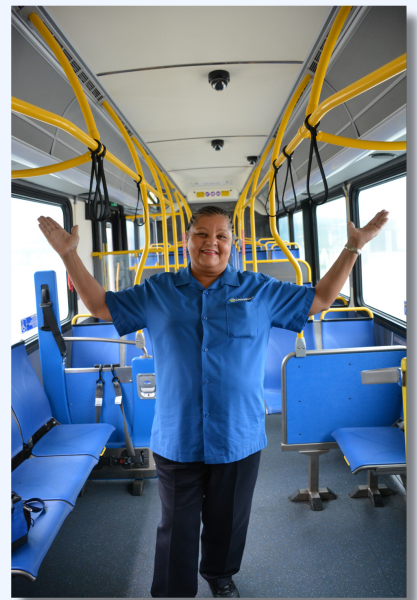




# Omnitrans

Connecting Our Community.



**Omnitrans, San Bernardino, CA**  
**Annual Comprehensive Financial Report**  
**Fiscal Year Ended June 30, 2023**  
**With Comparative Totals For June 30, 2022**



# **Omnitrans**

San Bernardino, California

## **Annual Comprehensive Financial Report**

*For the Year Ended June 30, 2023  
(with comparative totals for the Year Ended June 30, 2022)*





**Omnitrans**  
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**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

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Members of the Board of Directors and Employees of Omnitrans:

We are pleased to present Omnitrans' Annual Comprehensive Financial Report (ACFR) for Fiscal Year (FY) ended June 30, 2023. The financial statements are presented in conformity with accounting principles generally accepted in the United States of America and were audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Omnitrans utilizes several financial policies in guiding day to day operations and ensuring long term financial sustainability. The Board of Directors adopts an Annual Budget that is consistent with the financially constrained Short Range Transit Plan. This plan includes a five-year balanced financial forecast.

As we began the 2023-2024 fiscal year, a tight labor market impacted Omnitrans ability to operate budgeted service levels. This resulted in expenditures being lower than planned, further strengthening the Agency's current financial position. Omnitrans will build on this and remain focused on providing San Bernardino Valley residents and visitors with sustainable mobility options.

Omnitrans continues to move forward by implementing Board-approved Strategic Plan Initiatives and priorities. Highlights of significant accomplishments last year include:

- **Service Resumption and Ridership Growth:** Delivered 99.9% of scheduled fixed-route service while increasing service hours by 6 percent. Increased ridership by 21 percent or 6.1 million trips year over year.
- **System Safety and Security:** Added 288 new bus stop solar lights to enhance safety at bus stops, updated the Safety Security Emergency Preparedness Plan and established agency-wide Safety Committee.
- **Customer Experience and Amenities:** Implemented fare capping, procured token transit mobile fare validators and added wi-fi on all fixed route vehicles. Accessibility improvements were made at 24 bus stops and 8 additional bus stop shelters were installed.
- **Community Engagement:** Continued the Free Fares for School program, positively impacting the community by providing 1.1 million free rides to K-12 students throughout our service since inception.
- **Compliance:** Achieved positive results with "no findings" in the Federal Transit Administration Triennial Review and the State of California Transportation Development Act Triennial Review.

These accomplishments would not be possible without the leadership and support of the Omnitrans Board of Directors, partnership with the San Bernardino County Transportation Authority, and the tireless efforts of our employees. Omnitrans is well-positioned for the future, as our mission is aligned with State and Federal policy and funding priorities: to provide innovative mobility solutions that connect our region and strengthen the economy.

*Sincerely,*

*Erin Rogers*  
CEO/General Manager





January 24, 2024

To the Members of the Omnitrans Board of Directors, CEO/General Manager and Citizens of the County of San Bernardino:

California Government Code sections 25250 and 25253 require that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published in fulfillment of that requirement for the fiscal year ended June 30, 2023.

This report provides an independently audited account of the financial condition of the Agency. The financial statements, supplemental schedules, and statistical information are the representations of Omnitrans' management. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Consequently, management assumes full responsibility for their accuracy, completeness and fairness.

The Pun Group, LLP, a firm of licensed certified public accountants, audited Omnitrans' financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Agency for the fiscal year ended June 30, 2023, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Omnitrans' financial statements for the fiscal year ended June 30, 2023, are fairly represented in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

*continued on next page*

Omnitrans • 1700 West Fifth Street • San Bernardino, CA 92411  
Phone: 909-379-7100 • Web site: [www.Omnitrans.org](http://www.Omnitrans.org) • Fax 909-889-5779

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Serving the communities of Chino Hills, Colton, County of San Bernardino, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland and Yucaipa.

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Management’s Discussion and Analysis (MD&A) immediately follows the independent auditors’ report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

The independent audit of the financial statements of Omnitrans was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report on the fair presentation of the financial statements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in a separate Single Audit report.

As stewards of the taxpayer’s money, Omnitrans continues to achieve its primary objective of safeguarding the funds entrusted to the Agency. Our primary focus is the planning, securing and controlling of Omnitrans’ financial resources.

Omnitrans takes great pride in the fact that previously issued AFCRs have been awarded a prestigious award by The Government Finance Officers Association (GFOA) in the form of its Certificate of Achievement for Excellence in Financial Reporting. Omnitrans has received the GFOA “Certificate of Achievement for Excellence in Finance Reporting” a total of nineteen (19) times. Omnitrans’ prior year submission has once again been awarded this certification. These prior awards evidence the significant improvements regarding the strengthening of internal controls and our compliance with stringent GFOA standards for professional financial reporting. Omnitrans’ system of internal controls is supported by written policies and procedures and is continually reviewed, evaluated and modified to meet current needs.

## **Local Economy**

Omnitrans’ service area is located within the Metropolitan Statistical Area (MSA) of San Bernardino County and Riverside County (Inland Empire). Economic activity within the Inland Empire has slowed, but continues to recover from the pandemic. According to Beacon Economics, the Southern California economy is fundamentally strong. The major factor in the local economy will be labor shortages. As of October 2023, the unemployment rate in the local area was recorded as 5.0%. This is up from a year-ago rate of 3.8%. This compares with the unemployment rate in the state of California of 4.7% and 3.9% for the nation during the same period.

According to the Inland Empire Economic Partnership, job losses in the Logistics Industry will cause the Inland Empire economy to grow at a slower rate in the near term. The Inland Empire should expect to see growth rates below 2% in the near future.

## **Long-term Financial Planning**

Omnitrans continues to plan for the future in its short-term and the long-term planning. The short-term planning rarely looks further ahead than the 12 months in the fiscal year. The goal is to ensure that the Agency has enough cash to pay its expenditures. In the long-term planning process, the planning horizon is typically 2 – 5 years. The long-term financial planning focuses on the Agency’s long-term goals and the funding that must be secured prior to project implementation.

## Major Initiatives

Each year federal and state governments fund numerous public transit initiatives through an array of programs.

California's Senate Bill (SB) 125 guides the distribution of \$4 billion in the General Fund through the Transit and Intercity Rail Capital Program on a population-based formula to regional transportation planning agencies, which will have the flexibility to use the money to fund transit operations or capital improvements. The transportation budget trailer bill also establishes the \$1.1 billion Zero-Emission Transit Capital Program to be allocated to regional transportation planning agencies on a population-based formula and another formula based on revenues to fund zero-emission transit equipment and operations. SB 125 includes an accountability program to govern the distribution of these funds. Omnitrans anticipates being the recipients of some of these funds to fund our projects.

California's Senate Bill (SB) 1 - The Road Repair and Accountability Act of 2017, provided the first significant, stable, and on-going increase in state transportation funding in more than two decades. The California Legislature passed SB 1, raising gas taxes and vehicle fees to generate revenue to fix the state's roads, freeways and bridges in communities across California and puts more dollars toward transit and safety.

To raise a projected \$52.4 billion over 10 years, changes to taxes and fees include:

- A 12-cent increase in the gasoline excise tax
- A 20-cent increase in the diesel excise tax
- A 5.75 percent increase in the diesel sales tax
- A new vehicle fee, which will annually charge drivers between \$25 and \$175, depending on the value of the vehicle
- A \$100 annual fee on zero-emission vehicles

The Federal Transit Administration (FTA) sponsors an array of initiatives and programs to support research, coordination, and development of public transportation. Some FTA and California initiatives and programs that are of particular interest to Omnitrans include:

- Bipartisan Infrastructure Law – signed by President Biden in 2022 this is a once-in-a generation investment in the nation's infrastructure. The new law provides \$39 billion of new investment to modernize transit and \$89.9 billion in guaranteed funding for public transit over the next five years. This is the largest Federal investment in public transit history. Omnitrans is expected to see an increase in Federal funding from this law going forward.
- Fixing America's Surface Transportation Act (FAST Act) – signed by President Obama in 2015 and reauthorized during Federal Fiscal Year 2021 is the first law enacted in over ten years that provides long-term funding certainty for surface transportation. The law grants FTA authority to strengthen the safety of public transportation systems throughout the United States. It also provides a steady and predictable funding stream for five years. Omnitrans Federal funding for Fiscal Year 2023 was derived from this source.

- State of Good Repair (SGR) - State of Good Repair includes sharing ideas on recapitalization and maintenance issues, asset management practices, and innovative financing strategies. It also includes issues related to measuring the condition of transit capital assets, prioritizing local transit re-investment decisions and preventive maintenance practices. Finally, research and the identification of the tools needed to address this problem are vital. The FTA will lead the nation's effort to address the State of Good Repair by collaborating with industry to bring the nation's transit infrastructure into the 21st Century.
- The California Air Resources Board (CARB) adopted the Innovative Clean Transit regulation the ICT regulation, which has been in development since spring 2015. It requires large transit agencies to begin purchasing zero-emission buses (ZEBs) as soon as 2023, with the goal of transitioning all transit buses in California to zero-emission technology by 2040. The regulation initially impacts standard transit buses, postponing the ZEB purchase mandate for non-standard buses (i.e. articulated, cutaway, over-the-road coaches) until at least 2026. Omnitrans has developed a ZEB transition plan to meet this requirement.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Omnitrans for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of a state or local government financial report. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR.

Preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the Finance Department staff, with special thanks to Charles De Simoni, CPA, CGMA, CGFM, Accounting Manager. We wish also to express our appreciation to Erin Rogers, our CEO/General Manager, and the Omnitrans Board of Directors and members of its Administrative and Finance Committee for their support.

Respectfully submitted,



Maurice Mansion  
Director of Finance, OMNITRANS

# OMNITRANS Organizational Chart



**OMNITRANS SENIOR LEADERSHIP TEAM  
(As of December 31, 2023)**

Erin Rogers  
CEO/General Manager

Suzanne Pfeiffer  
Chief Administrative Officer

Jeremiah Bryant  
Chief Strategy and Planning Officer

Maurice Mansion  
Director of Finance

Micah May  
Director of Information Technology

Connie Raya  
Director of Maintenance

Nicole Ramos  
Director of Marketing & Communications

(Vacant)  
Director of Operations

(Vacant)  
Director of Safety & Regulatory Compliance





# BOARD MEMBERS



**John Dutrey – Chair**  
City of Montclair



**Frank Navarro – Vice Chair**  
City of Colton



**Jesse Armendarez**  
County 2<sup>nd</sup> District



**Dawn Rowe**  
County 3<sup>rd</sup> District



**Curt Hagman**  
County 4<sup>th</sup> District



**Joe Baca Jr.**  
County 5<sup>th</sup> District



**Eunice Ulloa**  
City of Chino



**Cynthia Moran**  
City of Chino Hills



**John Roberts**  
City of Fontana



# BOARD MEMBERS



**Bill Hussey**  
City of Grand Terrace



**Penny Lilburn**  
City of Highland



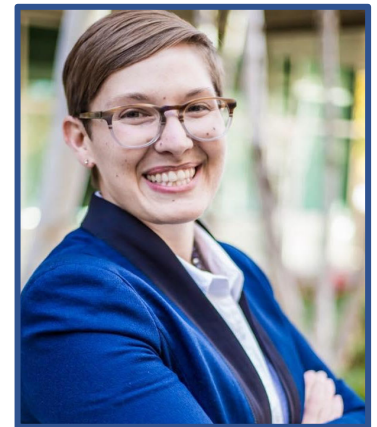
**Ron Dailey**  
City of Loma Linda



**Alan Wapner**  
City of Ontario



**Kristine Scott**  
City of Rancho Cucamonga



**Denise Davis**  
City of Redlands



**Rafael Trujillo**  
City of Rialto



**Helen Tran**  
City of San Bernardino



**Bill Velto**  
City of Upland



**Bobby Duncan**  
City of Yucaipa



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**OMNITRANS  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



## PROFILE OF OMNITRANS

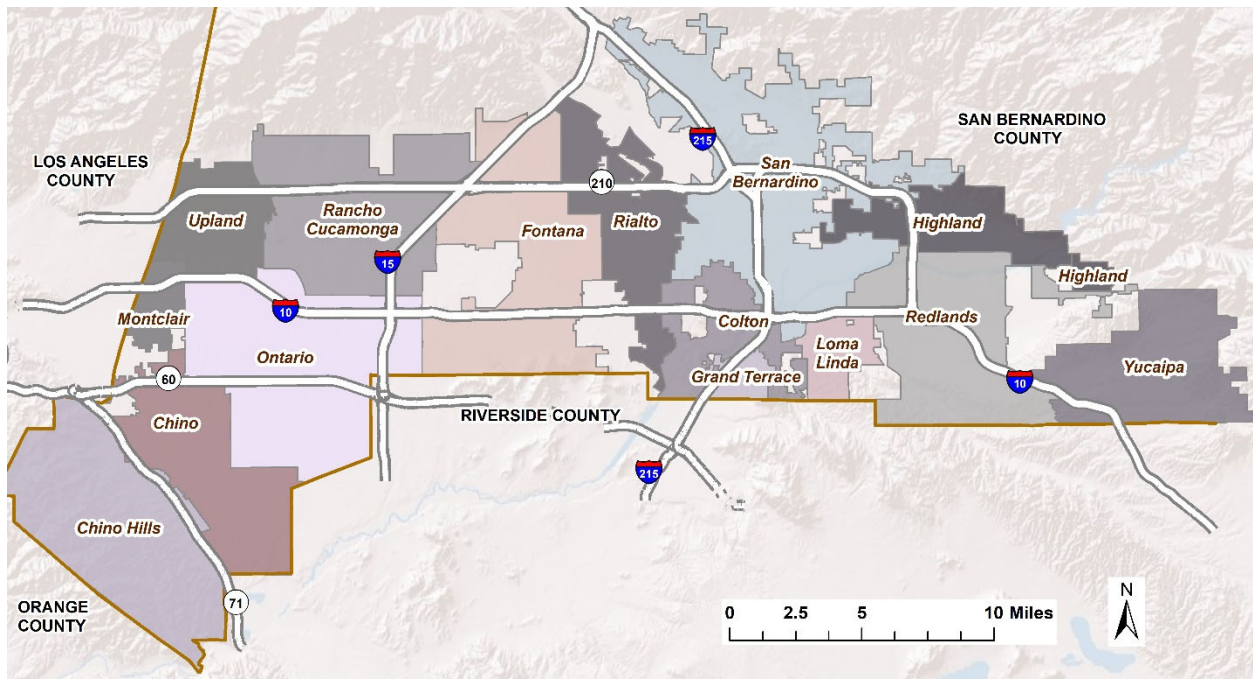
Omnitrans was founded in 1976 under a Joint Powers Agreement to provide transportation service to the San Bernardino Valley. Omnitrans is the major public transportation provider in the San Bernardino Valley, with a service area of approximately 466 square miles, serving fifteen municipalities, and many unincorporated areas of San Bernardino County. Omnitrans also travels beyond the service area to Pomona and Riverside, to provide links to neighboring transit agencies. The service area is bordered by the Los Angeles County line to the west, the San Gabriel and San Bernardino Mountains to the north, Yucaipa in the east and the Riverside County line to the south. The map below shows the Omnitrans service area. Employees work out of two locations: East Valley (San Bernardino) and West Valley (Montclair).

The Board of Directors, made up of elected officials from each of the member jurisdictions, governs the Agency. The member jurisdictions include the following:

City of Chino	City of Highland	City of Redlands
City of Chino Hills	City of Loma Linda	City of Rialto
City of Colton	City of Montclair	City of San Bernardino
City of Fontana	City of Ontario	City of Upland
City of Grand Terrace	City of Rancho Cucamonga	City of Yucaipa
	County of San Bernardino	

Each city has one member and the County of San Bernardino has four members on the Board, who represent their respective County Districts. The Board is responsible for all policy, regulatory, and budgetary decisions of the Agency.

### Service Area Map



Four Board committees oversee specific functional areas of the Agency with the provision to create ad-hoc committees as needed. These committees are:

1. Executive Committee
2. Administrative and Finance Committee
3. Plans and Programs Committee
4. Operations and Safety Committee

As of June 2023, Omnitrans had a budgeted staff of 572 employees to provide its services. The CEO/General Manager is responsible for the day-to-day management of the Agency and acts as the liaison to the Board of Directors and each of the committees. Reporting to the CEO/General Manager are the following departments:

1. Executive Office
2. Finance
3. Human Resources
4. Information Technology
5. Maintenance
6. Marketing & Communications
7. Mobility Services
8. Operations
9. Procurement
10. Safety & Security
11. Strategic Development

As cited in its Joint Powers Agreement (JPA), Omnitrans was created as a single umbrella agency to serve the bus transit needs of the San Bernardino Valley. Provisions were made in the JPA to: 1) Establish a uniform fare policy within the service area, 2) To coordinate a region wide bus transit marketing program, and 3) To consolidate bus transit operating and administrative functions in order to achieve increased economies of scale.

To meet the bus transportation service demands efficiently and effectively, Omnitrans uses a multimodal approach to the provisions of service. The Family of Services that Omnitrans currently offers are summarized below:

### **Local Fixed Route Service**

- Omnitrans operated at a reduced service level during FY2023 due to the COVID-19 pandemic and the subsequent tight labor market. In May 2021, Omnitrans adopted a 7-step service resumption plan which gradually reintroduces service levels based on a series of triggers. At the conclusion of FY2023, Omnitrans was operating 81% of regularly planned service.
- At the close of FY2023, Omnitrans operated 21 traditional local fixed routes, 5 contracted local community circulator routes, 1 bus rapid transit route and 1 Freeway Express route described below. One freeway express route was temporarily suspended due to labor shortages.
- Local routes typically operate at 15- to 70-minute intervals depending on passenger demand and density of activity along the route.
- All fixed route services operate Monday through Friday with service beginning at approximately 3:30 AM and ending at 11:30 PM. On Saturdays there are 25 routes in operation with service beginning at approximately 5:00 AM and ending at 11:00 PM. On Sundays there are 22 routes in service which begin at approximately 5:00 AM and end at 11:00 PM.



- Coordinated local fixed-route service with Foothill Transit, Riverside Transit Agency, Mountain Transit, Beaumont Transit, Sunline Transit Agency, and Victor Valley Transit Authority operated under Cooperative and/or Joint Service Agreements between Omnitrans and neighboring transit operators.

### **sbX Bus Rapid Transit**

- The sbX Green line is a Bus Rapid Transit Line that serves the E Street Corridor in the cities of San Bernardino and Loma Linda.
- During FY2023, the sbX Green Line operated on weekdays from 5:00 AM to 11:00 PM with 15/20-minute service on weekdays and 30-minute service Saturdays. Prior to the pandemic, sbX operated 10-minute peak and 15-minute off-peak service on weekdays and 20-minute service on Saturdays.
- The sbX Green Line is 15.7 miles long, with 5.4 miles of dedicated bus-only lanes. sbX has 16 named station locations and 23 platforms that offer enhanced amenities including level boarding, NexTrip arrival signs, ticket vending machines and custom shelters and benches.

### **Freeway Express Service**

- Omnitrans operates Freeway Express routes designed to allow for fast and efficient movement of passengers throughout our service area providing key connections to neighboring transit agencies.
- Route 215 is a cross-county service provided by Omnitrans that connects Downtown San Bernardino at the San Bernardino Transit Center to Downtown Riverside. This route travels along Interstate 215. During FY2023, the route operated 30-minute peak and 60-minute off-peak service on weekdays and hourly service on weekends.
- Route 290 was temporarily suspended during FY2022 and continued to be suspended during FY2023 due to workforce shortages. When the route is resumed it is a cross San Bernardino Valley Freeway Express Route that travels along Interstate 10 connecting key destinations including Downtown San Bernardino at the San Bernardino Transit Center, Arrowhead Regional Medical Center in Colton, Ontario Mills in Ontario, and Montclair at the Montclair Transit Center, where connections to Foothill Transit's service to eastern Los Angeles County are available.

### **OmniRide**

- Omnitrans operates three OmniRide services. OmniRide Bloomington, OmniRide Chino Hills and OmniRide Upland. OmniRide Bloomington is partially funded through a Clean Mobility Options Voucher.
- OmniRide is a microtransit service with on-demand, reservation-based transportation. Customers can reserve rides on a mobile app or through phone reservations, then be picked up and dropped off at the locations of their choosing within the service area boundaries.
- Omnitrans partners with TransDev and RideCo to deliver the service. TransDev provides the vehicles and drivers, while RideCo is the technology provider.

**FY23 Fixed-Route Service Frequency by Route compared to Plan**

FY23 Fixed-Route Service Frequency by Route compared to Plan							
Route	Route Name	Service Days/Frequency					
		Weekday		Saturday		Sunday	
		Planned	FY2023	Planned	FY2023	Planned	FY2023
1	ARMC - San Bernardino - Del Rosa	15	20/30	30	30	30	30
2	Cal State - E Street - Loma Linda	75	75	75	75	75	75
3	Baseline - Highland - San Bernardino	15	20/30	22/25	22/25	22/25	22/25
4	Baseline - Highland - San Bernardino	15	20/30	22/25	22/25	22/25	22/25
6	San Bernardino - Sierra Way - Cal State	30	30/60	60	60	60	60
8	San Bernardino - Mentone – Crafton Hills	30/60	60	60	60	60	60
10	Fontana - Baseline - San Bernardino	30/60	60	60	60	60	60
14	Fontana - Foothill - San Bernardino	15	15/20	20	20	20	20
15	Fontana - San Bndo/Highland - Redlands	30	60	60	60	60	60
19	Fontana –Colton-Redlands--Yucaipa	30	30/60	60	60	60	60
22	North Rialto - Riverside Ave - ARMC	30/60	60	60	60	60	60
215	San Bernardino – Riverside	20/30	30/60	30/60	60	30/60	60
290	San Bernardino-ARMC-Ontario Mills-Montclair Transit Center	AM/PM Peak	Temporary Suspended	*	*	*	*
300	SB Connect	20/30	20/30	*	*	*	*
305	San Bernardino-Waterman-Grand Terrace	60	60	60	60	60	60
312	Fontana-Muscoy-Cal State	60	60	60	60	60	60
319	Yucaipa-Sunnyside-County Line	60	60	*	*	*	*
380	ONT Connect	35/60	35/60	60	60	60	60
61	Fontana-Ontario Mills-Pomona	15	15/20	20	30	20	30
66	Fontana-Foothill Blvd.-Montclair	20	20	30	30	30	30
67	Chaffey-Baseline-Fontana	60	60	*	*	*	*
81	Chino-Haven-Chaffey College	60	60	60	60	*	*
82	Rancho Cucamonga-Fontana-Sierra Lakes	60	60	65	65	65	65
83	Upland-Euclid-Chino	30/60	60	60	60	60	60
84	Upland-Mountain Ave-Chino	60	60	60	60	60	60
85	Chino-Montclair-Chaffey College	30	60	60	60	60	60
87	Chaffey College-Ontario-Eastvale	60	60	60	60	*	*
88	Chino Hills-Ramona Ave-Montclair	60	60	60	60	60	60
sbX	Green Line	10/15	15/20	20	32	*	*

*\* No Saturday or Sunday Service (as applicable)*

## **Metrolink Regional Commuter Rail Feeder Service**

- Metrolink service is provided between Omnitrans' service area, Los Angeles, Riverside, Orange, Ventura and San Diego Counties by Southern California Regional Rail Authority.
- Omnitrans provides feeder bus service to 12 Metrolink Stations located in San Bernardino (3), Redlands, Rialto, Fontana, Rancho Cucamonga, Upland, Montclair, East Ontario, Riverside and Pomona.
- Metrolink ticket/pass is good for a free ride going to or leaving from any Metrolink Station that an Omnitrans bus serves. Tickets must be valid for the date on which you're riding the bus.

## **OmniAccess**

- In accordance with the Americans with Disabilities Act (ADA), Omnitrans provides wheelchair lift-equipped vans for origin-to-destination transportation services.
- Reservations for service must be made one day in advance of your travel needs, with the option to call up to seven days in advance.
- OmniAccess operates during the same days and hours as fixed route buses within a ¾ mile range of routes.
- Who can ride Access? – Those persons with an Omnitrans (or other transit agency) ADA certification ID card. Persons with an Omnitrans Disability card. Personal Care Attendants providing personal care to an ADA certified rider. Companions (Adult accompanying person with a disability) and/or Children of a qualified Adult ADA certified rider. (Maximum of two children 46" tall and under may ride free. Children under age 6 and/or under 60 pounds must travel in a rider supplied child restraint device).

## **Mobility Services**

- Through Omnitrans' role at the Coordinated Transportation Services Agency (CTSA), Omnitrans offers Mobility Services for seniors and individuals with disabilities.
- Omnitrans provides and administers a volunteer driver program, travel training, and trip subsidy program with a taxi provider and Uber.
- Omnitrans also oversees a regional mobility partnership program with cities and local non-profit organizations to deliver coordinated transportation services for seniors and persons with disabilities.

**FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT



To the Board of Directors  
of Omnitrans  
San Bernardino, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Omnitrans, which comprise the statement of net position as of June 30, 2023 and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise Omnitrans' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Omnitrans as of June 30, 2023, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

#### **Emphasis of a Matter**

##### *Implementation of GASB Statement No. 96*

As described in Notes 1, 5, 7 and 12 to the basic financial statements, Omnitrans implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The implementation of GASB Statement No. 96 requires Omnitrans to record intangible right-to-use subscription assets and corresponding subscription liabilities for all SBITAs in excess of one year. Our opinion is not modified with respect to this matter.

##### *Responsibilities of Management for the Financial Statements*

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

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 Omnitrans' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

**Other Information**

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

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

***Prior-Year Summarized Comparative Information***

The financial statements of Omnitrans as of and for the year ended June 30, 2022 were audited by other auditors, whose report, dated December 22, 2022 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented with the basic financial statements herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2024, on our consideration of Omnitrans' 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 Omnitrans' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

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

Santa Ana, California  
January 24, 2024

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**Omnitrans**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2023**

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As management of Omnitrans, we offer the readers of Omnitrans' financial statements this narrative overview and analysis of the financial activities for Omnitrans for the fiscal year ended June 30, 2023.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the transmittal letter and financial statements, which are included in this report.

**Financial Highlights**

- At the end of fiscal year 2023, the Statement of Net Position presents a total net position of \$197.6 million. This is an increase of \$1.5 million or 0.8% above the close of the previous fiscal year-end.
- Total assets at fiscal year-end 2023 decreased from \$319.6 million to \$304.6 million a decrease of \$15.0 million or 4.7%. The increase in Depreciation /Amortizations accounts for most of the decrease.
- Total liabilities at fiscal year-end 2023 increased \$17.1 million or 16.1% above the previous fiscal year. The main driver behind this was the increase in Net Pension Liability.
- Total revenues for fiscal year-end June 30, 2023 were \$107.1 million compared to \$103.9 million for the previous fiscal year. This is a \$3.2 million or 3.1% increase in revenue compared to the previous year.
- Total expenses for fiscal year-end 2023 excluding depreciation were \$83.0 million compared to \$84.6 million for the previous fiscal year. This is a decrease of \$1.6 million or 1.6%. The decrease in expenses is associated with costs for the Redlands Passenger Rail Project (Arrow) and pass-thru payments reported.
- Depreciation for fiscal year-end 2023 was \$22.6 million compared to \$22.8 million for the previous fiscal year. This is a decrease of \$.2 million or 0.9%.

**Overview of the Financial Statements**

This annual financial report consists of two parts, Management's Discussion and Analysis, and the financial statements, including notes to the financial statements, and required supplementary information. Omnitrans financial statements offer key, high-level financial information about Omnitrans' activities.

Omnitrans is a government funded entity that follows enterprise fund accounting and presents its financial statement on the accrual basis of accounting. The enterprise fund concept is similar to how private business enterprises are financed and operated.

The statements of net position include information on all Omnitrans' assets and deferred outflows of resources and liabilities and deferred inflows of resources with the difference reported as net position. Changes in net position may serve as a useful indicator of whether the financial position of Omnitrans is improving or deteriorating.

**Omnitrans**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

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The statement of revenues, expenses and change in net position present information regarding how Omnitrans net position changed during the fiscal years ended June 30, 2023 and 2022. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, and amounts are measurable, regardless of the timing of related cash flows.

### **Financial Statements Analysis**

The following tables summarize revenues, expenses and changes in net position comparing fiscal year 2023 with fiscal year 2022. For additional information regarding Omnitrans' financial activities for fiscal year ended June 30, 2023, readers are encouraged to read this section in conjunction with the accompanying Notes to the Basic Financial Statements.

### **Revenues and Expenses**

#### **Revenues**

Omnitrans total revenues for fiscal year ending June 30, 2023, were \$107.1 million compared to \$103.9 million for the previous fiscal year-end. This is a \$3.2 million or 3.1% increase compared to last fiscal year-end. Federal and local operating grants increased by \$17.2 million compared to last fiscal year-end. Capital Assistance decreased \$16.7 million over the previous year principally attributed to completion of the Arrow managed by San Bernardino County Transportation Authority (SBCTA).

Omnitrans receives federal, state, and local funding which are utilized for both operating and capital expenses. Financing the construction, operation and maintenance of public transportation systems involves many different types of funding sources, including federal and non-federal grants, and other revenue sources. The source of federal and local operating grants and capital assistance Omnitrans receive include the following:

- Measure I - the ½ cent sales tax collected throughout San Bernardino County for transportation improvements.
- Local Transportation Fund (LTF) - Transportation Development Act (TDA) earmark ¼ percent of the state sales tax for transit.
- Urbanized Area Formula Program (5307) - transit capital and operating assistance in urbanized areas and for transportation-related planning.
- Urbanized Area Formula Program (5310) - funds to provide transportation services to meet the special needs of the elderly and persons with disabilities.
- Urbanized Area Formula Program (5339) - provides funding to states and transit agencies through a statutory formula to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities.
- Congestion Mitigation and Air Quality Improvement (CMAQ) - established to support surface transportation projects and other related efforts that contribute air quality improvements and provide congestion relief.
- State Transit Assistance Fund (STAF) - derived from sales tax on gasoline and diesel fuel, this funding is an allocation to local transit agencies to fund a portion of the operations and capital costs associated with local mass transportation programs.

**Omnitrans**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

- SB1 – State of Good Repair - provides funding annually to transit operators in California for eligible transit maintenance, rehabilitation and capital projects.
- Low Carbon Transit Operations Program - provides operating and capital assistance for transit agencies to reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities.
- Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA) - created by Proposition 1B, is funding available to transit operators over a ten-year period. PTMISEA funds may be used for transit rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or rolling stock (buses and rail cars) procurement, rehabilitation, or replacement.
- The American Rescue Plan Act was passed by Congress and signed by the President in March 2021. The ARP Act provides for payments to state, local, and tribal governments navigating the impact of the COVID-19 outbreak.

Passenger fares at fiscal year end June 30, 2023, were \$7.5 million compared to \$7.7 million for the previous fiscal year. This is a decrease of \$.2 million or 2.6%. The decrease in passenger fares can be attributed to the slow recovery of ridership from the COVID-19 pandemic.

Interest income for Omnitrans consists of quarterly return on investment with the Local Agency Investment Fund (LAIF). The LAIF program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office at no additional cost. Total LAIF interest income for fiscal year ended June 30, 2023, was \$1.3 million compared to \$(.5) million for the previous fiscal year-end.

Revenues from the Compressed Natural Gas (CNG) fuel tax credit for fiscal year ended June 30, 2023, was \$1.6 million compared to \$.5 million for the previous fiscal year-end.

**OMNITRANS’ Revenues**

	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Increase (Decrease)
Passenger fares	\$ 7,527,114	\$ 7,726,741	\$ (199,627)	-2.6%
Advertising revenue	758,901	755,178	3,723	0.5%
Other Transportation Revenue	1,320	1,785	(465)	-26.1%
Federal and local operating grants	88,564,761	71,334,095	17,230,666	24.2%
Capital assistance	7,346,248	24,026,524	(16,680,276)	-69.4%
Interest Income	1,318,455	(536,684)	1,855,139	-345.7%
CNG fuel tax credit	1,583,776	525,164	1,058,612	201.6%
Other non-operating revenues/(expenses)	31,704	84,523	(52,819)	-62.5%
<b>Total Revenues</b>	<b>\$ 107,132,280</b>	<b>\$ 103,917,326</b>	<b>\$ 3,214,954</b>	<b>3.1%</b>

**Omnitrans**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

**Expenses**

Total expenses for fiscal year-end 2023 were \$105.7 million compared to \$107.4 million for the previous fiscal year end. This is a 1.8 million or 1.6% decrease in total expenses. Included in total expenses is depreciation (\$22.6 million). Also included in expenses is a \$1.3 million pass-through to other agencies. The pass-through was associated with the construction of the Arrow managed by the SBCTA.

Wages, salaries, and benefits increased from \$37.9 million for fiscal year-end 2022 to \$45.3 million for fiscal year-end 2023. This is an increase of \$7.4 million or 19.5%.

Purchased transportation services for fiscal year-end 2023 were \$10.1 million compared to \$9.2 million for the previous year. This is a \$.9 million increase or 10.2%.

General and administrative expenses decreased \$.4 million or 3.8% compared to the previous fiscal year. Total general and administrative expenses for fiscal year-end June 30, 2023, were \$11.1 million compared to \$11.5 million for the previous fiscal year.

Capital purchases for fiscal year-end 2023 decreased \$0.5 million compared to the previous year-end. This was due to fewer purchases with capital funds meeting the threshold for capitalization and depreciated over their useful life.

Omnitrans, as a direct grantee of the Federal Transit Authority (FTA) funding, is responsible for complying with specific FTA requirements. SBCTA conducts the solicitation, evaluation and selection process for FTA funds pass through to other agencies. However, Omnitrans does participate in the evaluation process as well, and is solely responsible for project management oversight for sub-recipients. The pass-through to other agencies represents federal and local reimbursements to sub-recipients for cost incurred on approved projects. Pass-through payments to other agencies decreased \$13.3 million or 90.9% compared to the previous fiscal year-end. The significant decrease is related to construction costs associated with the Arrow managed by SBCTA.

**OMNITRANS’ Expenses**

	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Increase (Decrease)
Wages, salaries, and benefits	\$ 45,310,372	\$ 37,919,825	\$ 7,390,547	19.5%
Purchased transportation services	10,091,996	9,155,625	936,371	10.2%
General and administrative expenses	11,105,861	11,547,668	(441,807)	-3.8%
Materials and supplies	7,781,423	5,746,130	2,035,293	35.4%
Capital purchases	783,009	1,294,577	(511,568)	-39.5%
Professional and technical services	5,278,675	3,332,066	1,946,609	58.4%
Advertising and printing	764,433	710,958	53,475	7.5%
Pass-through to other agencies	1,326,902	14,594,588	(13,267,686)	-90.9%
Loss on disposal of capital assets	238,972	36,718	202,254	550.8%
Depreciation	22,633,034	22,836,730	(203,696)	-0.9%
Miscellaneous	340,586	244,071	96,515	39.5%
<b>Total Expenses</b>	<b>\$ 105,655,263</b>	<b>\$ 107,418,956</b>	<b>\$ (1,763,693)</b>	<b>19.5%</b>



**Omnitrans**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

**Net Position**

Omnitrans' total net position for fiscal year ending June 30, 2023, increased \$1.5 million or 0.8% from fiscal year ended June 30, 2022. Total assets for the fiscal year decreased \$15.0 million or 4.7%. This decrease in total assets was due to Omnitrans reduction in noncurrent assets at the end of the reporting period.

Total liabilities increased \$17.1 million or 16.1% compared to the previous fiscal year-end. Current liabilities decreased \$15.9 million or 16.9% and long-term liabilities increased \$33 million or 264.1%. The increase in liabilities was mainly driven by the net pension liability.

Deferred inflows of resources related to pension as required by GASB 68 decreased \$19.0 million below the previous fiscal year. For fiscal year ended June 30, 2023, deferred inflows of resources were \$4.3 million. The sum of deferred inflows of resources based on changes of assumptions, differences between expected and actual experience, and the net difference between projected and actual earnings on the pension plan investments. In addition, deferred outflows of resources include contribution made after the measurement date. Additional information regarding Omnitrans' net pension liability can be found in Note 9 in the Notes to the Basic Financial Statements.

**OMNITRANS' Statement of Net Position**

	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Increase (Decrease)
<b>Assets:</b>				
Current and other assets	\$ 142,887,185	\$ 140,354,046	\$ 2,533,139	1.8%
Net Capital Assets	161,738,538	179,230,136	(17,491,598)	-9.8%
<b>Total Assets</b>	<b>304,625,723</b>	<b>319,584,182</b>	<b>(14,958,459)</b>	<b>-9.8%</b>
Deferred outflow of resources:				
Deferred amount on pensions (Note 9)	20,881,681	6,406,243	14,475,438	226.0%
<b>Total Deferred outflow of resources</b>	<b>20,881,681</b>	<b>6,406,243</b>	<b>14,475,438</b>	<b>226.0%</b>
<b>Liabilities:</b>				
Current Liabilities	78,057,922	93,958,616	(15,900,694)	-16.9%
Long-term Liabilities	45,478,524	12,490,400	32,988,124	264.1%
<b>Total Liabilities</b>	<b>123,536,446</b>	<b>106,449,016</b>	<b>17,087,430</b>	<b>264.1%</b>
Deferred inflow of resources:				
Deferred amount on pension (Note 9)	4,336,218	23,383,687	(19,047,469)	-81.5%
<b>Total Deferred inflow of resources</b>	<b>4,336,218</b>	<b>23,383,687</b>	<b>(19,047,469)</b>	<b>-81.5%</b>
<b>Net Position:</b>				
Invested in capital assets	161,412,660	178,969,234	(17,556,574)	-9.8%
Restricted - Capital projects	5,015,409	314,460	4,700,949	1494.9%
Restricted - CTSA activities	19,679,051	5,391,341	14,287,710	265.0%
Unrestricted	11,527,620	11,482,687	44,933	0.4%
<b>Total Net Position</b>	<b>\$ 197,634,740</b>	<b>\$ 196,157,722</b>	<b>\$ 1,477,018</b>	<b>0.8%</b>

**Omnitrans**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

**Changes in Net Position**

The following Statement of Revenues, Expenses, and Changes in Net Position table illustrates and compares the various categories of assets, liabilities, and net position for fiscal years 2023 and 2022.

**OMNITRANS' Statement of Revenues, Expenses, and Changes in Net Position**

	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Increase Decrease)
<b>Revenues:</b>				
Passenger fares	\$ 7,527,114	\$ 7,726,741	\$ (199,627)	-2.6%
Advertising revenues	758,901	755,178	3,723	0.5%
Other transportation revenues	1,320	1,785	(465)	-26.1%
<b>Total revenues</b>	<b>8,287,335</b>	<b>8,483,704</b>	<b>(196,369)</b>	<b>-2.3%</b>
<b>Expenses:</b>				
Depreciation and amortization	22,633,034	22,836,730	(203,696)	-0.9%
Other operating expenses	81,451,130	69,950,920	11,500,210	16.4%
<b>Total expenses</b>	<b>104,084,164</b>	<b>92,787,650</b>	<b>11,296,514</b>	<b>12.2%</b>
<b>Nonoperating Revenue/(Expenses):</b>				
Fed. & local operating grants	88,564,761	71,334,095	17,230,666	24.2%
Interest income (loss)	1,318,455	(536,684)	1,855,139	-345.7%
Interest expenses	(5,223)	-	(5,223)	0.0%
Pass-through to other agencies (Note 4)	(1,326,902)	(14,594,588)	13,267,686	-90.9%
Loss on disposal of capital assets	(238,972)	(36,718)	(202,254)	550.8%
CNG fuel tax credit	1,583,776	525,164	1,058,612	201.6%
Other nonoperating revenues (expenses)	31,704	84,523	(52,819)	-62.5%
<b>Total nonoperating revenues</b>	<b>89,927,599</b>	<b>56,775,792</b>	<b>33,151,807</b>	<b>58.4%</b>
<b>Income before capital contribution</b>	<b>(5,869,230)</b>	<b>(27,528,154)</b>	<b>21,658,924</b>	<b>-78.7%</b>
<b>Capital contributions:</b>				
Capital assistance	7,346,248	24,026,524	(16,680,276)	-69.4%
<b>Total capital contributions</b>	<b>7,346,248</b>	<b>24,026,524</b>	<b>(16,680,276)</b>	<b>-69.4%</b>
<b>Change in net position</b>	<b>1,477,018</b>	<b>(3,501,630)</b>	<b>4,978,648</b>	<b>-142.2%</b>
<b>Net position, beginning of year</b>	<b>196,157,722</b>	<b>199,659,352</b>	<b>(3,501,630)</b>	<b>-1.8%</b>
<b>Net position, end of year</b>	<b>\$ 197,634,740</b>	<b>\$ 196,157,722</b>	<b>\$ 1,477,018</b>	<b>0.8%</b>

**Omnitrans**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

**Capital Assets and Debt Administration**

**Capital Assets**

On June 30, 2023, Omnitrans had a total of \$161.7 million invested in capital assets. This total represents an overall decrease of \$17.5 million or 9.8% below the prior fiscal year-end total of \$179.2 million.

**OMNITRANS' Capital Assets (net of accumulated depreciation and amortization)**

	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Increase (Decrease)
Buildings and improvements	\$ 149,464,125	\$ 146,734,562	\$ 2,729,563	1.9%
Operations equipment	136,991,308	139,319,314	(2,328,006)	-1.7%
Furniture and office equipment	58,966,875	58,601,369	365,506	0.6%
Construction in progress	19,737,432	19,161,350	576,082	3.0%
Land	5,505,423	5,505,423	-	0.0%
Subscription Based IT Arrangements	490,620	260,902	229,718	88.0%
Accumulated depreciation and amortization	(209,417,245)	(190,352,784)	(19,064,461)	10.0%
<b>Total capital assets</b>	<b>\$ 161,738,538</b>	<b>\$ 179,230,136</b>	<b>\$ (17,491,598)</b>	<b>-9.8%</b>

Additional information regarding Omnitrans' capital assets can be found in Note 5 in the Notes to the Basic Financial Statements.

**Debt Administration**

On June 30, 2023, Omnitrans had \$14.3 million in long-term liabilities compared to \$14.8 million at June 30, 2022. The June 30, 2023, balance decreased \$.5 million or 3.5%. Claims payable decreased \$.6 million or 5.5% and Compensated absences remained relatively flat.

**OMNITRANS' Long-Term Liabilities**

	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Increase (Decrease)
Subscription liability	\$ 325,878	\$ 260,902	\$ 64,976	24.9%
Claims payable	10,742,455	11,366,903	(624,448)	-5.5%
Compensated absences	3,257,494	3,212,142	45,352	1.4%
<b>Total long-term liabilities</b>	<b>\$ 14,325,827</b>	<b>\$ 14,839,947</b>	<b>\$ (514,120)</b>	<b>-3.5%</b>

Additional information regarding Omnitrans' long-term liabilities can be found in Note 7 in the Notes to the Basic Financial Statements.

**Omnitrans**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

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**Next Year's Budget**

Omnitrans prepares an operating and capital budget annually that is approved by the Board of Directors prior to the beginning of its fiscal year. The operating budget for fiscal year ending June 30, 2023, increased proportionately due to ongoing contractual obligations. The challenge going forward is containing cost, and providing safe, dependable, and quality public transit service at sustainable levels as Omnitrans regains ridership after the COVID-19 pandemic.

The capital budget consists of a multi-year program that includes the fixed route, access service, and support vehicle replacement. Funding for these major projects have been identified, approved by the Board of Directors, and committed to those projects.

Additionally, the FTA has established minimum Federal requirements for transit asset management that will apply to all recipients and sub-recipients who own, operate, or manage public transportation capital assets. Going forward Transit providers are required to set performance targets for state of good repair (SGR) based on established measures and report their targets, as well as information related to the condition of their capital assets.

**Contacting Omnitrans' Financial Management**

This financial report is designed to provide our customers, stakeholders, and creditors with an overview of Omnitrans' financial operations and condition. If you have a question about this report or need additional information, you may contact Omnitrans' Finance Director at 1700 W. 5<sup>th</sup> Street, San Bernardino, California 92411-2401.

## **BASIC FINANCIAL STATEMENTS**

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**Omnitrans**  
**Statement of Net Position**  
**June 30, 2023**  
**(With Comparative Totals for June 30, 2022)**

ASSETS	2023	2022 (as restated)
<b>Current assets:</b>		
Cash and cash equivalents	\$ 3,635,674	\$ 1,976,203
Restricted cash and cash equivalents	61,195,041	57,477,247
Investments	62,829,447	52,199,945
Receivables:		
Accounts, net of allowance	1,876,042	2,097,986
Interest	454,961	117,685
Due from other governments	9,485,494	22,115,052
Inventory	2,833,149	3,491,888
Prepaid items	577,377	878,040
<b>Total current assets</b>	<b>142,887,185</b>	<b>140,354,046</b>
<b>Noncurrent assets:</b>		
Capital assets, nondepreciable	25,242,855	24,666,773
Capital assets, depreciable/amortizable, net	136,495,683	154,563,363
<b>Total noncurrent assets</b>	<b>161,738,538</b>	<b>179,230,136</b>
<b>Total assets</b>	<b>304,625,723</b>	<b>319,584,182</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related deferred outflows of resources	20,881,681	6,406,243
<b>Total deferred outflows of resources</b>	<b>20,881,681</b>	<b>6,406,243</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	5,368,732	12,452,921
Accrued expenses	1,638,963	1,417,219
Unearned revenue	65,696,888	74,720,616
Due within one year:		
Subscription liability	100,549	93,187
Compensated absences	1,203,197	1,231,200
Claims payable	4,049,593	4,043,473
<b>Total current liabilities</b>	<b>78,057,922</b>	<b>93,958,616</b>
<b>Noncurrent liabilities:</b>		
Due in more than one year:		
Subscription liability	225,329	167,715
Compensated absences	2,054,297	1,980,942
Claims payable	6,692,862	7,323,430
Net pension liability	36,506,036	3,018,313
<b>Total noncurrent liabilities</b>	<b>45,478,524</b>	<b>12,490,400</b>
<b>Total liabilities</b>	<b>123,536,446</b>	<b>106,449,016</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension-related deferred inflows of resources	4,336,218	23,383,687
<b>Total deferred inflows of resources</b>	<b>4,336,218</b>	<b>23,383,687</b>
<b>NET POSITION</b>		
Net investment in capital assets	161,412,660	178,969,234
Restricted for:		
West Valley Conector Capital Projects	5,015,409	358,272
CTSA Activities	19,679,051	5,391,341
Unrestricted	11,527,620	11,438,875
<b>Total net position</b>	<b>\$ 197,634,740</b>	<b>\$ 196,157,722</b>

See accompanying notes to basic financial statements.

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**Omnitrans**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

	2023	2022
<b>Operating revenues:</b>		
Passenger revenue	\$ 7,527,114	\$ 7,726,741
Advertising	758,901	755,178
Miscellaneous	1,320	1,785
<b>Total operating revenues</b>	<b>8,287,335</b>	<b>8,483,704</b>
<b>Operating expenses:</b>		
Salaries and benefits	45,310,372	37,919,825
Purchased transportation services	10,091,996	9,155,625
General and administrative	11,105,861	11,547,668
Materials and supplies	7,781,423	5,746,130
Capital purchases	783,009	1,294,577
Professional and technical services	5,278,675	3,332,066
Advertising and printing	764,433	710,958
Depreciation and amortization	22,633,034	22,836,730
Miscellaneous	335,361	244,071
<b>Total operating expenses</b>	<b>104,084,164</b>	<b>92,787,650</b>
<b>Operating (loss)</b>	<b>(95,796,829)</b>	<b>(84,303,946)</b>
<b>Public support and nonoperating revenues (expenses):</b>		
Federal and local operating grants	88,564,761	71,334,095
CNG fuel credit	1,583,776	525,164
Other nonoperating revenues	31,704	84,523
Pass-through to sub-recipients	(1,326,902)	(14,594,588)
Interest income (loss)	1,318,455	(536,684)
Interest expenses	(5,223)	-
Gain (loss) on disposal of assets	(238,972)	(36,718)
<b>Total public support and nonoperating revenues (expenses)</b>	<b>89,927,599</b>	<b>56,775,792</b>
<b>Income (loss) before contributed capital</b>	<b>(5,869,230)</b>	<b>(27,528,154)</b>
Contributed capital, net	7,346,248	24,026,524
<b>Changes in net position</b>	<b>1,477,018</b>	<b>(3,501,630)</b>
<b>Net position:</b>		
Beginning of year	196,157,722	199,659,352
End of year	<b>\$ 197,634,740</b>	<b>\$ 196,157,722</b>

**Omnitrans**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

	2023	2022 as restated
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers and users	\$ 7,527,114	\$ 7,726,741
Miscellaneous operating receipts	760,221	756,963
Miscellaneous nonoperating receipts	1,615,480	609,687
Payments for insurance claims	(624,448)	(1,213,822)
Payments to suppliers	(42,265,545)	(44,254,056)
Payments to employees	(45,078,460)	(44,810,350)
<b>Net cash (used in) operating activities</b>	<b>(78,065,638)</b>	<b>(81,184,837)</b>
<b>Cash Flows From Noncapital Financing Activities:</b>		
Federal, state, and local operating grants	88,449,429	72,198,359
Pass-through payments to other agencies	(1,326,902)	(14,594,588)
Principal payments on long term debt	64,976	260,902
Interest paid	(5,223)	-
<b>Net cash provided by noncapital financing activities</b>	<b>87,182,280</b>	<b>57,864,673</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Gain (loss) on disposal of assets	(238,972)	(36,718)
Property acquisition	(5,141,435)	(7,214,218)
Capital grants received	10,952,078	46,410,136
<b>Net cash provided by capital and related financing activities</b>	<b>5,571,671</b>	<b>39,159,200</b>
<b>Cash Flows From Investing Activities:</b>		
Purchase (sale) of investments	(10,629,502)	4,825,622
Interest received (loss) on investments	1,318,455	(536,684)
<b>Net cash provided by (used in) investing activities</b>	<b>(9,311,047)</b>	<b>4,288,938</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,377,266</b>	<b>20,127,974</b>
<b>Cash and Cash Equivalents:</b>		
Beginning of year	59,453,450	39,325,476
End of year	\$ 64,830,716	\$ 59,453,450
<b>Reconciliation of Cash and Cash Equivalents to Statement of Net Position:</b>		
Cash and cash equivalents	\$ 3,635,674	\$ 1,976,203
Restricted cash and equivalents	61,195,041	57,477,247
<b>Total cash and cash equivalents</b>	<b>\$ 64,830,715</b>	<b>\$ 59,453,450</b>

**Omnitrans**  
**Statement of Cash Flows (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

	2023	2022 as restated
<b>Reconciliation of Operating (Loss) to Net Cash (Used In) Operating Activities:</b>		
Operating (loss)	\$ (95,796,829)	\$ (84,303,946)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation and amortization	22,633,034	22,836,730
Nonoperating miscellaneous income	1,615,480	609,687
(Increase) decrease in:		
Inventory	300,663	(177,474)
Prepaid items and other current assets	658,739	(224,335)
Increase (decrease) in:		
Accounts payable	(7,084,189)	(11,821,152)
Accrued expenses	221,744	(106,206)
Aggregate net pension liability	(35,184)	(6,525,782)
Compensated absences	45,352	(258,537)
Claims payable	(624,448)	(1,213,822)
Total adjustments	17,731,191	3,119,109
<b>Net cash (used in) operating activities</b>	<b>\$ (78,065,638)</b>	<b>\$ (81,184,837)</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

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**Omnitrans**  
**Index of the Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

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**Omnitrans**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

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**Note 1 – Summary of Significant Accounting Policies**

The accompanying financial statements of the Omnitrans have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as promulgated by the Governmental Accounting Standards Board (“GASB”) as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of Omnitrans’ accounting policies are described below.

**A. Reporting Entity**

Omnitrans was organized on March 8, 1976, by a joint powers agreement between the County of San Bernardino, California (the “County”) and the following cities: Chino; Colton; Fontana; Loma Linda; Montclair; Ontario; Redlands; Rialto; San Bernardino; and Upland under Section 6506 of the California Government Code for the purpose of providing transit services under a single agency. The following cities were added thereafter: Rancho Cucamonga and Grand Terrace in 1979; Highland in 1988; Yucaipa in 1990; and Chino Hills in 1992.

Omnitrans provides a variety of transit services to the public of the County. These services include bus operations, purchased transportation services with independent contractors and demand response transportation services. Omnitrans also functions as a “pass-through” administrative agency for various federal, state and local grants.

**B. Financial Statements**

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and statement of cash flows) report information on all of the activities of Omnitrans. The statement of revenues, expenses, and changes in net position demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

**C. Measurement Focus, Basis of Accounting, and Financial Statements Presentation**

The financial statements are reported using the “economic resources” measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

Omnitrans distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with Omnitrans’ principal operations. The principal operating revenues of Omnitrans consist of bus transit services. Non-operating revenues consist of federal, state and local operating grants, and investment income. Operating expenses include the cost of sales, administrative expenses and depreciation on capital assets. Expenses not meeting this definition are reported as non-operating expenses. Non-operating expenses primarily consist of payments to pass-through agencies and interest expense.

Capital contributions consist of grants that are legally restricted for capital expenses by federal, state or local law that established those charges.

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

*Deferred Outflows of Resources* represent a consumption of net assets that applies to future periods and that, therefore, will not be recognized as an expense until that time. Omnitrans has one item that qualifies for reporting in this category. It is the deferred outflows related to pensions.

*Deferred Inflows of Resources* represent an acquisition of net assets that applies to future periods and that, therefore, will not be recognized as revenue until that time. Omnitrans has one item that qualifies for reporting in this category. It is the deferred inflows related to pensions.

Omnitrans receives funding primarily from the following revenue sources:

**Passenger Revenue**

Passenger fares comprised approximately 91% of Omnitrans operating revenues for FY2023 and FY2022 respectively.

**Other Operating Revenues**

Omnitrans receives a variety of operating revenues that are not received directly from passenger fares. The sources of these revenues is mostly advertising.

**Non-Operating Revenues**

Omnitrans receives subsidies that are derived from federal, state and local tax revenues. Omnitrans does not levy or collect any tax funds, but receives allocated portions of tax funds through federal, state and local granting agencies.

**Federal Transit Administration (“FTA”)**

Federal Transit Administration (“FTA”) revenues are funded by a federal gas tax and revenues of the federal general fund. On November 15, 2021, the Bipartisan Infrastructure Law was signed, reauthorizing surface transportation programs through Federal FY (FFY) 2026. The legislation establishes the legal authority to commence and continue FTA programs. Each reauthorization amends the Federal Transit Laws codified in 49 USC Chapter 53. FTA funding is structured on a reimbursement basis (after expenses are incurred), and funds both the CIP and operating budgets. The reauthorization provides for the following funding streams Omnitrans commonly receives:

- Federal Transit - Formula Grants (Urbanized Area Formula Program)
- Enhanced Mobility of Seniors and Individuals with Disabilities
- National Infrastructure Investments
- Bus and Bus Facilities Formula Program

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Federal Transit Administration (“FTA”) (Continued)**

On March 11, 2021, the President signed The American Rescue Plan Act of 2021, which provided \$30.5 billion to support the nation's public transportation systems. All funds are available at 100% federal share for payroll and operations costs of public transit during the public health emergency.

**Transportation Development Act (“TDA”)**

Transportation Development Act (“TDA”) provides funding for public transit operators. This state fund is one quarter of a percent of the 7.75 percent sales tax assessed in the region. San Bernadino County Transportation Authority (“SBCTA”) is responsible for apportionment of these funds within the San Bernadino region.

**Measure I**

Measure I was first approved in 1989 and in 2004 the County approved the extension through 2040. This state fund is the half-cent sales tax collected throughout the County for transportation improvements. SBCTA is responsible for apportionment of these funds within the San Bernadino region.

**State Transit Assistance (“STA”)**

State Transit Assistance (“STA”) funding comes from the Public Transportation Act (“PTA”) which derives its revenue from the state sales tax on diesel fuels. These funds are appropriated by the legislature with a formula based upon population and local revenue generated.

**STA State of Good Repair Program (“SGR”)**

The STA State of Good Repair Program (“SGR”) Program is a supplemental funding source as a result of Senate Bill (“SB”) 1 and is funded from a portion of a new Transportation Improvement Fee on vehicle registrations due on or after January 1, 2018. The funds are allocated with the same STA Program formula.

**Low Carbon Transit Operations Program (“LCTOP”)**

The Low Carbon Transit Operations Program (“LCTOP”) is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate Bill 862. The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities. Approved projects in 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, with each project reducing greenhouse gas emissions. Senate Bill 862 continuously appropriates five percent of the annual auction proceeds in the Greenhouse Gas Reduction Fund for LCTOP.

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Compressed Natural Gas Rebate**

Alternative fuel credits are issued by the IRS to Omnitrans for utilizing compressed natural gas to power its vehicles. This rebate program has expired then reauthorized multiple times over the years, but is currently authorized through December 31, 2024.

**Transformative Climate Communities (“TCC”)**

The Transformative Climate Communities (“TCC”) program was established by Assembly Bill (“AB”) 2722 to fund the development and implementation of neighborhood-level transformative climate community plans that include multiple, coordinated greenhouse gas emissions reduction projects that provide local economic, environmental, and health benefits to disadvantaged communities as described in Section 39711 of the Health and Safety Code. TCC funds community-led development and infrastructure projects that achieve environmental, health, and economic benefits in California’s most disadvantaged communities. The program is administered by the Strategic Growth Council (“SGC”) and implemented by the Department of Conservation.

**D. Use of Restricted/Unrestricted Assets**

When both restricted and unrestricted resources are available for use, it is Omnitrans’ policy to use restricted resources first, then unrestricted resources as they are needed.

**E. Cash, Cash Equivalents and Investments**

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid deposits with financial institutions that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates and have an original maturity date of three months or less.

Omnitrans participates in an investment pool managed by the State of California titled Local Agency Investment Fund (“LAIF”), which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk and to change in interest rates. The reported value of the pool is the same as the fair value of the pool shares.

Certain disclosures requirements, if applicable for deposit and investment risk, are specified for the following areas:

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

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**E. Cash, Cash Equivalents and Investments (Continued)**

GASB Statement No. 72, *Fair Value Measurement and Application*, defined fair value, established a framework for measuring fair value and established disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Levels of inputs are as follows:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

**F. Restricted Cash and Cash Equivalents**

Cash and equivalents that are maintained in accordance with grant agreements or funding agency directives that are designated for disbursement in the acquisition or construction of capital projects are reported as restricted in the accompanying Statement of Net Position. Restricted cash and equivalents are reported as noncurrent assets because they are not available for use in current operations.

**G. Inventory**

Inventories consist of operations vehicles' parts and fuel in storage held for consumption. The parts and fuel in storage are stated at the lower of cost or market and will be consumed at cost based on specific identification in the course of Omnitrans' operations.

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond the fiscal year ended are recorded as prepaid items.

**I. Capital Assets**

Capital and subscription assets include buildings and improvements, operation equipment furniture and office equipment, and "right-to-use" subscription assets. These capital and right-to-use subscription assets are included on the financial statements and throughout this report as "Capital Assets".

Capital assets are valued at cost or estimated historical cost if actual cost is not available. Donated assets are valued at their acquisition value. Omnitrans capitalizes all assets with a historical cost of at least \$2,000 and a useful life of at least one year. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**I. Capital Assets (Continued)**

Depreciation of capital assets used by Omnitrans is charged as an expense against its operations. Depreciation is computed utilizing the straight-line method over the following estimated useful lives:

Assets	Years
Building and improvements	5 to 30
Operation equipment	3 to 12
Furniture and office equipment	3 to 20

**J. Subscription-Based Information Technology Arrangements (“SBITAs”)**

Omnitrans has a policy to recognize a Subscription-Based Information Technology Arrangements (“SBITAs”) liability and a right-to-use subscription asset (“SBITA asset”) in our financial statements with an initial, individual value of \$2,000 or more with a subscription term greater than one year.

At the commencement of a subscription, when the subscription asset is placed into service, the SBITA liability is measured at the present value of payments expected to be made during the subscription term. Future subscription payments are discounted using Omnitrans’ incremental borrowing rate and Omnitrans recognizes amortization of the discount on the subscription liability as interest expense in subsequent financial reporting periods.

SBITA assets are measured as the sum of the initial subscription liability, payments made to the SBITA vendor before the commencement of the lease term, and capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized using the straight-line method over the subscription term.

Key estimates and judgments related to SBITAs include how Omnitrans determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- Omnitrans uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, Omnitrans generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the period during which Omnitrans has a noncancelable right to use the underlying IT asset. The subscription term also includes periods covered by an option to extend if it is reasonably certain to be exercised.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option years that Omnitrans is reasonably certain to exercise. Omnitrans monitors changes in circumstances that would require a remeasurement of a subscription and will remeasure any subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use subscription assets are reported along with other capital assets and subscription liabilities are reported on the statement of net position.

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**K. Unearned Revenue – Project Advances**

Project advances represent proceeds from the disposition of FTA funded capital assets that have been authorized for the future acquisition or construction of capital projects. The revenue associated with the use of the advances will be recognized when all eligibility requirements have been met.

**L. Compensated Absences**

It is Omnitrans' policy to permit employees to accumulate earned but unused vacation and sick leave benefits up to certain limits. Management, non-exempt, and coach operator employees begin to accrue vested sick leave hours after six months of service. Upon voluntary resignation, retirement or death and after six months of service, management and non-exempt employees or their estate are paid for any unused sick leave up to a maximum of 50 percent of the available sick leave hours not to exceed 1,200 hours (e.g., 50 percent of 1,200 hours would be paid at 600 hours). Represented employees begin to accrue vested sick leave hours after reaching a certain amount of service time based upon their respective work classification. Teamsters accrue sick leave after 1,040 hours of actual hours worked and Amalgamated Transit Union (ATU) members are after their first year of continuous full-time employment, based upon their respective work classification. Upon voluntary resignation, retirement, or death, and after a certain amount of years of service (ATU members after 8 years of service and Teamsters after 10 years of service), represented employees or their estate are paid for any unused sick leave up to a maximum of 50 percent of available sick leave hours not to exceed 1,200 hours (e.g., 50 percent of 1,200 hours would be paid at 600 hours).

Full-time non-represented employees begin to accrue vacation hours after 6 months of service. Employee vacation credits may be accrued and accumulated up to a maximum of two (2) years total accumulated vacation credits. Eligible employees with an annual accrual of three (3) or more weeks of vacation per year, after taking 80 hours vacation, shall be permitted to request two (2) weeks' pay in lieu of time off. Represented employees will accrue vacation benefits in accordance with the provisions of their respective Memorandum of Understanding (MOU). Accumulated unpaid vacation and vested sick leave pay is recorded as an expense and a liability at the time the benefit is earned.

**M. Federal, State and Local Grants**

Federal, state and local governments have made various grants available to Omnitrans for operating assistance and acquisition of capital assets. Grants for operating assistance, the acquisition of equipment or other capital outlay are not formally recognized in the accounts until the grant becomes a valid receivable as a result of Omnitrans complying with appropriate grant requirements. Operating assistance grants are included in nonoperating revenues in the year in which the grant is applicable, and the related expenses are incurred. Revenues earned under capital grants are recorded as capital contributions.

**N. Pass-Through Activities**

Revenues associated with grants, where Omnitrans serves as the administrating agent, are recorded as either non-operating revenues or capital contributions based on the approved use of the grant. The related expense is recorded as "pass-through to other agencies" in the Statement of Revenues, Expenses, and Changes in Net Position as the expenses do not support the operations of Omnitrans nor provide an asset.

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**O. Pension**

For the purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Omnitrans' California Public Employees' Retirement System ("CalPERS") plans ("Plans") and additions to/deductions from the Plans' 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. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 - June 30, 2022

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

**P. Net Position**

Net Position is classified as follows:

***Net Investment in Capital Assets*** – This component of net position consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of debt and deferred inflows and outflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

***Restricted*** – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

- As of June 30, 2023, Omnitrans reported \$5,015,409 of restricted net position for capital projects related to the West Valley Connector Project. Refer to Note 11 to the financial statements for additional information.
- As of June 30, 2023, Omnitrans reported \$19,697,051 of restricted net position for funds restricted as to the use for activities related to Omnitrans' status as the Consolidated Transportation Services Agency (CTSA) in San Bernardino County, California.

***Unrestricted*** – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.



**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Q. Use of Accounting 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**R. Comparative Data**

Selected information from the prior fiscal year has been included in the accompanying financial statements in order to provide an understanding of changes in Omnitrans' financial position and operations. This information has been included for comparison purposes only and does not represent a complete presentation in accordance GAAP. Accordingly, such information should be read in conjunction with Omnitrans' financial statements for the year ended June 30, 2022, from which this selected financial data was derived.

**S. Implementation of New GASB Pronouncements**

During fiscal year ended June 30, 2023, Omnitrans has implemented the following new GASB Pronouncements:

***GASB Statement No. 91*** - In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Implementation of this Statement did not have a significant effect on Omnitrans' financial statements for the fiscal year ended June 30, 2023.

***GASB Statement No. 94*** - In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Implementation of this statement did not have a significant effect on Omnitrans' financial statements for the fiscal year ended June 30, 2023.

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

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**S. Implementation of New GASB Pronouncements (Continued)**

**GASB Statement No. 99** - In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Implementation of this Statement did not have a moderate effect on Omnitrans' financial statements for the fiscal year ended June 30, 2023.

**T. Upcoming Government Accounting Standards Implementation**

In the next two years, Omnitrans will implement the following GASB Pronouncements:

**GASB Statement No. 100** – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. 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. Application of this statement is effective for Omnitrans' fiscal year ending June 30, 2024.

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

**Note 2 – Cash, Cash Equivalents, and Investments**

Cash, cash equivalents, and investments are reported in the accompanying statements of net position as follows as of June 30, 2023 and 2022:

	2023	2022
Cash and cash equivalents	\$ 3,635,674	\$ 1,976,203
Restricted cash and cash equivalents	61,195,041	57,477,247
Investments	62,829,447	52,199,945
<b>Total cash, cash equivalents, and investments</b>	<b>\$ 127,660,162</b>	<b>\$ 111,653,395</b>

Cash, cash equivalents, and investments consisted as follows on June 30, 2023 and 2022:

Investment Type	Measurement Input	Fair Value	
		2023	2022
<b>Cash, cash equivalents, and investments:</b>			
Cash on hand	N/A	\$ 9,200	\$ 9,200
Demand deposits	N/A	64,821,515	59,444,250
State of California - Local Agency Investment Fund	Uncategorized	62,829,447	52,199,945
<b>Total cash, cash equivalents, and investments</b>		<b>\$ 127,660,162</b>	<b>\$ 111,653,395</b>

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

**Note 2 – Cash, Cash Equivalents, and Investments (Continued)**

**A. Demand Deposits**

As of June 30, 2023, the carrying amount of demand deposits was \$64,821,515 and the bank balance was \$65,516,414, of which the total amount was collateralized or insured with securities held by the pledging financial institutions in Omnitrans' name as discussed below.

**B. Investments Authorized by the California Government Code or Omnitrans' Investment Policy**

The table on the following page identifies the investment types that are authorized by the California Government Code (or Omnitrans' investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or Omnitrans' investment policy, where more restrictive) that address interest rate risk, and concentration of credit risk.

Authorized Investment Type	Authorized By Investment Policy	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	Yes	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
Federal Agency Securities	Yes	5 years	None	None
Bankers' Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	Yes	92 days	20%	None
Medium-Term Notes	Yes	5 years	30%	None
Mutual Funds	Yes	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	Yes	5 years	20%	None
County Pooled Investment Funds	Yes	N/A	None	None
Local Agency Investment Fund	Yes	N/A	None	\$75 million / acct.

**C. Risk Disclosures**

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The investment policy of Omnitrans provides safety and liquidity guidelines for managing interest rate risk.

Omnitrans' investment in LAIF has remaining investment maturity of 12 months or less and a fair value of \$62,829,447.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a nationally recognized statistical rating organization.

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

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**Note 2 – Cash, Cash Equivalents, and Investments (Continued)**

**C. Risk Disclosures (Continued)**

Disclosures Relating to Credit Risk (Continued)

Omnitrans' investment in LAIF is unrated and is not subject to a minimum rating by the California Government Code, or Omnitrans' investment policy.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposit 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 market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

**D. Investment in Local Agency Investment Fund ("LAIF")**

Omnitrans is a voluntary participant in the LAIF that is regulated by *California Code Section 16429* under the oversight of the Treasurer of the State of California. Omnitrans' investments with LAIF at June 30, 2023, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

**Structured Notes** – are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

**Asset-Backed Securities** – the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2023, Omnitrans had \$62,829,447 invested in LAIF, which had invested 2.78% of the pool investment funds in Structured Notes and Asset-Backed Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market value is not readily available. Omnitrans values its investments in LAIF as of June 30, 2023, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value. At June 30, 2023, the fair value of Omnitrans' position in the pool is the same as the value of the pool shares. The credit quality rating of LAIF is not rated by a nationally recognized statistical rating organization. LAIF is administered by the State Treasurer and audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall, Sacramento, California 95814.

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

**Note 3 – Federal State and Local Grants**

Omnitrans receives operating and capital assistance from various federal, state and local sources.

**A. Federal Assistance**

Under the provision of the FTA, funds are available to Omnitrans for preventive maintenance, security, and various capital costs.

**B. Transportation Development Act Assistance (“TDA”)**

Pursuant to provisions of the 1971 TDA, as amended, the California State Legislature enacted the Local Transportation Fund (“LTF”) and the State Transit Assistance Fund (“STAF”) to provide operating and capital assistance for public transportation. These funds are received from the County based on annual claims filed by Omnitrans and approved by the SBCTA, the regional transportation planning entity.

To be eligible for TDA funds, Omnitrans must maintain a ratio of passenger fares to operating costs of not less than 20.00 percent for general public transit service and 10.00 percent for specialized service for the elderly and handicapped. After considering certain cost exemption provisions of the TDA and supplementing fare revenues with local funds in accordance with section 99268.19 of the TDA, Omnitrans ratios for the fiscal year ended June 30, 2023 22.85% for general public transit service, and 32.22% for specialized service for the elderly and handicapped.

In accordance with 6633.2 of the TDA, if fare revenues are insufficient to meet the applicable ratio of fare revenues to operating cost, an operator may satisfy this requirement by supplementing its fare revenues with local funds pursuant to section 99268.19. Local funds are revenues derived from taxes imposed by the operator or by a county transportation commission. Omnitrans applies its Measure I Operating assistance grants to supplement its revenues. In accordance with 6633.5 of the TDA, for an operator that provides both services to elderly and disabled persons, and services to the general public, either its services to elderly and disabled persons shall meet the 10 percent ratio specified in 6633.5 of the TDA, or its services combined shall meet the fare ratio specified in section 99405(c).

Omnitrans’ ratios for the fiscal year ended June 30, 2023 were calculated as follows:

	General Transit	Special Transit	Total
Operating expenses	\$ 87,410,336	\$ 14,425,787	\$ 101,836,123
Less: Depreciation and amortization	(21,363,383)	(1,269,651)	(22,633,034)
Adjusted operating expenses	<u>\$ 66,046,953</u>	<u>\$ 13,156,136</u>	<u>\$ 79,203,089</u>
Fare revenue	\$ 7,076,890	\$ 3,146,061	\$ 10,222,951
Local Funds (Measure I) used by the operator to supplement fare box revenues to satisfy the fare ratio as permitted by section 99268.19	8,017,021	1,093,230	9,110,251
Adjusted fare revenue	<u>\$ 15,093,911</u>	<u>\$ 4,239,291</u>	<u>\$ 19,333,202</u>
Fare ratio	<u>22.85%</u>	<u>32.22%</u>	<u>24.41%</u>

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

**Note 3 – Federal State and Local Grants (Continued)**

**B. Transportation Development Act Assistance (Continued)**

Omnitrans’ ratios for the fiscal year ended June 30, 2022 were calculated as follows:

	General Transit	Special Transit	Total
Operating expenses	\$ 78,530,353	\$ 12,514,645	\$ 91,044,998
Less: Depreciation	(21,599,584)	(1,237,146)	(22,836,730)
Adjusted operating expenses	<u>\$ 56,930,769</u>	<u>\$ 11,277,499</u>	<u>\$ 68,208,268</u>
Fare revenue	\$ 7,136,765	\$ 1,712,100	\$ 8,848,865
Local Funds (Measure I) used by the operator to supplement fare box revenues to satisfy the fare ratio as permitted by section 99268.19	8,012,333	1,092,591	9,104,924
Adjusted fare revenue	<u>\$ 15,149,098</u>	<u>\$ 2,804,691</u>	<u>\$ 17,953,789</u>
Fare ratio	<u>26.61%</u>	<u>24.87%</u>	<u>26.32%</u>

In accordance with 6634 of the TDA, an operator may not receive TDA funds in an amount that exceeds its actual operating costs. For purposes of the farebox revenue calculation above, operating costs are expenses exclusive of the cost of depreciation, vehicle lease cost, and expenses for capital below Omnitrans’ capitalization threshold.

**C. Measure I**

County voters approved Measure I, supporting the half-cent sales tax in the incorporated and unincorporated areas of the County for the 20-year period between April 1, 1990 and March 31, 2010. On November 4, 2004, the voter of the County approved SBCTA Ordinance 04-01, extending the half cent sales tax for 30 years to March 31, 2040.

Omnitrans receives Measure I funds for paratransit operating costs. Measure I Funds are derived from a locally imposed 0.5 percent retail sales and use tax on all taxable sales within the County. The allocation and administration of Measure I is performed by SBCTA.

**D. Measure I CTSA**

Omnitrans is the designated Consolidated Transportation Services Agency (“CTSA”) in the County. As the CTSA, Omnitrans receives 2% of the Measure I Senior/Disabled funds collected in the Valley portion of the County.

**E. Proposition 1B**

The Public Transportation Modernization, Improvement and Service Enhancement Account (“PTMISEA”) Fund is a part of the State of California’s Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by California voters as Proposition 1B on November 7, 2006. A total of \$19.9 billion was deposited into the PTMISEA fund, \$3.6 billion of which 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, bus rapid transit improvements, or for rolling stock procurement, rehabilitation or replacement.

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

**Note 3 – Federal State and Local Grants (Continued)**

**E. Proposition 1B (Continued)**

During the fiscal years ended June 30, 2023 and 2022, Proposition 1B cash receipts and cash disbursements were as follows:

	2023	2022
Unspent Proposition 1B funds at the beginning of year ended June 30	\$ 4,266,960	\$ 7,224,060
Proposition 1B expenses incurred during the year ended June 30	(2,413,484)	(2,956,320)
Interest revenue earned on unspent Proposition 1B funds during the year ended June 30	8,017	6,354
Change in fair market value of investments held during the year ended June 30	-	(7,134)
Unspent Proposition 1B funds at the end of year ended June 30	\$ 1,861,493	\$ 4,266,960

The amount of unspent Proposition 1B funds noted above is included in unearned revenue on the Statement of Net Position.

**F. American Rescue Plan Act of 2021 (“ARPA”)**

Through the American Rescue Plan Act of 2021 (“ARPA”), the Federal Transit Administration provided \$30.46 billion in overall funding for public transportation to remain available until September 30, 2024. All funds are available at 100% federal share for payroll and operations costs of public transit during the public health emergency. For the fiscal years ended June 30, 2023 and 2022, Omnitrans incurred eligible expenses and recognized \$4,966,651 and \$51,983,751 of ARPA revenue, respectively.

**G. State of Good Repair**

Senate Bill (SB) 1, the Road Repair and Accountability Act of 2017 (State of Good Repair), was signed into law on April 28, 2017. SB1 includes a program that will provide additional revenues for transit infrastructure repair and service improvements. Funds are available for eligible transit maintenance rehabilitation and capital projects.

During the fiscal years ended June 30, 2023 and 2022, State of Good Repair cash receipts and cash disbursements were as follows:

	2023	2022
Unspent State of Good Repair (SGR) funds at the beginning of the year ended June 30	\$ 6,161,039	\$ 4,070,512
SGR funds received during the year ended June 30	752,489	3,619,542
SGR expenses incurred during the year ended June 30	(433,504)	(1,531,199)
Interest revenue earned on unspent SGR funds during the year ended June 30	9,849	2,184
Unspent SGR funds at the end of the year ended June 30	\$ 6,489,873	\$ 6,161,039

The amount of unspent State of Good Repair funds noted above is included in unearned revenue on the Statement of Net Position.

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

**Note 3 – Federal State and Local Grants (Continued)**

***H. Operating Assistance***

Operating assistance is summarized as follows for the years ended June 30:

	2023	2022
Federal Assistance	\$ 4,448,600	\$ 5,764,685
ARPA	4,966,651	51,983,751
Measure I	9,110,251	9,104,925
Measure I Demand Response	619,288	125,035
Measure I CTSA	1,963,031	920,000
Low Carbon Fuel Standard (Operating)	1,692,959	2,045,651
Low Carbon Transit Operating Program	996,225	1,372,604
Transformative Climate Communities	1,798,455	-
CalTrans - Local Transportation Fund TDA	62,920,372	-
Other	48,929	17,444
Total operating assistance	\$ 88,564,761	\$ 71,334,095

***I. Capital Contributions***

Capital contributions for the years ended June 30 were as follows:

	2023	2022
Federal Assistance	\$ 3,655,914	\$ 15,895,722
CalTrans - Local Transportation Fund TDA	26,474	142,487
CalTrans - State Transit Assistance Fund TDA	447,109	1,069,184
Prop 1B	2,413,484	2,956,320
Measure I Capital Reimbursements	291,293	2,761,180
Other	511,974	1,201,631
Total capital contributions	\$ 7,346,248	\$ 24,026,524

**Note 4 – Pass-Through Grants**

Pass-through activity of federal awards to sub-recipients for which Omnitrans provides administrative oversight and determines sub-recipient eligibility for the years ended June 30, 2023 and 2022, is summarized as follows:

	2023	2022
San Bernardino County Transportation Authority ("SBCTA")	\$ 1,326,902	\$ 14,594,588



**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

**Note 5 – Capital Assets**

Summary of changes in capital assets for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022 (As Restated)	Additions	Deletions	Balance June 30, 2023
Capital assets, not depreciated				
Land	\$ 5,505,423	\$ -	\$ -	\$ 5,505,423
Construction in progress	19,161,350	5,746,173	(5,170,091)	19,737,432
Total capital assets, not depreciated	<u>24,666,773</u>	<u>5,746,173</u>	<u>(5,170,091)</u>	<u>25,242,855</u>
Capital assets, depreciated or amortized				
Building and improvements	146,734,562	2,729,565	-	149,464,127
Operating equipment	139,319,314	1,039,189	(3,367,197)	136,991,306
Furniture and office equipment	58,601,369	706,717	(341,212)	58,966,874
Subscription assets	260,902	229,717	-	490,619
Total capital assets, depreciated or amortized	<u>344,916,147</u>	<u>4,705,188</u>	<u>(3,708,409)</u>	<u>345,912,926</u>
Less accumulated depreciation or amortization				
Building and improvements	(64,185,957)	(6,297,943)	-	(70,483,900)
Operating equipment	(78,887,003)	(12,420,410)	3,227,362	(88,080,051)
Furniture and office equipment	(47,279,824)	(3,832,773)	341,212	(50,771,385)
Subscription assets	-	(81,907)	-	(81,907)
Total accumulated depreciation or amortization	<u>(190,352,784)</u>	<u>(22,633,033)</u>	<u>3,568,574</u>	<u>(209,417,243)</u>
Total capital assets, depreciated or amortized, net	<u>154,563,363</u>	<u>(17,927,845)</u>	<u>(139,835)</u>	<u>136,495,683</u>
Total capital assets, net	<u>\$ 179,230,136</u>	<u>\$ (12,181,672)</u>	<u>\$ (5,309,926)</u>	<u>\$ 161,738,538</u>

Summary of changes in capital assets for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022 (As Restated)
Capital assets, not depreciated				
Land	\$ 5,505,423	\$ -	\$ -	\$ 5,505,423
Construction in progress	23,500,916	7,968,915	(12,308,481)	19,161,350
Total capital assets, not depreciated	<u>29,006,339</u>	<u>7,968,915</u>	<u>(12,308,481)</u>	<u>24,666,773</u>
Capital assets, depreciated or amortized				
Building and improvements	146,830,058	107,864	(203,360)	146,734,562
Operating equipment	135,579,684	8,917,878	(5,178,248)	139,319,314
Furniture and office equipment	56,153,563	2,471,564	(23,758)	58,601,369
Subscription assets	-	260,902	-	260,902
Total capital assets, depreciated or amortized	<u>338,563,305</u>	<u>11,758,208</u>	<u>(5,405,366)</u>	<u>344,916,147</u>
Less accumulated depreciation or amortization				
Building and improvements	(58,281,586)	(6,107,734)	203,363	(64,185,957)
Operating equipment	(70,680,224)	(13,180,600)	4,973,821	(78,887,003)
Furniture and office equipment	(43,755,186)	(3,548,396)	23,758	(47,279,824)
Total accumulated depreciation or amortization	<u>(172,716,996)</u>	<u>(22,836,730)</u>	<u>5,200,942</u>	<u>(190,352,784)</u>
Total capital assets, depreciated or amortized, net	<u>165,846,309</u>	<u>(11,078,522)</u>	<u>(204,424)</u>	<u>154,563,363</u>
Total capital assets and lease assets, net	<u>\$ 194,852,648</u>	<u>\$ (3,109,607)</u>	<u>\$ (12,512,905)</u>	<u>\$ 179,230,136</u>

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

**Note 5 – Capital Assets (Continued)**

Depreciation and amortization expense for capital assets for the years ended June 30, 2023 and 2022 was \$22,633,034 and \$22,836,730, respectively.

**Note 6 – Unearned Revenue**

At June 30, 2023 and 2022, unearned revenue consisted of the following:

	2023	2022
Local Transportation Fund received in advance	10,569,770	25,569,770
State Transit Assistance Fund received in advance	2,009,749	2,009,749
Measure I Operating funds received in advance	8,724,893	4,852,804
Measure I - CTSA funds received in advance	7,565,895	5,801,231
Proposition 1B funds received in advance	1,861,493	3,789,486
Low Carbon Transit Operating Program received in advance	6,046,670	3,540,599
STA State of Good Repair funds received in advance	6,489,873	6,041,778
West Valley Connector Project funds received in advance	20,251,577	20,205,471
Other reimbursements received in advance	2,176,968	2,909,728
Total unearned revenue	\$ 65,696,888	\$ 74,720,616

**Note 7 – Long-Term Liabilities**

Summary of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022 (As Restated)	Additions	Retirements	Balance June 30, 2023	Due within One Year	Due in More Than One Year
Subscription liability	\$ 260,902	\$ 229,717	\$ (164,741)	\$ 325,878	\$ 100,549	\$ 225,329
Compensated absences	3,212,142	2,835,888	(2,790,536)	3,257,494	1,203,197	2,054,297
Claims payable	11,366,903	2,245,886	(2,870,334)	10,742,455	4,049,593	6,692,862
Total	14,839,947	5,311,491	(5,825,611)	14,325,827	5,353,339	8,972,488

Summary of changes in long-term liabilities for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022 (As Restated)	Due within One Year	Due in More Than One Year
Subscription liability	\$ -	\$ 260,902	\$ -	\$ 260,902	\$ 93,187	\$ 167,715
Compensated absences	3,470,679	1,860,881	(2,119,418)	3,212,142	1,231,200	1,980,942
Claims payable	12,580,725	4,947,823	(6,161,645)	11,366,903	4,043,473	7,323,430
Total	16,051,404	7,069,606	(8,281,063)	14,839,947	5,367,860	9,472,087

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

**Note 7 – Long-Term Liabilities (Continued)**

Subscription Liability

Omnitrans has entered into subscription-based information technology arrangements (SBITAs) for services related to cloud-based software applications, data storage and management services. Under the terms of these arrangements, Omnitrans does not take possession of the software at any time and the vendor provides ongoing services for the software's operation. The subscription periods vary, with initial non-cancellable terms ranging from 2 to 5 years. The calculated interest rate used is 2.75%.

As of June 30, 2023, the capitalized right-to-use assets related to SBITAs were \$490,620 and the total subscription liability was \$325,878, of which \$100,549 is reported as a current liability representing the amount due within the next fiscal year.

Principal and interest payments to maturity as of June 30, 2023 are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 100,549	\$ 7,397	\$ 107,946
2025	99,005	4,686	103,691
2026	104,873	1,885	106,758
2027	21,451	49	21,500
Total	<u>\$ 325,878</u>	<u>\$ 14,017</u>	<u>\$ 339,895</u>

**Note 8 – Risk Management and Self Insurance Program**

Omnitrans is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; and natural disasters for which they carry commercial insurance. Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been Incurred But Not Reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors and discounted at an assumed two percent interest rate. The outstanding claims at June 30, 2023, were estimated to be \$10,742,455 and were based on an IBNR study performed in fiscal year 2022-2023. Changes in the fund claims liability amount for the last three fiscal years are as follows:

Year Ending June 30,	Beginning of Year Liability	Current year Claims and Changes in Estimates	Claim Payments	End of Year Liability	Due within One Year	Due in More Than One Year
2023	\$ 11,366,903	\$ 2,245,886	\$ (2,870,334)	\$ 10,742,455	\$ 4,049,593	\$ 6,692,862
2022	\$ 12,580,725	\$ 4,947,823	\$ (6,161,645)	\$ 11,366,903	\$ 4,043,473	\$ 7,323,430
2021	\$ 11,501,911	\$ 6,845,207	\$ (5,766,393)	\$ 12,580,725	\$ 4,495,948	\$ 8,084,777

Omnitrans is a member of the Association of California Public Transit Operators Joint Powers Insurance Authority (the "Authority"). The Authority is a risk-pooling self-insurance authority, created under provisions of California law in 1987. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

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**Note 8 – Risk Management and Self Insurance Program (Continued)**

At June 30, 2023, Omnitrans' participation in the self-insurance programs of the Authority is as follows:

- **Liability:** Including General, Automobile, Public Officials Errors & Omissions, and Employment Practices. Omnitrans is self-insured up to \$10,000,000 per occurrence and has purchased re-insurance and excess insurance coverage.
- **Vehicle Physical Damage Program:** Including Collision and Comprehensive. Omnitrans is self-insured up to \$100,000 per each occurrence less deductible and has purchased reinsurance and excess insurance coverage.

Separate financial statements of the Authority can be obtained at 1415 L Street, Suite 200, Sacramento, California 95814.

Omnitrans has also purchased additional insurance coverage outlined below:

- **Workers Compensation Liability:** Omnitrans is self-insured for workers' compensations claims up to \$1,000,000 with a limit of liability of \$5,000,000 and excess coverage up to \$95,000,000.
- **Property Liability:** Omnitrans is self-insured for property damage up to \$100,000,000 per occurrence. Omnitrans has also purchased earthquake and flood coverage for damage, for which it is self-insured up to \$20,000,000 per occurrence for earthquakes and \$20,000,000 limit per occurrence for floods.
- **Cyber Liability:** Omnitrans has self-insured for Cyber Liability up to \$50,000 per occurrence and \$2,000,000 in aggregate.
- **Crime Liability:** Omnitrans is self-insured for employee dishonesty and theft with a limit of liability up to \$1,000,000.
- **Pollution Liability:** Omnitrans is self-insured for pollution with a limit of liability of \$5,000,000 per pollution condition and \$10,000,000 in aggregate.
- **Employment Related Practices Liability:** Omnitrans is self-insured for employment related practices liability claims up to \$250,000 with a limit of liability of \$1,000,000 each claim and \$1,000,000 aggregate.

For the past three fiscal years, none of the above programs of protection has had settlements or judgments that exceeded pooled or insured coverage.

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

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**Note 9 – Defined Benefit Pension Plan**

**A. General Information about the Pension Plan**

Plan Description

Omnitrans contributes to the California Public Employees’ Retirement System (“CalPERS”), an agent multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and Omnitrans ordinance. Copies of the CalPERS annual financial report may be obtained from <https://www.calpers.ca.gov/page/forms-publications>.

Employees Covered by Benefit Terms

At year ended June 30, the following employees were covered by the benefit terms:

	2023	2022
Active employees	512	512
Transferred and terminated employees	547	606
Retired Employees and Beneficiaries	542	512
Total	1,601	1,630

Benefit Provided

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Members hired prior to January 1, 2013 become eligible for service retirement upon attainment of age 50 with at least 5 years of credited service. Members hired on or after January 1, 2013 become eligible for service retirement upon attainment of age 52 with at least 5 years of credited service. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at year ended June 30, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Normal benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Earliest retirement age	50	52
Monthly benefits, as a % of annual salary	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7.00%	7.75%

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

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**Note 9 – Defined Benefit Pension Plan (Continued)**

**A. General Information about the Pension Plan (Continued)**

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law (“PERL”) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in 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 finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Omnitrans is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. Required employer contribution rates during the year ended June 30, 2023 for classic and PEPRA members was 11.25% and 8.50%, respectively. For the year ended June 30, 2022, Omnitrans contributed \$5,675,305 to the plan.

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2021 valuation was rolled forward to determine June 30, 2022 total pension liability based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry age normal in accordance with requirements of GASB 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>1</sup>	Derived using CalPERS’ Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.3% until Purchasing Power Protection Allowance

<sup>1</sup>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. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Change of Assumption

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

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

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**Note 9 – Defined Benefit Pension Plan (Continued)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)**

Long-term Expected Rate of Return

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 <sup>1</sup>	Assumed Asset Allocation	Real Return <sup>1,2</sup>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.80%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	<u>100.00%</u>	

<sup>1</sup> An expected inflation of 2.30% used for this period.

<sup>2</sup> Figures are based on the 2021 Asset Liability Management study.

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.

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

**Note 9 – Defined Benefit Pension Plan (Continued)**

***B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)***

*Sensitivity of the Omnitrans' Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the Omnitrans' proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate, as well as what the Omnitrans' proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	2023	2022
1% Decrease	5.90%	6.15%
Net Pension Liability	\$ 67,754,454	\$ 31,994,966
Current Discount Rate	6.90%	7.15%
Net Pension Liability	\$ 36,506,036	\$ 3,018,313
1% Increase	7.90%	8.15%
Net Pension Liability	\$ 10,617,819	\$ (21,062,499)

*Pension Plan Fiduciary Net Position*

Detail information about the plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

*Proportionate Share of Net Pension Liability and Pension Expense*

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the 2022 measurement period:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2021	\$ 222,420,776	\$ 219,402,463	\$ 3,018,313
Changes in the year:			
Service cost	5,431,433	-	5,431,433
Interest on the total pension liability	15,384,725	-	15,384,725
Changes of assumptions	7,400,132	-	7,400,132
Differences between expected and actual experience	(4,040,685)	-	(4,040,685)
Benefit payments, including refunds of member contributions	(11,057,818)	(11,057,818)	-
Contributions - employer	-	5,216,389	(5,216,389)
Contributions - employee	-	2,023,848	(2,023,848)
Net investment income	-	(16,415,680)	16,415,680
Administrative expense	-	(136,675)	136,675
Net Changes	13,117,787	(20,369,936)	33,487,723
Balance at June 30, 2022 (Measurement Date)	\$ 235,538,563	\$ 199,032,527	\$ 36,506,036



**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

**Note 9 – Defined Benefit Pension Plan (Continued)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)**

*Proportionate Share of Net Pension Liability and Pension Expense (Continued)*

The following table shows the plan’s proportionate share of the risk pool collective net pension liability over the 2021 measurement period:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2020	\$ 216,083,448	\$ 181,544,950	\$ 34,538,498
Changes in the year:			
Service cost	5,037,154	-	5,037,154
Interest on the total pension liability	15,006,729	-	15,006,729
Changes of assumptions	-	-	-
Differences between expected and actual experience	(3,728,873)	-	(3,728,873)
Benefit payments, including refunds of member contributions	(9,977,682)	(9,977,682)	-
Contributions - employer	-	5,139,924	(5,139,924)
Contributions - employee	-	2,094,716	(2,094,716)
Net investment income	-	40,781,907	(40,781,907)
Administrative expense	-	(181,352)	181,352
Net Changes	<u>6,337,328</u>	<u>37,857,513</u>	<u>(31,520,185)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 222,420,776</u>	<u>\$ 219,402,463</u>	<u>\$ 3,018,313</u>

At June 30, 2023 and 2022, the Omnitrans reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 5,675,305	\$ -	\$ 5,216,168	\$ -
Changes in assumptions	5,087,591	-	-	-
Differences between expected and actual experience	108,187	(4,336,218)	1,190,075	(3,178,239)
Differences between projected and actual earnings on pension plan investments	10,010,199	-	-	(20,205,448)
Total	<u>\$ 20,881,282</u>	<u>\$ (4,336,218)</u>	<u>\$ 6,406,243</u>	<u>\$ (23,383,687)</u>

Deferred outflows of resources related to pensions resulting from the Omnitrans’ contributions made subsequent to the measurement date in the amounts of \$5,675,305 and \$5,216,168 will be recognized as a reduction of the collective net pension liability in the years ending June 30, 2024 and 2023, respectively.

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

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**Note 9 – Defined Benefit Pension Plan (Continued)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)**

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

For the years ended June 30, 2023 and 2022, Omnitrans recognized pension expense in the amounts of \$5,640,741 and (\$1,316,392), respectively. At June 30, 2023 and 2022, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2023		2022	
Year Ended June 30	Amounts	Year Ended June 30	Amounts
2024	\$ 1,267,230	2023	\$ (5,623,834)
2025	2,410,441	2024	(6,065,076)
2026	909,608	2025	(4,921,865)
2027	6,282,480	2026	(5,582,837)
Total	\$ 10,869,759	Total	\$ (22,193,612)

**Note 10 – Net Investment in Capital Assets**

Net investment in capital assets at June 30, 2023 and 2022 is reported as follows:

	2023	2022
Capital assets, net	\$ 161,738,538	\$ 179,230,136
Less: subscription liabilities	(325,878)	(260,902)
<b>Net investment in capital assets</b>	<b>\$ 161,412,660</b>	<b>\$ 178,969,234</b>

**Note 11 – Commitments and Contingencies**

**A. Litigation**

Omnitrans is subject to lawsuits and claims which arise out of the normal course of business. In the opinion of management, based upon the opinion of legal counsel, the disposition of such actions of which it is aware will not have a material effect on the financial position, results of operations or liquidity of Omnitrans.

**B. Contingencies**

Omnitrans has received federal and state funds for specific purposes that are subject to review and audit by grantor agencies. Although, such audits could generate expenditure disallowances under the terms of the grants, in the opinion of management, any additional required reimbursement will not have a material effect on the financial position, results of operations or liquidity of Omnitrans.

**Omnitrans**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

**Note 11 – Commitments and Contingencies (Continued)**

**C. Commitments**

Commitments consist primarily of additions to operations equipment and building improvements. Significant commitments are as follows:

Project	Amount Authorized	Cumulative Expenditures	Unexpended Commitments
Facilities Future Expansion and Remodel	\$ 7,772,217	\$ 6,922,292	\$ 849,925
Computer Software and Hardware	641,647	352,658	288,989
Holt Bus Rapid Transit	7,943,428	7,943,428	-
Vehicle and Shop Equipment	14,239,826	4,519,053	9,720,773
<b>Total</b>	<b>\$ 30,597,118</b>	<b>\$ 19,737,431</b>	<b>\$ 10,859,687</b>

On November 1, 2017, Omnitrans Board of Directors approved a cooperative agreement between Omnitrans and SBCTA for environmental clearance, design, right-of-way, construction, and project closeout phases for the West Valley Connector Project (Project). Omnitrans will contribute a total not to exceed \$32,785,969 to the Project. SBCTA will lead project environmental clearance, design, right-of-way acquisition, construction, and project closeout work, with input and consultation from Omnitrans. SBCTA will be responsible to maintain the Project and retain title to the project until the project is completed and transferred to Omnitrans. The anticipated project completion date is November 2025.

To fund its commitment for the Project, Omnitrans received proceeds of \$25,077,045 from the sale of real property acquired with local and federal funds during the year ending June 30, 2018. The proceeds from the sale have been reported as restricted cash and investments in accordance with the agreement with the FTA and can only be used for the Project. The balance of the restricted cash and equivalents and investments for the Project as of June 30, 2023 and 2022 was \$25,266,986 and \$25,212,012, respectively. The sale was authorized by the FTA and the FTA authorized the subsequent use of the federal share of the sale proceeds for use towards Omnitrans' commitment to the Project. The federal share of \$20,251,577 from the sale proceeds is reported as unearned revenue on the Statement of Net Position. Omnitrans will reduce the liability and recognize revenue as the proceeds are applied to one or more FTA approved capital grants for the Project.

**Note 12 – Restatement of Beginning Net Position**

As a result of implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)* adjusting Omnitrans' capital contribution number after the prior year annual comprehensive financial report was published, net position as of July 1, 2022 was restated as follows:

Net position at July 1, 2022 as previously reported	\$ 196,157,722
Subscription assets (GASB 96)	260,902
Subscription liabilities (GASB 96)	(260,902)
Net position at July 1, 2022 as restated	<u>\$ 196,157,722</u>

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**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Unaudited)**

**Omnitrans**  
**Required Supplementary Information (Unaudited)**  
**For the Year Ended June 30, 2023**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**(LAST TEN YEARS\*)**

Measurement Period, Year Ended June 30:	2022	2021	2020	2019	2018
<b>Total Pension Liability</b>					
Service Cost	\$ 5,431,433	\$ 5,037,154	\$ 6,283,890	\$ 6,192,874	\$ 5,937,322
Interest on total pension liability	15,384,725	15,006,729	14,485,693	13,727,338	12,594,016
Changes in assumptions	7,400,132	-	-	-	(1,592,446)
Differences between expected and actual experience	(4,040,685)	(3,728,873)	(1,403,532)	4,435,739	2,130,851
Benefit payments, including refunds of employee contributions	(11,057,818)	(9,977,682)	(8,282,600)	(7,629,045)	(6,859,350)
<b>Net change in total pension liability</b>	<b>13,117,787</b>	<b>6,337,328</b>	<b>11,083,451</b>	<b>16,726,906</b>	<b>12,210,393</b>
<b>Total pension liability - beginning</b>	<b>222,420,776</b>	<b>216,083,448</b>	<b>204,999,997</b>	<b>188,273,091</b>	<b>176,062,698</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 235,538,563</b>	<b>\$ 222,420,776</b>	<b>\$ 216,083,448</b>	<b>\$ 204,999,997</b>	<b>\$ 188,273,091</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 5,216,389	\$ 5,139,924	\$ 5,193,463	\$ 4,797,140	\$ 4,312,649
Contributions - employee	2,023,848	2,094,716	2,543,478	2,594,545	2,490,292
Net investment income	(16,415,680)	40,781,907	8,732,860	10,773,154	12,784,235
Benefit payments, including refunds of employee contributions	(11,057,818)	(9,977,682)	(8,282,600)	(7,629,045)	(6,859,350)
Net plan to plan resource movement	-	-	-	-	(378)
Administrative expense	(136,675)	(181,352)	(244,737)	(116,451)	(235,515)
Other miscellaneous (income)/expense	-	-	-	378	(447,247)
<b>Net change in plan fiduciary net position</b>	<b>(20,369,936)</b>	<b>37,857,513</b>	<b>7,942,464</b>	<b>10,419,721</b>	<b>12,044,686</b>
<b>Plan fiduciary net position - beginning</b>	<b>219,402,463</b>	<b>181,544,950</b>	<b>173,602,486</b>	<b>163,182,765</b>	<b>151,138,079</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 199,032,527</b>	<b>\$ 219,402,463</b>	<b>\$ 181,544,950</b>	<b>\$ 173,602,486</b>	<b>\$ 163,182,765</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 36,506,036</b>	<b>\$ 3,018,313</b>	<b>\$ 34,538,498</b>	<b>\$ 31,397,511</b>	<b>\$ 25,090,326</b>
Plan fiduciary net position as a percentage of the total pension liability	84.50%	98.64%	84.02%	84.68%	86.67%
Covered payroll	\$ 27,021,141	\$ 37,692,638	\$ 35,702,027	\$ 35,625,315	\$ 34,587,684
Plan net pension liability as a percentage of covered payroll	135.10%	8.01%	96.74%	88.13%	72.54%

**Notes to Schedule:**

**Benefit changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30,

**Changes of assumptions:**

\*2022 - Discount rate decreased to 7.15 percent from 6.90 percent

\*2018 - Demographic assumptions and inflation rate were changed in accordance to CalPERS Experience Study and Review December 2017

\*2017 - Discount rate decreased to 7.15 percent from 7.65 percent

\*2015 - Discount rate increased to 7.65 percent from 7.50 percent

\*Ten year historical information is not yet available

**Omnitrans**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**(LAST TEN YEARS\*)**

Measurement Period, Year Ended June 30:	2017	2016	2015	2014
<b>Total Pension Liability</b>				
Service Cost	\$ 5,619,063	\$ 4,952,455	\$ 4,752,183	\$ 5,032,912
Interest on total pension liability	11,757,906	11,122,864	10,405,272	9,875,147
Changes in assumptions	10,060,448	-	(2,654,537)	-
Differences between expected and actual experience	(1,848,982)	(813,650)	(3,304,350)	-
Benefit payments, including refunds of employee contributions	(5,901,950)	(5,239,568)	(4,887,764)	(4,033,818)
<b>Net change in total pension liability</b>	<b>19,686,485</b>	<b>10,022,101</b>	<b>4,310,804</b>	<b>10,874,241</b>
<b>Total pension liability - beginning</b>	<b>156,376,213</b>	<b>146,354,112</b>	<b>142,043,308</b>	<b>131,169,067</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 176,062,698</b>	<b>\$ 156,376,213</b>	<b>\$ 146,354,112</b>	<b>\$ 142,043,308</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 4,049,916	\$ 3,500,671	\$ 3,095,406	\$ 2,857,424
Contributions - employee	2,329,577	2,067,151	2,010,360	1,892,148
Net investment income	15,133,615	734,228	2,966,348	19,522,988
Benefit payments, including refunds of employee contributions	(5,901,950)	(5,239,568)	(4,887,764)	(4,033,818)
Net plan to plan resource movement	-	-	7,386	-
Administrative expense	(200,392)	(82,121)	(151,602)	-
Other miscellaneous (income)/expense	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>15,410,766</b>	<b>980,361</b>	<b>3,040,134</b>	<b>20,238,742</b>
<b>Plan fiduciary net position - beginning</b>	<b>135,727,313</b>	<b>134,746,952</b>	<b>131,706,818</b>	<b>111,468,076</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 151,138,079</b>	<b>\$ 135,727,313</b>	<b>\$ 134,746,952</b>	<b>\$ 131,706,818</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 24,924,619</b>	<b>\$ 20,648,900</b>	<b>\$ 11,607,160</b>	<b>\$ 10,336,490</b>
Plan fiduciary net position as a percentage of the total pension liability	85.84%	86.80%	92.07%	92.72%
Covered payroll	\$ 32,039,361	\$ 30,655,864	\$ 28,606,926	\$ 29,286,654
Plan net pension liability as a percentage of covered payroll	77.79%	67.36%	40.57%	35.29%

**Notes to Schedule:**

**Benefit changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30,

**Changes of assumptions:**

\*2022 - Discount rate decreased to 7.15 percent from 6.90 percent

\*2018 - Demographic assumptions and inflation rate were changed in accordance to CalPERS Experience Study and Review December 2017

\*2017 - Discount rate decreased to 7.15 percent from 7.65 percent

\*2015 - Discount rate increased to 7.65 percent from 7.50 percent

\*Ten year historical information is not yet available

**Omnitrans**  
**Required Supplementary Information (Unaudited)**  
**For the Year Ended June 30, 2023**

**SCHEDULE OF CONTRIBUTIONS**  
**(LAST TEN YEARS\*)**

Fiscal Year Ended June 30:	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 5,947,856	\$ 5,216,168	\$ 5,142,944	\$ 5,288,892	\$ 4,795,768
Contributions in relation to the actuarially determined contribution	<u>(5,947,856)</u>	<u>(5,216,168)</u>	<u>(5,142,944)</u>	<u>(5,288,892)</u>	<u>(4,795,768)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 27,764,222	\$ 27,021,141	\$ 37,692,638	\$ 35,702,027	\$ 35,625,315
Contributions as a percentage of covered payroll	21.42%	19.30%	13.64%	14.81%	13.46%

**Notes to Schedule:**

**Methods and assumptions used to determine contribution rates**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	For details, see June 30, 2019 Funding Valuation Report.
Asset valuation method	Fair value of assets
Inflation	2.500%
Salary increases	Varies based on entry age and service
Payroll growth	2.750%
Investment rate of return	7.0% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using Society of American Actuaries Scales 90% of scale MP 2016.

\*Ten year historical information is not yet available



**Omnitrans**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

**SCHEDULE OF CONTRIBUTIONS**  
**(LAST TEN YEARS\*)**

Fiscal Year Ended June 30:	2018	2017	2016	2015
Actuarially determined contribution	\$ 4,265,223	\$ 4,041,753	\$ 3,481,193	\$ 3,283,410
Contributions in relation to the actuarially determined contribution	<u>(4,265,223)</u>	<u>(4,041,753)</u>	<u>(3,481,193)</u>	<u>(3,283,410)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 34,587,684	\$ 32,039,361	\$ 30,655,864	\$ 28,606,926
Contributions as a percentage of covered payroll	12.33%	12.61%	11.36%	11.48%

**Notes to Schedule:**

**Methods and assumptions used to determine contribution rates**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	For details, see June 30, 2019 Funding Valuation Report.
Asset valuation method	Fair value of assets
Inflation	2.500%
Salary increases	Varies based on entry age and service
Payroll growth	2.750%
Investment rate of return	7.0% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using Society of American Actuaries Scales 90% of scale MP 2016.

\*Ten year historical information is not yet available

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**STATISTICAL SECTION**  
**(Unaudited)**

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## **STATISTICAL SECTION (Unaudited)**

This section of Omnitrans' 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 say about Omnitrans' overall financial health. This information has not been audited by the independent auditors.

### **Contents**

#### *Financial Trends*

These schedules contain trend information to help the reader understand how the Omnitrans financial performance and well-being has changed over time.

#### *Revenue Capacity*

These schedules contain information to help the reader assess Omnitrans' most significant local revenue source, passenger fares.

#### *Demographic and Economic Information*

These schedules offer demographic and economic indicator to help the reader understand the environment within Omnitrans' financial activities take place.

#### *Operating Information*

These schedules contain service and infrastructure data to help the reader understand how the information in Omnitrans' financial report relates to the services Omnitrans provides and the activities it performs.

*Source: Unless otherwise noted, the information in these schedules derived from the Annual Comprehensive Financial Reports for the relevant years.*

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## **FINANCIAL TRENDS**

**Omnitrans**  
**Net Position by Component**  
**Last Ten Fiscal Years**

	2023	2022	2021	2020	2019
<b>Primary government:</b>					
Net investment in capital assets	\$ 161,412,660	\$ 178,969,234	\$ 194,852,648	\$ 202,666,266	\$ 200,270,564
Less: Debt offsetting capital assets	-	-	-	-	-
Total net investment in capital assets	<u>161,412,660</u>	<u>178,969,234</u>	<u>194,852,648</u>	<u>202,666,266</u>	<u>200,270,564</u>
Restricted - Capital projects	5,015,409	314,460	314,460	4,864,626	4,812,857
Restricted - CTSA activities	19,679,051	5,391,341	5,448,007	5,418,603	11,016,293
Unrestricted net position	<u>11,527,620</u>	<u>11,482,687</u>	<u>(955,763)</u>	<u>(4,298,682)</u>	<u>(8,756,220)</u>
<b>Total primary government net position</b>	<u><u>\$ 197,634,740</u></u>	<u><u>\$ 196,157,722</u></u>	<u><u>\$ 199,659,352</u></u>	<u><u>\$ 208,650,813</u></u>	<u><u>\$ 207,343,494</u></u>

Source: Finance Department



**Omnitrans**  
**Net Position by Component (Continued)**  
**Last Ten Fiscal Years**

	2018	2017	2016	2015	2014
<b>Primary government:</b>					
Net investment in capital assets	\$218,134,323	\$212,850,236	\$204,298,178	\$196,610,392	\$245,580,650
Less: Debt offsetting capital assets	-	-	-	(129,101)	(268,269)
Total net investment in capital assets	<u>218,134,323</u>	<u>212,850,236</u>	<u>204,298,178</u>	<u>196,481,291</u>	<u>245,312,381</u>
Restricted - Capital projects	3,914,213	-	-	-	-
Restricted - CTSA activities	-	-	-	-	-
Unrestricted net position	-	976,796	7,896,427	(5,263,020)	9,379,178
<b>Total primary government net position</b>	<u><u>\$222,048,536</u></u>	<u><u>\$213,827,032</u></u>	<u><u>\$212,194,605</u></u>	<u><u>\$191,218,271</u></u>	<u><u>\$254,691,559</u></u>

Source: Finance Department

**Omnitrans**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

	2023	2022	2021	2020	2019
<b>Operating revenues:</b>					
Passenger revenue	\$ 7,527,114	\$ 7,726,741	\$ 6,639,109	\$ 11,227,212	\$ 13,168,821
Advertising	758,901	755,178	645,714	685,699	774,189
Miscellaneous	1,320	1,785	23,697	69,755	55,673
<b>Total operating revenues</b>	<b>8,287,335</b>	<b>8,483,704</b>	<b>7,308,520</b>	<b>11,982,666</b>	<b>13,998,683</b>
<b>Operating expenses:</b>					
Depreciation and amortization	22,633,034	22,836,730	20,935,486	19,288,208	18,797,139
Other operating expenses	81,451,130	69,950,920	78,264,894	91,888,124	95,682,829
<b>Total operating expenses</b>	<b>104,084,164</b>	<b>92,787,650</b>	<b>99,200,380</b>	<b>111,176,332</b>	<b>114,479,968</b>
<b>Non-operating revenues (expenses):</b>					
Federal & local operating grants	88,564,761	71,334,095	70,157,677	75,325,966	84,857,421
Interest income	1,318,455	(536,684)	(23,485)	846,858	315,357
Interest expense	(5,223)	-	-	-	-
Pass-through to other agencies	(1,326,902)	(14,594,588)	(50,676,427)	(30,661,723)	(854,709)
Pass-through to CTSA community partners	-	-	(929,943)	(988,351)	(394,708)
Donation to other agency	-	-	-	-	(6,838,655)
Loss on disposal of capital assets	(238,972)	(36,718)	(665,723)	(709,129)	(1,910,005)
CNG fuel tax credit	1,583,776	525,164	966,554	3,758,891	-
Other non-operating revenues (expenses)	31,704	84,523	43,766	19,738	21,422
<b>Total non-operating revenues</b>	<b>89,927,599</b>	<b>56,775,792</b>	<b>18,872,419</b>	<b>47,592,250</b>	<b>75,196,123</b>
<b>Income before capital contribution</b>	<b>(5,869,230)</b>	<b>(27,528,154)</b>	<b>(73,019,441)</b>	<b>(51,601,416)</b>	<b>(25,285,162)</b>
<b>Capital contributions</b>					
Capital assistance	7,346,248	24,026,524	64,027,980	52,908,735	8,760,536
Contributions from other agencies	-	-	-	-	846,500
<b>Total capital contributions</b>	<b>7,346,248</b>	<b>24,026,524</b>	<b>64,027,980</b>	<b>52,908,735</b>	<b>9,607,036</b>
<b>Changes in net position</b>	<b>1,477,018</b>	<b>(3,501,630)</b>	<b>(8,991,461)</b>	<b>1,307,319</b>	<b>(15,678,126)</b>
<b>Special items</b>					
Transfer of operations	-	-	-	-	973,084
<b>Total special items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>973,084</b>
Net position, beginning of year	196,157,722	199,659,352	208,650,813	207,343,494	222,048,536
Prior period adjustment	-	-	-	-	-
Net Position, beginning of year, as restated	196,157,722	199,659,352	208,650,813	207,343,494	222,048,536
<b>Net position, end of year</b>	<b>\$ 197,634,740</b>	<b>\$ 196,157,722</b>	<b>\$ 199,659,352</b>	<b>\$ 208,650,813</b>	<b>\$ 207,343,494</b>

Source: Finance Department

**Omnitrans**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**

	2018	2017	2016	2015	2014
<b>Operating revenues:</b>					
Passenger revenue	\$ 12,677,056	\$ 12,956,556	\$ 13,809,102	\$ 15,015,499	\$ 14,368,317
Advertising	598,078	596,098	673,669	532,322	485,327
Miscellaneous	38,680	62,779	57,832	54,440	41,978
<b>Total operating revenues</b>	<b>13,313,814</b>	<b>13,615,433</b>	<b>14,540,603</b>	<b>15,602,261</b>	<b>14,895,622</b>
<b>Operating expenses:</b>					
Depreciation and amortization	16,540,761	16,762,307	15,222,998	12,742,411	14,899,383
Other operating expenses	86,902,089	79,318,693	70,670,842	71,365,710	65,839,285
<b>Total operating expenses</b>	<b>103,442,850</b>	<b>96,081,000</b>	<b>85,893,840</b>	<b>84,108,121</b>	<b>80,738,668</b>
<b>Non-operating revenues (expenses):</b>					
Federal & local operating grants	69,716,169	63,623,628	68,179,717	55,090,857	50,785,745
Interest income	167,494	52,757	172,124	43,486	44,311
Interest expense	-	-	(927)	(2,426)	(4,580)
Pass-through to other agencies	(1,690,894)	(14,232,126)	(11,531,009)	(1,297,931)	(4,459,471)
Pass-through to CTSA community partners	-	-	-	-	-
Donation to other agency	-	(27,910)	-	(72,050,046)	-
Loss on disposal of capital assets	(650,981)	-	-	-	-
CNG fuel tax credit	1,434,406	-	-	-	-
Other non-operating revenues (expenses)	352,633	922,850	1,107,516	1,032,590	118,187
<b>Total non-operating revenues</b>	<b>69,328,827</b>	<b>50,339,199</b>	<b>57,927,421</b>	<b>(17,183,470)</b>	<b>46,484,192</b>
<b>Income before capital contribution</b>	<b>(20,800,209)</b>	<b>(32,126,368)</b>	<b>(13,425,816)</b>	<b>(85,689,330)</b>	<b>(19,358,854)</b>
<b>Capital contributions</b>					
Capital assistance	29,021,713	35,816,686	34,402,150	37,167,461	58,935,750
Contributions from other agencies	-	-	-	-	-
<b>Total capital contributions</b>	<b>29,021,713</b>	<b>35,816,686</b>	<b>34,402,150</b>	<b>37,167,461</b>	<b>58,935,750</b>
<b>Changes in net position</b>	<b>8,221,504</b>	<b>3,690,318</b>	<b>20,976,334</b>	<b>(48,521,869)</b>	<b>39,576,896</b>
<b>Special items</b>					
Transfer of operations	-	-	-	-	-
<b>Total special items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net position, beginning of year	213,827,032	212,194,605	191,218,271	254,691,559	215,114,663
Prior period adjustment	-	(2,057,891)	-	(14,951,419)	-
Net Position, beginning of year, as restated	213,827,032	210,136,714	191,218,271	239,740,140	215,114,663
<b>Net position, end of year</b>	<b>\$ 222,048,536</b>	<b>\$ 213,827,032</b>	<b>\$ 212,194,605</b>	<b>\$ 191,218,271</b>	<b>\$ 254,691,559</b>

Source: Finance Department

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## **REVENUE CAPACITY**

**Omnitrans**  
**Revenue by Source**  
**Last Ten Fiscal Years**

	2023	2022	2021	2020	2019
<b>Passenger fares - individuals</b>					
F/R full fares - cash	\$ 1,993,456	\$ 1,822,752	\$ 1,736,809	\$2,690,880	\$3,250,699
F/R senior/disable fare - cash	472,044	436,176	382,588	478,431	569,175
F/R 1-day & 7 day full fare - pass	1,100,339	1,020,016	1,016,907	1,776,965	2,585,110
F/R 1-day & 7 day S/D fare - pass	519,469	484,629	428,802	714,675	806,385
F/R 7-day youth pass	3,972	3,810	15,578	93,529	124,634
F/R 31-day full fare - pass (less: discount)	1,591,000	2,042,796	1,353,135	2,455,560	2,313,010
F/R 31-day youth fare - pass	9,900	40,365	74,880	379,471	461,947
F/R 31-day disability fare - pass	293,944	263,640	245,970	415,099	522,033
University passes*	829,351	799,170	598,017	905,180	955,091
VET - cash	11,887	10,820	11,016	12,775	15,475
VET 31-day pass	31,458	29,119	30,229	48,460	60,935
VET 7 day pass	2,437	2,160	2,106	7,486	17,576
VET 1 day pass	5,351	6,800	5,150	9,535	10,158
Metrolink transfer	86,960	57,598	46,834	90,080	67,577
Access base fare - cash	101,460	117,353	141,357	139,051	171,457
Access base fare (3 zones) - ticket	545,364	624,364	530,021	979,726	1,161,937
Access additional (1 zone) - ticket	641	1,904	3,718	6,985	8,975
Access monthly subscription zone - pass	-	-	-	-	-
<b>Total passenger fares - individuals</b>	<u>7,599,033</u>	<u>7,763,472</u>	<u>6,623,117</u>	<u>11,203,888</u>	<u>13,102,174</u>
<b>Special transit fares - group</b>					
F/R 1 - trip full fare - ticket	20,770	16,592	-	-	-
OmniLink (Yucaipa) - cash	-	-	-	-	-
OmniLink (Chino Hills) - cash	-	-	-	-	-
OmniRide	20,829	23,766	8,230	-	-
OmniLink S/D fare - ticket	-	-	-	-	-
OmniLink full fare - ticket	-	-	-	-	-
OmniLink youth fare - ticket	-	-	-	-	-
OmniGo - fares**	-	-	7,762	23,324	-
<b>Total special transit fares</b>	<u>41,599</u>	<u>40,358</u>	<u>15,992</u>	<u>23,324</u>	<u>-</u>
<b>Bus pass sales discounts</b>	<u>(113,518)</u>	<u>(77,089)</u>	<u>(65,947)</u>	<u>-</u>	<u>-</u>
<b>Net passenger fares</b>	<u>\$ 7,527,114</u>	<u>\$ 7,726,741</u>	<u>\$ 6,573,162</u>	<u>\$ 11,227,212</u>	<u>\$ 13,102,174</u>

\* From 2014 - 2019 Omnitrans implemented GoSmart Student Pass Program.

\*\* Starting 2018, OmniLink service was rebranded as OmniGo

Source: Finance Department

**Omnitrans**  
**Revenue by Source (Continued)**  
**Last Ten Fiscal Years**

	2018	2017	2016	2015	2014
<b>Passenger fares - individuals</b>					
F/R full fares - cash	\$3,301,892	\$3,473,311	\$3,920,383	\$4,414,989	\$4,399,894
F/R senior/disable fare - cash	588,484	548,603	577,375	557,592	447,239
F/R 1-day & 7 day full fare - pass	2,710,454	2,888,887	3,207,595	3,577,714	3,534,008
F/R 1-day & 7 day S/D fare - pass	836,285	849,267	861,302	893,643	813,797
F/R 7-day youth pass	129,652	126,818	137,774	208,442	214,219
F/R 31-day full fare - pass (less: discount)	1,294,738	1,260,680	1,354,705	1,574,959	1,419,430
F/R 31-day youth fare - pass	478,183	506,414	485,891	579,142	524,795
F/R 31-day disability fare - pass	571,081	599,932	650,869	622,658	560,936
University passes*	998,587	773,383	755,318	753,215	755,568
VET - cash	13,479	13,665	23,564	13,154	-
VET 31-day pass	67,441	70,819	61,588	41,824	-
VET 7 day pass	18,884	19,362	16,560	12,490	-
VET 1 day pass	8,266	9,714	6,310	4,394	-
Metrolink transfer	94,809	122,680	54,778	53,169	43,628
Access base fare - cash	170,373	172,695	172,367	193,297	153,870
Access base fare (3 zones) - ticket	1,330,100	1,448,556	1,466,273	1,452,471	1,291,015
Access additional (1 zone) - ticket	10,977	12,096	8,509	14,181	17,596
Access monthly subscription zone - pass	-	-	-	-	725
<b>Total passenger fares - individuals</b>	<b>12,623,685</b>	<b>12,896,882</b>	<b>13,761,161</b>	<b>14,967,334</b>	<b>14,176,720</b>
<b>Special transit fares - group</b>					
F/R 1 - trip full fare - ticket	-	-	-	-	-
OmniLink (Yucaipa) - cash	-	-	-	43,880	21,644
OmniLink (Chino Hills) - cash	-	-	-	2,821	18,317
OmniRide	-	-	-	-	-
OmniLink S/D fare - ticket	-	-	-	1,329	8,730
OmniLink full fare - ticket	-	-	-	-	851
OmniLink youth fare - ticket	-	-	-	81	2,070
OmniGo - fares**	53,371	59,677	47,941	54	139,985
<b>Total special transit fares</b>	<b>53,371</b>	<b>59,677</b>	<b>47,941</b>	<b>48,165</b>	<b>191,597</b>
<b>Bus pass sales discounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net passenger fares</b>	<b>\$ 12,677,056</b>	<b>\$ 12,956,559</b>	<b>\$ 13,809,102</b>	<b>\$ 15,015,499</b>	<b>\$ 14,368,317</b>

\* From 2014 - 2019 Omnitrans implemented GoSmart Student Pass Program.

\*\* Starting 2018, OmniLink service was rebranded as OmniGo

Source: Finance Department

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## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

**Omnitrans**  
**Demographics and Statistics San Bernardino County**  
**Last Ten Fiscal Years**

	Population (A)	Personal Income (thousands) (B)	Per Capita Personal Income (B/A)	Median Age	School Enrollment	Average Unemployment Rate
2014	2,088,371	\$ 72,007,032	\$ 34,480	32.4	411,583	8.30%
2015	2,112,619	76,202,167	36,070	31.0	410,696	6.80%
2016	2,156,651	78,139,779	36,232	31.2	408,948	6.30%
2017	2,166,777	80,367,925	37,091	31.0	431,473	5.30%
2018	2,171,603	84,230,000	38,787	32.9	403,137	4.70%
2019	2,180,085	86,386,500	39,625	33.8	406,069	4.30%
2020	2,190,000	86,400,000	39,452	33.8	407,268	14.30%
2021	2,206,750	92,778,390	42,043	33.3	399,356	6.60%
2022	2,210,942	100,279,485	45,356	33.6	398,648	3.90%
2023	2,193,656	108,570,616	49,493	33.6	397,426	5.00%

*Source: U.S. Department of Labor, Bureau of Labor Statistics; Bureau of Economic Analysis; California Employment Development Department; California Basic Educational Data Systems (CBEDS); San Bernardino County Economic Forecast; California Department of Education.*

**Omnitrans**  
**Principal Employers of San Bernardino County**  
**Last Ten Fiscal Years**

Employer	Employees	% of Total Employment	Ranking									
			2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Amazon Fulfillment Centers	10,000 - 20,000	1.03%	1	1	-	-	-	-	-	-	-	-
County of San Bernardino,	10,000 - 20,000	1.03%	2	4	3	3	3	3	3	3	1	1
Loma Linda University*	10,000 - 20,000	1.03%	3	5	6	1	1	1	1	1	3	3
San Bernardino City Unified School District	5,000 - 10,000	0.50%	4	6	4	9	9	9	9	9	5	5
Ontario International Airport, Ontario	5,000 - 10,000	0.50%	5	7	5	8	8	8	8	8	7	7
Kaiser Permanente	5,000 - 10,000	0.50%	6	8	7	5	5	5	5	5	9	9
Arrowhead Regional Medical Center	1,000 - 5,000	0.20%	7	2	1	-	-	-	-	-	-	-
Fontana Unified School District	1,000 - 5,000	0.20%	8	9	8	-	-	-	-	-	-	-
Burlington Distribution Center	1,000 - 5,000	0.20%	9	-	-	-	-	-	-	-	-	-
San Manuel Band of Mission Indians	1,000 - 5,000	0.20%	10	10	9	-	-	-	-	-	-	-

\* Includes: Loma Linda University, Loma Linda Medical Center, and VA Loma Linda Healthcare Systems

Source: San Bernardino Area Chamber of Commerce, U.S. Census Bureau, CA Employment Development Department (EDD)

**Omnitrans**  
**Riverside San Bernardino Ontario MSA**  
**(Riverside and San Bernardino Counties)**  
**Industry Employment & Labor Force Benchmark**  
**Last Ten Fiscal Years**

TITLE	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18
Civilian Labor Force	1,900,200	1,943,400	1,972,100	1,999,500	2,037,900
Civilian Employment	1,739,600	1,808,600	1,845,500	1,890,800	1,944,000
Civilian Unemployment	160,500	134,800	126,600	108,800	93,900
Civilian Unemployment Rate	8.4%	6.9%	6.4%	5.4%	4.6%
Total, All Industries	1,299,500	1,361,400	1,409,800	1,466,000	1,520,700
Total Farm	17,500	18,400	19,000	18,900	17,900
Total Nonfarm	1,282,000	1,343,000	1,390,800	1,447,100	1,502,800
Total Private	1,050,600	1,108,600	1,146,600	1,193,800	1,241,000
Goods Producing	169,000	181,700	190,900	198,800	208,300
Mining, Logging, and Construction	78,500	86,500	93,000	100,200	108,100
Mining and Logging	1,300	1,400	900	900	1,200
Construction	77,200	85,100	92,100	99,300	106,900
Construction of Buildings	12,500	13,700	14,700	15,300	15,800
Heavy & Civil Engineering Construction	10,400	11,700	12,100	12,500	12,400
Specialty Trade Contractors	54,300	59,700	65,300	71,500	78,700
Building Foundation & Exterior Contractors	14,800	16,800	18,600	22,400	25,000
Building Equipment Contractors	18,200	20,000	23,000	24,700	27,000
Building Finishing Contractors	14,000	15,400	15,800	16,100	18,000
Manufacturing	90,500	95,200	97,900	98,600	100,200
Durable Goods	60,100	63,400	64,600	64,700	65,500
Fabricated Metal Product Manufacturing	14,200	14,700	14,500	14,300	15,100
Nondurable Goods	30,400	31,800	33,300	33,900	34,700
Service Providing	1,113,000	1,161,300	1,199,900	1,248,300	1,294,500
Private Service Providing	881,600	926,900	955,700	995,000	1,032,700
Trade, Transportation & Utilities	310,100	327,400	337,800	356,000	373,700
Wholesale Trade	58,600	60,800	62,100	62,900	66,300
Merchant Wholesalers, Durable Goods	35,500	37,200	36,900	36,800	39,300
Merchant Wholesalers, Nondurable Goods	20,200	20,900	22,100	23,100	24,000
Retail Trade	166,700	171,400	174,600	178,100	178,300
Motor Vehicle & Parts Dealer	22,300	23,600	24,600	25,800	25,900
Automotive Parts, Accessories & Tire Stores	7,200	7,400	7,400	7,600	7,500
Building Material & Garden Equipment Stores	14,100	13,700	14,200	14,500	14,800
Food & Beverage Stores	32,600	33,700	34,000	33,600	33,800
Health & Personal Care Stores	10,200	10,400	10,600	11,300	11,500
Clothing & Clothing Accessories Stores	20,000	19,500	18,900	19,300	18,800
Clothing Stores	15,600	14,900	14,100	14,300	13,900
General Merchandise Stores	33,600	34,900	36,700	36,200	35,900
Transportation, Warehousing & Utilities	84,800	95,200	101,100	115,000	129,100
Utilities	5,500	5,300	5,300	5,000	4,900
Transportation & Warehousing	79,300	89,900	95,800	110,000	124,200
Truck Transportation	23,700	25,000	25,600	26,200	26,900
General Freight Trucking	17,900	19,600	19,900	20,300	21,200
Couriers & Messengers	8,600	9,600	9,500	11,000	13,600
Warehousing & Storage	31,800	39,000	44,200	56,100	66,200
Information	11,700	11,500	12,000	11,500	11,500
Publishing Industries (except Internet)	1,800	1,600	1,500	1,400	1,600
Telecommunications	5,600	5,400	5,500	5,500	5,300
Financial Activities	43,000	43,800	44,900	44,600	44,600
Finance & Insurance	26,700	26,800	27,000	26,200	25,300
Credit Intermediation & Related Activities	15,300	15,400	14,700	14,400	13,500

**Omnitrans**  
**Riverside San Bernardino Ontario MSA**  
**(Riverside and San Bernardino Counties)**  
**Industry Employment & Labor Force Benchmark (Continued)**  
**Last Ten Fiscal Years**

TITLE	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23
Civilian Labor Force	2,055,300	2,103,000	2,107,300	2,151,100	2,127,700
Civilian Employment	1,966,900	1,818,800	1,930,000	2,065,200	2,021,600
Civilian Unemployment	88,400	284,200	177,300	85,900	106,000
Civilian Unemployment Rate	4.3%	13.5%	8.4%	4.0%	5.0%
Total, All Industries	1,565,400	1,470,200	1,575,700	1,673,600	1,688,700
Total Farm	19,600	17,000	15,200	18,100	17,100
Total Nonfarm	1,545,800	1,453,200	1,560,500	1,655,500	1,671,600
Total Private	1,281,100	1,209,100	1,316,200	1,398,100	1,412,500
Goods Producing	210,900	200,600	206,800	212,800	217,100
Mining, Logging, and Construction	109,500	105,700	111,700	113,400	120,300
Mining and Logging	1,200	1,300	1,400	1,400	1,600
Construction	108,300	104,400	110,300	112,000	118,700
Construction of Buildings	16,400	16,200	17,200	17,200	18,100
Heavy & Civil Engineering Construction	12,700	12,800	12,800	12,700	14,400
Specialty Trade Contractors	79,200	75,400	80,300	82,100	86,200
Building Foundation & Exterior Contractors	24,300	22,900	24,200	24,900	26,700
Building Equipment Contractors	28,400	27,100	29,900	30,100	32,500
Building Finishing Contractors	17,700	17,000	17,600	17,200	18,200
Manufacturing	101,400	94,900	95,100	99,400	96,800
Durable Goods	65,500	60,300	59,000	61,900	57,900
Fabricated Metal Product Manufacturing	15,300	14,600	13,600	13,900	13,900
Nondurable Goods	35,900	34,600	36,100	37,500	38,900
Service Providing	1,334,900	1,252,600	1,353,700	1,442,700	1,454,500
Private Service Providing	1,070,200	1,008,500	1,109,400	1,185,300	1,195,400
Trade, Transportation & Utilities	387,600	393,300	431,000	467,200	449,600
Wholesale Trade	68,100	63,800	67,000	70,100	67,500
Merchant Wholesalers, Durable Goods	40,300	37,600	39,800	40,800	40,200
Merchant Wholesalers, Nondurable Goods	24,500	23,200	23,800	24,900	23,800
Retail Trade	177,300	161,500	174,600	181,800	179,500
Motor Vehicle & Parts Dealer	25,300	22,400	24,200	25,300	26,500
Automotive Parts, Accessories & Tire Stores	7,400	7,000	7,300	7,700	8,300
Building Material & Garden Equipment Stores	14,500	15,300	16,000	16,200	15,400
Food & Beverage Stores	33,700	35,600	35,500	36,800	37,700
Health & Personal Care Stores	11,900	9,600	11,600	12,100	39,200
Clothing & Clothing Accessories Stores	17,900	10,400	14,500	15,200	12,100
Clothing Stores	13,000	7,400	10,700	11,400	14,300
General Merchandise Stores	36,100	36,300	37,600	39,000	10,800
Transportation, Warehousing & Utilities	142,200	168,000	189,400	215,300	202,600
Utilities	4,800	5,000	5,100	5,000	5,800
Transportation & Warehousing	137,400	163,000	184,300	210,300	196,800
Truck Transportation	28,100	29,100	31,300	33,500	34,100
General Freight Trucking	21,900	22,200	23,800	25,400	25,800
Couriers & Messengers	15,200	19,000	21,400	21,800	18,200
Warehousing & Storage	76,300	99,400	114,600	135,400	126,300
Information	11,600	8,700	9,900	10,000	10,100
Publishing Industries (except Internet)	1,700	1,700	1,800	1,700	1,600
Telecommunications	5,200	4,800	4,600	4,300	4,500
Financial Activities	44,700	42,900	44,400	46,700	46,800
Finance & Insurance	24,600	24,200	24,100	23,900	23,900
Credit Intermediation & Related Activities	12,800	12,800	12,500	12,000	12,000

**Omnitrans**  
**Riverside San Bernardino Ontario MSA**  
**(Riverside and San Bernardino Counties)**  
**Industry Employment & Labor Force Benchmark (Continued)**  
**Last Ten Fiscal Years**

TITLE	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18
Depository Credit Intermediation	10,100	9,700	9,500	9,500	9,000
Nondepository Credit Intermediation	3,000	3,100	2,800	3,100	2,900
Insurance Carriers & Related	9,600	9,900	10,700	10,100	10,100
Insurance Carriers	4,100	4,100	3,900	3,500	3,100
Real Estate & Rental & Leasing	16,300	17,000	17,900	18,400	19,300
Real Estate	11,900	12,000	12,300	12,800	13,300
Professional & Business Services	134,900	144,200	142,500	145,400	150,000
Professional, Scientific & Technical Services	38,800	38,200	38,600	39,400	41,700
Management of Companies & Enterprises	8,300	8,900	9,300	8,300	8,300
Administrative & Support & Waste Services	87,800	97,100	94,600	97,700	100,000
Administrative & Support Services	84,000	93,200	91,100	93,900	95,900
Employment Services	39,700	47,700	42,700	42,900	42,300
Investigation & Security Services	12,600	12,900	14,000	15,100	15,700
Services to Buildings & Dwellings	17,800	18,600	19,300	19,600	20,300
Educational & Health Services	194,200	204,100	213,800	224,500	236,900
Educational Services	16,000	16,500	17,700	17,500	18,400
Colleges, Universities & Professional Schools	5,400	5,900	5,700	5,300	5,600
Health Care & Social Assistance	178,200	187,600	196,100	207,000	218,500
Ambulatory Health Care Services	61,700	64,700	66,900	70,600	74,100
Offices of Physicians	20,100	21,100	22,400	22,500	22,900
Hospitals	35,700	37,200	38,700	38,700	39,900
Nursing & Residential Care Facilities	24,300	24,900	25,600	25,900	27,400
Leisure & Hospitality	144,300	151,600	159,900	167,000	169,800
Arts, Entertainment & Recreation	16,800	17,400	18,300	18,700	18,500
Accommodation & Food Services	127,500	134,200	141,600	148,300	151,300
Accommodation	16,100	16,700	17,400	18,800	18,300
Food Services & Drinking Places	111,400	117,500	124,200	129,500	133,000
Restaurants	106,900	114,000	120,400	125,600	128,800
Full-Service Restaurants	45,800	47,600	49,400	50,600	51,100
Limited-Service Eating Places	61,100	66,400	71,000	75,000	77,700
Other Services	43,400	44,300	44,800	46,000	46,200
Repair & Maintenance	15,600	16,400	17,000	17,300	17,400
Personal & Laundry Services	10,900	11,500	12,000	12,700	13,000
Government	231,400	234,400	244,200	253,300	261,800
Federal Government	20,300	20,300	20,500	20,600	20,700
Department of Defense	5,800	5,800	5,700	5,600	5,700
Federal Government excluding Department of Defense	14,500	14,500	14,800	15,000	15,000
State & Local Government	211,100	214,100	223,700	232,700	241,100
State Government	28,800	29,200	30,200	30,900	31,400
State Government Education	11,800	12,000	12,800	13,400	13,500
State Government Excluding Education	17,000	17,200	17,400	17,500	17,900
Local Government	182,300	184,900	193,500	201,800	209,700
Local Government Education	107,700	110,000	116,500	122,300	128,700
Local Government Excluding Education	74,600	74,900	77,000	79,500	81,000
County	33,000	32,500	33,700	34,600	34,200
City	15,400	15,200	15,300	15,300	15,400
Special Districts plus Indian Tribes	26,200	27,200	28,000	29,600	31,400

Source: CA.Gov EDD Labor Market Info

**Omnitrans**  
**Riverside San Bernardino Ontario MSA**  
**(Riverside and San Bernardino Counties)**  
**Industry Employment & Labor Force Benchmark (Continued)**  
**Last Ten Fiscal Years**

TITLE	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23
Depository Credit Intermediation	9,100	9,000	8,300	7,500	8,100
Nondepository Credit Intermediation	2,200	2,100	2,500	2,400	2,200
Insurance Carriers & Related	10,000	9,800	9,600	9,500	9,800
Insurance Carriers	2,800	2,700	2,700	2,600	2,500
Real Estate & Rental & Leasing	20,100	18,700	20,300	22,800	22,900
Real Estate	14,000	13,600	14,800	16,200	16,600
Professional & Business Services	156,300	147,800	165,800	174,900	181,600
Professional, Scientific & Technical Services	43,500	41,100	44,200	48,400	52,200
Management of Companies & Enterprises	8,800	8,300	8,700	8,600	8,900
Administrative & Support & Waste Services	104,000	98,400	112,900	117,900	120,500
Administrative & Support Services	99,900	94,400	108,700	113,000	115,800
Employment Services	44,100	39,500	53,000	54,500	53,700
Investigation & Security Services	16,300	16,600	16,100	16,800	18,600
Services to Buildings & Dwellings	21,300	21,800	22,300	22,900	24,900
Educational & Health Services	248,000	242,600	252,000	262,300	277,400
Educational Services	18,600	16,400	16,700	18,100	19,900
Colleges, Universities & Professional Schools	5,400	5,200	4,900	5,700	5,200
Health Care & Social Assistance	229,400	226,200	235,300	244,200	257,500
Ambulatory Health Care Services	78,500	75,300	80,800	84,400	83,600
Offices of Physicians	23,000	22,500	23,400	24,200	25,000
Hospitals	41,400	41,400	42,100	43,000	44,400
Nursing & Residential Care Facilities	27,200	25,700	25,200	25,800	28,600
Leisure & Hospitality	175,500	135,200	162,400	179,700	179,900
Arts, Entertainment & Recreation	18,900	11,700	16,900	17,600	18,900
Accommodation & Food Services	156,600	123,500	145,500	162,100	161,000
Accommodation	18,400	11,500	13,400	15,400	15,800
Food Services & Drinking Places	138,200	112,000	132,100	146,700	145,200
Restaurants	133,600	109,800	128,600	143,100	141,100
Full-Service Restaurants	52,000	36,400	47,100	52,900	53,900
Limited-Service Eating Places	81,600	73,400	81,500	90,200	87,200
Other Services	46,500	38,000	43,900	44,500	50,000
Repair & Maintenance	17,600	16,000	17,600	18,800	20,700
Personal & Laundry Services	13,600	9,400	13,300	14,500	15,700
Government	264,700	244,100	244,300	257,400	259,100
Federal Government	21,000	21,700	21,200	20,800	21,200
Department of Defense	5,900	6,100	6,000	6,000	5,700
Federal Government excluding Department of Defense	15,100	15,600	15,200	14,800	15,500
State & Local Government	243,700	222,400	223,100	236,600	237,900
State Government	31,600	31,600	30,800	33,000	28,500
State Government Education	13,300	13,200	12,000	14,300	9,900
State Government Excluding Education	18,300	18,400	18,800	18,700	18,600
Local Government	212,100	190,800	192,300	203,600	209,400
Local Government Education	129,600	112,500	114,300	124,800	126,900
Local Government Excluding Education	82,500	78,300	78,000	78,800	82,500
County	34,500	35,600	34,000	32,300	31,400
City	15,600	14,000	14,400	15,500	16,600
Special Districts plus Indian Tribes	32,400	28,700	29,600	31,000	34,500

Source: CA.Gov EDD Labor Market Info

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# **Omnitrans**

## **The Economy and Economic Outlook**

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Omnitrans is located in San Bernardino County, and the county is part of the area known as the Inland Empire (IE) which covers more than 27,000 square miles and has a population of approximately 4 million. Most of the area's population is located in southwestern San Bernardino County and northwestern Riverside County.

According to the Inland Empire Economic Partnership, job losses in the Logistics Industry will cause the Inland Empire economy to grow at a slower rate in the near term. The Inland Empire should expect to see growth rates below 2% in the near future.

The unemployment rate for the Inland Empire in the latest release of regional and statewide employment data from the California Employment Development Department (EDD) is 5.0 %. This is up from 3.8% from the same time last year. The region saw a rise in the unemployment rate, which is also higher than the state of California and the national averages of 4.7 and 3.9% respectively.

The rise in the unemployment rate comes from slower employment growth in the area. A reduction in national consumer expenditures following the pandemic results in fewer imports and other shipments of goods. This significantly reduces the demand for workers in the Logistics industry. The second-largest employer in the Inland Empire.

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## **OPERATING INFORMATION**

**Omnitrans**  
**Full-Time Equivalent Employees by Function**  
**Last Ten Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2023</u>	<u>2022</u>
Administration	3	3	4	3	3
Operation	352	345	513	336	346
Maintenance	99	93	105	87	92
Information Technology	8	7	10	9	9
Marketing	13	29	32	13	12
Strategic Development	7	-	-	7	7
Human Resources	6	10	11	8	9
Safety & Security	10	5	3	3	5 *****
Procurement	20	18	18	17	18
Finance	10	10	11	10	10
Integrated Project Mgmt. Oversight (IPMO)	-	-	-	-	-
Rail	-	2	2	-	-
Special Transportation Services	<u>5</u>	<u>7</u>	<u>14</u>	<u>4</u>	<u>4</u>
<b>Total Operating Expenses</b>	<u><u>532</u></u> ****	<u><u>529</u></u> ****	<u><u>723</u></u>	<u><u>496</u></u> ****	<u><u>514</u></u> ****

\* Re-organization combined the Marketing Department and Planning Department.

\*\* Re-organization separated the Project Management Oversight (IMPO) Employees from the Planning Department.

\*\*\* *Employees of Valley Transportation Services (VTrans) joined OmniTrans in April 2016.*

\*\*\*\* Re-evaluated to Capital Projects Services Manager in Human Resources.

\*\*\*\*\* Includes active & inactive (LOA, SDI, Workers' Comp., etc.) employees.

\*\*\*\*\* Fleet Safety & Training moved from Safety & Security to Operations

Source: *Human Resources Department*

**Omnitrans**  
**Full-Time Equivalent Employees by Function (Continued)**  
**Last Ten Fiscal Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Administration	5	4	4	4	3
Operation	481	479	464	468	450
Maintenance	101	103	107	102	100
Information Technology	8	8	8	8	5
Marketing	32	30	30	29 *	24
Strategic Development	-	-	-	-	15
Human Resources	13	10	9	9	9
Safety & Security	3	4	4	3	3
Procurement	18	18	20	18	19
Finance	11	12	12	12	11
Integrated Project Mgmt. Oversight (IPMO)	- ****	1	3	4 **	-
Rail	2	2	-	-	-
Special Transportation Services	13	13	10 ***	-	-
<b>Total Operating Expenses</b>	<u>687</u>	<u>684</u>	<u>671</u>	<u>657</u>	<u>639</u>

\* Re-organization combined the Marketing Department and Planning Department.

\*\* Re-organization separated the Project Management Oversight (IMPO) Employees from the Planning Department.

\*\*\* *Employees of Valley Transportation Services (VTrans) joined OmniTrans in April 2016.*

\*\*\*\* Re-evaluated to Capital Projects Services Manager in Human Resources.

\*\*\*\*\* Includes active & inactive (LOA, SDI, Workers' Comp., etc.) employees.

\*\*\*\*\* Fleet Safety & Training moved from Safety & Security to Operations

Source: *Human Resources Department*

**Omnitrans**  
**Operating Expense by Category**  
**Last Ten Fiscal Years**

	2023	2022	2021	2020	2019
Personnel	\$ 28,414,233	\$ 26,704,911	\$ 25,941,626	\$ 31,705,410	\$ 34,946,187
Materials & Supplies	7,332,823	5,746,130	4,570,791	6,222,215	7,585,990
Casualty & Liability	7,670,437	8,798,001	8,118,892	9,308,157	7,812,623
Purchased Transportation	10,091,996	9,155,625	8,457,688	10,173,138	10,764,903
Depreciation & Other	50,574,675	42,382,983	52,111,383	53,767,412	53,370,265
<b>Total Operating Expenses</b>	<b>\$ 104,084,164</b>	<b>\$ 92,787,650</b>	<b>\$ 99,200,380</b>	<b>\$ 111,176,332</b>	<b>\$ 114,479,968</b>

*Source: Finance Department*

**Omnitrans**  
**Operating Expense by Category (Continued)**  
**Last Ten Fiscal Years**

	2018	2017	2016	2015	2014
Personnel	\$ 33,842,292	\$ 31,716,325	\$ 28,621,780	\$ 26,313,115	\$ 25,505,890
Materials & Supplies	5,584,044	7,663,731	7,288,414	9,191,072	8,533,634
Casualty & Liability	7,869,167	6,379,626	3,107,806	2,851,520	1,146,301
Purchased Transportation	8,947,264	8,803,691	9,041,314	9,261,048	9,075,431
Depreciation & Other	47,200,083	41,517,627	37,834,526	36,491,366	36,477,412
<b>Total Operating Expenses</b>	<b>\$ 103,442,850</b>	<b>\$ 96,081,000</b>	<b>\$ 85,893,840</b>	<b>\$ 84,108,121</b>	<b>\$ 80,738,668</b>

*Source: Finance Department*

**Omnitrans**  
**Operating Expense by Function**  
**Last Ten Fiscal Years**

	2023	2022	2021	2020	2019
Transportation	\$ 26,139,762	\$ 25,058,972	\$ 24,121,692	\$ 32,771,294	\$ 36,377,440
Maintenance	17,137,761	15,769,466	14,649,667	15,822,177	16,931,367
Risk Management *	7,670,437	6,278,255	9,308,157	9,308,157	7,812,623
Marketing	1,799,384	1,700,015	1,581,742	1,904,206	3,381,213
General Administration	17,852,825	12,318,912	19,572,242	20,901,379	11,354,192
Depreciation & Other **	33,483,995	31,662,030	29,966,880	30,469,119	38,623,133
<b>Total Operating Expenses</b>	<b>\$ 104,084,164</b>	<b>\$ 92,787,650</b>	<b>\$ 99,200,380</b>	<b>\$ 111,176,332</b>	<b>\$ 114,479,968</b>

\* Risk Management consist of casualty and liability costs.

\*\* Depreciation & Other cost consist of depreciation, purchased transportation, capital purchases, and miscellaneous.

Source: Finance Department



**Omnitrans**  
**Operating Expense by Function (Continued)**  
**Last Ten Fiscal Years**

	2018	2017	2016	2015	2014
Transportation	\$ 35,768,134	\$ 34,901,970	\$ 34,444,699	\$ 31,337,405	\$ 30,149,343
Maintenance	13,788,752	15,895,286	14,588,796	16,223,257	15,213,652
Risk Management *	7,869,167	6,379,626	3,107,806	2,851,520	1,146,301
Marketing	3,282,207	3,208,490	3,126,790	2,925,275	2,411,375
General Administration	13,341,246	9,315,612	6,615,304	8,147,166	8,473,242
Depreciation & Other **	29,393,344	26,380,016	24,010,445	22,623,498	23,344,755
<b>Total Operating Expenses</b>	<b>\$ 103,442,850</b>	<b>\$ 96,081,000</b>	<b>\$ 85,893,840</b>	<b>\$ 84,108,121</b>	<b>\$ 80,738,668</b>

\* Risk Management consist of casualty and liability costs.

\*\* Depreciation & Other cost consist of depreciation, purchased transportation, capital purchases, and miscellaneous.

Source: Finance Department

**Omnitrans**  
**Capital Asset by Function**  
**Last Ten Fiscal Years**

	2023	2022	2021	2020	2019
Fixed Route:					
Buses	169	169	173	189	190
Paratransit:					
Paratransit buses	74	74	105	119	137
Paratransit vans	-	-	-	-	-
Support vehicles:					
Vans, cars & trucks	66	66	66	76	93

*Source: Finance Department*

**Omnitrans**  
**Capital Asset by Function (Continued)**  
**Last Ten Fiscal Years**

	2018	2017	2016	2015	2014
Fixed Route:					
Buses	208	188	199	191	186
Paratransit:					
Paratransit buses	137	109	144	122	126
Paratransit vans	-	-	6	9	10
Support vehicles:					
Vans, cars & trucks	88	68	43	40	37

*Source: Finance Department*

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