



## ORANGE COUNTY TRANSPORTATION CORRIDOR

### AGENCIES FACE FINANCIAL SHORTFALL

June 2020  
truthinaccounting.org

#### FINANCIAL STATE OF TCA

A new analysis of the audited financial reports found Orange County's Transportation Corridor Agencies (TCA) have a combined debt of \$4.1 billion. This financial state of TCA combines the financial reports of San Joaquin Hills Transportation Corridor Agency and the Foothill Eastern Transportation Corridor Agency.

The agencies' primary focus is the operation of the facilities and collection of tolls to repay the tax-exempt revenue bonds that were issued to construct the toll roads, also known as transportation corridors. Included in this analysis is \$13.3 million in unfunded pension liabilities, although the agencies have announced a plan to fund these benefits in their 2020 budget.

The agencies' money needed to pay bills includes debt used to fund design, planning and construction of the corridors. Upon completion of construction the ownership of the corridors was transferred to Caltrans, California's Department of Transportation which manages more than 50,000 highway miles. The agencies, therefore, gave away the asset but kept the associated debt. Furthermore, the debt related to the corridors has grown continually to now stand at \$4.1 billion.

#### THE TRUTH:

**\$828.3 million**

Assets available to pay bills

**\$5 billion**

Total bills

**-\$4.1 billion**

Money needed to pay bills

## TRANSPORTATION CORRIDOR AGENCIES FINANCIAL BREAKDOWN

#### FAST FACTS

- Orange County TCA has \$828.3 million available to pay \$5 billion worth of bills. The outcome is a \$4.1 billion shortfall. Users of the tollways and new homeowners will be paying this debt and associated interest for years to come.
- The agencies use tolls, fees, and fines collected from the corridors to repay the related debt and have no taxing authority.
- Included in the fees are development impact fees that are attached to new construction built in Orange County.
- Due to the coronavirus pandemic, the agencies have reported a significant reduction in ridership and toll collection so that users of the tollways and property owners will be paying this debt and associated interest for much longer than was expected.

#### THE AGENCIES' BILLS EXCEED THE ASSETS

Total assets	\$1,627,333,000
<i>Minus:</i> Capital assets	-\$122,886,000
Restricted assets	-\$676,118,000
Assets available to pay bills	\$828,329,000
<i>Minus:</i> Total bills	-\$4,955,086,000
Money needed to pay bills	\$4,126,757,000

#### BILLS THE AGENCIES HAVE ACCUMULATED

Bonds	\$4,770,115,000
Other liabilities	\$171,718,000
<i>Minus:</i> Debt related to capital assets	\$0
Unfunded pension benefits	\$13,253,000
Total bills	\$4,955,086,000