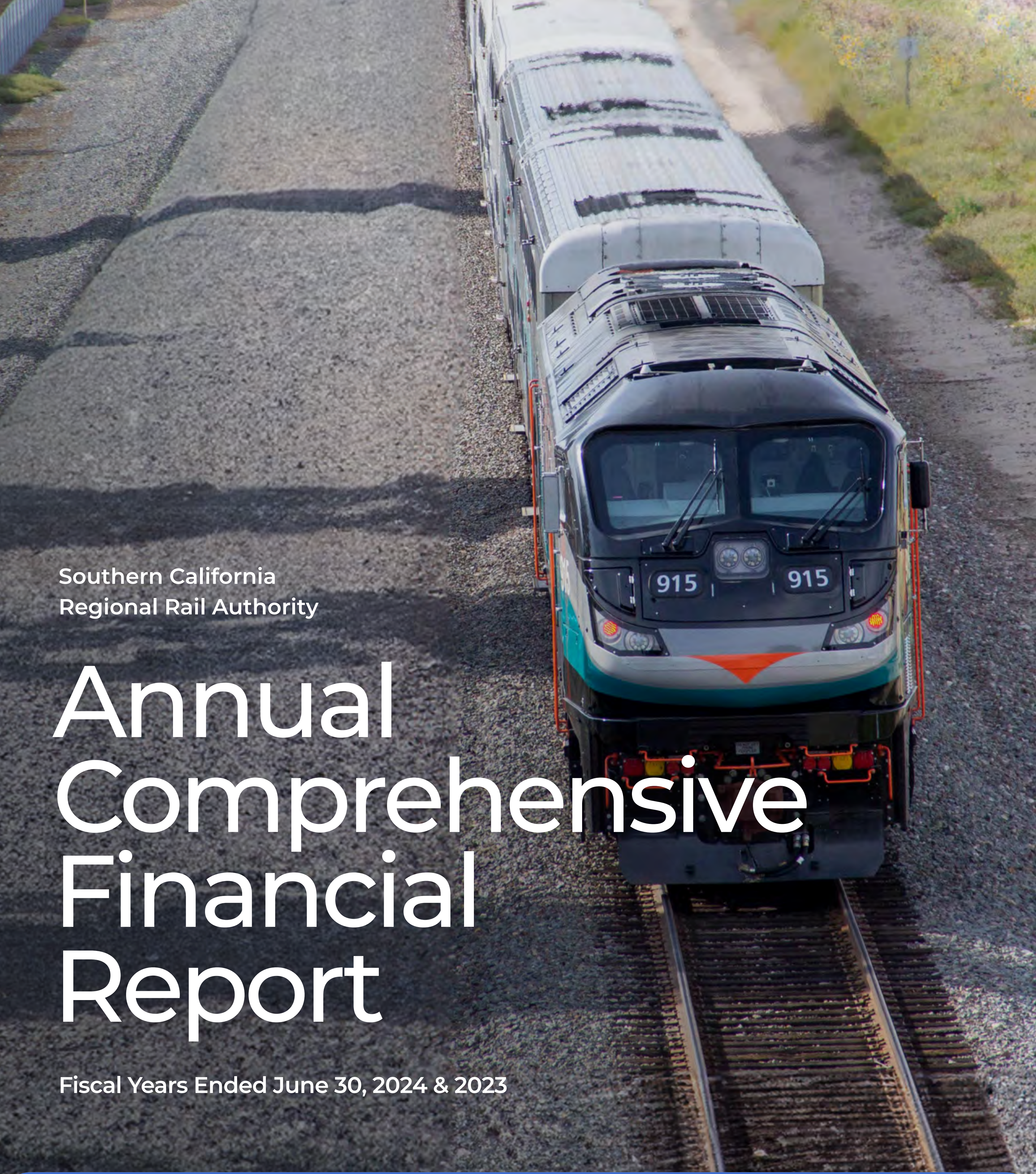

Southern California
Regional Rail Authority

Annual Comprehensive Financial Report

Fiscal Years Ended June 30, 2024 & 2023

METROLINK

Serving the California counties of:
Los Angeles, Orange, Riverside,
San Bernardino & Ventura

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SOUTHERN CALIFORNIA
REGIONAL RAIL AUTHORITY
A Joint Exercise of Powers Agreement Among:

Los Angeles County Metropolitan Transportation Authority
Orange County Transportation Authority
Riverside County Transportation Commission
San Bernardino County Transportation Authority
Ventura County Transportation Commission

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Years Ended June 30, 2024 and 2023

Prepared by:
Finance Department

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SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

For Fiscal Years Ended June 30, 2024 and 2023

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Introductory

METROLINK

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METROLINK

Southern California Regional Rail Authority | metrolinktrains.com
900 Wilshire Boulevard Suite 1500 Los Angeles, CA 90017

December 15, 2024

The Board of Directors
Southern California Regional Rail Authority
900 Wilshire Boulevard, Suite 1500
Los Angeles, CA 90017

Dear Board Members:

Submitted herewith is the Annual Comprehensive Financial Report (ACFR) of the Southern California Regional Rail Authority (SCRRA) for the fiscal year ended June 30, 2024, with comparative information for the fiscal year ended June 30, 2023. This report consists of management's representations concerning the finances of SCRRA.

Management is responsible for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive system of internal controls that are designed both to protect SCRRA's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of SCRRA's basic financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Given the cost of internal controls should not outweigh its benefits, SCRRA's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. SCRRA assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects. The enclosed data reports the financial position and results of operations of the business type activity of SCRRA, an enterprise fund. This report includes the necessary disclosures to allow the reader to understand SCRRA's basic financial activities.

Eide Bailly, LLP, a firm of licensed Certified Public Accountants, had been retained to perform an independent audit of SCRRA's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of SCRRA for the fiscal year ended June 30, 2024, are free of material misstatements. The independent audit involved examining, on a test basis, the evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used; significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, Eide Bailly, LLP concluded that SCRRA's basic financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The report of the independent audit is presented as the first component of the financial section within this report.

The independent audit of SCRRA's basic financial statements was part of a broader, federally mandated Single Audit, under the guidelines of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), designed to meet the requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report on the fair presentation of the financial statements in accordance with GAAP, with a special emphasis on internal controls. Tests of transactions and account balances are performed to ensure that the information presented in the basic financial statements, and notes thereof, are accurate. In addition, SCRRA must prepare a Schedule of Expenditures of Federal Awards, which is considered supplementary financial information and is unique to recipients of federal assistance. The schedule details all the federal assistance expended by the recipient during the year and categorized by federal program. The schedules and audit results are available in SCRRA's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. SCRRA's MD&A can be found immediately following the report of the independent audit.

Profile of the Agency

During the late 1980s, several agencies conducted studies and developed plans for commuter rail transportation in the Southern California region. These efforts gained momentum with the passage of local sales tax measures for transportation in Riverside and San Bernardino counties and in 1990, in Los Angeles and Orange counties. In June 1990, at the request of local officials, the California State Legislature enacted Senate Bill 1402, Chapter 4 of Division 12 of the Public Utilities Code. This bill required the county transportation commissions of Los Angeles, Orange, Riverside, and San Bernardino to jointly develop a plan for regional transit services within the multi-county region. Many of the supporters of commuter rail worked on a State rail bond measure that passed in November 1990. The measure combined with local resources and other State funds, provided the funding to purchase the rail rights-of-way and perform the construction for what was to become the Metrolink system.

In June 1991, following an eight-month cooperative planning effort, the four transportation commissions, in conjunction with the Ventura County Transportation Commission, Los Angeles-San Diego Rail Corridor Agency, and Southern California Association of Governments, produced a report entitled, "Southern California Commuter Rail, 1991 Regional System Plan." The report outlined plans for a system to connect Southern California consisting of six commuter rail lines comprised of more than 400 miles of track and 60 stations by 1995. This ambitious plan would define what is now the nation's third-largest commuter rail system.

In August 1991, SCRRA, a regional Joint Powers Authority (JPA), was formed. Voting members, known as Member Agencies, with their respective number of votes consist of:

- Los Angeles County Metropolitan Transportation Authority (LACMTA), four votes.
- Orange County Transportation Authority (OCTA), two votes.
- Riverside County Transportation Commission (RCTC), two votes.
- San Bernardino County Transportation Authority (SBCTA), two votes.
- Ventura County Transportation Commission (VCTC), one vote.

Ex-officio members of SCRRA include the Southern California Association of Governments (SCAG), the San Diego Association of Governments (SANDAG), and the State of California Department of Transportation (Caltrans).

SCRRA is a separate entity apart from any Member Agency, each of which has an independent board. The Member Agencies and other public entities provide transportation within the counties serviced by SCRRA. SCRRA is not considered a component unit of any other reporting entity.

SCRRA's purpose is to plan, design, construct, and administer the operation of regional commuter rail lines serving Los Angeles, Orange, Riverside, San Bernardino and Ventura counties. SCRRA named the regional commuter rail system "Metrolink." The first three lines (San Bernardino, Santa Clarita, and Ventura) started operation in October 1992. The Riverside Line was added in June 1993, and the Orange County Line that extends 19 miles into northern San Diego County was added in April 1994. The sixth line, Inland Empire - Orange County, the nation's first suburb-to-suburb commuter rail line, was added in October 1995. In May 2002, the 91 Line was added to provide an alternative to Inland Empire and western

Orange County commuters traveling through Fullerton and into Los Angeles. During 2006/07, Metrolink carried its hundred-millionth passenger and opened its 55th station, maintaining its place as one of the fastest growing commuter rail systems in the nation.

In June 2016, the 91 Line was extended to Perris Valley to provide service to an additional section of the Inland Empire. In December 2017, the new San Bernardino Downtown station was added to increase regional mobility. In May 2018, the new Burbank Airport-North station (Antelope Valley Line) was opened which expanded Metrolink's train-to-plane connectivity by providing additional daily access directly to the Hollywood Burbank airport.

Beginning in October 2022 and in partnership with San Bernardino County Transportation Authority, Metrolink started operating the Arrow Service which connects the cities of San Bernardino and Redlands. with the University of Redlands. This 9-mile stretch of network being operated separately from Metrolink's existing lines which aimed to enhance connectivity by providing the residents of Redlands access to the San Bernadino and Inland Empire-Orange County lines. Arrow trains will operate using Diesel Multiple Units, which feature low-emission tier 4 diesel engines. Future plans include introducing hydrogen powered trains, expected to be the first of their kind in the US which would enhance the line's environmental sustainability. Arrow's launch also included one express service connecting Redlands with Los Angeles Union Station each weekday morning and evening, facilitating commuter access to downtown Los Angeles.

Metrolink continues to connect the Southern California region, providing access to jobs and new housing opportunities, while providing significant benefits to improving the efficiency of the transportation system and improving air quality. SCRRA continues its role as the leader in safety and technology among commuter rail systems in the United States. Metrolink was the first passenger railroad in the nation to complete implementation of Positive Train Control (PTC) technology and submission for federal certification. Metrolink launched mobile ticketing in 2016 and modified its fare system to increase ridership. Also, Metrolink began replacing its aging locomotive fleet with emission-reducing Tier 4 locomotives. As of February 2022, Metrolink was the first rail agency in the nation to power the full fleet of locomotives with 100% renewable diesel. This alternative fuel is petroleum free and made from natural fats and vegetable oils. It burns much cleaner and reduces criterial pollutants and greenhouse gas emissions. Our annual consumption of 8 million gallons per year is the equivalent air quality benefit of removing 14,000 cars from the road. It's also an economic benefit to the agency as we can achieve a 20% decrease in fuel pricing compared to standard diesel which saves approximately $6 million per year.

The Metrolink commuter rail system's six-county service area encompasses approximately 2,300 square miles, with a population of over 20 million, and provides service over 546 route miles. Metrolink trains travel over 2.8 million miles each year, and 59% of Metrolink riders travel across county lines. Most notably, Metrolink takes cars off the freeways. 73% of Metrolink riders have an automobile but choose to take the train, thereby helping to reduce congestion on the region's freeways and improve air quality.

Major Initiatives

Metrolink launched the Student Adventure Pass in October of 2023. This pilot program allowed any student with valid school identification to obtain a pass at no charge and ride anywhere on the Metrolink system for free. "Students of any age and any level of schooling qualify for this program as long as they have a valid student identification," noted Darren Kettle.

The Student Adventure Pass is made possible through grant funding from the Low Carbon Transit Operations Program (LCTOP), administered by the California Department of Transportation (Caltrans). This grant allows Metrolink to increase the student discount offered from 25% to 100%.

According to student metrics collected by Metrolink, over 24,000 individual students have registered for the Student Adventure Pass on Metrolink's mobile application, and they have activated the pass over 175,000 times.

Student ridership continues to grow and contribute to the post-pandemic recovery of Metrolink's overall ridership. As of May 2024, students now account for approximately 25% of total ridership and this number continues to grow. The Metrolink Board of Directors approved the program's one year extension at their June 28, 2024, regular meeting. Metrolink continues to engage our Member Agencies to ensure for the future we continue to offer the Student Adventure Pass.

Metrolink Reimagined

Customers and community members have been asking for more frequent trains, midday options and better connections. In October 2023, Metrolink expanded service and provided similar train options on the Antelope Valley Line, which coincided with the launch of the free Student Adventure Pass. The result of the expanded service was an overwhelming success. Combined with the Student Adventure Pass, the Antelope Valley Line saw double digit ridership increases.

Beginning Monday, October 21st, 2024, Metrolink is adding 32 weekday trains, accounting for a 23% increase in service. The new schedule will also streamline connections between lines, making it easier for riders to navigate Metrolink's six-county service area. The schedule change represents what Chief Executive Officer Darren Kettle calls "Metrolink Reimagined," as Metrolink begins it's transition from a commuter service to a regional Southern California passenger rail service.

In addition to increased weekday service levels, the new schedule will optimize connections across the system, reducing wait times for most passengers transferring from one line to another and facilitating travel between counties. The number of connections available throughout the day is increasing. These operational efficiencies will also allow Metrolink to utilize fewer train sets and run more trains.

Metrolink's Orange County, San Bernardino and Inland Empire-Orange County (IEOC) lines will see the most significant changes. The San Bernardino line will welcome sixteen new weekday trains, including ten roundtrips from LA Union Station to Covina. The Orange County Line will add seven trains with all weekday trips operating at least as far south of Irvine, and four new IEOC Line trains will bolster connectivity between Riverside and Orange counties. The Ventura County and 91/Perris Valley lines will each add two weekday trains. The new schedule will complement Amtrak Pacific Surfliner codeshare trains between Los Angeles and Ventura, which will not be affected.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Southern California Regional Rail Authority for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2023. SCRRA published a readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements. The Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

The ACFR is a collaborative effort by SCRRA staff and its independent auditors. We wish to acknowledge the willingness to expend the effort necessary to ensure the financial information contained herein reflects the highest professional standards. Special thanks are extended to the SCRRA Finance Department, in particular: Assistant Directors of Finance, Alex Barber and Vivien Avella, Senior Accountants, Nancy Perez and Emily Truong, Senior Finance Analyst, Edison Abrenica, Accountant II, Diana Gregana, and Finance Analyst II, Marcus Tapia, who are to be commended for their high level of performance. Special thanks also to our Internal and External Auditors, Executive Management, and staff for their assistance and continued support. Their commitment and support are vital for the completion of the ACFR in a timely manner.

Special appreciation is extended to the Metrolink Board of Directors for their leadership in providing a vision that will ensure SCRRA is prepared for the challenges and opportunities of the future.

Respectfully,

Darren Kettle
Chief Executive Officer

Arnold Hackett
Chief Financial Officer

Southern California Regional Rail Authority | metrolinktrains.com
900 Wilshire Boulevard Suite 1500 Los Angeles, CA 90017

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METROLINK REGIONAL RAIL SYSTEM
VENTURA CO.
LOS ANGELES CO.
SAN BERNARDINO CO.
RIVERSIDE CO.
ORANGE CO.
SAN DIEGO CO.
PACIFIC OCEAN
Lancaster
Palmdale
Vincent Grade/Acton
Vista Canyon
Via Princessa
Santa Clarita
Newhall
Sylmar/ San Fernando
Sun Valley
Burbank Airport - North (AV Line)
Burbank - Downtown
Glendale
L.A. Union Station
Ventura - Downtown / Beach
Ventura - East
Oxnard
Camarillo
Moorpark
Simi Valley
Chatsworth
Northridge
Van Nuys
BUR
Burbank Airport - South (VC Line)
Chatsworth
North Hollywood
Wilshire/Western
Santa Monica
7th/Metro
Expo/ Crenshaw
Westchester/Veterans
LAX
Redondo Beach
Long Beach
Norwalk
APU/Citrus College
Cal State L.A.
El Monte
Baldwin Park
Covina
Pomona - North
Claremont
Montclair
Upland
Rancho Cucamonga
Fontana
Rialto
San Bernardino - Depot
San Bernardino - Downtown
San Bernardino – Tippecanoe
Redlands – Esri
Redlands – Downtown
Redlands - University
Arrow
Atlantic
Montebello/ Commerce
Industry
Pomona - Downtown
ONT
Ontario - East
Jurupa Valley/ Pedley
Riverside- Downtown
Riverside- Hunter Park / UCR
Moreno Valley / March Field
Perris - Downtown
Perris - South
Commerce
Norwalk/Santa Fe Springs
Buena Park
Fullerton
Placentia
Future Station
Corona - West
Corona - North Main
Riverside- La Sierra
Anaheim Canyon
Anaheim
Orange
Santa Ana
Tustin
Irvine
Laguna Niguel/ Mission Viejo
SNA
San Juan Capistrano
San Clemente
San Clemente Pier
Limited Service
Oceanside
Solana Beach
San Diego
Escondido
Antelope Valley Line
Inland Empire-Orange County Line
Orange County Line
Riverside Line
San Bernardino Line
Ventura County Line
91/Perris Valley Line
Future Station
Arrow Service
Station Served by Multiple Lines
Amtrak Pacific Surfliner
Metro Rail/Metro Bus
LAX FlyAway Bus
ONT Connect Shuttle
Coaster
Oceanside to San Diego
Sprinter
Oceanside to Escondido
METROLINK
metrolinktrains.com
N
MAP NOT TO SCALE
Updated May 2024 subject to change

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SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
BOARD OF DIRECTORS

As of June 30, 2024

<u>**MEMBERS**</u>	<u>**ALTERNATES**</u>
San Bernardino County Transportation Authority (SBCTA)	
Larry McCallon (*Chair*) Mayor Pro Tem City of Highland SBCTA Board	Javier “John” Dutrey Mayor City of Montclair SBCTA Board
Alan D. Wapner Council Member City of Ontario SBCTA Board	Ray Marquez Council Member City of Chino Hills SBCTA Board
Orange County Transportation Authority (OCTA)	
Doug Chaffee (*Vice-Chair)* Supervisor, 4^{th} District County of Orange OCTA Board	Mark Murphy Citizen Representative OCTA Board
Tam Nguyen Public Member OCTA Board	Jon Dumitru Council Member City of Orange OCTA Board
Riverside County Transportation Commission (RCTC)	
Brian Berkson (2^{nd} Vice-Chair) Mayor Pro Tem City of Jurupa Valley RCTC Board	Lisa Middleton Council Member City of Palm Springs RCTC Board
Karen Spiegel Supervisor, 2^{nd} District County of Riverside RCTC Board	Michael Vargas Mayor City of Perris RCTC Board
Ventura County Transportation Commission (VCTC)	
Tony Trembley Mayor City of Camarillo VCTC Board	Bob Engler Council Member City of Thousand Oaks VCTC Board

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SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
BOARD OF DIRECTORS

As of June 30, 2024

MEMBERS	ALTERNATES
Los Angeles County Metropolitan Transportation Authority (Metro)	
Kathryn Barger Supervisor, 5th District County of Los Angeles Metro Board	Lauren Hughes-Leslie Metro Appointee Council Member City of Lancaster
Paul Krekorian Council Member, 2nd District City of Los Angeles Metro Board	Pam O’Connor Metro Appointee
Ara Najarian Council Member City of Glendale Metro Board	Walter Allen, III Mayor City of Covina Metro Appointee
Hilda Solis Supervisor, 1st District County of Los Angeles Metro Board	Victor Preciado Council Member City of Pomona Metro Appointee

Ex-Officio Members

San Diego Association of Governments (SANDAG):

Joy Lyndes
Council Member
City of Encinitas

Southern California Association of Governments (SCAG):

Art Brown
Council Member
City of Buena Park

State of California:

MEMBERS	ALTERNATES
Gloria Roberts District Director Caltrans District 7	Marlon Regisford Caltrans District 7

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SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
MANAGEMENT TEAM

As of June 30, 2024

EXECUTIVE LEADERSHIP TEAM

Chief Executive Officer	Darren Kettle
Chief of Staff	Noelia Rodriguez
Interim Chief Safety, Security, & Compliance Officer	Timothy Morehead
Chief Financial Officer	Arnold Hackett
Chief Operating Officer	Don Filippi
Chief Program Delivery	Justin Fornelli
Chief Strategy Officer	Paul Hubler
Chief Customer Experience Officer	Lisa Bahr
Interim Chief Technology Officer	Noelia Rodriguez
Interim Chief People Officer	Roxanne Randolph

LEGAL COUNSEL

General Counsel	Don Del Rio
Associate General Counsel	Geoffrey Forgione
Senior Counsel, Risk Manager	Raymond Barrera

INTERNAL AUDIT

Director, Audit	Elisabeth Lazuardi

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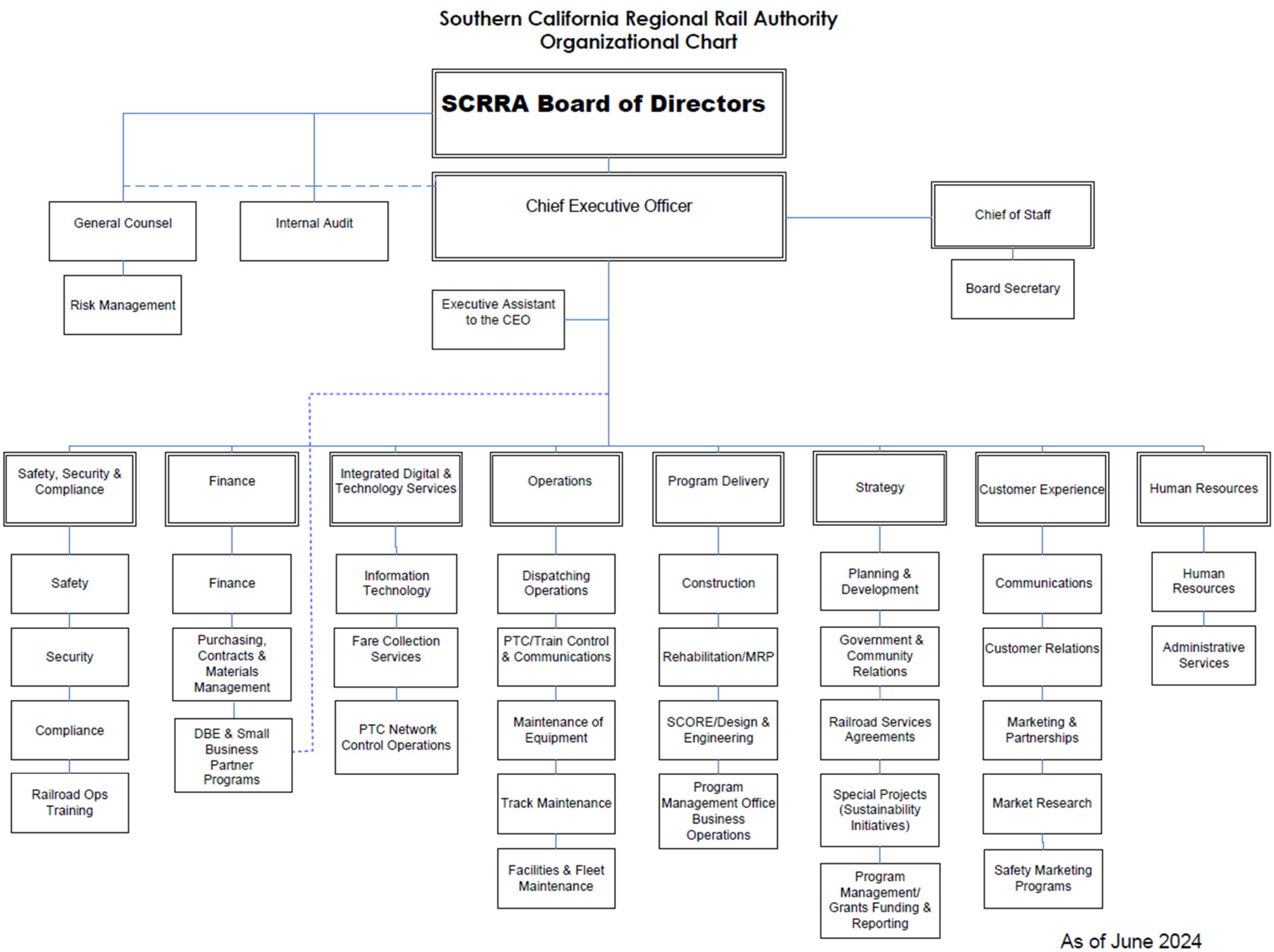
Southern California Regional Rail Authority
Organizational Chart
SCRRA Board of Directors
Chief Executive Officer
General Counsel
Risk Management
Internal Audit
Chief of Staff
Board Secretary
Executive Assistant to the CEO
Safety, Security & Compliance
Safety
Security
Compliance
Railroad Ops Training
Finance
Finance
Purchasing, Contracts & Materials Management
DBE & Small Business Partner Programs
Integrated Digital & Technology Services
Information Technology
Fare Collection Services
PTC Network Control Operations
Operations
Dispatching Operations
PTC/Train Control & Communications
Maintenance of Equipment
Track Maintenance
Facilities & Fleet Maintenance
Program Delivery
Construction
Rehabilitation/MRP
SCORE/Design & Engineering
Program Management Office Business Operations
Strategy
Planning & Development
Government & Community Relations
Railroad Services Agreements
Special Projects (Sustainability Initiatives)
Program Management/ Grants Funding & Reporting
Customer Experience
Communications
Customer Relations
Marketing & Partnerships
Market Research
Safety Marketing Programs
Human Resources
Human Resources
Administrative Services
As of June 2024

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Southern California Regional Rail Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

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METROLINK

MISSION STATEMENT

Our mission is to provide safe, efficient, dependable, and on-time transportation service that offers outstanding customer experience and enhances quality of life.

Our Vision Statement

Our vision is to be Southern California's preferred transportation system built upon safety, reliability, customer service, leading-edge technology, and seamless connectivity.

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Financial

METROLINK

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Independent Auditor's Report

To the Board of Directors
Southern California Regional Rail Authority
Los Angeles, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Southern California Regional Rail Authority (SCRRA), as of and for the years ended June 30, 2023 and 2024, and the related notes to the financial statements, which collectively comprise SCRRA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Southern California Regional Rail Authority as of June 30, 2024 and 2023, and the changes in financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. 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 SCRRA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 SCRRA's ability to continue as a going concern for twelve months beyond the financial statement date, including currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SCRRA'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 SCRRA'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, the Metrolink Railroad Network (GASB 34), schedule of changes in net pension liability and related ratios, schedule of pension contributions, schedules of changes in net OPEB liability and related ratios, and schedule of OPEB contributions, 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 an opinion on the financial statements that collectively comprise SCRRA's basic financial statements. The schedule of unearned revenue and advances on capital purchases 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 GAAS. In our opinion, the schedule of unearned revenue and advances on capital purchases 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 and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2024, on our consideration of SCRRA'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 SCRRA'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 SCRRA's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
December 26, 2024

INTRODUCTION

The following discussion and analysis of the financial performance and activity of Southern California Regional Rail Authority (SCRRA) is offered to the reader to provide an introduction to and understanding of the basic financial statements of SCRRA for the years ended June 30, 2024 and 2023. This Management's Discussion and Analysis (MD&A) is presented in conjunction with the letter of transmittal, the basic financial statements, required supplementary information, and statistical information.

The basic financial statements include (1) the Balance Sheets, (2) the Statements of Revenues, Expenses and Changes in Net Position, (3) the Statements of Cash Flows, and (4) Notes to the Basic Financial Statements. The basic financial statements are prepared in accordance with accounting principles generally accepted in the United States as promulgated by the Governmental Accounting Standards Board (GASB).

The Balance Sheets provide information about the nature and amounts of investments in assets, liabilities, and deferred outflows and inflows of resources of SCRRA, with the residual of these elements being reported as net position.

The Statements of Revenues, Expenses and Changes in Net Position provide information about SCRRA's changes in net position and account for the current year's revenues and expenses. The statements present SCRRA's operations during the period, which can be used to determine how the agency funded its costs.

The Statements of Cash Flows provide information about SCRRA's cash receipts, disbursements, and net changes in cash resulting from operating, financing, and investing activities.

The notes to the basic financial statements provide information that is essential to understanding the financial statements, such as SCRRA's accounting methods and policies, details of cash and investments, employee benefits, lease transactions, and future commitments and contingencies of the Authority and information about other events or developing situations that could materially affect SCRRA's financial position.

The required supplementary information provides details concerning SCRRA's infrastructure assets and progress in funding its obligation to provide pension and other post-employment benefits to its employees.

The supplementary information provides additional detail about unearned revenue and advances on capital purchases by Member Agencies.

FINANCIAL REPORTING ENTITY

SCRRA is an independent entity created in August 1991 through a joint exercise of powers agreement (JPA). SCRRA began operating the "Metrolink" regional commuter rail system in October 1992. As part of the JPA, the Member Agencies (Los Angeles County Metropolitan Transportation Authority [LACMTA], Orange County Transportation Authority [OCTA], Riverside County Transportation Commission [RCTC], San Bernardino County Transportation Authority [SBCTA], and Ventura County Transportation Commission [VCTC]) acquired the rail network in existence at the time the JPA was established for use in Metrolink's commuter rail operations. This initial railroad network is not included in SCRRA's railroad network capital assets as the Member Agencies retain title and ownership of those assets. As part of the JPA, however, SCRRA is responsible for related maintenance and operation of members' assets and rail right-of-way used in its operations.

In addition, certain members retain responsibility to maintain segments of their railroad network. Metrolink's railroad network consists of capital assets created as a result of new capital construction and major capital improvement projects. Currently there are 538 route miles with 62 stations in the Metrolink system throughout Los Angeles, Orange, Riverside, San Bernardino, Ventura, and San Diego counties. On October 24, 2022, the new Arrow service launched in San Bernardino, with 9 miles of track and 4 new stations.

The governing body of SCRRA is a Board of Directors comprised of 11 members appointed by the voting members of the JPA. The Member Agencies with their respective number of votes are as follows:

Los Angeles County Metropolitan Transportation Authority (LACMTA)	4
Orange County Transportation Authority (OCTA)	2
Riverside County Transportation Commission (RCTC)	2
San Bernardino County Transportation Authority (SBCTA)	2
Ventura County Transportation Commission (VCTC)	1

SCRRA is not considered to be a component unit of any other reporting entity.

CONDENSED FINANCIAL INFORMATION

The following sections discuss the significant changes in SCRRA's financial position for the fiscal years ended June 30, 2024 and June 30, 2023. An analysis of major economic factors and industry trends that have contributed to these changes is provided. For purposes of the MD&A, summaries of the financial statements and various exhibits presented are in conformance with SCRRA's financial statements. For more information regarding SCRRA's capital assets, please refer to Note 4 of the Notes to Basic Financial Statements.

	2024		2023		2022	
Current assets	$ 284,585	17%	$ 200,879	12%	$ 181,358	11%
Capital assets, net	1,343,155	77%	1,376,643	83%	1,410,241	83%
Other noncurrent assets	64,777	4%	62,747	4%	81,627	5%
Total assets	1,692,517		1,640,269		1,673,226	
Deferred outflows of resources	19,634	1%	16,222	1%	8,854	1%
Total assets and deferred outflows of resources	$ 1,712,151	100%	$ 1,656,491	100%	$ 1,682,080	100%

The following is more detailed information about SCRRA's capital assets:

ASSET TYPE	2024		2023		2022	
Land, easements, and infrastructure assets	$ 676,117	50%	$ 676,117	49%	$ 676,117	48%
Construction in progress	22,684	2%	15,254	1%	42,173	3%
Total non-depreciable capital assets	698,801	52%	691,371	50%	718,290	51%
Rolling stock, net	432,845	33%	458,464	34%	461,385	33%
Building and improvements, net	73,512	5%	70,930	4%	77,914	5%
Positive train control, net	7,653	1%	11,936	1%	16,223	1%
Infrastructure assets	98,238	7%	105,860	8%	98,270	7%
Other, net	32,106	2%	38,082	3%	38,159	3%
Total depreciable capital assets, net	644,354	48%	685,272	50%	691,951	49%
Total capital assets, net	$ 1,343,155	100%	$ 1,376,643	100%	$ 1,410,241	100%

Fiscal Year 2024 Compared to 2023. At June 30, 2024, net capital assets totaled $1,343.2 million and were $33.5 million or 2.4% less than the prior year. This decrease was primarily related to the capital asset base depreciating faster than new assets were accumulated. Net rolling stock assets declined by $25.6 million, driven by increased depreciation resulting from a significant investment in rolling stock (train sets) in FY22 and FY23, as well as an adjustment in value to rolling stock assets due to on-going litigation.

Fiscal Year 2023 Compared to 2022. At June 30, 2023, net capital assets totaled $1,376.6 million and were $33.6 million or 2.4% less than the prior year. This decrease was primarily related to $26.9 million in lower construction in progress (CIP) as completed projects were placed in service and depreciated for the first time. A total of $19 million was added to rolling stock in FY23 offset by $22 million in depreciation. The increase in infrastructure assets was primarily due to the addition of antennas and signals.

TOTAL LIABILITIES DISTINGUISHED BETWEEN CURRENT AND NON-CURRENT LIABILITIES, AND DEFERRED INFLOWS OF RESOURCES (in thousands)

	2024		2023		2022	
Current liabilities	$ 278,411	80%	$ 195,275	76%	$ 203,769	80%
Noncurrent liabilities	64,917	19%	55,522	22%	37,157	15%
Total liabilities	343,328		250,797		240,926	
Deferred inflows of resources	3,786	1%	4,742	2%	14,825	5%
Total liabilities and deferred inflows of resources	$ 347,114	100%	$ 255,539	100%	$ 255,751	100%

The following is more detailed information about liabilities and deferred inflows of resources by type:

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES BY TYPE (in thousands)	2024		2023		2022	
Accounts payable and accrued liabilities	$ 93,780	27%	$ 88,042	35%	$ 92,849	36%
Advances for construction and retention payable	27,437	8%	28,121	11%	16,670	7%
Unearned revenue	100,190	29%	71,913	28%	85,508	33%
Other current liabilities	51,369	15%	939	1%	379	1%
Compensated absences	6,141	2%	5,841	2%	5,543	2%
Net pension liability	22,874	7%	20,946	8%	6,253	2%
Lease liability	12,723	3%	13,665	5%	18,015	7%
Other postemployment benefits liability	17,019	5%	11,156	4%	8,291	3%
Claims and judgments payable	11,795	3%	10,174	4%	7,418	3%
Total liabilities	343,328		250,797		240,926	
Deferred inflows of resources	3,786	1%	4,742	2%	14,825	6%
Total liabilities and deferred inflows of resources	$ 347,114	100%	$ 255,539	100%	$ 255,751	100%

Fiscal Year 2024 Compared to 2023. At June 30, 2024, total liabilities and deferred inflows of resources equaled $347.1 million and were $91.5 million or 35.8% higher than the prior year. A $50 million increase in other current liabilities was due to the origination of a working capital fund advanced to SCRRA by its Member Agencies, which is intended to provide liquidity to the capital and rehabilitation program. The $28.4 million increase in unearned revenue is related to the FY24 operating surplus as well as the annual FTA preventive maintenance grant funding, both owing back to Member Agencies.

Fiscal Year 2023 Compared to 2022. At June 30, 2023, total liabilities and deferred inflows of resources equaled $255.5 million and were $0.2 million or 0.1% lower than the prior year. Primary drivers of liability increases were increased pension and OPEB expenses driven by poor capital markets performance on associated retirement asset portfolios, increases in advanced deposits resulting from higher volumes of third-party construction projects, and increases in claims payable due to anticipated legal settlements. Offsetting decreases were related to amortization of leases and subscription liabilities, paydown of accounts payables associated with typical working capital cycle fluctuations, and overall reduction in unearned revenues related primarily to the use of CARES reimbursement funding in 2023.

TOTAL NET POSITION DISTINGUISHED BETWEEN AMOUNTS INVESTED IN CAPITAL AND UNRESTRICTED (in thousands)

	2024		2023		2022	
Net investment in capital assets	$ 1,326,890	97%	$ 1,358,870	97%	$ 1,389,038	97%
Unrestricted	38,147	3%	42,082	3%	37,291	3%
Total net position	$ 1,365,037	100%	$ 1,400,952	100%	$ 1,426,329	100%

Total net position in FY24 decreased modestly by $35.9 million, or 2.6% from the prior year primarily due to depreciation and write-down of rolling stock assets, which outpaced new investment in the year.

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION (in thousands)

	2024	2023	2022
Operating revenues and expenses:			
Operating revenues	$ 70,224	$ 68,500	$ 66,160
Operating expenses	465,585	434,714	397,915
Operating loss	(395,361)	(366,214)	(331,755)
Non-operating revenues and expenses:			
Subsidies and grants	230,437	209,052	212,094
Net (loss) gain in fair value of investments	463	343	(948)
Interest income	4,915	955	30
Interest expense	(582)	(737)	(946)
Net gain (loss) on disposal of capital assets	(58)	(847)	36
Total non-operating revenues, net	235,175	208,766	210,266
Loss before capital grants and subsidies	(160,186)	(157,448)	(121,489)
Capital grants and subsidies	124,271	132,071	136,330
Change in net position	(35,915)	(25,377)	14,841
Net position, beginning of year, as restated	1,400,952	1,426,329	1,411,488
Net position, end of year	$ 1,365,037	$ 1,400,952	$ 1,426,329

The following information is about revenues and expenses by major source:

REVENUES AND EXPENSES BY MAJOR SOURCE (in thousands)

	2024	2023	2022
Revenues:			
Fares	$ 36,103	$ 34,309	$ 28,136
Other operating revenues	34,121	34,191	38,024
Grants and subsidies	354,708	341,123	348,424
Other non-operating revenues	4,915	955	30
Total revenues	$ 429,847	$ 410,578	$ 414,614
Expenses:			
Train operations	$ 223,784	$ 203,880	$ 173,074
Maintenance-of-way	62,145	55,623	54,295
Rehabilitation and renovation - capital	95,744	92,022	84,666
Other operating expenses	83,912	83,189	85,880
Non-operating expenses	177	1,241	1,858
Total expenses	$ 465,762	$ 435,955	$ 399,773

Fiscal Year 2024 Compared to 2023: At June 30, 2024, revenues totaled $429.8 million and were $19.3 million or 4.7% higher than the prior year. This increase was due primarily to higher operating subsidies paid by Member Agencies required to fund increased operating expenses. Additionally, the increase in market interest rates provided Management with the opportunity to renegotiate and increase its investment income by approximately $4 million in FY24. Lastly, there was a $4.7 million increase in fare revenue due to a grant funded initiative targeted at increasing student ridership that is reflected in grants and subsidies in addition to a $1.8 million increase in other fare revenue.

Expenses totaled $465.7 million and were $29.8 million or 6.8% higher than the prior year. This increase was due primarily to $19.7 million of increased train operations costs due to moderate increases in service levels in the post-pandemic period and inflationary increases on outsourced train operator costs. Additional increases of $7.4 million in higher maintenance of way expenses and $1.3 million in rehabilitation expenses added to the overall increase. These figures include the impact of higher associated payroll and fringe benefit expenses and general inflationary increases. These increases were offset by reductions in both interest expense on leases as well as losses attributed to the sale of assets.

Fiscal Year 2023 Compared to 2022: At June 30, 2023, revenues totaled $410.6 million and were $4.0 million or 1.0% lower than the prior year. This decrease was primarily due to lower MOW and capital grants/subsidies of $6.8 million, and lower other operating revenues of $3.8 million related to lower billed revenues for operations and rehabilitation services performed for third parties (TPAs). These decreases were offset by higher fare revenues of $6.2 million and increased interest income of $0.9 million due to higher interest rates.

Expenses totaled $435.9 million and were $36.1 million or 9.1% higher than the prior year. This increase was due primarily to $30.8 million of increased train operations costs due to increases in service levels in the post-pandemic period. Additional increases of $1.3 million in higher maintenance of way expenses and $7.4 million in rehabilitation expenses added to the overall increase. These figures include the impact of higher associated payroll and fringe benefit expenses and general inflationary increases in all three operational categories. Other operating expenses include depreciation, which increased by $6.1 million as a result of a full year of depreciation on $93 million of Tier 4 locomotives placed in service in FY22. These increases were offset by reductions in TPA expenses, reductions in claims and judgements accrued expenses, increases in the fair value of investments, and reduction of interest expense.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

INFRASTRUCTURE ASSETS – MODIFIED APPROACH

SCRRA elected to use the modified approach in reporting its railroad network (track, tunnel and bridge structures, and signals and communications). Under the modified approach, infrastructure assets that are part of a network or subsystem of a network are not required to be depreciated as long as two requirements are met. The first requirement is that the infrastructure assets are managed through a qualified asset management system. The second requirement is that the infrastructure be maintained at (or above) a government-established condition level.

As promulgated by the Governmental Accounting Standards Board, a full condition assessment must be performed on all infrastructure assets every three years in accordance with Generally Accepted Accounting Principles. SCRRA has elected to create a Metrolink Rehabilitation Plan (MRP), which thoroughly assesses the condition of SCRRA's key infrastructure assets to confirm that they are at a State of Good Repair (SGR). The modified approach is disclosed in more detail in the accompanying basic financial statements and required supplementary information.

Management seeks to maintain infrastructure above the minimum required level approved by the Board and above minimum standards required by the Federal Railroad Administration. In FY 2024, SCRRA estimated the amount needed to maintain or preserve the infrastructure asset to be $150.1 million. Actual expenses were $104.0 million. In FY 2023, SCRRA estimated the amount needed to maintain or preserve the infrastructure asset to be $106.5 million. Actual expenses were $64.7 million. See Required Supplementary Information, Note 1 for more information.

LONG-TERM OBLIGATIONS

As of June 2024, SCRRA carried no outstanding bonds or funded debt. Long-term obligations primarily relate to lease liabilities, claims and judgements, defined benefit pension plans, and post-retirement medical benefits (OPEB).

Increases in pension and OPEB liabilities contributed to the overall increase in long-term liabilities due primarily to market returns on plan assets less than anticipated by respective plan administrators. Notwithstanding the modest increase in the defined benefit pension plan liability, the funded status of the plan rose from 78.8% to 79.6% from the prior year valuation. Other changes in long-term liabilities in FY24 related to increases in claims and judgements due to on-going legal settlement matters, as well as a modest increase in compensated employee absences. These increases were offset by amortization of long-term lease and subscription liabilities.

LONG TERM LIABILITIES AS OF JUNE 30, 2024 (in thousands)

	June 30, 2023	Change	June 30, 2024
Claims and judgments (see Note 7)	$ 10,174	$ 1,621	$ 11,795
Compensated balances (see Note 5)	5,841	300	6,141
Lease liability (see Note 8)	13,651	(939)	12,712
SBITA liability (see Note 9)	14	(3)	11
Net pension liability (see Note 10)	20,946	1,928	22,874
Other postemployment benefits (see Note 11)	11,156	5,863	17,019
Total	$ 61,782	$ 8,770	$ 70,552

For additional information regarding the individual long-term liabilities, please refer to the Notes to the Basic Financial Statements starting on page 20. Information on interest paid, debt per rider, and the associated coverage ratio in relation to Metrolink's leasing activities, please see the Debt Service Table in the Statistical section.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

The FY24 Adopted and Amended Operating Budget included $305.9 million in appropriations, for an increase of 16.2% or $42.7 million more than actual operating expenses in FY23. The Budget reflected an increase in overall service levels to 90% of pre-pandemic levels, no increases in full-time staff, contractually mandated increases with vendors, increases in service on the Antelope Valley Line, and inflationary assumptions on operating expenses. Operating revenues were forecast at $54 million, or $2.8 million more than realized in FY23. The modest expectation for revenue increases coupled with significant growth in operating expenses required a commitment to higher operating support payments from Member Agencies to achieve a balanced operating budget for FY24 due to challenges in recovering ridership revenues to pre-pandemic levels. The FY24 Budget included $251.9 million of Member Agency support payments.

Actual operating revenue achieved for FY24 was $64.6 million or $10.6 million more than budgeted. $4.7 million was attributable to increases in farebox revenue largely driven by increased student ridership due to the new Student Adventure Pass program, and $4 million was attributable to a significant increase in interest income due to increases in market interest rates. During FY24, ridership recovered approximately 52% compared with pre-pandemic levels, as compared with 43% recovery achieved in FY23.

Actual operating costs were $284.1 million, or $21.8 million less than budgeted. The largest area of operational expense savings was in the category of administrative and professional services. Overall, FY24 results led to a shared Member Agency operating surplus versus the FY24 Budget of approximately $32.9 million.

It should be noted that Management's presentation of the Operating Budget and line-item results may differ from consolidations as required by GAAP and as presented in the ACFR. Operating Budget figures do not include Arrow Service.

The FY24 Adopted Capital Program Budget included $150.1 million of new spending authority and $353.8 million of carried over projects from prior years, for a total Capital Program Budget of $503.9 million. Of the $150.1 million of newly appropriated funds, the state of good repair component totaled $129.8 million, and the new capital component was $20.3 million. Of the $353.8 million of carryover projects, $268.4 million were for state of good repair, with the remainder of $85.4 million of new capital.

The purpose of the Capital Program is to ensure the overall safety and dependable performance of SCRRA's railroad network asset, the right-of-way, and everything that travels upon it. Projects are selected based on the principle of maintaining infrastructure assets in a state of good repair to maximize safety by minimizing and managing risks associated with network system failure.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

FY 2025 ADOPTED BUDGET

Metrolink continues to confront challenges to ridership levels and has experienced significant changes in its ridership profile. A "new normal" has changed work modes and commuting patterns. Metrolink's ridership was flat for a number of years prior to the COVID pandemic. During the pandemic, ridership declined approximately 90% and has since recovered to only 50% of pre-pandemic levels. Metrolink's FY25 Adopted Operating Budget is reflective of initiatives that will assist the Agency in transitioning from primarily commuter driven to a more diverse regional transportation option aimed to increase ridership and revenue levels.

Total operating revenues are forecast at $68.1 million in FY25 and reflect a projected net increase of $14.0 million or 25.9% from the FY24 Budget and a $3.4 million increase from actual FY24 revenues. This modest growth assumption is indicative of SCRRA's conservative outlook regarding ridership recovery and in recognition of the time it will take for the Optimized Service initiative to be fully realized.

Operating expenditures are budgeted at $332.1 million and reflect an increase of $26.1 million or 8.5% higher than the FY24 Budget, and a $48 million increase from actual FY 2024 expenses. The primary drivers are increases in train operations and fuel expenses driven by the Optimized Service initiative, one-time mobilization expenses associated with a significant train operations and maintenance services consolidation initiative, increased security, insurance, payroll and benefits expenses, as well as other contractual increases in vendor contracts. The required Operating Support from Member Agencies is $264.0 million and is an increase of $12.2 million, or 4.8% from the FY24 Budget.

The Capital Program State of Good Repair FY25 Adopted Budget is $159.7 million, which was identified as the necessary investment to maintain assets in a state of good repair. This represents a $29.9 million or 23% increase versus last year's Budget. New Capital authorized was $8.2 million, the amount identified as necessary for safe and efficient rail operations. This amount is $12.1 million or 60% less than the prior year's Adopted Budget.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of SCRRA's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Southern California Regional Rail Authority, 900 Wilshire Boulevard Suite 1500, Los Angeles, CA 90017.

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SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

Balance Sheets
June 30, 2024 and 2023
(Dollar Amounts in Thousands)

	2024	2023
Assets and deferred outflows of resources:		
Current assets:		
Cash and investments	$ 91,839	$ 64,740
Fuel hedge and other assets	13,866	12,995
Due from other agencies, net of allowance for uncollectible accounts of $442 and $442, respectively	114,146	102,675
Prepaid expenses	322	465
Trade and other receivables, net of allowance for uncollectible accounts of $22 and $11, respectively	46,127	3,953
Inventory	18,285	16,051
Total current assets	284,585	200,879
Noncurrent assets:		
Restricted cash and investments	64,777	62,747
Capital assets:		
Non-depreciable	698,801	691,371
Depreciable, net of accumulated depreciation of $653,974 and $602,944, respectively	644,354	685,272
Total noncurrent assets	1,407,932	1,439,390
Total assets	1,692,517	1,640,269
Deferred outflows on fuel hedge	-	77
Deferred outflows from pension	11,557	12,479
Deferred outflows from OPEB	8,077	3,666
Total deferred outflows of resources	19,634	16,222
Total assets and deferred outflows of resources	$ 1,712,151	$ 1,656,491
Liabilities, deferred inflows of resources and net position:		
Current liabilities:		
Accounts payable and accrued liabilities	$ 93,780	$ 88,042
Advances for construction	23,895	24,013
Retention payable	3,542	4,108
Unearned revenue and advances on capital purchases	100,190	71,913
Other current liabilities	51,369	939
Compensated absences	2,460	2,297
Claims and judgments payable	2,197	3,000
Subscription liability	4	4
Lease liability	974	959
Total current liabilities	278,411	195,275
Noncurrent liabilities:		
Compensated absences	3,681	3,544
Claims and judgments payable	9,598	7,174
Subscription liability	7	10
Lease liability	11,738	12,692
Net other postemployment benefits liability	17,019	11,156
Net pension liability	22,874	20,946
Total noncurrent liabilities	64,917	55,522
Total liabilities	343,328	250,797
Deferred inflows from fuel hedge	118	-
Deferred inflows from pension	857	1,229
Deferred inflows from OPEB	2,811	3,513
Total deferred inflows of resources	3,786	4,742
Net position:		
Net investment in capital assets	1,326,890	1,358,870
Unrestricted	38,147	42,082
Total net position	1,365,037	1,400,952
Total liabilities, deferred inflows of resources and net position	$ 1,712,151	$ 1,656,491

See accompanying notes to basic financial statements.

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

Statements of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2024 and 2023
(Dollar Amounts in Thousands)

	2024	2023
Operating revenues:		
Fares	$ 36,103	$ 34,309
Dispatching	2,677	2,245
Third-party agreements	17,379	18,167
Maintenance of way	13,795	13,402
Public liability and property damage recovery	126	57
Miscellaneous	144	320
Total operating revenues	70,224	68,500
Operating expenses:		
Train operations	223,784	203,880
Maintenance-of-way	62,145	55,623
Rehabilitation and renovation - capital	95,744	92,022
Third-party agreements	17,068	18,128
Insurance	15,848	13,635
Provision for claims, judgments and other	2,283	(2,026)
Public liability and property damage	2,058	1,562
Depreciation and amoritization	46,630	51,594
Bad debt expense	25	296
Total operating expenses	465,585	434,714
Operating loss	(395,361)	(366,214)
Non-operating revenues (expenses):		
Subsidies and grants - trains and maintenance of way	210,260	189,864
Subsidies and grants - public liability and property damage	20,177	19,188
Net change in fair value of investments	463	343
Interest income	4,915	955
Interest expense	(582)	(737)
Net (loss) on disposal of capital assets	(58)	(847)
Total non-operating revenues, net	235,175	208,766
Loss before capital grants and subsidies	(160,186)	(157,448)
Capital grants and subsidies	124,271	132,071
Change in net position	(35,915)	(25,377)
Net position at beginning of year	1,400,952	1,426,329
Net position at end of year	$ 1,365,037	$ 1,400,952

See accompanying notes to basic financial statements.

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

Statements of Cash Flows
For the years ended June 30, 2024 and 2023
(Dollar Amounts in Thousands)

	2024	2023
Cash flows from operating activities:		
Cash received from fares	$ 36,074	$ 34,441
Cash paid to / received from dispatching and maintenance of way	(25,730)	14,972
Cash received from third-party agreements and public liability and property damage	2,247	4,794
Cash paid to employees	(2,666)	(48,959)
Cash paid to suppliers	(339,381)	(310,633)
Cash received from miscellaneous sources	144	320
Sale / maturity of fuel hedge	(871)	771
Net cash used in operating activities	(330,183)	(304,294)
Cash flows from noncapital financing activities:		
Operating subsidies and grants - trains and maintenance of way	241,398	169,055
Operating subsidies and grants - public liability and property damage	20,177	19,188
Net cash provided by noncapital financing activities	261,575	188,243
Cash flows from capital and related financing activities:		
Capital grants and subsidies received	107,131	126,048
Construction and purchases of capital assets	(13,224)	(19,659)
Cash paid for lease liabilities - principal portion	(939)	(1,019)
Cash paid for lease liabilities - interest portion	(581)	(620)
Cash paid for subscription liabilities - principal portion	(3)	(3,345)
Cash paid for subscription liabilities - interest portion	(1)	(117)
Net cash provided by capital and related financing activities	92,383	101,288
Cash flows from investing activities:		
Net change in cash equivalents	4,891	698
Sale / maturity of investments	463	343
Net cash used by investing activities	5,354	1,041
Net increase (decrease) in cash and investments	29,129	(13,722)
Cash and investments at beginning of year	127,487	141,209
Cash and investments at end of year	$ 156,616	$ 127,487
Reconciliation to cash and investments on the Balance Sheets:		
Cash and investments	$ 91,839	$ 64,740
Restricted cash and investments	64,777	62,747
Total cash and investments on the Balance Sheets	$ 156,616	$ 127,487

See accompanying notes to basic financial statements.

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

Statements of Cash Flows, Continued
For the years ended June 30, 2024 and 2023
(Dollar Amounts in Thousands)

	2024	2023
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (395,361)	$ (366,214)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	46,630	51,594
Bad debt	25	296
(Increase) decrease in:		
Sale / maturity of fuel hedge	(871)	774
Due from other agencies	2,307	(902)
Prepaid expenses	143	41
Trade and other receivables, net	(42,174)	(856)
Inventory	(2,234)	685
Increase (decrease) in:		
Accounts payable and accrued liabilities	5,738	(4,807)
Compensated absences	300	298
Advances for construction	(118)	10,532
Claims and judgments payable	1,623	2,756
Unearned revenue	(64)	54
Other post employment benefits	5,863	2,865
Other liabilities	49,861	1,408
Fuel Hedge and related changes in deferred outflows and inflows of resources	41	(257)
Net pension liability and related changes in deferred outflows and inflows of resources	(5,601)	(834)
Changes in deferred outflows and inflows of resources related to OPEB	3,709	(1,727)
Total adjustments	65,178	61,920
Net cash used in operating activities	$ (330,183)	$ (304,294)
Noncash investing, capital and financing activities:		
Net (loss) gain on disposal of capital assets	(58)	(847)
Subscription liability for the acquisition of a right to use leased asset	-	14

See accompanying notes to basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Southern California Regional Rail Authority (SCRRA) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. SCRRA's significant accounting policies are described below.

A. Financial Reporting Entity

In June 1990, the California Legislature enacted Senate Bill 1402, Chapter 4 of Division 12 of the Public Utilities Code. This bill required the transportation commissions of the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura to jointly develop a plan for regional transit services within the multi-county region. The Southern California Regional Rail Authority (SCRRA) was established on August 1, 1991 through a Joint Exercise of Powers Agreement (JPA) among the following public agencies (Member Agencies):

- Los Angeles County Metropolitan Transportation Authority (LACMTA)
- Orange County Transportation Authority (OCTA)
- Riverside County Transportation Commission (RCTC)
- San Bernardino County Transportation Authority (SBCTA)
- Ventura County Transportation Commission (VCTC)

SCRRA's independent governing Board consists of 11 members appointed by the Member Agencies, as follows:

Los Angeles County Metropolitan Transportation Authority	4
Orange County Transportation Authority	2
Riverside County Transportation Commission	2
San Bernardino County Transportation Authority	2
Ventura County Transportation Commission	1

The purpose of SCRRA is to plan, design, construct, and administer the operation of regional commuter rail lines serving the counties of Los Angeles (L.A.), Orange, Riverside, San Bernardino, Ventura, and northern San Diego. The operation of the commuter rail lines is referred to as Metrolink. Its services include the operation of seven commuter rail passenger lines, as follows:

- San Bernardino Line – running from San Bernardino to L.A. Union Station
- Antelope Valley Line – running from Lancaster to L.A. Union Station
- Ventura County, Burbank Airport/Downtown Line – running from Oxnard to L.A. Union Station
- Orange County Line – running from Oceanside to L.A. Union Station
- Inland Empire-Orange County Line – running from San Bernardino to Oceanside
- 91/Perris Valley Line – running from South Perris to L.A. Union Station via Fullerton
- Riverside Line – running from Riverside to L.A. Union Station via City of Industry

In partnership with SBCTA, Metrolink now offers a new service between the cities of San Bernardino and Redlands. The Arrow service has five train stations between the two cities and introduces brand new Diesel Multiple Unit (DMU) trains to Metrolink's cleaner-operating fleet.

- Arrow Line – running from Redlands University to downtown San Bernardino

Passenger fares, dispatching and maintenance-of-way revenues, Member Agency operating and capital subsidies, and State and federal grant programs fund the SCRRA. The Member Agencies and other public entities provide transportation within the counties served by SCRRA. SCRRA is not considered a component unit of any other reporting entity. As required by U.S. GAAP, the accompanying basic financial statements include all financial activities of SCRRA.

In accordance with GAAP, SCRRA has considered all potential organizations for which the nature and significance of their relationships with SCRRA are such that exclusion would cause SCRRA's financial statements to be misleading or incomplete. The GASB has established criteria to be considered in determining financial accountability. These criteria include appointing the majority of an organization's governing body and (1) the ability of SCRRA to impose its will on that organization or (2) the potential for that organization to provide specific benefits or impose specific financial burdens on SCRRA. Based on these criteria, there are no other organizations or agencies that should be included in these basic financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The accompanying basic financial statements of SCRRA have been prepared in conformity with GAAP as promulgated by GASB, the accepted standard setting body for establishing governmental accounting and financial reporting principles.

C. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of revenues and expenses. Actual results could differ from those estimates and assumptions.

D. Effects of New Accounting Pronouncements

SCRRA adopted the following GASB statements in the fiscal year ended June 30, 2024:

GASB Statement No. 99

Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.

The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. SCRRA has implemented the requirements of GASB 99 that are currently effective, noting no significant changes to the financial statements.

GASB Statement No. 100

In June 2022, GASB issued Statement No. 100 *Accounting 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.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The following issued, but not yet effective GASB statements are being reviewed by management:

GASB Statement No. 101

In June 2022, GASB issued Statement No. 101 *Compensated Absences.* This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

1. Cash and Investments

Cash and investments consist of cash in demand deposit accounts and investments in the State Treasurer's Local Agency Investment Fund (LAIF), money market funds, and treasury reserves. Note 2 provides information about SCRRA's deposits and investments, interest sensitive investments, and the credit quality of the investments held at year-end. Investments are presented at fair value.

Cash and cash equivalents are considered to be cash on hand, amounts in demand deposits, and short-term investments with original maturities of three months or less from the date acquired by SCRRA.

2. Restricted Cash and Investments

Restricted cash and investments represent advanced funds received whereby constraints have been either (1) imposed by the creditors, grantors, contributors, member agencies, or laws and regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

3. Due from Other Agencies and Trade Receivables

SCRRA establishes an allowance for doubtful accounts, which reflects a reasonable estimate of accounts receivable that management deems uncollectible. Using the June 30th final accounts receivable aging report, SCRRA calculates a reserve balance equal to 50% of aged receivable amounts that are over 120 days outstanding.

4. Prepaid Expenses

Payments made to vendors for expenses that will benefit future periods beyond the fiscal year end are recorded as prepaid expenses.

5. Inventory

Inventory consists of railroad operating spare parts that are recorded when purchased and expensed when used. SCRRA maintains inventory for rolling stock, track, and signal maintenance. SCRRA's inventory is valued at cost. SCRRA continues to test its inventory for obsolescence and the reserve for obsolescence for FY24 was $6.3 million and for FY23 the reserve was $8.0 million

6. Capital Assets

Capital assets reported by SCRRA include land, buildings, vehicles, rolling stock, equipment, right-of-way easements, positive train control (PTC), fare collection equipment, and the Metrolink railroad network. As part of the JPA, the Member Agencies acquired the rail network in existence at the time of the creation of the JPA for use in SCRRA's commuter rail operations. The initial railroad network is not included as part of Metrolink's railroad network. The Member Agencies retained title and ownership to those assets.

As part of the JPA, SCRRA is responsible for the related maintenance and operation of members' assets and rail right-of-way used in operations. Additionally, certain agencies retain responsibility to maintain segments of their railroad network. SCRRA's railroad network consists of capital assets created as a result of new capital construction and major capital improvement projects and are recorded in the financial statements as SCRRA infrastructure. Capital assets are defined by SCRRA as assets with an individual cost of at least $5,000 and a minimum useful life of greater than one year.

Purchased or constructed capital assets are valued at cost where records are available and at estimated fair value where no records exist. Assets donated to SCRRA are valued at acquisition value on the date received. Costs related to the acquisition of easement rights are recorded as part of capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

The Authority also records the value of intangible right to use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right to use intangible asset is amortized each year for the term of the contract.

Right to use subscription IT assets are recognized at the subscription commencement date and represent SCRRA's right to use the underlying IT asset for the subscription term in accordance with GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method.

Buildings and improvements, rolling stock, depreciable infrastructure/railroad network, vehicles, fare collection equipment, and computer and other equipment are depreciated using the straight-line method over the following useful lives:

Asset Description	Useful Life
Rolling stock	20-30 years
New railroad network	20 years
Fare collection systems and Positive Train Control	10 years
Computer and other equipment	3-10 years
Support vehicles	5-7 years

SCRRA defines historical infrastructure and new railroad network as basic physical assets that allow SCRRA to function. These assets constitute the Metrolink railroad network (tracks, tunnel and bridge structures, and communications signals). The new railroad network assets are depreciated on a straight-line basis, using a useful life of 20 years. On historical infrastructure, SCRRA has elected to use the modified approach as defined by GASB Statement No. 34.

Pursuant to the modified approach to accounting for infrastructure assets, SCRRA has committed to preserving and maintaining its railroad network at an appropriate condition level as determined by the Board of Directors. Consequently, no depreciation expense is reported for the capital assets comprising the historical railroad network, nor are amounts capitalized in connection with improvements that lengthen the lives of those capital assets, unless those improvements also increase their service capacity. SCRRA maintains an inventory of its railroad network infrastructure assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained. In addition, SCRRA makes annual estimates of the amount that must be expended to preserve and maintain the railroad network at the predetermined condition level.

7. Leases and Subscriptions

A lessee should recognize a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease, or it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

Subscription liabilities represent SCRRA's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by SCRRA.

8. Compensated Absences

Substantially all employees earn paid time-off (PTO) for vacation, illness, and certain other qualifying absences each pay period. The number of hours accrued is generally based on length of service not to exceed three times an employee's annual accrual. When employees reach their maximum accrual balance, they will not continue to accrue PTO hours until their PTO accounts are below the maximum accrual balance. A liability for compensated absences has been accrued in the accompanying basic financial statements.

9. Unearned Revenue and Advances on Capital Construction

Unearned revenues arise when SCRRA receives resources before it has a legal claim to them, such as when grant monies are received prior to the incurrence of the qualifying expenses or when advances on capital construction are received. In addition, Member Agencies contribute funds in advance for their annual operating subsidy. In subsequent periods, when SCRRA has met all eligibility requirements, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

10. Working Capital Funds

Metrolink funds Capital Projects primarily through grants provided by Member Agencies, which are funded on a reimbursement basis. Project expenses and invoices must be paid first using operating cash, then submitted to the Grantor for reimbursement. To reduce the use of and reliance on operating funds for these Capital Projects, Metrolink established a Working Capital Fund to be utilized to cover the up-front expenses related to Capital Projects. The Working Capital Fund is segregated from the operating cash and will be accounted for as a restricted cash account and/or receivable with an offsetting liability. The Working Capital Fund will be reviewed annually by SCRRA Board of Directors. The Member Agencies and SCRRA Board of Directors will consider the adequacy of the Working Capital Fund amount and will recommend any changes, as deemed necessary.

11. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of SCRRA's California Public Employees' Retirement System (CalPERS) plan (Plan), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The investments of the plan are reported at fair value.

12. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the SCRRA Retiree Healthcare Plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The investments of the plan are reported at fair value.

13. Deferred Outflows/Inflows of Resources

In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until that time.

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

14. Components of Net Position

Net position is reported in one of three categories:

Net Investment in Capital Assets – groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation reduces the balance of this category. Additionally, the Authority includes the right to use lease assets and subscription assets reduced by liabilities used to acquire these assets.

Restricted – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, netting to zero dollars for the years ended June 30, 2024 and 2023.

Unrestricted – represents net position that is not restricted for any project or purpose.

15. Use of Restricted/Unrestricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, SCRRA's policy is to apply restricted resources first.

F. Revenues and Expenses

1. Third-Party Agreements

SCRRA receives revenues from third-party agreements – items such as charter train services, construction of major capital facilities on behalf of third parties, and flagging services provided by SCRRA for the safety of non-SCRRA personnel accessing the rail right-of-way. SCRRA recognizes revenue in the period to the extent of eligible expenses incurred. Any fees determined to be nonrefundable are recognized as revenue upon receipt.

2. Operating and Maintenance Agreements

SCRRA operates Metrolink services through the use of several operating agreements with various vendors. Under these operating agreements, services are provided for the maintenance of track, structures, communications signals and equipment, and rolling stock maintenance, as well as outsourced staffing for the operation of passenger train services.

3. Operating and Non-operating Revenues and Expenses

Operating revenues are those revenues that are generated from SCRRA's primary operations and generally include passenger fares charged for commuter rail services, dispatching fees, third-party agreements, and maintenance-of-way revenues. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to SCRRA's primary operations. All other expenses are reported as non-operating expenses. Revenues are recognized when earned and expenses are recorded when incurred.

G. Reclassifications

Certain amounts presented in the 2023 financial statements have been reclassified to be consistent with the current year's presentation. Such reclassifications have no effect on the change in net position as previously reported.

2. CASH AND INVESTMENTS

The Investment policy of SCRRA sets forth the guidelines for the investment of all funds, except retirement funds, and conforms to the California Government Code. The authority to manage SCRRA's investment program is granted to its Treasurer by the Board of Directors. Pursuant to Section 53607 of the California Government Code, the Board of Directors annually appoints the Chief Financial Officer as Treasurer and approves SCRRA's Investment Policy. The Treasurer is authorized to delegate this authority as deemed appropriate. No person may engage in investment transactions except as provided under the terms of the Investment Policy and the procedures established by the Treasurer.

The Investment Policy requires that investments be made with the prudent person standard, that is, when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the Treasurer and designated staff will act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of SCRRA.

A. Authorized Investments

SCRRA's Investment Policy is adopted annually by the Board of Directors in accordance with California Government Code Section 53601, and has as its objectives the following (in order of priority):

- **Safety of Principal:** Safety of principal is the foremost objective of SCRRA. Each investment transaction shall seek to ensure capital losses are avoided, whether from institutional default, broker-dealer default, or erosion of fair value of securities.
- **Liquidity:** Liquidity is the second most important objective of SCRRA. It is important the portfolio contain investments for which there is an active secondary market, and which offer the flexibility to be easily sold at any time with minimal risk of loss of either the principal or interest based upon then prevailing rates.
- **Total Return:** SCRRA's portfolio shall be designed to attain a market-average rate of return through economic cycles.

Under provisions of SCRRA's Investment Policy, the Treasurer may invest in the following types of investments:

U.S. Treasuries	Direct obligations of the United States and securities that are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States; U.S. Treasury coupon and principal Separate Trading of Registered Interest and Principal of Securities (STRIPS).

Federal Agencies and U.S. Government Sponsored Enterprises	Senior debt obligations, participation certificates, or other instruments of, or issued by or guaranteed by, the Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA or Fannie Mae), the Federal Farm Credit Bank (FFCB), the Student Loan Marketing Association (SLMA or Sallie Mae), the Government National Mortgage Association (GNMA or Ginnie Mae), the Small Business Administration (SBA), the Export-Import Bank of the United States, or the U.S. Department of Housing and Urban Development. Any federal agency or U.S. Government Sponsored Enterprise security not specifically mentioned above is not a permitted investment.
State of California and Local Agency Obligations	Registered state warrants, treasury notes, or bonds of the State of California and bonds, notes, warrants, or other forms of indebtedness of any local agency within California.
Bankers Acceptances	Bankers acceptances with a maximum term of 180 days.
Commercial Paper	Prime commercial paper with a maximum term of 180 days.
Negotiable Certificates of Deposit	Negotiable certificates of deposit with a maximum term of 270 days, issued by a nationally- or state-chartered bank or state or federal association or by a state licensed branch of a foreign bank.
Repurchase Agreements	Repurchase agreements with a maximum term of one year that comply with statutory requirements, are documented by a written agreement, are fully collateralized by delivery to an independent third-party custodian or the counterparty's bank's trust department or safekeeping department.
Medium-term Maturity Corporate Securities	Corporate securities with a maximum term of 5 years, rated AA (the Government Code allows A ratings or better) or better by a nationally recognized rating service.
Money Market Funds	Shares of beneficial interest issued by diversified management companies (commonly called money market funds), subject to certain conditions and limitations.
Other Mutual Funds	Shares of beneficial interest issued by diversified management companies (commonly called mutual funds), subject to certain conditions and limitations.
Mortgage or Asset-backed Securities	Mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment and other mortgage and consumer receivable pass-through certificates, or consumer receivable-backed bonds with a maximum stated final maturity of 5 years, subject to the credit rating of the issuer.
Investment Agreements	Investment agreements are permitted with any bank, insurance company, or broker-dealer, subject to certain limitations.
State of California Local Agency Investment Fund (LAIF)	LAIF is a pooled fund maintained by the State of California and managed by the State Treasurer. In FY21, an additional account was opened to deposit CARES funds.
Variable and Floating Rate	Variable and floating rate securities, which are restricted to investments in permitted Federal Agencies and U.S. Government

Securities	Sponsored Enterprises securities, with a final maturity not to exceed 3 years.
Derivatives	Derivatives are to be used as a tool for bona fide hedging investments only where deemed appropriate.

All investments, unless otherwise specified, are subject to a maximum stated term of 5 years.

In accordance with Section 53651 of the California Government Code, SCRRA cannot invest in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity. The limitation does not apply to investments in shares of beneficial interest issued under the Investment Company Act of 1940 that are authorized investments under Section 53601 of the California Government Code.

The following is a summary of cash and investments as of June 30, 2024 and 2023 (in thousands):

	2024	2023
Cash with financial institution	$ 120,989	$ 88,874
LAIF	35,627	38,613
Fuel hedge and other assets	13,866	12,995
Total cash and investments	$ 170,482	$ 140,482

Restricted cash and investments for the years ended June 30, 2024 and 2023 are summarized as follows (in thousands):

	2024	2023
Unexpended restricted funds (Note 6):		
California State Transportation Agency State Rail Assistance (CalSTA SRA)	14,424	12,544
Low-Carbon Transit Operations Program (LCTOP)	1,309	5,386
Total unexpended restricted funds	15,733	17,930
Advances for construction	23,895	24,013
Other funds	25,149	20,804
Total restricted cash and investments	$ 64,777	$ 62,747

B. Risk Disclosures – Deposits

As of June 30, 2024, and 2023, the Federal Deposit Insurance Corporation (FDIC) covered $250,000 of the bank balance. The California Government Code Section 53652 requires California financial institutions to secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by governmental entities by pledging first trust deed mortgage notes having a value equal to 150% of a governmental unit's total deposit.

C. Investment Valuation

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GASB Statement No. 72 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. The standard describes three levels of inputs that may be used to measure fair value, as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

D. Risk Disclosures – Investments

Investments are subject to a number of risks, as follows:

1. Interest Rate Risk

Interest rate risk is the potential loss due to the fair value of an investment falling due to interest rates rising. At June 30, 2024 and 2023, SCRRA did not hold investments that are "highly sensitive to interest rate fluctuations," as defined by GASB Statement No. 40. As a means of limiting exposure to fair value losses arising from increasing interest rates, SCRRA's investment policy provides that final maturities of securities cannot exceed five years. Specific maturities of investments depend on liquidity needs. For SCRRA's LAIF investments, the weighted average maturity at June 30, 2024 and 2023 was 217 days and 260 days respectively.

2. Credit Risk

Credit risk is the risk that an issuer will not fulfill its obligation to the holder of the investment.

Money market funds and other mutual funds must be rated AAA (or equivalent highest rating) by two of the three largest nationally recognized rating agencies. Mortgage or asset-backed securities must be rated AAA (AA, according to the Government Code) by a nationally recognized rating agency. The Local Agency Investment Fund (LAIF), administered by the State of California, has a separate investment policy, governed by Government Code Sections 16480-16481.2, that provides credit standards for its investments. LAIF is not rated. SCRRA's investment in LAIF is uncategorized as deposits and withdrawals are made on the basis of $1 and not fair value. LAIF represents $35.6 million and $38.6 million of SCRRA cash balances at June 30, 2024 and 2023 respectively.

3. Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, SCRRA will not be able to recover the value of its investments or collateral securities that are in the possession of outside party. SCRRA has fuel hedging contracts held by Royal Bank of Canada.

4. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investor’s holdings in a single issuer. SCRRA diversifies its portfolio by limiting the percentage of the portfolio that can be invested in any one issuer’s name to 5%. Investments in LAIF are not subject to this limit on credit concentration; however, SCRRA limits the percentage of the portfolio that can be invested in any one federal agency or government-sponsored enterprise security to 30%.

E. External Investment Pool

SCRRA follows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, for the investments held in the California Local Agency Investment Fund (LAIF), a State of California external investment pool, that is not rated. The pool is valued using pricing models that maximize the use of observable inputs for similar securities that make up the investment pool, which includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

During 2021, LAIF announced the authorization to offer special Emergency LAIF accounts to those agencies receiving federal and/or state COVID-19 funds. This is a temporary account solely for the deposit of COVID funds. This account would be in addition to the agencies current LAIF account. This temporary (secondary) account is subject to a $75M cap. Once the agency has withdrawn all funds from the account and after six months of inactivity, LAIF will close this secondary COVID account.

SCRRA reports its investment in LAIF at the fair value amount provided by LAIF. The fair value of LAIF was calculated by applying a factor of 0.996316042 and 0.984828499 at June 30, 2024 and 2023, respectively, to the total investments held by LAIF. As of June 30, 2024, and 2023, SCRRA had $35.7 million and $39.2 million invested in LAIF, respectively, with fair value at $35.6 million and $38.6 million, respectively.

F. Fuel Hedge

SCRRA partially hedges its diesel fuel cost exposure using financial hedges. The goal of the hedging program is to minimize the budget risk resulting from the purchase of fuel on a spot basis and to seek overall low fuel cost in the long-term while managing budget risk. Fuel-related derivative transactions are recorded at fair value on the Balance Sheet as either an asset or liability depending on their fair value; the related unrealized gains and/or losses for effective hedges are deferred. Realized gains and losses on these transactions are recognized as fuel expense in the specific period in which the instrument is settled. During the year ended June 30, 2024, realized settlement gains totaling $1.02 million were recognized in fuel expense. During the year ended June 30, 2023, realized settlement losses totaling $0.67 million were recognized in fuel expense.

SCRRA’s fuel hedge program is classified as a level 3 asset under the fair value hierarchy.

The following is a summary of the derivative fuel instruments as of June 30, 2024 and 2023, which have been deemed effective and are recorded as deferred outflows and inflows:

	Fair Value at June 30, 2024				
Classification	**2023**	**Change in Fair Value**	**2024**	**Notional**	**Maturity**
Deferred outflows	$12,994,972	$870,858	$13,865,830	3,234,000 gallons	FY 2025

	Fair Value at June 30, 2023				
Classification	**2022**	**Change in Fair Value**	**2023**	**Notional**	**Maturity**
Deferred inflows	$13,765,883	($770,911)	$12,994,972	2,184,000 gallons	FY 2024

For the year ended June 30, 2024, the fair value of the fuel hedge investment is $13.9 million and the accumulated loss is $0.12 million. For the year ended June 30, 2023, the fair value of the fuel hedge investment is $13.0 million and the accumulated gain is $0.08 million

SCRRA uses Ultra-Low Sulfur Diesel futures contracts traded on the New York Mercantile exchange to partially hedge diesel fuel purchases.

Credit Risk. Counterparties must have a minimum credit rating of BBB- issued by Standard and Poor's or Fitch's rating service or Baa3 issued by Moody's Investor Services. At June 30, 2024, the credit rating of each counterparty exceeded the minimum required rating.

Basis risk. All of the Authority's transactions are based on the same reference rates; thus there is no basis risk.

Termination Risk. The SCRRA oversees the derivative instrument activity and monitors the counterparties, who are required to maintain a minimum credit rating and present collateral at certain levels, which mitigates the chance of a termination event. To date, no termination events have occurred.

As of June 30,2024, the Authority collateralized a portion of the balance of the account, $12.9 million of the fuel hedge account, into treasury bills with a maturity date of August 2024.

3. *DUE FROM OTHER AGENCIES*

The amounts due from other agencies consist of construction costs, capital grants and subsidized receivables, and operating subsidies based on expenses incurred on their behalf. The table below summarizes the total amounts due from other agencies as of June 30, 2024 and 2023 (in thousands):

	2024	2023
Third-party agreements	2,832	3,313
Subsidies and grants – federal, State, and local:		
Los Angeles County Metropolitan Transportation Authority (LACMTA)	33,613	33,650
Orange County Transportation Authority (OCTA)	5,938	16,311
Riverside County Transportation Commission (RCTC)	3,321	2,852
San Bernardino County Transportation Authority (SBCTA)	3,303	3,102
Ventura County Transportation Commission (VCTC)	3,518	1,075
California Department of Transportation (Caltrans)	19,689	31,908
South Coast Air Quality Management District (SCAQMD)	1,567	1,710
Federal Transit Administration (FTA)	34,559	7,319
Federal Emergency Management Agency (FEMA)	1,972	-
Federal Railroad Administration (FRA)	2,190	184
Other	2,086	1,693
Total due from other agencies	114,588	103,117
Allowance for uncollectible accounts	(442)	(442)
Total due from other agencies, net	$ 114,146	$ 102,675

4. *CAPITAL ASSETS*

SCRRA elected to use the modified approach, as defined by GASB Statement No. 34, for infrastructure reporting for its original railroad network. As a result, no accumulated depreciation expense has been recorded for this original network. When SCRRA adds additional railroad network, that is not a part of the GASB 34 original railroad network, these additions will be considered depreciable. A more detailed discussion of the modified approach is presented in the Required Supplementary Information section of this report.

Capital asset activity for the years ended June 30, 2024 and 2023, is as follows (in thousands):

	6/30/2023	Additions	Deletions	Transfer to/from CIP	6/30/2024
Non-depreciable capital assets:					
Land	$ 168	$ -	$ -	$ -	$ 168
Easement and intangible	8,185	-	-	-	8,185
Construction in progress	15,254	16,702	-	(9,272)	22,684
Railroad network	667,764	-	-	-	667,764
Total non-depreciable capital assets	691,371	16,702	-	(9,272)	698,801
Depreciable capital assets:					
Building and improvements	191,635	273	-	9,272	201,180
Positive train control (PTC)	42,866	-	-	-	42,866
Rolling stock	767,462	-	(6,453)	-	761,009
Fare collection systems	13,177	-	-	-	13,177
Computer and other equipment	92,933	1,581	(548)	-	93,966
Support vehicles	10,676	1,073	(1,292)	-	10,457
Railroad network, depreciable	152,460	-	-	-	152,460
Total depreciable capital assets	1,271,209	2,927	(8,293)	9,272	1,275,115
Less accumulated depreciation for:					
Building and improvements	(120,705)	(6,963)	-	-	(127,668)
Positive train control (PTC)	(30,930)	(4,283)	-	-	(35,213)
Rolling stock	(308,997)	(19,167)	-	-	(328,164)
Fare collection systems	(4,311)	(1,318)	-	-	(5,629)
Computer and other equipment	(79,037)	(4,810)	490	-	(83,357)
Support vehicles	(7,658)	(1,148)	1,293	-	(7,513)
Railroad network, depreciable	(46,600)	(7,622)	-	-	(54,222)
Less accumulated depreciation	(598,238)	(45,311)	1,783	-	(641,766)
Total depreciable assets, net	672,971	(42,384)	(6,510)	9,272	633,349
Lease assets					
Intangible asset - right to use lease asset	16,595	23	-	-	16,618
Total lease assets	16,595	23	-	-	16,618
Less accumulated amortization					
Intangible asset - right to use lease asset	(4,369)	(1,302)	-	-	(5,671)
Total accumulated amortization	(4,369)	(1,302)	-	-	(5,671)
Net lease assets	12,226	(1,279)	-	-	10,947
Subscription IT assets being amortized	6,594	-	-	-	6,594
Less accumulated amortization	(6,519)	(17)	-	-	(6,536)
Net subsciption IT assets	75	(17)	-	-	58
Total lease and subscription IT assets, net	12,301	(1,296)	-	-	11,005
Capital assets, net of depreciation/amoritization	$ 1,376,643	$ (26,978)	$ (6,510)	$ -	$ 1,343,155

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
Notes to Basic Financial Statements
For the years ended June 30, 2024 and 2023

	6/30/2022	Additions	Deletions	Transfer to/from CIP	6/30/2023
Non-depreciable capital assets:					
Land	$ 168	$ -	$ -	$ -	$ 168
Easement and intangible	8,185	-	-	-	8,185
Construction in progress	42,173	14,087	-	(41,006)	15,254
Railroad network	667,764	-	-	-	667,764
Total non-depreciable capital assets	718,290	14,087	-	(41,006)	691,371
Depreciable capital assets:					
Building and improvements	191,566	69	-	-	191,635
Positive train control (PTC)	42,866	-	-	-	42,866
Rolling stock	748,462	-	-	19,000	767,462
Fare collection systems	13,161	-	-	16	13,177
Computer and other equipment	84,309	1,706	(898)	7,816	92,933
Support vehicles	9,793	758	(12)	137	10,676
Railroad network, depreciable	137,347	1,658	(582)	14,037	152,460
Total depreciable capital assets	1,227,504	4,191	(1,492)	41,006	1,271,209
Less accumulated depreciation for:					
Building and improvements	(113,652)	(7,053)	-	-	(120,705)
Positive train control (PTC)	(26,644)	(4,286)	-	-	(30,930)
Rolling stock	(287,076)	(21,921)	-	-	(308,997)
Fare collection systems	(2,994)	(1,317)	-	-	(4,311)
Computer and other equipment	(76,287)	(3,647)	897	-	(79,037)
Support vehicles	(6,752)	(915)	9	-	(7,658)
Railroad network, depreciable	(39,078)	(7,749)	227	-	(46,600)
Less accumulated depreciation	(552,483)	(46,888)	1,133	-	(598,238)
Total depreciable assets, net	675,021	(42,697)	(359)	41,006	672,971
Lease assets					
Intangible asset - right to use lease asset	16,595	-	-	-	16,595
Total lease assets	16,595	-	-	-	16,595
Less accumulated amortization					
Intangible asset - right to use lease asset	(2,924)	(1,445)	-	-	(4,369)
Total accumulated amortization	(2,924)	(1,445)	-	-	(4,369)
Net lease assets	13,671	(1,445)	-	-	12,226
Subscription IT assets being amortized	6,518	76	-	-	6,594
Less accumulated amortization	(3,259)	(3,260)	-	-	(6,519)
Net subsciption IT assets	3,259	(3,184)	-	-	75
Total lease and subscription IT assets, net	16,930	(4,629)	-	-	12,301
Capital assets, net of depreciation/amortization	$ 1,410,241	$ (33,239)	$ (359)	$ -	$ 1,376,643

5. *LONG-TERM OBLIGATIONS*

A summary of changes in long-term obligations for the years ended June 30, 2024 and 2023,

	June 30, 2023	Increases	Decreases	June 30, 2024	Current portion
Claims and judgments	$ 10,174	$ 5,355	$ (3,734)	$ 11,795	$ 2,197
Compensated balances	5,841	5,431	(5,131)	6,141	2,460
Lease liability	13,651	-	(939)	12,712	974
Subscription IT liability	14	-	(3)	11	4
Net pension liability	20,946	1,928	-	22,874	-
Other postemployment benefits	11,156	5,863	-	17,019	-
Total	$ 61,782	$ 18,577	$ (9,807)	$ 70,552	$ 5,635
Current portion				(5,635)	
Total long-term obligations				$ 64,917	

	June 30, 2022	Increases	Decreases	June 30, 2023	Current portion
Claims and judgements	$ 7,418	$ 2,874	$ (118)	$ 10,174	$ 3,000
Compensated balances	5,543	5,212	(4,914)	5,841	2,297
Lease liability	14,670	-	(1,019)	13,651	959
Subscription IT liability	3,345	14	(3,345)	14	4
Net pension liability	6,253	14,693	-	20,946	-
Other postemployment benefits	8,291	2,865	-	11,156	-
Total	$ 45,520	$ 25,658	$ (9,395)	$ 61,782	$ 6,260
Current portion				(6,260)	
Total long-term obligations				$ 55,522	

6. *UNEARNED REVENUE AND ADVANCES ON CAPITAL PURCHASES*

The SCRRA Member Agencies contribute the funds necessary to carry out its purposes consistent with the Board-adopted budget and cost sharing formula in addition to funds derived from operations and grants. A preliminary budget for the following fiscal year is submitted to Member Agencies by May 1 of each year and the SCRRA Board must adopt the final budget no later than June 30 of each year. Once SCRRA's annual budget is approved by the Board, each Member Agency pays the annual operating subsidy in advance and on a quarterly basis. An operating surplus indicates that Member Agencies' operating subsidies exceed their share of actual operating revenues earned and expenses incurred by SCRRA during the year. Conversely, an operating deficit indicates that operating subsidies are less than the Member Agencies' share of actual operating revenues earned and expenses incurred by SCRRA; however, an operating deficit does not result in a receivable from Member Agencies. Any operating surplus remains an unearned revenue, unless otherwise designated by the Member Agencies.

Unearned revenue also includes capital surpluses, which may be advances from Member Agencies for capital-related projects or grant funds SCRRA has received on behalf of a Member Agency as its authorized subrecipient. Capital surpluses are recognized to the extent of expenses incurred or otherwise marked for refund to the Member Agency. Remaining surpluses are maintained in unearned revenue until such time as expenses are incurred. In addition, unearned revenue activities include funds such as the Coronavirus Aid, Relief, and Economic Security Act of 2000 (CARES), Proposition 1B (Prop 1B), the California State Transportation Agency State Rail Assistance Program (CalSTA SRA) and the Low Carbon Transit Operations Program (LCTOP), which for accounting purposes, are treated in the same manner as previously described. These funds are received through assignment from various Member Agencies or directly to SCRRA as the primary recipient. See the description of Proposition 1B, CalSTA SRA, and LCTOP funds following the unearned revenue activity schedule.

Unearned revenue activity for the years ended June 30, 2024 and 2023, is as follows (in thousands):

	2024	2023
Unearned revenue and advances on projects, beginning of year	$ 71,913	$ 85,508
Subsidies invoiced:		
Operating	214,312	211,558
Public liability and property damage	18,612	15,723
Other	(32,790)	(17,900)
Subsidies recognized:		
Operating	(200,939)	(196,178)
Federal operating subsidies	28,275	(4,500)
Public liability and property damage	(18,612)	(15,723)
Capital	(3,081)	(3,266)
Other	(65)	54
Operating surplus activity	22,988	(6,160)
Interest allocation	885	472
Capital (deficit)/surplus	(1,308)	2,325
Unearned revenue and advances on projects, end of year	$ 100,190	$ 71,913

Proposition 1B – The State of California's Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Bond Act) was approved by California voters as Proposition 1B on November 7, 2006. A total of $19.9 billion in general obligation bonds was authorized for issuance, including grants for transit system safety, security, and disaster response projects. Of this amount, $3.6 billion was made available to project sponsors in California for allocation to eligible public transportation projects over a 10-year period. Proposition 1B funds can be used for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, or rolling stock procurement, rehabilitation or replacement.

California State Transportation Agency State Rail Assistance Program (CalSTA SRA)– The California State Transportation State Rail Assistance program funds projects that improve rail service for passengers on commuter rail and intercity rail systems in California. Funding for this program comes from Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017, which directs a 0.5% portion of new diesel sales tax revenue and allocates half to commuter rail providers and the other half to intercity rail corridors. The majority of program funding is directed by statutory formula to rail operators, with guidelines defining process and timeline for agencies to obtain funding. The SRA Cycle 1 (FY18-20) awarded SCRRA $10.5M and was paid quarterly in full. SRA Cycle 2 (FY20-21) SCRRA was awarded $17.6M and has been paid quarterly in full as of year-end, June 30, 2024.

Low Carbon Transit Operations Program (LCTOP) – The Low Carbon Transit Operations Program is one of several programs that is part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate Bill (SB) 862. The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. Approved projects in the LCTOP will support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance, and other costs to operate those services or facilities. SB 862 (Statutes of 2014) appropriated $25 million for LCTOP for FY 2015 and it continuously appropriates 5% of the annual auction proceeds in the Greenhouse Gas Reduction Fund for LCTOP each year thereafter.

Proposition 1B (Prop 1B), CalSTA SRA and LCTOP activity during the fiscal years ended June 30, 2024 and 2023, was as follows (in thousands):

	2024			2023		
	Prop 1B	CalSTA SRA	LCTOP	Prop 1B	CalSTA SRA	LCTOP
Unexpended funds, beginning of year	$ -	$ 12,544	$ 5,386	$ 6,289	$ 10,235	$ 4,200
Funds collected	-	4,908	4,000	(2,003)	8,428	3,997
Expenses incurred	-	(3,694)	(8,296)	(4,342)	(6,384)	(2,965)
Interest revenue earned on unspent funds	-	666	219	56	265	154
Unexpended funds, end of year	$ -	$ 14,424	$ 1,309	$ -	$ 12,544	$ 5,386

Additional information about unearned revenue and advances on capital purchases by Member Agency is presented as unaudited Supplementary Information following the Required Supplementary Information (RSI).

7. *RISK MANAGEMENT*

SCRRA is exposed to risks associated with torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. Under SCRRA's risk management program, SCRRA retains risk for approximately $5 million for each third-party liability claim. Claims in excess of this amount are covered by an insurance policy up to an annual aggregate limit of $347.5 million. SCRRA's assets are covered by a property insurance program with a deductible of not less than $500,000; $1 million for flood; and $2 million in the event of crash or derailment. The property insurance program has a general limit of $100 million but a sublimit for earthquake and flood of $15 million and $5 million for damage to track and roadbed.

SCRRA is fully insured for workers' compensation claims through Liberty Mutual Insurance Co., consistent with applicable law. Construction-related accidental loss risk is transferred to SCRRA's contractors and third parties through contract agreements. During the past three years, there were no claims paid that exceeded the insurance coverage.

Changes in the balances of claims liabilities for the years ended June 30, 2024, 2023, and 2022, are as follows (in thousands):

	2024	2023	2022
Balance, beginning of year	$ 10,174	$ 7,418	$ 6,870
Claims incurred and changes in estimate for claims of prior periods	5,355	2,874	2,525
Claims payments	(3,734)	(118)	(1,977)
Balance, end of year	$ 11,795	$ 10,174	$ 7,418
Due in one year	2,197	3,000	1,800
Due in more than one year	9,598	7,174	5,618
Total claims liabilities	$ 11,795	$ 10,174	$ 7,418

8. *LEASES*

SCRRA is committed under various leases for communication towers, crew layover facilities, office space, and an easement. SCRRA is considered a Lessee in the leasing agreements summarized below:

The Authority entered into a lease agreement to lease office space for fifteen years beginning April 2018. The lease terminates in 2032. Under the terms of the lease, the Authority pays a monthly base fee of $0.08 million, increasing 4.0% annually on the anniversary of the agreement. SCRRA also pays a pro rata share of operating expenses and property taxes, which are not included in the measurement of the lease liability as they are variable in nature. During FY24 and FY23, the Authority paid $0.8 million and $0.7 million respectively towards those variable costs. The Authority does have an option to terminate the lease. During FY24 and FY23, the Authority recorded $0.8 million and $0.8 million in amortization expense and $0.4 million and $0.5 million in interest expense, respectively for the right to use this asset. As of June 30, 2024 and June 30, 2023, the lease liability of this office space is $8.9 million and $9.5 million, respectively.

The Authority has also entered into other various leases for office space, communication towers, crew layover facilities, and an easement. These leases vary in length and represent the remaining obligations related to leases. During FY24 and FY23, the Authority recorded $0.5 million and $0.6 million in amortization expense and $0.1 million and $0.2 million in interest expense, respectively for the right to use these assets.

Remaining obligations associated with these leases are as follows (in thousands):

Fiscal Year Ended June 30	Future Minimum Payments*	Interest
2025	$ 1,518	$ 543
2026	1,506	501
2027	1,546	456
2028	1,431	410
2029	1,482	364
2030-2034	7,346	962
2035-2039	999	131
2040-2044	255	20
2045-2049	12	-
2050-2053	4	-
Future minimum payments	$ 16,099	$ 3,387
Less: Interest	(3,387)	
Present value of future minimum payments	$ 12,712	

*Future Minimum Payments represent the principal and interest payments due for the lease activity.

The Authority amortized the right to use assets as follows during the fiscal year (in thousands):

Lease Activities	Balance at June 30, 2023	Additions	Deletions	June 30, 2024
Right to use assets				
Office space	$ 8,779	$ 23	$ (886)	$ 7,916
Office furniture	28	-	(28)	-
Communications tower	2,542	-	(329)	2,213
Crew layover	845	-	(43)	802
Easement	32	-	(16)	16
Total, right to use assets	$ 12,226	$ 23	$ (1,302)	$ 10,947

Lease Activities	Balance at June 30, 2022	Additions	Deletions	June 30, 2023
Right to use assets				
Office space	$ 9,693	$ -	$ (914)	$ 8,779
Office furniture	172	-	(144)	28
Communications tower	2,871	-	(329)	2,542
Crew layover	888	-	(43)	845
Easement	47	-	(15)	32
Total, right to use assets	$ 13,671	$ -	$ (1,445)	$ 12,226

9. *SUBSCRIPTIONS-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)*

During fiscal year 2023, SCRRA entered into a SBITA contract for the use of payroll time keeping software. The value of the subscription liability was $0.01 million as of June 30, 2024 and $0.01 million as of June 30, 2023. SCRRA is required to make annual principal and interest payments of four thousand dollars through April 2027.

In July 2018, SCRRA entered into a SBITA contract for the use of Positive Train Control (PTC) software. SCRRA was required to make annual principal and interest payments of $3.46 million through June 2023. As of June 30, 2024, the value of the subscription liability was $0.

Remaining principal and interest payments on subscriptions are as follows (in thousands):

	Fiscal Year Ended June 30	Future Minimum Payments*	Interest
	2025	$ 4	$ 1
	2026	4	0
	2027	4	0
	2028	-	-
	2029	-	-
	2030-2034	-	-
Future minimum payments		$ 12	$ 1
Less: Interest		(1)	
Present value of future minimum payments		11	

*Future Minimum Payments represent the principal and interest payments for subscription activity.

The Authority amortized the subscription assets as follows during the fiscal year (in thousands):

	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024
Subscription assets, net of accumulateed amoritzation	$ 75	-	(17)	58

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023
Subscription assets, net of accumulateed amoritzation	$ 3,259	75	(3,259)	75

10. RETIREMENT BENEFITS

A. General Information about the Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the SCRRA Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers.

Benefits Provided – All regular SCRRA employees classified as full-time, as well as part-time regular employees and temporary SCRRA workers who work 1,000 or more hours per year, are required to participate in CalPERS. SCRRA's pension plan provides retirement and disability benefits, annual cost-of-living adjustments (COLA), and death benefits to plan members and beneficiaries through CalPERS. Benefits are based on years of credited service, equal to one year of full-time employment, and vest after five years of service. These benefit provisions and all other requirements are established by State statute and SCRRA Board action.

SCRRA employees are entitled to an annual retirement benefit, payable monthly for life, the amount of which is based on a formula which varies depending on the employee's retirement plan, date of hire, and participation in a public retirement plan prior to SCRRA employment. On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. PEPRA distinguishes between so-called "classic" employees, who were in a public retirement plan (not necessarily CalPERS) prior to January 1, 2013, and "new" employees, who first became a member of a public retirement plan on or after January 1, 2013.

A summary of SCRRA's benefits is provided below:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Retirement Age	60	62
Benefit Formula	2.0%	2.0%
Average Highest Compensation Period	36 months	36 months
Maximum % of Final Compensation	No max	No max
COLA	2.0%	2.0%

Covered Employees – At June 30, 2023, the most recent information available, the following employees were covered by the benefit terms for the plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	188
Inactive employees entitled to but not yet receiving benefits	308
Active employees	248
Total	744

Contribution Requirements – Section 20814(c) of the California Public Employees' Retirement Law requires that employer contribution rates for all public employers be determined on an annual basis by the CalPERS actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions for the plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to fund the costs of benefits earned by employees during the year, with an additional amount to pay down any unfunded accrued liability. SCRRA is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The required employer contribution rates for fiscal years 2024 and 2023 were 13.09% and 13.54% of covered payroll, respectively, resulting in $4.16 million and $4.03 million, respectively, being recognized by CalPERS as employer contributions.

Pension Plan Financial Reports – SCRRA's pension plan does not issue a stand-alone financial report; however, CalPERS issues an audited Schedule of Changes in Fiduciary Net Position by employer and plan, which is available at the following link: www.calpers.ca.gov.

B. Net Pension Liability

SCRRA's net pension liability for the plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures.

Assumptions and Other Inputs – A summary of significant assumptions and other inputs used to measure the total pension liability is shown below:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Actuarial Cost Method
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Retirement Age	Probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality Rate Table	The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.
Post-Retirement Benefit Increase	The lesser of contract COLA or 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter.

Discount Rate – The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that 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 of 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 expected real rates of return by asset class are as follows:

Asset Class (1)	Assumed asset allocation	Real Return (1),(2)
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

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

(2) Figures are based on the 2021 Asset Liability Management Study

Fiduciary Net Position – SCRRA's pension plan does not issue stand-alone financial reports. Information about the elements of the pension plan's basic financial statements is not directly available. However, SCRRA's plan constitutes a portion of the CalPERS PERF, for which a Statement of Fiduciary Net Position – Fiduciary Funds is included in the CalPERS Annual Comprehensive Financial Report, located at the following link: www.calpers.ca.gov. The accompanying Notes to the Basic Financial Statements disclose information related to the basis of accounting, including the policies with respect to benefit payments and the valuation of pension plan investments.

C. Changes in Net Pension Liability

A schedule of changes in the Net Pension Liability for the measurement period ended June 30, 2023 and June 30, 2022 is presented below (in thousands):

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/ (Asset)
Balance as of June 30, 2021	**$ 99,092**	**$ 92,840**	**$ 6,253**
Changes during the year:			
Service cost	4,412	-	4,412
Interest on total pension liability	6,980	-	6,980
Changes of assumptions	3,436	-	3,436
Differences between expected and actual experience	(1,602)	-	(1,602)
Contributions – employer	-	3,516	(3,516)
Contributions – employees	-	2,107	(2,107)
Net investment income	-	(7,032)	7,032
Benefit payments, including refunds of employee contributions	(3,960)	(3,960)	-
Administrative expense	-	(58)	58
Net changes	**$ 9,266**	**$ (5,427)**	**$ 14,693**
Balance as of June 30, 2022	**$ 108,358**	**$ 87,413**	**$ 20,946**
Changes during the year:			
Service cost	4,627	-	4,627
Interest on total pension liability	7,565	-	7,565
Changes in benefit terms	127	-	127
Changes of assumptions	-	-	-
Differences between expected and actual experience	1,065	-	1,065
Contributions – employer	-	4,016	(4,016)
Contributions – employees	-	2,054	(2,054)
Net investment income	-	5,450	(5,450)
Benefit payments, including refunds of employee contributions	(4,462)	(4,462)	-
Administrative expense	-	(64)	64
Net changes	**$ 8,922**	**$ 6,994**	**$ 1,928**
Balance as of June 30, 2023	**$ 117,280**	**$ 94,407**	**$ 22,874**

Sensitivity of Net Pension Liability to Changes in the Discount Rate – The following table presents the net pension liability of SCRRA for the plan, calculated using the current discount rate for the plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate (in thousands):

Balance as of June 30, 2022	
Discount rate 1% lower	5.90%
Net Pension Liability	$ 36,528
Current discount rate	**6.90%**
Net Pension Liability	**$ 20,946**
Discount rate 1% higher	7.90%
Net Pension Liability	$ 8,153
Balance as of June 30, 2023	
Discount rate 1% lower	5.90%
Net Pension Liability	$ 39,624
Current discount rate	**6.90%**
Net Pension Liability	**$ 22,874**
Discount rate 1% higher	7.90%
Net Pension Liability	$ 9,131

Deferred Outflows of Resources and Deferred Inflows of Resources – For the years ended June 30, 2024 and 2023, SCRRA recognized pension expense in the amount of $6.6 million and $5.0 million, respectively. At June 30, 2024 and June 30, 2023, SCRRA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 4,037	$ -
Changes of assumptions	2,637	-
Differences between expected and actual experience	1,228	1,229
Net difference between projected and actual earnings on pension plan investments	4,577	-
Balance as of June 30, 2023	**$ 12,479**	**$ 1,229**
Pension contributions subsequent to measurement date	$ 4,163	$ -
Changes of assumptions	1,838	-
Differences between expected and actual experience	1,251	857
Net difference between projected and actual earnings on pension plan investments	4,305	-
Balance as of June 30, 2024	**$ 11,557**	**$ 857**

The amount reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows (in thousands):

Fiscal Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2024	$ 1,932
2025	1,259
2026	3,219
2027	127
2028	-
Thereafter	-

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided – In addition to providing the retirement benefits described above, SCRRA provides postemployment healthcare benefits. The SCRRA Retiree Healthcare Plan (Plan), an agent multiple-employer defined benefit plan, provides healthcare benefits to eligible retirees and their dependents through the California Public Employees' Retirement System healthcare program (PEMHCA), in accordance with agreements and memoranda of understanding between SCRRA, its management employees, and unions representing SCRRA employees, to employees who retire directly from SCRRA through CalPERS at the minimum age of 50 with at least 5 years of CalPERS service or disability. The Plan was created by action of the SCRRA Board of Directors to administer medical insurance benefits for eligible retirees and their dependents, and it can be amended through subsequent action of SCRRA's Board of Directors.

SCRRA pays 80% of the medical premium for the most extensive plan and 90% of the medical premium for all other plans to eligible retirees who retire directly from SCRRA. SCRRA does not provide retiree dental, vision, or life insurance benefits.

Contributions – The benefit generally ceases upon death of the retiree or surviving spouse. The actuarially-determined contributions (ADC) for the fiscal years ended June 30, 2024 and 2023, were $2.31 million and $2.28 million, respectively, based on the June 30, 2021 actuarial valuations. The actual contributions for the years ended June 30, 2024 and 2023 were $2.31 million and $2.28 million, respectively.

Employees Covered by Benefit Terms – At June 30, 2023, the measurement date, the following numbers of participants were covered by the benefit terms:

	Count
Inactive employees or beneficiaries currently receiving benefits	147
Inactive employees entitled to but not yet receiving benefits	24
Active employees	276
Total	447

Net OPEB Liability – SCRRA's net OPEB liability was based on a measurement period of July 1, 2022 through June 30, 2023. The total OPEB liability used as a basis to calculate the net OPEB liability was based on actuarial valuation as of June 30, 2023.

Actuarial Assumptions – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Discount Rate	6.25%
Inflation	2.50% per annum
Salary Increases	Aggregate, 2.75%; merit, CalPERS 2000-2019 Experience Study
Investment Rate of Return	6.25%
Mortality Rate Table	CalPERS 2000-2019 Experience Study • Post-Retirement mortality projected fully generational Scale MP-21.
Healthcare Cost Trends:	
Non-Medicare Cost Trend	8.5% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Medicare Cost Trend	7.5% for 2025, decreasing to an ultimate rate of 3.45% in 2076

Expected Long-Term Rate of Return – CALPERS' expected rate of return based on Strategy 1 is shown below:

Asset class component	Target Allocation	Expected Real Rate of Return
Global Public Equity	49%	4.56%
Fixed Income	23%	1.56%
TIPS	5%	(0.08%)
Commodities	3%	1.22%
REITs	20%	4.06%
Assumed long-term rate of inflation		2.50%
Assumed long term investment expenses		n/a
Expected long-term rate of return, rounded		6.25%
Discount rate		6.25%

Discount Rate – The discount rate used to measure the total OPEB liability was 6.25%. The SCRRA Retiree Healthcare Plan is a funded plan because of its participation in the CalPERS California Employers' Retiree Benefit Trust (CERBT), a Section 115 trust fund dedicated to prefunding other postemployment benefits for all eligible California public agencies. SCRRA's plan constitutes a portion of the CERBT.

A schedule of changes in Net OPEB Liability for the measurement period ended June 30, 2023 and June 30, 2022, is presented below (in thousands):

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance as of June 30, 2021	**$ 26,717**	**$ 18,426**	**$ 8,291**
Service cost	1,325	-	1,325
Interest on total OPEB liability	1,710	-	1,710
Actual vs expected experience	-	-	-
Assumption changes	-	-	-
Contributions – employer*	-	2,666	(2,666)
Contributions – employees	-	-	-
Net investment income	-	(2,488)	2,488
Benefit payments and refunds*	(1,383)	(1,383)	-
Administrative expense	-	(8)	8
Net changes	**1,652**	**(1,213)**	**2,865**
Balance as of June 30, 2022	**$ 28,369**	**$ 17,213**	**$ 11,156**
Changes during the year:			
Service cost	1,361	-	1,361
Interest on total OPEB liability	1,814	-	1,814
Changes of benefit terms	778	-	778
Actual vs expected experience	2,951	-	2,951
Assumption changes	2,336	-	2,336
Contributions – employer**	-	2,280	(2,280)
Contributions – employees	-	-	-
Net investment income	-	1,106	(1,106)
Benefit payments and refunds**	(1,403)	(1,403)	-
Administrative expense	-	(9)	9
Net changes	**7,837**	**1,974**	**5,863**
Balance as of June 30, 2023	**$ 36,206**	**$ 19,187**	**$ 17,019**

*For June 30, 2022, includes $1.4 million contribution to the trust and consisting of $1.2 million cash benefit payments and $0.2 million implied subsidy benefit payments (both paid outside of the trust).

** For June 30, 2023, includes $1.5 million contribution to the trust and consisting of $1.4 million cash benefit payments and $0.2 million implied subsidy benefit payments (both paid outside of the trust).

Sensitivity of Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates – The following present the net OPEB liability of SCRRA, as well as what SCRRA's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate (in thousands):

Balance as of June 30, 2022	
Discount rate 1% lower	5.25%
Net OPEB Liability	$ 14,933
Current discount rate	**6.25%**
Net OPEB Liability	**$ 11,156**
Discount rate 1% higher	7.25%
Net OPEB Liability	$ 8,028

Balance as of June 30, 2023	
Discount rate 1% lower	5.25%
Net OPEB Liability	$ 21,801
Current discount rate	**6.25%**
Net OPEB Liability	**$ 17,019**
Discount rate 1% higher	7.25%
Net OPEB Liability	$ 13,060

The following presents the net OPEB liability of SCRRA, as well as what SCRRA's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current rate (in thousands):

Balance as of June 30, 2022	
Healthcare cost trend rate 1% lower	
Net OPEB Liability	$ 7,317
Current healthcare cost trend rate	
Net OPEB Liability	**$11,156**
Healthcare cost trend rate 1% higher	
Net OPEB Liability	$ 15,936

Balance as of June 30, 2023	
Healthcare cost trend rate 1% lower	
Net OPEB Liability	$12,584
Current healthcare cost trend rate	
Net OPEB Liability	**$ 17,019**
Healthcare cost trend rate 1% higher	
Net OPEB Liability	$ 22,482

OPEB Expense – For the year ended June 30, 2024 and 2023, SCRRA recognized an OPEB expense of $3.1 million and $1.4 million, respectively. At June 30, 2023 and June 30, 2022, SCRRA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 2,280	$ -
Changes of assumptions	-	1,518
Differences between expected and actual experience	1,386	1,995
Balance as of June 30, 2023	**$ 3,666**	**$ 3,513**
Contributions subsequent to measurement date	$ 2,307	$ -
Changes of assumptions	2,058	1,254
Differences between expected and actual experience	2,600	1,557
Net difference between projected and actual earnings on OPEB plan investments	1,112	-
Balance as of June 30, 2024	**$ 8,077**	**$ 2,811**

The amount 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 in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows (in thousands):

Fiscal Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2025	$ 159
2026	90
2027	653
2028	277
2029	347
Thereafter	1,433

OPEB fiduciary Net Position – Detailed information about the OPEB plan fiduciary net position is available in the separately issued CALPERS financial reports.

12. COMMITMENTS AND CONTINGENCIES

Litigation – SCRRA is a defendant in various lawsuits. Although the ultimate outcome of each lawsuit is not presently determinable, in the opinion of SCRRA's legal counsel, the resolution of these matters will not have a material adverse effect on SCRRA's financial condition.

Grant Adjustments – Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenses that may be disallowed by the grantor cannot be determined at this time, although SCRRA expects such amounts, if any, to be immaterial.

Service and Maintenance Agreements – SCRRA's operator services are provided by National Railroad Passenger Corporation (Amtrak) for Metrolink Service and Transit America for Arrow Service. Both agreements expire in June 2025.

SCRRA's rolling stock is maintained through the use of an equipment maintenance agreement with an independent contractor (Alstom Transportation, Inc.). The eight-year agreement awarded to Bombardier, Inc. (now part of Alstom Transportation), expires June 2025.

SCRRA maintains infrastructure through various maintenance agreements with independent contractors. The track and signal structures are maintained under an agreement with Herzog Contracting Corporation, which expires June 2026.

13. RELATED PARTY TRANSACTIONS

Member Agencies under the Joint Powers Agreement (LACMTA, OCTA, VCTC, RCTC, and SBCTA) contribute operating subsidies to SCRRA. SCRRA's independent governing Board consists of 11 members appointed by the Member Agencies (see note 1).

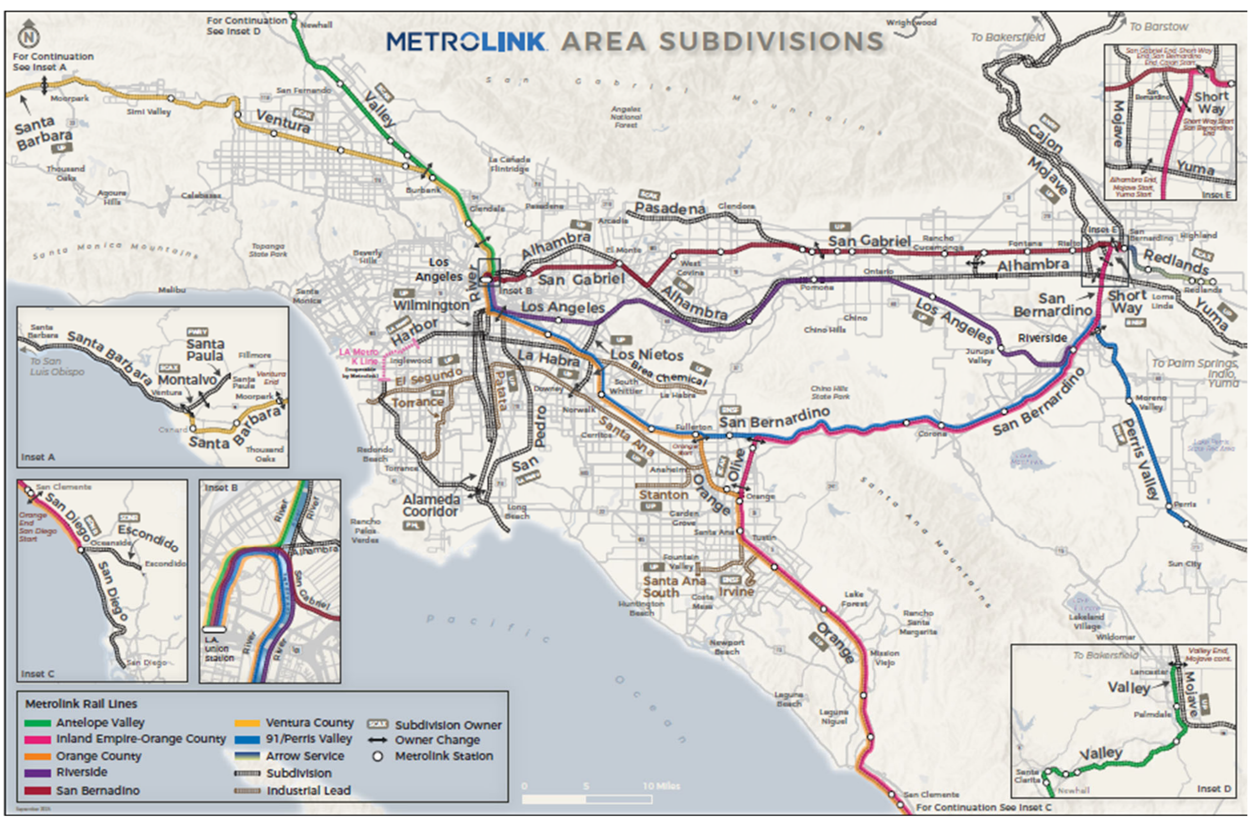
The operating subsidies invoiced by SCRRA for the years ended June 30, 2024 and 2023, were $235.4 million and $213.9 million, respectively. Self-insurance reserve subsidies invoiced by SCRRA for the years ended June 30, 2024 and 2023, were $19.9 million and $18.9 million, respectively. Capital subsidies invoiced by SCRRA for the years ended June 30, 2024 and 2023, were $9.2 million and $11.6 million, respectively.

During fiscal year 2024, SCRRA invoiced $50.0 million to establish a Working Capital Fund to be utilized to cover the up-front expenses related to capital projects.

1. *THE METROLINK RAILROAD NETWORK*

GASB 34 defines and distinguishes infrastructure assets as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. As part of the Joint Exercise of Powers Agreement (JPA), the Member Agencies acquired the rail network in existence at the time of the JPA for use in Metrolink commuter rail operations. This railroad network is not included as part of Metrolink's railroad network capital assets. The Member Agencies retain title and ownership to those assets. As part of the JPA, Metrolink is responsible for the related maintenance and operation of members' assets and rail right-of-way used in operations. In addition, certain members retain responsibility to maintain non-operating segments of their railroad network. Metrolink's infrastructure consists of capital assets created as a result of new capital construction and major capital improvement projects, and includes 538 miles of track, 260 bridges, 168 overhead bridges, 403 communication points, 126 intermediate control points, 149 control points, and 6 tunnels. The service area for this network covers approximately 2,300 square miles with a population of more than 18 million.

As shown below, the Metrolink railroad network expands over a six-county Southern California area:



A. *Modified Approach for Infrastructure*

Southern California Regional Rail Authority's (SCRRA) has elected to use the modified approach in reporting its Metrolink railroad network. Under the modified approach, infrastructure assets that are part of a network or subsystem of a network are not required to be depreciated as long as two requirements are met. *First,* the government manages the eligible infrastructure assets using an asset management system that has the following characteristics:

- Have an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of the eligible infrastructure assets every three years and summarize the results using a measurement scale.
- Estimate each year the annual amount necessary to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the government.

Second, the government must document that the eligible infrastructure assets are being preserved approximately at (or above) a condition level established and disclosed by the government. If eligible infrastructure assets meet all requirements and are not depreciated, all expenditures made for those assets (except for additions and improvements) are expensed in the period incurred. Additions and improvements to eligible infrastructure assets are capitalized. Additions or improvements increase the capacity or efficiency of infrastructure assets rather than preserve the useful life of the assets.

The condition of the railroad network is measured using the SCRRA Railroad Management System Assessment. The networks and subsystems are track, structures, bridges, tunnels, signals, and communications.

B. *Condition Assessment Data*

Governmental accounting standards require that a condition assessment be performed on all infrastructure assets every three years. As an approved alternative to conducting a system-wide assessment every three years, SCRRA has chosen to create a Metrolink Rehabilitation Plan (MRP) that thoroughly assesses the condition of SCRRA's key infrastructure assets. The MRP provides a "boots on the ground" approach to the scope and associated costs for both the current backlog and annual costs required to keep the railroad infrastructure at a state of good repair.

C. *Basis for Condition Measurement and Measurement Scale*

The SCRRA Board adopted the SCRRA Transit Asset Management Plan (TAM Plan) in 2016 with the following overarching goal; "To ensure that a transit agency's assets are maintained and operated in a consistent, measurable sate of good repair. The TAM Plan provides guideposts by which an agency can track progress toward a mature, data driven asset management system. During 2018, Metrolink also introduced the Metrolink Rehabilitation Plan (MRP) which is an element of the TAM Plan to better define infrastructure rehabilitation needs.

The MRP was most recently updated in 2023 and it provides a comprehensive evaluation of the condition, maintenance, useful life, and required overhauls of the Metrolink rail system assets. The MRP covers key asset classes (structures, track, systems, rolling stock, facilities, and stations) and includes a series of sections dedicated to the various components of each asset. The MRP will be used to prioritize and guide rehabilitation and improvement projects. It will also be used to inform funding requests to ensure safe and reliable operation of the Metrolink System.

State of Good Repair (SGR) refers to standard of infrastructure, equipment, and systems that are maintained in a safe, reliable, and efficient condition. SGR is achieved when all capital assets are functioning at their ideal capacity within their design life expectancy, and no backlog of needs or maintenance exists. This standard ensures that the Metrolink rail system operates at peak performance and meets all safety and regulatory requirements. Metrolink's asset management strategies identify the funding required and the appropriate allocation of dollars to adequately maintain all structures as they age, and as physical conditions change. To determine each asset's investment needs, the Authority assesses the structures condition based on ratings of 1 through 5. With 1 needing immediate attention due to a failure in the asset (or failed) through 5 being in a state of good repair and representing the lowest cost or level of effort to maintain. Below is a table that shows Metrolink's current condition ratings used in the MRP.

Condition	Rating	Strategy	Work Unit	Cost/Level-of-Effort	Examples
Good	5	State of Good Repair	Maintenance	Lowest	Ballast and Tie replacement, Scour protection, Debris removal, and Vegetation control
Fair	4	Life-cycle Maintenance/ Preservation	Maintenance/Job Order Contract	Low	Crack and Spall repairs, Bearing adjustment, Site restoration
Poor	3	Rehabilitate	Job Order Contract (JOC)	High	Bridge and Culvert major rehabilitation or replacement
Imminent Failure	2	Stabilize	Emergency	Highest	Grade stabilization, Erosion and Flood Restoration
Failed	1	–	–	–	–

D. Estimated Maintenance and Preservation Costs

To ensure consistency in reporting, effective 2012, management prepared a five-year strategic capital program plan to more discretely identify the minimum annual costs required to maintain or preserve its infrastructure assets.

The estimated and actual annual amounts of infrastructure maintenance and preservation costs needed to achieve the minimum railroad condition index standard, which include maintenance-of-way, rehabilitation, and renovation capital expenses, for the past 5 years are as follows (in thousands):

Year Ended June 30	Estimated Amount	Actual Amount
2024	$150,060	$104,036
2023	106,545	64,664
2022	99,033	97,201
2021	54,335	58,288
2020	63,731	75,194

2. SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Following is a schedule of changes in net pension liability (in thousands) and related ratios:

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	$ 4,627	$ 4,412	$ 4,228	$ 3,630	$ 3,574	$ 3,380	$ 3,461	$ 2,990	$ 2,930	$ 2,687
Interest on total pension liability	7,565	6,980	6,590	5,999	5,459	4,958	4,563	4,233	3,904	3,572
Change of benefit terms	127	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	1,065	(1,602)	1,684	1,465	1,269	531	(771)	(559)	(218)	-
Change in assumptions	-	3,436	-	-	-	(586)	3,938	-	(994)	-
Benefit payments, including refunds of employee contributions	(4,462)	(3,960)	(3,567)	(3,122)	(2,817)	(2,582)	(2,228)	(2,071)	(1,895)	(1,633)
Net change in total pension liability	8,922	9,266	8,935	7,972	7,485	5,701	8,963	4,593	3,727	4,626
Total pension liability, beginning	108,358	99,092	90,157	82,185	74,700	68,999	60,036	55,443	51,716	47,090
Total pension liability, ending (a)	$117,280	$108,358	$99,092	$90,157	$82,185	$74,700	$68,999	$60,036	$55,443	$51,716
Plan Fiduciary Net Position										
Contributions – employer	4,016	3,516	3,349	3,027	2,599	2,370	2,268	2,084	1,807	1,674
Contributions – employee	2,054	2,107	1,949	1,940	1,747	1,691	1,650	1,445	1,338	1,262
Net investment income	5,450	(7,032)	16,865	3,484	4,199	4,957	5,726	245	1,039	6,747
Benefit payments	(4,462)	(3,960)	(3,567)	(3,122)	(2,817)	(2,582)	(2,229)	(2,071)	(1,895)	(1,633)
Administrative expense	(64)	(58)	(74)	(97)	(45)	(259)	(74)	(29)	(54)	-
Net change in plan fiduciary net position	6,994	(5,427)	18,522	5,232	5,683	6,177	7,341	1,674	2,235	8,050
Plan fiduciary net position, beginning	87,412	92,839	74,317	69,085	63,403	57,226	49,885	48,211	45,976	37,926
Plan fiduciary net position, ending (b)	$ 94,406	$ 87,412	$92,839	$74,317	$69,085	$63,403	$57,226	$49,885	$48,211	$45,976
Net pension liability, ending (a) – (b)	$ 22,874	$ 20,946	$ 6,253	$15,841	$13,100	$11,298	$11,773	$10,151	$ 7,232	$ 5,740
Plan fiduciary net position as a percentage of total pension liability	80.50%	80.67%	93.69%	82.43%	84.06%	84.88%	82.94%	83.09%	86.96%	88.90%
Covered payroll	$ 28,283	$ 27,438	$28,508	$24,528	$23,732	$22,265	$22,149	$20,505	$19,658	$17,546
Net pension liability as a percentage of covered payroll	80.88%	76.34%	21.93%	64.58%	55.20%	50.74%	53.15%	49.50%	36.79%	32.71%

<u>*Changes of Benefit terms*</u> – The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary. In 2022, SB 1168 increased the standard retiree

lump sum death benefit from $500 to $2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Change in assumptions – There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 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. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

3. *SCHEDULE OF PENSION CONTRIBUTIONS*

Following is a schedule of contributions (in thousands):

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially-determined employer contribution	$ 4,163	$ 4,037	$ 3,839	$ 3,349	$ 3,028	$ 2,598	$ 2,369	$ 2,266	$ 2,084	$ 1,806
Contributions in relation to the actuarially-determined contributions	(4,163)	(4,037)	(3,839)	(3,349)	(3,028)	(2,598)	(2,369)	(2,266)	(2,084)	(1,806)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$31,806	$29,822	$27,438	$28,508	$24,528	$23,732	$22,265	$22,149	$20,505	$19,658
Contributions as a percentage of covered payroll	13.09%	13.54%	13.99%	11.75%	12.35%	10.95%	10.64%	10.23%	10.16%	9.19%

The actuarial methods and assumptions used to set the actuarially-determined contributions for fiscal year ended June 30, 2024 were derived from the June 30, 2021 funding valuation report.

Information about that valuation is presented below:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry age normal, level percentage of payroll
Amortization Method	Level percent of payroll
Remaining Amortization Period	16 years remaining for 2021/22
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	7.0%
General Inflation	2.5%
Retirement Age	Probabilities of retirement are based on the 2017 CalPERS Experience study for the period from 1997 to 2015.
Mortality Rate Table	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

4. SCHEDULES OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

These schedules are presented to illustrate the requirement to show information for 10 years. Until a full 10-year trend is compiled, SCRRA will present information for available years. A schedule of changes in total OPEB liability is presented below (in thousands):

	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 1,361	$ 1,325	$ 1,388	$ 1,371	$ 1,416	$ 1,375	$ 1,336
Interest	1,814	1,710	1,878	1,782	1,835	1,696	1,565
Difference between actual and expected experience	2,951	-	(879)	-	(2,656)	-	-
Assumption changes	2,336	-	(1,457)	(498)	(205)	-	-
Benefit payments, including refunds	(1,403)	(1,383)	(1,295)	(1,185)	(1,069)	(1,045)	(973)
Changes in benefit terms	778	-	-	-	-	-	-
Net Changes	7,837	1,652	(365)	1,470	(679)	2,026	1,928
Total OPEB liability, beginning of year	$ 28,369	$ 26,717	$ 27,082	$ 25,612	$ 26,291	$ 24,265	$ 22,337
Total OPEB liability, end of year	$ 36,206	$ 28,369	$ 26,717	$ 27,082	$ 25,612	$ 26,291	$ 24,265

A schedule of changes in plan fiduciary net position is presented below (in thousands):

	2024	2023	2022	2021	2020	2019	2018
Contributions – employer	$ 2,280	$ 2,666	$ 2,588	$ 2,929	$ 4,528	$ 1,045	$ 2,590
Contributions - employee	-	-	-	-	-	-	-
Net investment income	1,106	(2,488)	3,709	412	533	539	490
Benefit payments, including refunds	(1,403)	(1,383)	(1,295)	(1,185)	(1,069)	(1,045)	(973)
Administrative expenses	(9)	(8)	(8)	(9)	(2)	(13)	(3)
Other changes	-	-	-	-	-	-	-
Net Changes	1,974	(1,213)	4,994	2,147	3,990	526	2,104
Plan Fiduciary Net Position, beginning of year	$ 17,213	$ 18,426	$ 13,432	$ 11,285	$ 7,295	$ 6,769	$ 4,665
Plan Fiduciary Net Position, end of year	$ 19,187	$ 17,213	$ 18,426	$ 13,432	$ 11,285	$ 7,295	$ 6,769

	2024	2023	2022	2021	2020	2019	2018
Net OPEB Liability	$ 17,019	$ 11,156	$ 8,291	$ 13,650	$ 14,327	$ 18,996	$ 17,496
Fiduciary Net Position as a percentage of the Total OPEB Liability	53.0%	60.7%	69.0%	49.6%	44.1%	27.7%	27.9%
Covered payroll*	$ 33,699	$ 31,783	$ 32,387	$ 31,242	$ 29,754	$ 24,746	$ 23,691
Net OPEB Liability as a percentage of Covered Payroll	50.5%	35.1%	25.6%	43.7%	48.2%	76.8%	73.9%

*Determined for the 12-month period ended June 30, 2023 (Measurement Date)

5. *SCHEDULE OF OPEB CONTRIBUTIONS*

Following is a schedule of employer contributions (in thousands):

	2024	2023	2022	2021	2020	2019	2018
Actuarially-determined employer contribution	$ 2,308	$ 2,276	$ 2,666	$ 2,588	$ 2,925	$ 2,838	$ 2,674
Contributions in relation to the actuarially-determined contributions	(2,307)	(2,280)	(2,666)	(2,590)	(2,929)	(2,789)	(2,784)
Contribution deficiency (excess)	$ 1	$ (4)	$ -	$ (2)	$ (4)	$ 49	$ (110)
Covered payroll**	$ 35,538	$ 33,699	$ 31,783	$ 32,387	$ 31,242	$ 29,754	$ 24,746
Contributions as a percentage of covered payroll	6.49%	6.77%	8.39%	8.00%	9.38%	9.37%	11.25%

**For the 12-month period ending on June 30, 2024 (fiscal year end).

The actuarial methods and assumptions used to set the actuarially determined contributions for the June 30, 2023 measurement date were from the June 30, 2021 actuarial valuation. Information about that valuation is presented below:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry age normal, level percentage of payroll
Amortization Method	Level percent of payroll
Amortization Period	14-year fixed (closed) period for 2023/24
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.25%
General Inflation	2.50%
Medical Trend	Non-Medicare – 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076. Medicare – 4.6% for Kaiser and 5.65% for all Others for 2023, decreasing to an ultimate rate of 3.75% in 2076.
Mortality Improvement	Miscellaneous: Mortality projected fully generational with Scale MP-21. Dispatching Operations: 2013 RRB Mortality Improvement Scale

Because GASB statement No. 75 was implemented in FY 2018, it is not possible to present a 10-year comparison of changes in net OPEB liability and related ratios.

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Statistical

METROLINK

This section of the Southern California Regional Rail 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 Authority's overall financial health.

Contents	**Page**
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.	65
REVENUE CAPACITY	
These schedules contain information to help the reader assess the Authority's most significant revenue sources, capital contributions, fares, and member operating subsidies.	66
DEMOGRAPHIC AND ECONOMIC INFORMATION	
This schedule offers demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.	67
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.	69

Changes in Net Position, Net Positions by Component, and Percentages of Operating Costs Covered by Revenues

Last Ten Fiscal Years

(Dollar amounts in thousands)

	Years Ended June 30									
	2024	2023	2022**	2021*	2020	2019	2018	2017	2016	2015
Change in net position/net assets:										
Net position at beginning of year	$ 1,400,952	$ 1,426,329	$ 1,411,488	$ 1,417,248	$ 1,358,204	$ 1,371,421	$ 1,387,960	$ 1,382,143	$ 1,363,761	$ 1,362,880
Increase in net position	(35,915)	(25,377)	14,841	(5,760)	59,044	(13,217)	(16,539)	5,817	18,382	881
Net position at end of year	$ 1,365,037	$ 1,400,952	$ 1,426,329	$ 1,411,488	$ 1,417,248	$ 1,358,204	$ 1,371,421	$ 1,387,960	$ 1,382,143	$ 1,363,761
Net position by component:										
Net investment in capital assets	$ 1,326,890	$ 1,358,870	$ 1,389,038	$ 1,385,209	$ 1,392,765	$ 1,344,154	$ 1,349,335	$ 1,368,157	$ 1,370,625	$ 1,338,723
Unrestricted	38,147	42,082	37,291	26,279	24,483	14,050	22,086	19,803	11,518	25,038
% of operating costs covered by revenues and operating grants. Operating costs are net of depreciation, gas tax, third-party agreements, rehabiliation and renovation-capital and rolling stock lease.	17.26%	18.46%	17.66%	12.79%	32.83%	41.29%	43.20%	42.65%	44.80%	48.41%

* 2021 net position was restated for the implementation of GASB 87

** 2022 net position was restated for the implementation of GASB 96

Statement of Revenues, Expenses, and Changes in Net Position

Last Ten Fiscal Years

(Dollar amounts in thousands)

	Years ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating revenues:										
Fares	$ 36,103	$ 34,309	$ 28,136	$ 16,224	$ 63,152	$ 82,157	$ 82,676	$ 83,398	$ 84,506	$ 83,111
Dispatching	2,677	2,245	2,155	2,079	2,306	2,155	2,144	2,078	2,194	2,516
Third-party agreements	17,379	18,167	22,934	17,436	24,543	30,208	22,641	17,503	26,951	21,355
Maintenance of way revenues	13,795	13,402	11,512	11,545	13,294	13,030	12,792	12,387	12,437	12,991
Public liability and property damage recovery	126	57	980	817	525	2,566	4,210	5	576	3,183
Interest and other income	144	320	443	292	220	734	194	303	568	2,172
Total operating revenues	$ 70,224	$ 68,500	$ 66,160	$ 48,393	$ 104,040	$ 130,850	$ 124,657	$ 115,674	$ 127,232	$ 125,328
Nonoperating revenues:										
Member agency operating subsidies	$ 210,260	$ 189,864	$ 195,254	$ 79,751	$ 148,237	$ 116,740	$ 124,737	$ 112,711	$ 111,264	$ 94,632
Member agency self insurance reserve	20,177	$ 19,188	$ 16,840	$ 14,842	$ 14,158	$ 16,629	$ 17,663	$ 16,787	$ 15,909	15,625
Net gain (loss) on disposal of capital assets	(58)	(847)	36	(10,003)	(2,387)	(446)	(8,330)	16	(256)	(1,895)
Interest and other income	4,796	561	(1,864)	(785)	222	247	(30)	3,117	(144)	77
Total nonoperating revenues	$ 235,175	$ 208,766	$ 210,266	$ 83,805	$ 160,230	$ 133,170	$ 134,040	$ 132,631	$ 126,773	$ 108,439
Capital grants and subsidies	$ 124,271	$ 132,071	$ 136,330	$ 213,858	$ 178,785	$ 89,599	$ 82,311	$ 71,836	$ 82,270	$ 56,485
Operating expenses:										
Train operations and support	$ 223,784	$ 203,880	$ 173,074	$ 176,780	$ 187,647	$ 186,965	$ 169,131	$ 175,618	$ 172,310	$ 158,796
Maintenance of way	62,145	55,623	54,295	44,411	44,248	44,072	43,172	38,596	39,558	34,230
Rehabilitation and renovation - capital	95,744	92,022	84,666	49,900	67,550	33,694	39,598	20,815	25,406	22,586
Third-party agreements	17,068	18,128	23,019	17,687	23,904	27,136	24,508	19,602	24,864	19,031
Insurance and liability claims	18,131	11,609	15,647	19,288	7,350	8,264	13,641	12,215	10,311	19,142
Public liability and property damage	2,058	1,562	1,739	1,572	2,915	4,457	10,205	3,775	1,686	2,600
Other	25	296	-	-	-	9,114	4,009	-	-	-
Depreciation & amortization	46,630	51,594	45,475	42,178	50,397	53,134	47,786	43,703	43,758	26,646
Total operating expenses*	$ 465,585	$ 434,714	$ 397,915	$ 351,816	$ 384,011	$ 366,836	$ 352,050	$ 314,324	$ 317,893	$ 283,031
Increase (decrease) in net position	(35,915)	(25,377)	14,841	(5,760)	59,044	(13,217)	(11,042)	5,817	18,382	7,221
Cumulative effect of change in accounting principle**	-	-	-	-	-	-	(5,497)	-	-	(6,340)
Fares as a percentage of total operating revenues	51.4%	50.1%	42.5%	33.5%	60.7%	62.8%	66.3%	72.1%	66.4%	66.3%

* In compliance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, capital grants are included as a separate component after nonoperating revenue.

** The cumulative effect of change in accounting principle is due to the implementation of GASB 68 in 2015 and GASB 75 in 2018.

Sources of Capital Contributions

Last Ten Fiscal Years

(Dollar amounts in thousands)

	Years ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Amtrak	$ -	-	-	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FEMA, FHWA	5,362	3,687	6,012	522	2,485	418	(80)	80	(57)	3,400
Federal Transit Administration	34,475	15,466	19,943	19,452	26,952	14,774	26,875	15,758	31,734	15,862
State of California	29,259	46,171	58,202	33,581	78,798	24,158	21,472	37,213	29,997	28,620
L.A.C. Metropolitan Transportation Authority	41,634	23,395	21,661	43,308	24,473	13,836	21,810	16,066	10,264	4,127
Orange County Transportation Authority	4	(185)	121	90	156	(685)	961	656	119	1,331
Riverside County Transportation Commission	24	(1,869)	1,412	445	130	(155)	(31)	368	-	836
San Bernardino County Transportation Authority	(2,356)	9,719	4,179	3,274	2,564	1,152	1,677	907	426	631
Ventura County Transportation Commission	1,957	1,514	1,333	827	401	112	42	-	(1)	2
Other capital (CMAQ, AQMD, FRA)	13,911	34,173	23,467	112,359	42,826	35,989	9,585	788	9,788	1,676
Total capital contributions	**$ 124,271**	**$ 132,071**	**$ 136,330**	**$ 213,858**	**$ 178,785**	**$ 89,599**	**$ 82,311**	**$ 71,836**	**$ 82,270**	**$ 56,485**

				Debt Service (in thousands)										
Fiscal Year	Operating Revenue	Lease Liability	Subscription (SBITA) Liability	Capital Leases Principal Paid	Capital Leases Interest	Operating Leases Principal Paid	Leases (Post GASB 87) Principal Paid	Leases (Post GASB 87) Interest	Subscription Payments (SBITAs) Principal Paid	Subscription Payments (SBITAs) Interest	Total Lease Payments	Metrolink Ridership	Debt Per Rider*	Coverage Ratio**
2015	125,328	-	-	-	-	2,871	-	-	-	-	2,871	11,824	-	43.65
2016	127,232	-	-	-	-	7,870	-	-	-	-	7,870	11,504	-	16.17
2017	115,674	-	-	-	-	5,356	-	-	-	-	5,356	11,640	-	21.60
2018	124,657	-	-	23	-	2,712	-	-	-	-	2,735	11,689	-	45.58
2019	130,850	-	-	130	8	2,954	-	-	-	-	3,092	11,935	-	42.32
2020	104,040	-	-	156	7	3,728	-	-	-	-	3,891	9,359	-	26.74
2021	48,393	15,619	-	-	-	-	974	629	-	-	1,603	2,102	7.43	30.19
2022	66,160	14,669	3,346	-	-	-	950	656	3,173	290	5,069	3,856	4.67	13.05
2023	68,500	13,651	14	-	-	-	1,019	620	3,345	117	5,101	5,075	2.69	13.43
2024	70,224	12,712	11	-	-	-	939	581	3	1	1,524	6,150	2.07	46.08

* Debt per Rider calculated as ((Lease Obligation + SBITA Obligation) / Metrolink Ridership).
*excludes Arrow Ridership
** Coverage Ratio calculated as (Operating Revenue / Total Lease Payments).

PASSENGER FARES: 2014-15 THROUGH 2023-24

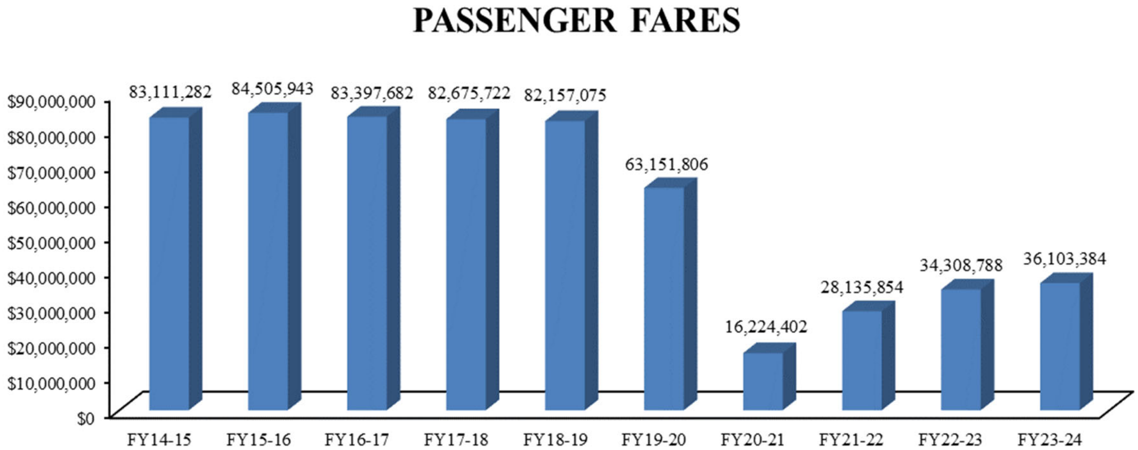


*Table does not include Arrow service. See table “Passenger Fares – Arrow” for more information.

FAREBOX RECOVERY RATIO: 2014-15 THROUGH 2023-24

Farebox recovery is a ratio of fare revenue to direct operating expenses (train operations, maintenance-of-way, including extraordinary maintenance, claims and insurance; excludes gas tax exchange funds, rolling stock lease, third-party activity, and depreciation). The decrease in farebox recovery ratio is due to increases in direct operating expenses. During FY20, our ridership – and related fare revenue – declined by nearly 90% during the last quarter of the year due to the COVID-19 pandemic as noted on under annual ridership chart.

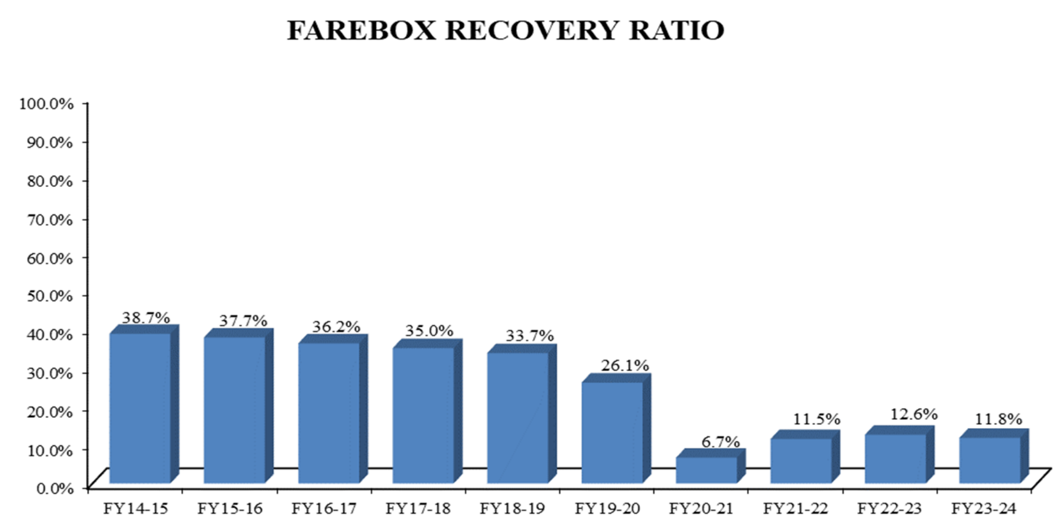


*Table does not include Arrow service. See table “Farebox Recovery Ratio – Arrow” for more information.

SUBSIDY/PASSENGER MILE: 2014-15 THROUGH 2023-24

Subsidy per passenger mile is a measure of public funding provided for each passenger mile of travel.

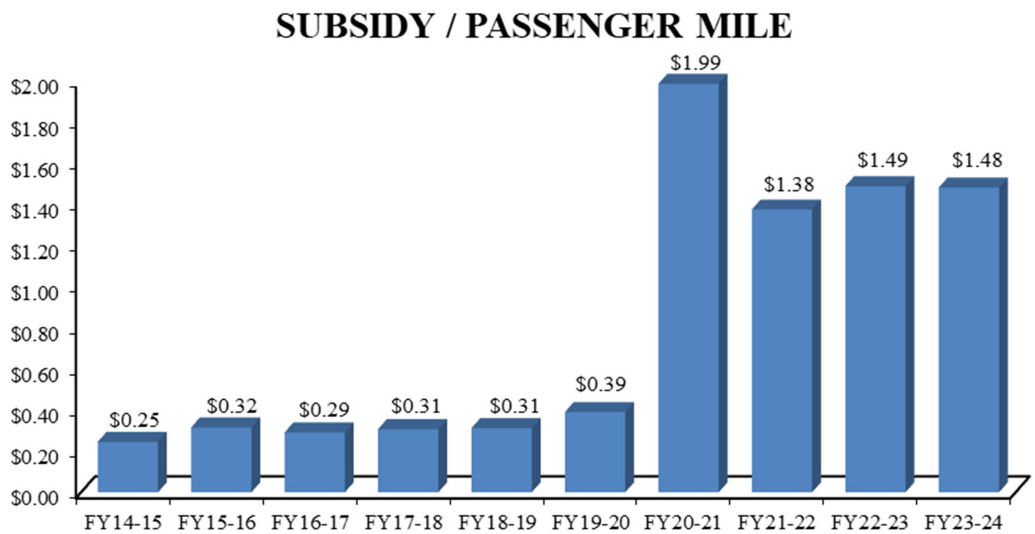


*Table excludes Arrow service. See “Farebox Recovery Ratio – Arrow” for information regarding Arrow service.

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

Demographic and Economic Information

Last Ten Fiscal Years

	YEARS ENDED JUNE 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Population for Counties Served										
Los Angeles County	9,663,345	9,721,138	9,829,544	9,989,165	10,039,107	10,105,518	10,118,759	10,120,540	10,097,037	10,048,408
Orange County	3,135,755	3,151,184	3,167,809	3,184,101	3,175,692	3,185,968	3,179,950	3,170,707	3,153,962	3,130,322
Riverside County	2,492,442	2,473,902	2,458,395	2,422,764	2,470,546	2,450,758	2,417,224	2,382,570	2,347,921	2,317,955
San Bernardino County	2,195,611	2,193,656	2,194,710	2,182,740	2,180,085	2,171,603	2,153,203	2,134,174	2,117,311	2,100,776
Ventura County	829,590	832,605	839,784	842,921	846,006	850,967	850,802	848,921	846,922	842,946
Total Population for Counties Served	18,316,743	18,372,485	18,490,242	18,621,691	18,711,436	18,764,814	18,719,938	18,656,912	18,563,153	18,440,407
Unemployment Rates for Counties Served										
Los Angeles County	5	4.9	8.9	12.3	4.6	4.6	4.7	5.2	6.6	8.2
Orange County	3.6	3.2	6	9	2.8	3	3.5	4	4.4	5.5
Riverside County	4.8	4.2	7.3	10.2	4.2	4.5	5.2	6.1	6.7	8.2
San Bernardino County	4.7	4.1	7.4	9.7	3.9	4.1	4.9	5.7	6.4	8
Ventura County	4.3	3.7	6.2	8.8	3.7	3.8	4.5	5.2	5.6	6.6
Average Unemployment Rates for Counties Served	4.5	4.0	7.2	10.0	3.8	4.0	4.6	5.2	5.9	7.3
Per Capita Income for Counties Served										
Los Angeles County	*	74,142	73,385	67,383	65,094	62,224	59,058	57,127	55,470	52,233
Orange County	*	83,553	81,034	75,572	71,711	69,268	65,709	63,086	61,219	57,165
Riverside County	*	51,415	51,468	48,265	42,418	40,637	38,975	37,936	36,642	34,753
San Bernardino County	*	49,270	49,570	45,968	42,043	40,316	38,648	37,592	36,311	34,320
Ventura County	*	76,375	74,527	68,273	64,715	61,712	58,761	57,136	55,711	53,031
Average Per Capita Income for Counties Served	*	66,951	65,997	61,092	57,196	54,831	52,230	50,575	49,071	46,300

* Information not available yet

Source: U.S Census Bureau, U.S Department of Commerce Bureau of Economic Analysis, U.S Department of Labor Bureau of Labor Statistics, and SCRRA's Fact Sheet

RIDERSHIP: 2014-15 THROUGH 2023-24

During twenty-six years of Metrolink operations, ridership grew steadily with slight declines in FY 2007 and FY 2008 through FY 2011. In FY 2008, record fuel prices helped drive a significant increase in ridership. During the latter part of FY 2008 through FY 2011, ridership steadily declined, due in large part to the continued weakened economic conditions in the Southern California region as well as nationwide. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and Metrolink ridership began to decline. With the closing of K-12 schools, followed by the California stay-at-home orders on March 19, our ridership – and related fare revenue – declined precipitously; by April, monthly ridership and fare revenue had declined nearly 90% compared to the same month in 2019. This has led to an overall decline of year over year ridership numbers.

The following charts show the number of passengers carried for each of the last ten fiscal years and the average weekday ridership, based on unaudited conductor counts.

ANNUAL RIDERSHIP

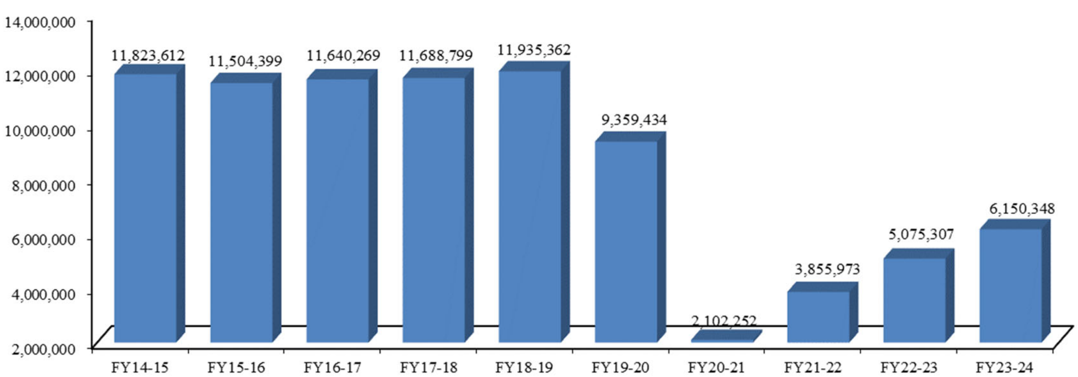
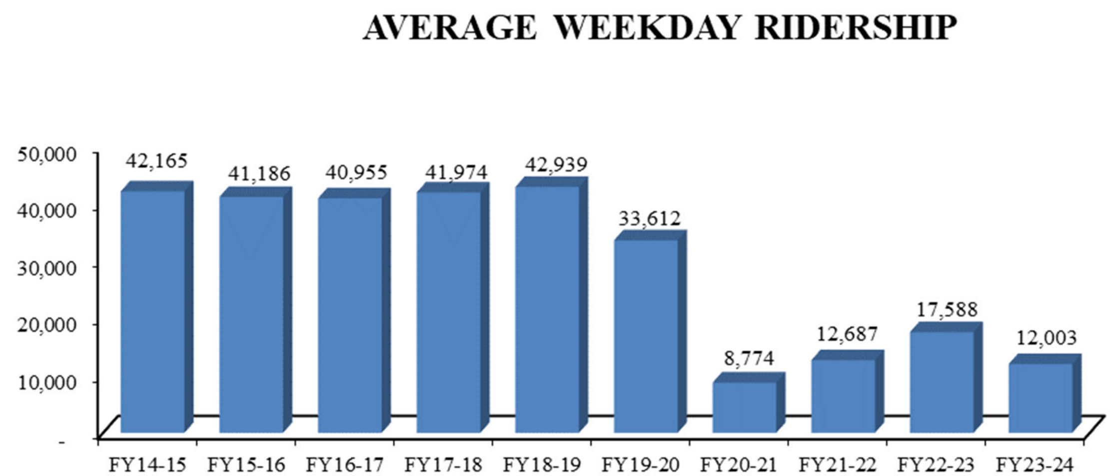


*Table excludes Arrow service. See "Annual Ridership – Arrow" for information regarding Arrow service.



TOTAL TRAIN MILES: 2014-15 THROUGH 2023-24

Until FY 2010, total train miles realized annual yearly increases due to additions of new trains, routes, and train schedules, as well as modifications to existing schedules. These modifications have enhanced overall service and efficiency. Several additional emergency services were started after the Northridge earthquake and many have been retained. In May 2002, the 91 Line was opened, linking Riverside, Fullerton, and downtown Los Angeles. In addition to the 91 Line, additional trains and extended service (including new weekend service) were added to the Antelope Valley line and San Bernardino line. As a result of the decline in ridership and increased operating costs, weekend service was reduced on the Inland Empire Orange County (IEOC) and Orange County lines.

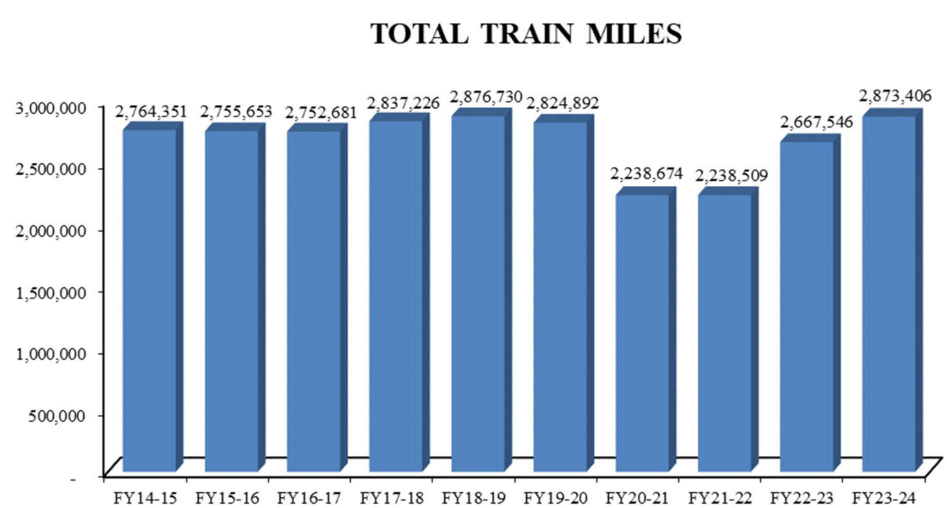


*Table includes Arrow service.

SERVICE HOURS: 2014-15 THROUGH 2023-24

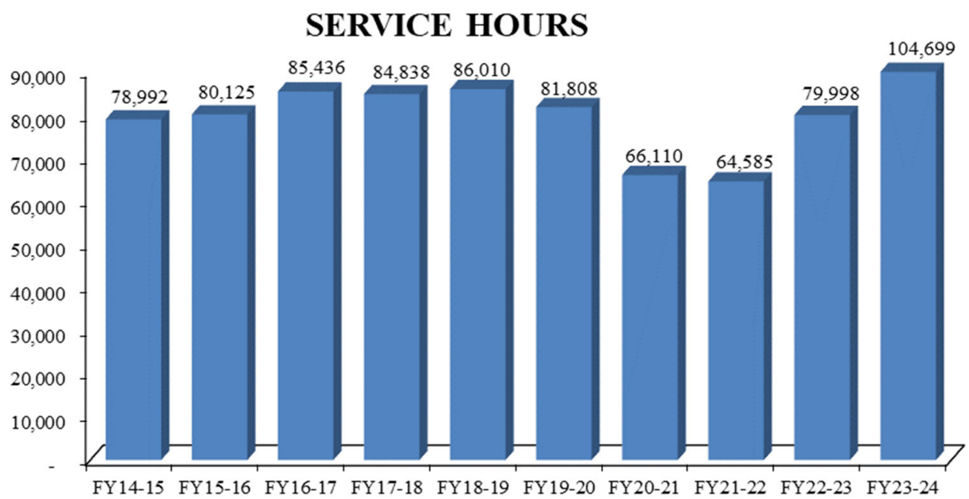


*Table includes Arrow service.

ON-TIME PERFORMANCE: 2014-15 THROUGH 2023-24

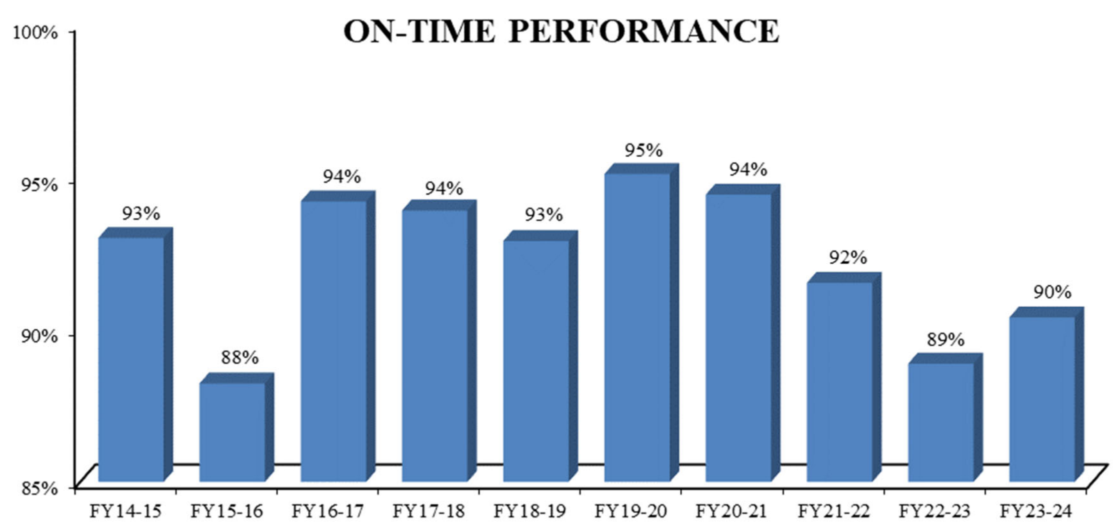
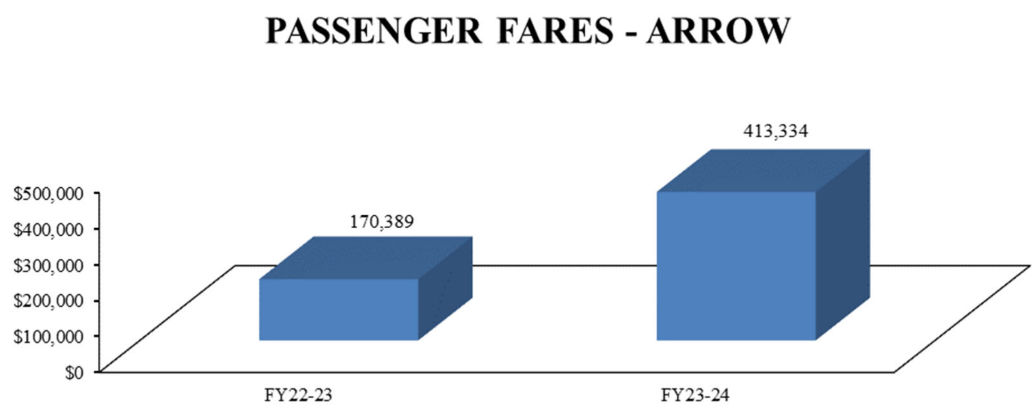


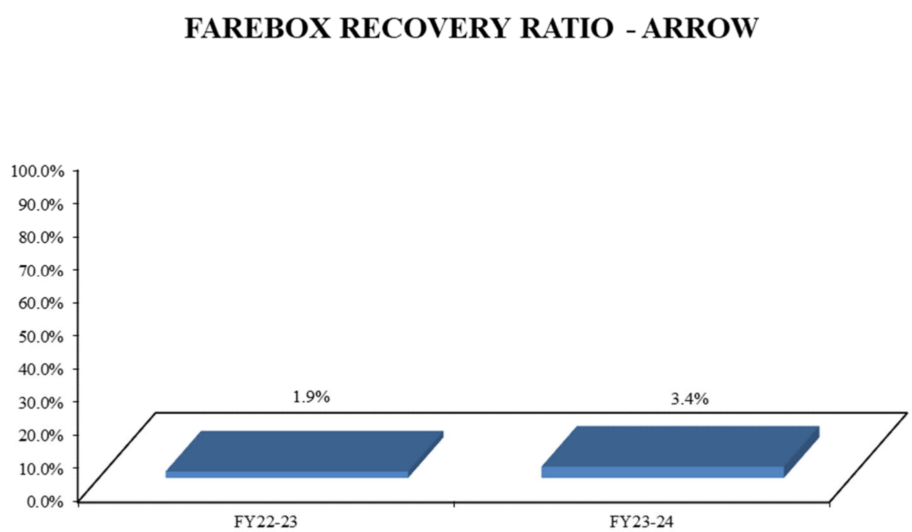
*Table includes Arrow service.

PASSENGER FARES: 2022-23 – 2023-24



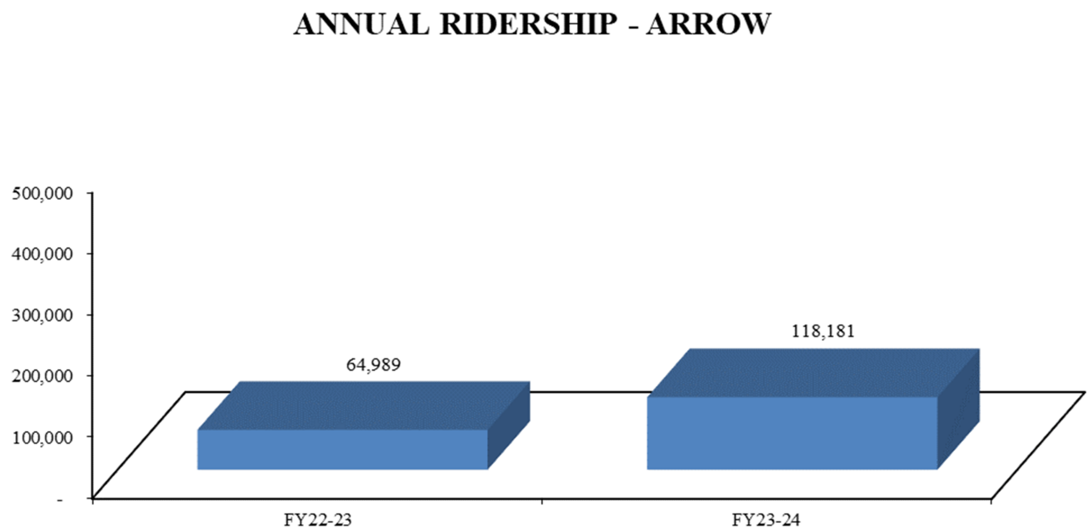
*Arrow service began in October 2023.

FAREBOX RECOVERY RATIO: 2022-23 – 2023-24



*Arrow service began in October 2023.

ANNUAL RIDERSHIP: 2022-23 – 2023-24



*Arrow service began in October 2023.

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
Miscellaneous Statistics

June 30, 2024
(Dollar Amounts in Thousands)

Date of Formation	August 1991		
Form of Government	Joint Powers Authority		
Purpose	To plan, design, construct and administer the operation of regional passenger rail lines.		
Member Agencies	Los Angeles County Metropolitan Transportation Authority Orange County Transportation Authority Riverside County Transportation Commission San Bernardino County Transportation Authority Ventura County Transportation Commission		
Counties Served	Los Angeles County Orange County Riverside County San Bernardino County Northern San Diego County Ventura County		
Fleet and Service Snapshot	Locomotives		60
	Passenger Cars		258
	Diesel Multiple Units*		3
	Stations**		67
	Route Miles		438
	Total Service Line Miles		546
2022-23 Operating Budget (actuals)	Operations	$213,924	
	Maintenance-of-Way	49,263	
	Settlements	5,451	
	Total	$268,638	

Source: SCRRA's FY23 Q4 Fact Sheet and FY23 Operating Budget
* Diesel Multiple Units are used for Arrow Service
**Does not includes Los Angeles Union Station, which is a hub for all lines except IEOC line.

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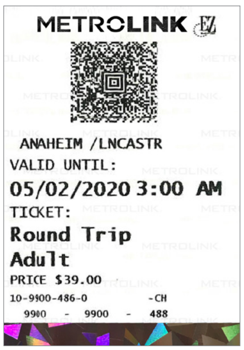
METROLINK

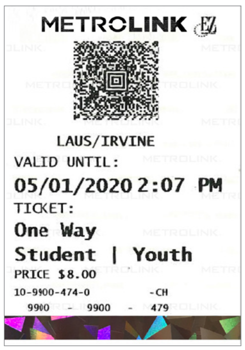
TICKETS QUICK REFERENCE GUIDE

A variety of tickets and passes are available for Metrolink passengers. The type of ticket suited for you will depend on how often you plan to ride Metrolink. All tickets are good for a free transfer from Metrolink to participating, directly connecting transit. One-Way Tickets, Round-Trip Tickets, Saturday and Sunday Day Passes, Holiday Pass, Group Pass, 5 and 10-Day Flex Pass, 7- Day Passes, and Monthly Passes offer increasing discounts off the One-Way price.

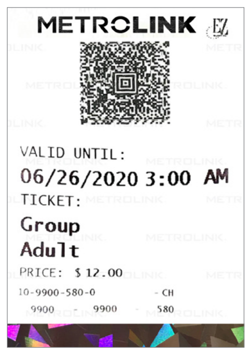
ROUND-TRIP
TICKET



ONE-WAY
TICKET



GROUP
TICKET



MONTHLY
PASS

7-DAY
PASS

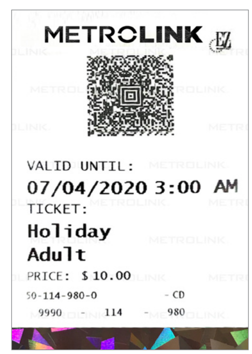
SATURDAY WEEKEND
DAY PASS

SUNDAY WEEKEND
DAY PASS

5-DAY
FLEX PASS

10-DAY
FLEX PASS

HOLIDAY
PASS



5-DAY
FLEX PASS

10-DAY
FLEX PASS

MOBILE
TICKET

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Supplementary Information

(Unaudited)

METROLINK

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UNEARNED REVENUE AND ADVANCES ON CAPITAL PURCHASES

The SCRRA Member Agencies contribute the funds necessary to carry out its purposes consistent with the Board-adopted budget and cost sharing formula in addition to funds derived from operations and grants. A preliminary budget for the following fiscal year is submitted to Member Agencies by May 1 of each year and the SCRRA Board must adopt the final budget no later than June 30 of each year. Once SCRRA's annual budget is approved by the Board, each Member Agency pays the annual operating subsidy in advance and on a quarterly basis.

An operating surplus indicates that Member Agencies' operating subsidies exceed their share of actual operating revenues earned and expenses incurred by SCRRA during the year. Conversely, an operating deficit indicates that operating subsidies are less than the Member Agencies' share of actual operating revenues earned and expenses incurred by SCRRA; however, an operating deficit does not result to a receivable from Member Agencies. Any operating surplus or deficit remains an unearned revenue, unless otherwise designated by the Member Agencies.

Unearned revenue also includes capital subsidies, which are advances from member agencies for capital-related projects. Capital subsidies are recognized to the extent of expenses incurred. Remaining subsidies are maintained in unearned revenue until such time as expenses are incurred. Also included within unearned revenue activity are Proposition 1B (Prop 1B), California Transit Security Grant Program (CTSGP), California State Transportation Agency State Rail Assistance Program (CalSTA SRA) and Low Carbon Transit Operations Program (LCTOP) funds, which for accounting purposes, are treated in the same manner as previously described. These funds are received through assignment from various Member Agencies or directly to SCRRA as the primary recipient. See the description of Proposition 1B, CTSGP, CalSTA SRA and LCTOP funds following the unearned revenue activity schedule.

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
Supplementary Information (Unaudited)
For the years ended June 30, 2024 and 2023

Unearned revenue activity for the years ended June 30, 2023 and 2024, is as follows (in thousands):

	LACMTA	OCTA	RCTC	SBCTA	VCTC	OTHER	TOTAL
Unearned revenue, June 30, 2022	**$ 4,135**	**$ 11,689**	**$ 830**	**$ 23,354**	**$ 24,264**	**$ 21,237**	**$ 85,508**
Subsidies invoiced:							
Operating	108,362	42,026	24,245	22,719	14,206	-	211,558
Public liability and property damage	7,672	3,962	1,646	1,914	529	-	15,723
Capital	-	-	-	-	-	-	-
Other	(10,504)	(3,713)	(1,319)	(655)	(1,708)	-	(17,899)
Federal Subsidies	-	-	-	-	-	-	-
Subsidies recognized:							-
Operating	(99,775)	(38,313)	(22,926)	(22,656)	(12,509)		(196,179)
Public liability and property damage	(7,672)	(3,962)	(1,646)	(1,914)	(529)		(15,723)
Capital	(558)	-	-	-	(126)	(2,580)	(3,264)
Other	-	-	-	-	-	54	54
Federal Subsidies		(8,500)	-	4,000	-		(4,500)
Operating surplus activity	8,184	1,958	1,031	439	1,600	-	13,212
Capital surplus activity	1,609	154	106	541	(75)	(9)	2,326
Interest allocation	5	-	-	-	2	462	469
Cares activity	-	-	-	(17,681)	(2,520)	829	(19,372)
Unearned revenue, June 30, 2023	**$ 11,458**	**$ 5,301**	**$ 1,967**	**$ 10,061**	**$ 23,134**	**$ 19,993**	**$ 71,913**
Subsidies invoiced:							
Operating	118,623	32,603	26,308	26,649	10,129	-	214,312
Public liability and property damage	9,365	4,432	1,924	2,244	647	-	18,612
Other	(14,986)	(7,805)	(3,840)	(3,408)	(2,751)	-	(32,790)
Subsidies recognized:							
Operating	(103,742)	(38,514)	(22,468)	(23,240)	(12,975)	-	(200,939)
Public liability and property damage	(9,365)	(4,432)	(1,924)	(2,244)	(647)	-	(18,612)
Capital	-	-	-	-	-	(3,081)	(3,081)
Other	-	-	-	-	-	(65)	(65)
Federal Subsidies	-	13,716	7,366	(4,000)	11,193	-	28,275
Operating surplus activity	6,520	6,114	2,680	8,108	2,651	-	26,073
Capital surplus activity	21	(160)	(795)	(718)	251	93	(1,308)
Interest allocation	-	-	-	-	-	885	885
Cares activity	-	-	(12)	(841)	(1,027)	(1,205)	(3,085)
Unearned revenue, June 30, 2024	**$ 17,894**	**$ 11,255**	**$ 11,206**	**$ 12,611**	**$ 30,605**	**$ 16,620**	**$ 100,190**
Unearned revenue component:							
Operating surplus/(deficit)	16,170	9,707	3,841	9,032	4,935	106	43,791
Preventive maintenance surplus	-	-	7,365	-	5,596	-	12,961
Operating surplus (due to Cares funds)	-	-	-	-	18,202	-	18,202
Capital projects and surplus	1,724	1,548	-	3,579	1,872	16,514	25,237
Unearned revenue, June 30, 2024	**$ 17,894**	**$ 11,255**	**$ 11,206**	**$ 12,611**	**$ 30,605**	**$ 16,620**	**$ 100,190**

Proposition 1B – The Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA) is a part of the State of California's Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Bond Act), approved by California voters as Proposition 1B on November 7, 2006. A total of $19.9 billion in general obligations bonds was authorized for issuance, the proceeds of which were deposited into the PTMISEA fund for specified purposes, including grants for transit system safety, security, and disaster response projects. Of this amount, $3.6 billion was made available to project sponsors in California for allocation to eligible public transportation projects over a 10-year period. Proposition 1B funds can be used for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, or rolling stock procurement, rehabilitation or replacement.

California Transit Security Grant Program (CTSGP)– Senate Bill 88 of the 2007 Statutes appropriates funds from Proposition 1B to the California Transit Security Grant Program maintained by the California Governor's Office of Emergency Services (Cal OES, formerly CalEMA), to fund grants for eligible purposes. Eligible activities include construction or renovation projects that are designed to enhance the security of public transit stations, tunnels, guideways, elevated structures, or other transit facilities and equipment.

California State Transportation Agency State Rail Assistance Program (CalSTA SRA) – The California State Transportation Agency State Rail Assistance Program (CalSTA SRA) is funded by Senate Bill 1, a historic transportation measure the will provide $454 million directed specifically for commuter and intercity rail through 2027 (over the first 10 years) to maintain and improve California's transportation system. Similar to the State Transit Assistance program, these funds may be used for both operations and capital improvements. Public Utility Code section 99312.3 directs 50% of SRA to intercity rail agencies, and 50% to commuter rail agencies, and allows loans among agencies within each category. For commuter rail, statute directed an equal split of the funding from 2018-2019 and 2019-2020 to the state's five commuter rail providers. The amended guidelines for 2020-2021 and thereafter is based on an equal distribution of the first $17.5 million of commuter rail annual revenues among the five agencies, and the balance of revenue allocated on a statistical formular based on National Transit Database-reported statistics. For intercity rail, statute directs a minimum of 25 percent of funding to each of the state's three intercity rail corridors with regularly scheduled service. CalSTA determines the distribution of the remaining 25 percent through a separate process that is documented prior to each call for projects.

Low Carbon Transit Operations Program (LCTOP) – The Low Carbon Transit Operations Program is one of several programs that is part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate Bill (SB) 862. The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. Approved projects in the LCTOP will support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance, and other costs to operate those services or facilities. SB 862 (Statutes of 2014) appropriated $25 million for LCTOP for FY 2015 and it continuously appropriates 5% of the annual auction proceeds in the Greenhouse Gas Reduction Fund for LCTOP beginning in FY 2016.

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY

Supplementary Information (Unaudited)
For the years ended June 30, 2024 and 2023

	PTMISEA						CTSGP	CalSTA SRA	LCTOP	
	LACMTA	OCTA	RCTC	SBCTA	VCTC	SCRRA	SCRRA	SCRRA	SCRRA	TOTAL
Unexpended funds June 30, 2022	**$ 709**	**$ -**	**$ -**	**$ -**	**$ 125**	**$ 3,437**	**$ 2,018**	**$10,235**	**$ 4,200**	**$ 20,724**
Funds collected	-	-	-	-	-		(2,003)	8,428	3,997	10,422
Costs incurred	(716)				(127)	(3,498)	-	(6,382)	(2,965)	(13,688)
Interest revenue on unspent funds	7	-	-	-	2	61	(15)	263	154	472
Unexpended funds, June 30, 2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**12,544**	**5,386**	**17,930**
Funds collected	-	-	-	-	-	-	-	4,908	4,000	8,908
Costs incurred	-	-	-	-	-	-	-	(3,694)	(8,296)	(11,990)
Interest revenue on unspent funds	-	-	-	-	-	-	-	666	219	885
Unexpended funds, June 30, 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,424**	**1,309**	**15,733**