 249	$ 93
Net investment income	346	297	272	168	1,381	(848)
Benefit payments	(106)	(124)	(148)	(171)	(191)	(212)
Administrative expense	(2)	(7)	(1)	(2)	(2)	(2)
Net change in plan fiduciary net position	516	457	448	318	1,437	(969)
Plan fiduciary net position - beginning	3,125	3,641	4,098	4,546	4,864	6,301
Plan fiduciary net position - ending	3,641	4,098	4,546	4,864	6,301	5,332
Net OPEB liability (asset) - ending	$ 19	$ (65)	$ (426)	$ (407)	$ (2,048)	$ (816)
Plan fiduciary net position as a percentage of the total OPEB liability	94.3%	101.6%	110.3%	109.1%	148.2%	118.1%
Covered-employee payroll	$ 2,740	$ 2,800	$ 3,062	$ 3,562	$ 3,478	$ 3,172
Net OPEB liability (asset) as a percentage of covered-employee payroll	0.69%	-2.32%	-13.91%	-11.43%	-58.88%	-25.73%

Note: Historical information is required only for measurement periods for which GASB 75 is applicable.
Future years' information will be displayed up to 10 years as information becomes available.

CONTRA COSTA TRANSPORTATION AUTHORITY

Required Supplementary Information (Unaudited)
Schedule of Contributions – OPEB Plan
As of June 30, 2023
Last 10 Years*
(Dollars In Thousands)

SCHEDULE OF OPEB CONTRIBUTIONS

Fiscal year ended June 30,	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	$ 278	$ 292	$ 325	$ 323	$ 249	$ 122	$ 125
Contribution in relation to the actuarially determined contribution	(278)	(292)	(325)	(323)	(249)	(273)	(111)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ (151)	$ 14
Covered-employee payroll	$ 2,740	$ 2,800	$ 3,062	$ 3,562	$ 3,478	$ 3,172	$ 3,849
Contribution as a percentage of covered-employee payroll	10.1%	10.4%	10.6%	9.1%	7.2%	8.6%	2.9%

Note: Historical information is required only for measurement periods for which GASB 75 is applicable.
Future years' information will be displayed up to 10 years as information becomes available.

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, 2023

	Measure J Bonds			
	Budget			
	Original	Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Investment income	$ -	$ 189,000	$ 460,930	$ 271,930
Total Revenues	-	189,000	460,930	271,930
EXPENDITURES				
Debt service:				
Principal	26,335,000	26,335,000	26,335,000	-
Interest and related fees	18,684,935	18,684,935	18,684,935	-
Total Expenditures	45,019,935	45,019,935	45,019,935	-
Deficiency of Revenues Under Expenditures	(45,019,935)	(44,830,935)	(44,559,005)	271,930
Transfer in	45,019,935	45,019,935	44,598,338	(421,597)
Total Other Financing Sources (Uses)	45,019,935	45,019,935	44,598,338	(421,597)
NET CHANGES IN FUND BALANCES	$ -	$ 189,000	39,333	$ (149,667)
Fund Balances - Beginning			15,020,283	
Fund Balances - Ending			$ 15,059,616	

CONTRA COSTA TRANSPORTATION AUTHORITY
OTHER GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Measure J Paratransit	Measure J Commute Alternatives	Air Quality	GoMentum	Total Non-Major Special Revenue Funds
ASSETS					
Cash and investments	$ 13,030,969	$ 2,425,538	$ 1,693,711	$ 410,151	$ 17,560,369
Sales tax receivable	1,101,498	220,300	-	-	1,321,798
Intergovernmental receivable	-	610	761,985	-	762,595
Total Assets	$ 14,132,467	$ 2,646,448	$ 2,455,696	$ 410,151	$ 19,644,762
LIABILITIES					
Accounts payable and accrued liabilities	$ 501,788	$ 476,678	$ 475,993	$ 171,347	$ 1,625,806
Deferred revenue	-	610	-	-	610
Benefits payable	1,084	595	3,465	141	5,285
Deposits payable	-	-	-	238,663	238,663
Total Liabilities	502,872	477,883	479,458	410,151	1,870,364
Deferred Inflows of Resources					
Unavailable revenue	-	-	-	-	-
FUND BALANCES					
Restricted:					
Paratransit program	12,946,004	-	-	-	12,946,004
Commute alternatives	-	2,031,847	-	-	2,031,847
Air quality		-	1,976,238	-	1,976,238
Assigned:					
Reserves	683,591	136,718	-	-	820,309
Total Fund Balances	13,629,595	2,168,565	1,976,238	-	17,774,398
Total Liabilities and Fund Balances	$ 14,132,467	$ 2,646,448	$ 2,455,696	$ 410,151	$ 19,644,762

CONTRA COSTA TRANSPORTATION AUTHORITY
OTHER GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Measure J Paratransit	Measure J Commute Alternatives	Air Quality	GoMentum	Total Non-Major Special Revenue Funds
REVENUES					
Sales tax	$ 6,175,063	$ 1,235,013	$ -	$ -	$ 7,410,076
Investment income	170,020	27,051	24,653	-	221,724
Federal Congestion Mitigation (CMAQ)	-	211,290	-	-	211,290
State Motor Vehicle Registration Surcharge (TFCA)	-	-	1,541,433	-	1,541,433
State Transportation Agency Grant (GMS)	-	-	-	-	-
Regional Measure X (ATSP Implementation)	840,000	-	-	-	840,000
Contribution (GoMentum)	-	-	-	161,163	161,163
Contribution (Others)	-	4,971	-	-	4,971
Total Revenues	7,185,083	1,478,325	1,566,086	161,163	10,390,657
EXPENDITURES					
Current expenditures:					
Program Management:					
Salaries and employee benefits	-	-	-	2,980	2,980
Programs:					
Paratransit	5,459,298	-	-	-	5,459,298
Commute alternatives	-	1,130,277	-	-	1,130,277
Air Quality	-	-	1,596,915	-	1,596,915
GoMentum	-	-	-	356,901	356,901
Total Expenditures	5,459,298	1,130,277	1,596,915	359,881	8,546,371
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,725,785	348,048	(30,829)	(198,718)	1,844,286
Other Financing Sources (Uses)					
Transfer out	-	-	-	(62,000)	-
Total Other Financing Sources (Uses)	-	-	-	(62,000)	-
NET CHANGES IN FUND BALANCES	1,725,785	348,048	(30,829)	(260,718)	1,782,286
Fund Balances - Beginning	11,903,810	1,820,517	2,007,067	260,718	15,992,112
Fund Balances - Ending	$ 13,629,595	$ 2,168,565	$ 1,976,238	$ -	$ 17,774,398

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, 2023

	Budget			
	Original	**Final**	**Actual**	**Variance with Final Budget - Positive (Negative)**
REVENUES				
Sales tax	$ 5,500,000	$ 5,500,000	$ 6,175,063	$ 675,063
Investment income/(loss)	87,500	115,000	170,020	55,020
Federal Highway Admin - OBAG (ITP) (OCP15)	-	540,000	-	(540,000)
Regional Measure X (ATSP Implementation)	-	840,000	840,000	-
Total Revenues	5,587,500	6,995,000	7,185,083	190,083
EXPENDITURES				
Current expenditures:				
Program:				
Paratransit	5,153,291	5,796,616	5,459,298	337,318
Total Expenditures	5,153,291	5,796,616	5,459,298	337,318
NET CHANGES IN FUND BALANCES	$ 434,209	$ 1,198,384	1,725,785	$ 527,401
Fund Balance - Beginning			11,903,810	
Fund Balance - Ending			$ 13,629,595	

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, 2023

	Budget			
	Original	**Final**	**Actual**	**Variance with Final Budget - Positive (Negative)**
REVENUES				
Sales tax	$ 1,100,000	$ 1,100,000	$ 1,235,013	$ 135,013
Investment income/(loss)	15,500	15,000	27,051	12,051
Federal Congestion Mitigation (CMAQ)	125,000	175,000	211,290	36,290
Contribution (Others)	-	-	4,971	4,971
Total Revenues	1,240,500	1,290,000	1,478,325	188,325
EXPENDITURES				
Current expenditures:				
Program:				
Commute alternatives	1,500,000	1,500,000	1,130,277	369,723
Total Expenditures	1,500,000	1,500,000	1,130,277	369,723
NET CHANGES IN FUND BALANCES	$ (259,500)	$ (210,000)	348,048	$ 558,048
Fund Balance - Beginning			1,820,517	
Fund Balance - Ending			$ 2,168,565	

CONTRA COSTA TRANSPORTATION AUTHORITY
AIR QUALITY
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budget			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Investment income/(loss)	$ 16,500	$ 20,000	$ 24,653	$ 4,653
State Motor Vehicle Registration Surcharge	1,603,500	1,603,500	1,541,433	(62,067)
Total Revenues	1,620,000	1,623,500	1,566,086	(57,414)
EXPENDITURES				
Current expenditures:				
Program:				
Air Quality	1,651,929	1,639,247	1,596,915	42,332
Total Expenditures	1,651,929	1,639,247	1,596,915	42,332
NET CHANGES IN FUND BALANCES	$ (31,929)	$ (15,747)	(30,829)	$ (15,082)
Fund Balance - Beginning			2,007,067	
Fund Balance - Ending			$ 1,976,238	

CONTRA COSTA TRANSPORTATION AUTHORITY
GOMENTUM
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budget			
	Original	Final	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Investment income/(loss)	$ 12,500	$ 2,500	$ -	$ (2,500)
Contribution (GoMentum)	333,000	315,000	161,163	(153,837)
Total Revenues	345,500	317,500	161,163	(156,337)
EXPENDITURES				
Current expenditures:				
Program Management:				
Salaries and employee benefits	32,139	13,552	2,980	10,572
Program:				
GoMentum	300,000	300,000	356,901	(56,901)
Total Expenditures	332,139	313,552	359,881	(46,329)
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,361	3,948	(198,718)	(202,666)
OTHER FINANCING SOURCES (USES)				
Transfer out	-	(62,000)	(62,000)	-
Total Other Financing Sources (Uses)	-	(62,000)	(62,000)	-
NET CHANGES IN FUND BALANCES	$ 13,361	$ (58,052)	(260,718)	$ (202,666)
Fund Balance - Beginning			260,718	
Fund Balance - Ending			$ -	

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)

	2014[b]	2015	2016	2017[c]	2018	2019	2020	2021	2022	2023[d]
Governmental Activities										
Net Investment in capital assets	$ 482,246	$ 440,120	$ 367,420	$ 401,962	$ 328,289	$ 259,685	$ 203,561	$ 167,844	$ 79,385	$ 95,114
Restricted for:										
Transportation projects and programs	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	102,235,124
Assigned for:										
Reserves	-	-	-	-	-	-	-	-	-	13,713,889
Unrestricted deficit	(415,656,842)	(399,074,219)	(489,152,000)	(573,026,495)	(557,967,568)	(537,415,371)	(515,913,577)	(492,183,295)	(458,102,423)	(429,069,890)
TOTAL NET POSITION [a]	$ (184,243,090)	$ (246,527,112)	$ (301,255,598)	$ (319,710,405)	$ (357,003,420)	$ (400,012,912)	$ (410,460,685)	$ (390,807,410)	$ (354,166,727)	$ (313,025,763)

[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.

[d] The Authority adopted a Reserves policy effective fiscal year ended June 30, 2023 to soften impacts of future recessions on Measure J programs and ensure the Authority can meet its obligations in the future, such as unfunded pension liabilities or reimbursement of costs to place a new sales tax measure on the ballot.

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

	Fiscal Year Ending June 30:									
Governmental Activities	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Expenses										
Administration	$ 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	$ 2,435,602
Unallocated pension and OPEB expense/(revenue)	39,004	(2,254,874)	(324,087)	414,628	975,628	(1,291,007)	242,864	384,011	(4,533,321)	3,550,465
Project management	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	2,069,005
Programs	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	52,601,845
Transportation projects	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	35,966,264
Regional planning	1,241,067	1,906,506	2,763,457	984,022	845,123	947,896	986,186	1,417,058	2,991,863	2,902,244
Congestion management	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	2,243,752
Transportation demand management	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	1,596,915
Transportation planning land use solutions	317,122	159,855	199,160	90,548	140,393	88,279	53,456	61,993	22,138	12,081
Transportation innovation - GoMentum	-	-	-	-	-	1,046,785	2,139,110	11,851	77,634	1,098,150
Interest and related fees	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	12,436,937
Total expenses	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	116,913,260
Program Revenues										
Operating and capital grants and contributions	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	32,985,207
Net (Expense) / Revenue and Changes in Net Position	(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)	(83,928,053)
General Revenues:										
Sales taxes	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	123,501,273
Investment income/(loss)	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)	1,565,768
Miscellaneous	3,049	-	852	-	1,244	2,318	5,963	-	306	1,976
Total general revenues	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	125,069,017
Change in net position	$ (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	$ 41,140,964

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

	Fiscal Year Ending June 30:									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Sales tax	$ 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	$ 123,501,273
Investment income/(loss)	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)	1,565,768
Federal grants and contributions	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	5,181,794
State grants and contributions	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	9,121,312
Local grants and contributions	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	4,956,245
Miscellaneous revenue	3,049	125	852	-	1,244	2,318	5,963	-	306	1,976
Total Revenues	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	144,328,368
Expenditures										
Current expenditures:										
Administration:										
Salaries and employee benefits	613,832	2,834,289	665,935	667,502	629,375	1,863,926	795,127	705,112	727,693	835,939
Services, supplies & capital outlay	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	1,615,393
Project Management:										
Salaries and employee benefits	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	1,789,192
Services, supplies & capital outlay	18,975	52,096	260,094	101,560	278,861	169,474	181,662	237,867	153,622	279,813
Programs:										
Additional paratransit	766,928	783,160	948,099	878,167	952,714	1,129,520	1,256,270	1,088,107	853,344	947,462
Bus transit enhancements	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	4,097,796
Ferry service	-	-	-	-	-	1,240,188	2,488,942	3,586,206	3,651,299	3,724,965
Express bus program	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	4,742,474
Bus transit and improvement program	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	5,678,226
Safe transportation for children	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	4,722,347
Local street and maintenance	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	19,800,000
Subregional local street and maintenance	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	2,299,000
Transportation Projects:										
Highways and arterials	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	48,916
Transit	6,326,144	3,514,279	9,460,771	121,099	20,174	642,777	49,510	42,389	111,488	645
Capital improvement projects	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	30,129,556
Countywide capital and maintenance projects	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	3,094,248
Subregional projects	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	2,624,194
Non-Measure J projects	-	-	-	-	-	-	-	-	-	68,704
Regional Planning:										
Salaries and employee benefits	248,785	280,156	386,032	392,970	352,114	427,064	449,489	550,424	363,515	431,928
Services, supplies & capital outlay	992,282	1,626,350	2,377,425	591,052	493,009	520,832	536,697	866,634	2,628,348	2,470,316
Congestion Management:										
Salaries and employee benefits	1,171,204	1,371,372	912,053	1,019,455	880,125	1,024,133	397,183	816,662	1,055,696	1,123,258
Services, supplies & capital outlay	533,125	868,591	1,730,470	1,247,951	845,836	527,327	535,786	404,135	435,079	1,120,494
Transportation Planning Land Use Solutions:										
Salaries and employee benefits	156,970	91,259	69,849	72,532	140,393	88,278	53,457	61,993	22,138	12,081
Services, supplies & capital outlay	160,152	68,596	129,311	18,016	-	-	-	-	-	-
Paratransit	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	5,459,298
Carpool/Commute alternatives	936,605	773,089	658,264	593,865	920,222	1,061,782	871,538	827,707	892,389	1,130,277
Transportation Demand Management (Air Quality)	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	1,596,915
Transportation innovation - GoMentum	-	-	-	-	-	1,046,785	2,139,110	11,851	33,735	359,881
Fund Exchange Reserve	-	-	-	-	-	-	-	-	43,899	738,269

(Continued)

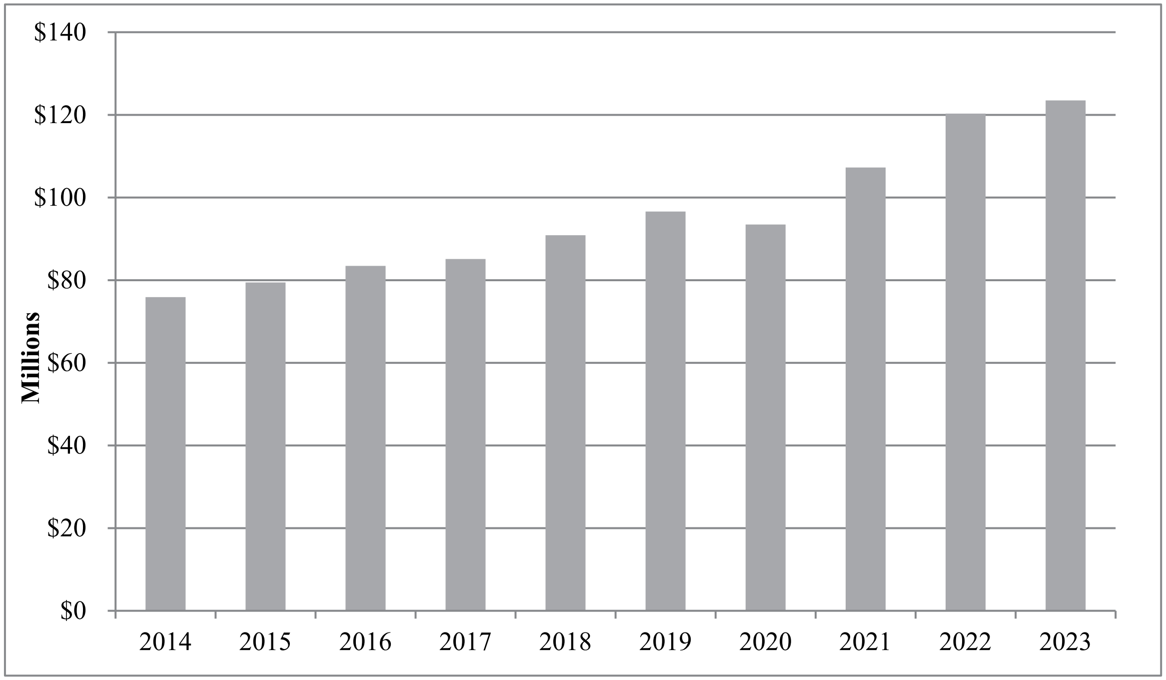
CONTRA COSTA TRANSPORTATION AUTHORITY
CHANGES IN FUND BALANCES (Continued)
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30:									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	26,335,000
Note principal	-	-	-	-	-	-	-	-	-	-
Interest and related fees	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	18,684,935
Issuance costs	-	-	975,000	381,212	72,896	602,767	-	27,182,334	600	-
Total Expenditures	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	145,961,522
Excess (Deficiency) of Revenues Over (Under) Expenditures	(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	(1,633,154)
Other Financing Sources (Uses)										
Bond proceeds	-	-	166,640,000	83,570,000	-	195,030,000	-	109,915,000	-	-
Premium	-	-	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	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	44,660,338
Transfer out	(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)	(44,660,338)
Total Other Financing Sources (Uses)	-	-	100,471,210	100,466,219	-	13,899,072	-	26,098,114	-	-
Net Change in Fund Balances	(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	(1,633,154)
Fund Balances - Beginning	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
Fund Balances - Ending	$ 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	$ 99,430,398
Debt Service as a Percentage of Noncapital Expenditures	12.88%	12.93%	13.33%	21.15%	24.28%	23.82%	18.67%	21.54%	29.26%	30.86%

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

	Fiscal Year Ending June 30:									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
General Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ 2,000	$ 3,000	$ -	$ -	$ -
Restricted	70,735,740	72,338,377	95,815,896	107,052,631	102,870,584	85,385,488	75,233,897	68,521,411	64,823,399	48,459,198
Reserves	-	-	-	-	-	-	-	-	-	10,146,912
All Other Governmental Funds										
Restricted	160,195,766	79,768,610	91,713,086	145,861,518	97,765,275	51,755,286	29,421,524	29,830,560	36,240,153	37,257,311
Reserves	-	-	-	-	-	-	-	-	-	3,566,977
Total Governmental Funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ 2,000	$ 3,000	$ -	$ -	$ -
Restricted	$ 230,931,506	$ 152,106,987	$ 187,528,982	$ 252,914,149	$ 200,635,859	$ 137,140,774	$ 104,655,421	$ 98,351,971	$ 101,063,552	$ 85,716,509
Reserves	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,713,889

CONTRA COSTA TRANSPORTATION AUTHORITY
SALES TAX REVENUES
LAST TEN FISCAL YEARS



Fiscal Year Ended June 30:	Authority Sales Tax Rate	Sales Tax	Annual Growth	Taxable Sales (A)
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
2023	0.5%	123,501,273	2.66%	22,319,852,346

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

CONTRA COSTA TRANSPORTATION AUTHORITY
TAXABLE SALES BY TYPE OF BUSINESS
FISCAL YEAR 2023 & 2022
(In Thousands)

Type of Business	2023	2022	$ Difference	% Difference
Apparel Stores	$ 1,158,619	$ 1,158,438	$ 181	0.0%
General Merchandise	1,880,169	1,871,465	8,704	0.5%
Food Stores	1,029,100	1,009,154	19,946	2.0%
Eating and Drinking Places	2,360,266	2,166,574	193,692	8.9%
Building Materials	1,468,043	1,536,932	(68,889)	-4.5%
Auto Dealers and Supplies	2,586,822	2,623,996	(37,174)	-1.4%
Service Stations	1,773,482	1,728,632	44,850	2.6%
Other Retail Stores	2,603,337	814,679	1,788,658	219.6%
Total Retail and Food Services	14,859,838	12,909,870	1,949,968	15.1%
All Other Outlets	7,460,014	8,920,614	(1,460,600)	-16.4%
Total All Outlets	**$ 22,319,852**	**$ 21,830,484**	**$ 489,368**	**2.2%**

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

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

	Debt Service [a]			Outstanding Debt				
Fiscal Year Ended June 30:	Principal	Interest and related fees	Total	Sales Tax Bonds	Lease Liability [b]	Total Debt	Outstanding Debt per Capita	Percentage of Personal Income
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	0.42	0.44%
2022	23,745	18,386	42,131	459,959	1,760	461,719	0.40	0.39%
2023	26,335	18,685	45,020	427,635	1,373	429,008	0.37	0.36%

[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 2014-2023

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (b)	Outstanding Debt per Capita (In thousands)	Labor Force (c)	Employment (c)	Unemployment (c)	Unemployment Rate (c)
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	1,161,238	110,528,989 *	95,175	0.42	537,200	495,800	41,400	7.7%
2022	1,151,798	117,074,953 *	101,645	0.40	549,700	532,200	17,500	3.2%
2023	1,147,653	120,620,510 *	105,102	0.37	550,300	526,900	23,300	4.2%

* 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

	2023			2014		
Employer	**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	1.91%	5,000-9,999	1	1.95%
Bio-Rad Laboratories Inc.	5,000-9,999	2	1.56%	5,000-9,999	-	0.00%
John Muir Medical Center, multiple locations	5,000-9,999	3	1.14%	5,000-9,999	-	0.00%
Broadspectrum Americas, Richmond	5,000-9,999	4	1.12%	5,000-9,999	-	0.00%
Kaiser Permanente Foundation, multiple locations	5,000-9,999	5	1.02%	1,000-4,999	3	0.79%
Chevron (various entities), multiple locations	1,000-4,999	6	0.83%	5,000-9,999	2	1.29%
Bay Area Rapid Transit (BART), Richmond	1,000-4,999	7	1.02%	1,000-4,999	4	0.65%
PG & E, San Ramon	1,000-4,999	8	1.14%	1,000-4,999	-	0.00%
Bank of the West, San Ramon	1,000-4,999	9	0.30%	1,000-4,999	5	0.32%
Rober Half International, multiple locations	1,000-4,999	10	0.24%	1,000-4,999	7	0.24%
AT&T, San Ramon	500-999	-	0.00%	1,000-4,999	6	0.32%
Sutter Delta Medical Center, Antioch	1,000-4,999	-	0.00%	1,000-4,999	8	0.24%
U.S. Veterans Medical Center, Martinez	500-999	-	0.00%	500-999	9	0.16%
USS POSCO Industries, Pittsburg	500-999	-	0.00%	500-999	10	0.14%
All Others			89.71%			93.91%
Total	526,900		100.00%	506,500		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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Administration	3.80	3.59	3.70	3.74	2.97	2.80	3.54	2.98	3.08	2.90
Project management	6.89	6.74	8.37	8.69	9.04	8.74	11.01	8.50	7.79	6.59
Programs	0.54	0.69	0.83	0.94	0.92	1.13	0.98	1.09	0.81	1.85
Regional planning	1.48	1.53	1.52	1.26	1.66	1.91	1.98	2.33	1.54	2.70
Congestion management	5.85	6.46	4.65	4.70	4.29	4.58	1.76	3.45	4.47	2.92
Transportation demand management	0.58	0.53	0.52	0.33	0.46	0.45	0.49	0.40	0.22	0.96
Transportation planning land use solutions	0.86	0.46	0.41	0.34	0.66	0.39	0.24	0.25	0.09	0.08
Total	20.00	20.00	20.00	20.00	20.00	20.00	20.00	19.00	18.00	18.00

Source: Authority's Finance Department

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

Functions/Programs	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
Accounts Payable Invoices Processed	2,050	2,171	2,127	1,791	1,791	1,644	1,774	1,514	1,523	1,901
Number of Payments Processed [a]	1,466	1,605	1,645	1,517	2,184	2,109	2,133	1,923	1,781	2,016
Number of Contracts Processed	95	99	83	104	105	144	131	110	121	129
Purchase Orders Issued	115	100	101	98	94	97	99	45	44	66
Number of Journals Processed	1,454	1,399	1,528	1,333	1,183	1,056	979	883	743	823
Number of Receipts Processed	103	89	94	77	63	70	83	121	97	116
Total	4,703	5,283	5,463	5,578	4,920	5,420	5,120	5,199	4,596	5,051

Source: Authority's Finance Department

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

Functions/Programs (a)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
Leashold Improvements	1	1	1	1	1	1	1	1	1	1
Equipments	-	-	-	-	-	-	-	-	-	2
Financial System	1	1	1	1	1	1	1	1	1	1
Total	2	2	2	2	2	2	2	2	2	4

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 (½%) 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, Statues 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.

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