



LOSSAN Rail Corridor Agency

Executive Committee Meeting

Agenda

Thursday, February 5, 2026 at 9:00 a.m.

OCTA Headquarters, 550 South Main Street, Orange, California

Committee Members

Fred Jung, OCTA, Chair
Fred Strong, SLOCOG, Vice Chair
Jewel Edson, NCTD
Dana Reed, RCTC
Jason Jewell, Managing Director

Teleconference Locations:

Solana Beach City Hall
635 South Highway 101
Solana Beach, California

1714 Westfield Road
Paso Robles, CA

Indian Wells City Hall
44950 Eldorado Dr.
Indian Wells, CA

Any person with a disability who requires a modification or accommodation to participate in this meeting should contact the LOSSAN Clerk of the Board, telephone (714) 560-5676, no less than two business days prior to this meeting to enable LOSSAN to make reasonable arrangements to assure accessibility to this meeting.

Agenda Descriptions

Agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Board of Directors may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

Public Availability of Agenda Materials

All documents relative to the items referenced in this agenda are available for public inspection at www.lossan.net or through the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Clerk of the Board's office at: Orange County Transportation Authority Headquarters (OCTA), 600 South Main Street, Orange, California.



EXECUTIVE COMMITTEE MEETING AGENDA

Meeting Access and Public Comments on Agenda Items

Members of the public can either attend in-person or access live streaming of the Board and Committee meetings by clicking this link: <https://lossan.legistar.com/Calendar.aspx>

In-Person Comment

Members of the public may attend in-person and address the Board of Directors regarding any item within the subject matter jurisdiction of the LOSSAN Rail Corridor Agency. Please complete a speaker's card and submit it to the Clerk of the Board and notify the Clerk regarding the agenda item number on which you wish to speak. Speakers will be recognized by the Chair at the time of the agenda item is to be considered by the Board. Comments will be limited to three minutes. The Brown Act prohibits the Board from either discussing or taking action on any non-agendized items.

Written Comment

Written public comments may also be submitted by emailing them to lossanclerk@octa.net, and must be sent by 5:00 p.m. the day prior to the meeting. If you wish to comment on a specific agenda item, please identify the Item number in your email. All public comments that are timely received will be part of the public record and distributed to the Board. Public comments will be made available to the public upon request.

Call to Order

Roll Call

Pledge of Allegiance

Closed Session

A Closed Session is not scheduled.

Special Calendar

There are no Special Calendar Matters.

Consent Calendar (Items 1 and 2)

All items on the Consent Calendar are to be approved in one motion unless a Board Member or a member of the public requests separate action or discussion on a specific item.

1. Approval of Minutes

Recommendation(s)

Approve the minutes of the November 6, 2025 LOSSAN Rail Corridor Agency Executive Committee meeting.



EXECUTIVE COMMITTEE MEETING AGENDA

Attachments:

[Minutes](#)

2. Semiannual Progress Report of the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency 2025 Work Plan

Overview

On February 18, 2025, the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency Board of Directors approved the 2025 Work Plan, which highlighted the key initiatives that would be undertaken in support of the 2023 Strategic Plan goals. As part of the implementation of the 2025 Work Plan, progress reports that summarize the status of the tasks being done in support of the annual work plan are provided to the Board of Directors on a semiannual basis. The semiannual progress report provides an update on activities in support of the 2025 Work Plan from July 2025 to December 2025.

Recommendation(s)

Receive and file as an information item.

Attachments:

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

Regular Calendar

3. Fiscal Year 2024-25 Annual Financial Statement Audit

Overview

The Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency is required to complete an annual financial audit pursuant to Government Code Section 6505.6, and as specified in the joint powers agreement, bylaws, and the administrative support agreement. Crowe LLP, an independent accounting firm, has completed the annual audit of the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency financial statements for fiscal year 2024-25, and has issued its independent auditors' opinion.

Recommendation(s)

Receive and file the fiscal year 2024-25 Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency audited annual financial statements and accompanying independent auditor's report.

Attachments:



EXECUTIVE COMMITTEE MEETING AGENDA

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

Discussion Items

4. Draft Annual Business Plan for Fiscal Year 2026-27

Overview

Staff will provide an update on the development of the fiscal year 2026-27 Annual Business Plan.

5. Pacific Surfliner Expanded Service Pilot

Overview

Staff will give a verbal update on the Pacific Surfliner expanded service.

6. Pacific Surfliner Service Update

Overview

Staff will give a verbal update on the service.

7. Pacific Surfliner Marketing Update

Overview

Staff will provide a summary of marketing activities and performance.

Attachments:

[PowerPoint](#)

8. Public Comments

9. Managing Director's Report

10. Committee Members' Report

11. Adjournment

The next regularly scheduled meeting of this Committee will be held:

9:00 a.m. on Thursday, March, 5, 2026

OCTA Headquarters
550 South Main Street
Orange, California



EXECUTIVE COMMITTEE MEETING AGENDA

Committee Members Present

In-Person

Fred Jung, Chair
Jason Jewell, Managing Director

Staff Present

Andrea West, Clerk of the Board
Allison Cheshire, Clerk of the Board Specialist, Senior
James Donich, General Counsel
LOSSAN Staff

Via Teleconference

Vice Chair Strong
Jewel Edson
Dana Reed

Call to Order

The November 6, 2025 meeting of the Executive Committee meeting was called to order by Chair Jung at 9:01 a.m.

Roll Call

The Clerk of the Board conducted an attendance roll call and announced a quorum of the Executive Committee.

Consent Calendar

1. Approval of Minutes

A motion was made by Director Edson, seconded by Director Reed, and following a roll call vote, declared passed 4-0, to approve the minutes of the LOSSAN Rail Corridor Agency October 14, 2025, Executive Committee Special Meeting.

Regular Calendar

2. 2026 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Legislative Program

Jason Jewell, Managing Director, provided a report on this item.

A motion was made by Vice Chair Strong, seconded by Director Reed, and following a roll call vote, declared passed 4-0, to adopt the 2026 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Legislative Program.

Discussion Item

3. Pacific Surfliner Equipment and Service Update

Chris Orlando, Deputy Managing Director, provided a report on this item.

No action was taken on this item.

4. Temporary Santa Barbara Service Update

Jason Jewell, Managing Director, provided a report on this item.

A written public comment was received from the Santa Barbara Association of Governments and was emailed to the Committee Members on November 5, 2025 at 5:05 p.m.

No action was taken on this item.

5. Public Comments

No Public Comments were received.

6. Managing Director's Report

Jason Jewell, Managing Director, provided an update on ridership.

7. Committee Members' Report

Director Reed requested an update on impacts of Senate Bill 707. James Donich, General Counsel, reported there are no impact to the agency.

8. Adjournment

The meeting adjourned at 9:20 a.m.

The next regularly scheduled meeting of this Committee will be held at **9:00 a.m. on Thursday, February 5, 2026**, OCTA Headquarters, 550 South Main St., Orange, CA.

ATTEST

Andrea West
Clerk of the Board



February 5, 2026

To: Members of the Executive Committee

From: Jason Jewell, Managing Director

Subject: Semiannual Progress Report of the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency 2025 Work Plan

Overview

On February 18, 2025, the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Board of Directors approved the 2025 Work Plan, which highlighted the key initiatives that would be undertaken in support of the 2023 Strategic Plan goals. As part of the implementation of the 2025 Work Plan, progress reports that summarize the status of the tasks being done in support of the annual work plan are provided to the Board of Directors on a semiannual basis. The semiannual progress report provides an update on activities in support of the 2025 Work Plan from July 2025 to December 2025.

Recommendation

Receive and file as an information item.

Discussion

As part of the approval by the Board of Directors (Board) of the 2023 Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Strategic Plan, direction was given to utilize the Strategic Plan in the development of an Annual Work Plan. The Annual Work Plan lays out projects that would be undertaken for that calendar year in support of goals included in the Strategic Plan. The Annual Work Plan was not intended to be an exhaustive listing of all tasks that the LOSSAN Agency undertakes during the calendar year, but rather key projects and initiatives that support the LOSSAN Agency's strategic goals.

The Semiannual Progress Report summarizes the status of each objective listed in the Annual Work Plan, highlighting the accomplishments from July 2025 through December 2025. The Report also includes anticipated activities aimed at furthering the objectives after the reporting period. Detailed information on

both current progress and expected future activities for each objective can be found in Attachment B.

At the October 20, 2025 Board meeting, the Board approved aligning the annual Board Goals and Initiatives and the Agency Work Plan with the Annual Business Plan development process on a fiscal year basis from a calendar year basis. By doing so, this will streamline planning, create consistency in how progress is tracked and reported, and provide a stronger connection between annual goals, work plan initiatives, and the funding requests for their implementation. The adjustment represents a natural evolution of the LOSSAN Agency's planning framework and will allow the Board and stakeholders to view priorities, strategies, and outcomes within a unified FY structure.

A special interim progress report highlighting key accomplishments and advancements of strategic initiatives contained in the 2023 Strategic Plan Update between January 2026 and June 2026, which is the intermediate period during the transition from a calendar year to a fiscal year basis for the Board Goals and Initiatives and the Annual Work Plan, is anticipated to be provided to the Board of Directors during its regular meeting scheduled on July 20, 2026.

Semi-Annual Progress Report

One of the LOSSAN Agency's most significant accomplishments during the second half of Calendar Year 2025 was the completion of planning and coordination efforts required to implement the 13th daily round trip, which entered revenue service shortly after the close of the reporting period on January 26, 2026. This effort involved close coordination with Amtrak, the California Department of Transportation, host railroads along the LOSSAN rail corridor, and other key stakeholders to secure equipment, develop and obtain approval for an operating schedule, and ensure the availability of staffing and resources necessary to support service implementation. The addition of the 13th round trip represents a major milestone in fully restoring pre-pandemic service levels and was made possible by the \$27.1 million grant awarded to the LOSSAN Agency through the Federal Railroad Administration's Restoration and Enhancement Grant Program. This service enhancement reflects meaningful progress toward the goals and priorities established in the California State Rail Plan, as well as the LOSSAN Agency's Annual Business Plan and Strategic Plan.

In addition, during the second half of Calendar Year 2025, the LOSSAN Agency made progress on other objectives from the work plan. Highlights of achievements during this period include:

- Established partnerships with top-visited amusement parks along the corridor to showcase how Pacific Surfliner connects riders to some of Southern California's most popular tourist destinations, while generating approximately \$60,000, in advertising revenue.
- Execution of a targeted digital advertising campaign during 2025 Rail Safety Month in September, implemented in partnership with California Operation Lifesaver, to reinforce rail safety awareness within rail corridor communities identified based on recent trespasser-related incident data.
- Completion of new wayfinding signage installations at Anaheim Station and Santa Barbara Station to improve navigation for Pacific Surfliner passengers. Staff is currently engaged in planning discussions with Amtrak to evaluate and address additional signage needs at Camarillo Station, Burbank Station, and San Diego – Old Town Station.
- Timely execution of the semiannual menu refresh and annual price list update for the Pacific Surfliner Market Café on October 1, 2025, followed by implementation of the first “After Hours Happy Hour” promotion pilot on November 7, 2025. The pilot offers discounted pricing on a selection of alcoholic and alcohol-free beverages daily after 8:00 pm and is intended to increase customer activity and sales revenue, supporting improved financial productivity and cost recovery during late evening operating hours.

Additional details on milestones which have either been accomplished or are continuous in nature, as well as those which have been extended or delayed, are provided in Attachment B.

Summary

A semiannual progress report for the 2025 Work Plan is provided for the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Board of Directors to review.

Attachments

- A. 2025 LOSSAN Board Goals & Initiatives
- B. 2025 LOSSAN Agency Work Plan Progress Report – July 2025 to December 2025.



MISSION

To be Southern California's premier transportation experience to the state's most desirable destinations.

VISION

To be the foundation of Southern California rail travel, fully integrated with our transit partners, and helping travelers create lifelong memories by:

- Providing a high-quality customer experience;
- Achieving world class operations; and
- Ensuring long-term sustainability.

2025 LOSSAN Board Goals & Initiatives

MAXIMIZE CUSTOMER FOCUS

Improving User Experience

- Work with Amtrak to complete wayfinding signage update at stations
- Review and adjust Café Car menu to prioritize locally sourced products, coordinating with Amtrak on biannual menu refreshes that showcase local and regional products, and implementing enhancements throughout the year, as needed
- Develop and implement marketing strategies to increase ridership with a focus on retaining current customers and attracting new riders
- Continue to work with Amtrak on identifying solutions to offer checked baggage services in a cost effective and efficient way
- Develop initiatives to enhance the on-board experience for customers

Integrating with Destinations

- Focus on planning efforts for major upcoming events, including the LA28 Olympics and World Cup, by coordinating with Amtrak and regional stakeholders
- Build partnerships with venues, convention and visitor bureaus, universities and schools, cities, counties, and other corridor stakeholders to enhance connectivity, boost ridership, and improve mobility

Integrating with Transportation Partners

- Work with regional partners and stakeholders to develop regional fare products and programs that provide rail flexibility and equitable farebox recovery

Maintaining Sustainable Fares

- Advance implementation of demand pricing pilot
- Assess current fare structure to ensure it meets Agency financial and operating objectives

OPTIMIZE OPERATIONS OF PACIFIC SURFLINER SERVICE

Expanding Service

- Coordinate with Amtrak, Caltrans, and JPA partners to implement strategic service level increases that support long-term service goals consistent with the State Rail Plan and the LOSSAN Agency Strategic Plan

Providing Better System Performance

- Complete the final design of the Central Coast Layover Facility
- Advance designs of the Goleta Layover Facility expansion and the Leesdale Siding, coordinating with project stakeholders

- Coordinate with transportation partners and stakeholders to promote rail safety and improve reliability

Improving Regional Connectivity

- Implement the Federal Corridor Identification and Development Program with Caltrans by coordinating corridor-wide efforts with key stakeholders
- Review existing rail interoperability services and explore additional opportunities, focusing on a seamless rider experience, financial sustainability, operational impact, and overall alignment with organizational goals



PRIORITIZE BUSINESS SUSTAINABILITY

Being Fiscally Responsible

- Create mid- to long-term financial plan to address future funding needs
- Develop and implement a plan for generating advertising revenue through train wraps and other onboard assets

Being Leaders in Business Management

- Research and leverage federal and state operating and capital funding opportunities that support LOSSAN Agency goals
- Maintain sound financial and business management practices, including utilizing key business and performance metrics to drive decisions

Supporting Equity and Inclusion

- Expand multilingual marketing efforts to ensure equitable access to the Pacific Surfliner
- Improve accessibility at stations by implementing the signage improvement plan

Being Environmentally Conscious

- Coordinate with stakeholders on corridor-wide efforts to address coastal erosion and climate change
- Participate as a key stakeholder in the SB1098 working group to address corridor sustainability and improvements

2025 LOSSAN Agency Work Plan Progress Report – July 2025 to December 2025**INITIATIVE: MAXIMIZE CUSTOMER FOCUS**

Goal: Improving User Experience

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Work with Amtrak to complete wayfinding signage update at stations.	Coordinate with Amtrak to ensure consistency in signage plan for each station.	Ongoing	On-Target	The LOSSAN Agency recently completed installation of new signage at Anaheim Station and Santa Barbara Station. Planning discussions are currently underway to address remaining signage needs at Camarillo Station, Burbank Station, and Old Town Station.
	Support Amtrak through coordination in an effort to address ADA deficiencies at stations.	Ongoing	On-Target	The LOSSAN Agency is acting in a support role, as required by Amtrak.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Review and adjust Cafe Car menu to prioritize locally sourced products, coordinating with Amtrak on biannual menu refreshes that showcase local and regional products, and implementing enhancements throughout the year, as needed.	Execute semiannual menu refreshes in April and October.	October 2025	Completed	Semiannual menu refreshes were successfully executed both on April 2, 2025, and October 1, 2025.
	Implement an updated price list to reflect rising product and operational costs.	October 2025	Completed	Successfully implemented as part of the menu refresh executed on October 1, 2025. In addition, on November 7, 2025, the LOSSAN Agency implemented its first "After Hours Happy Hour" promotion pilot after 8:00 p.m. daily to boost Market Café sales during late evening hours, including discounted alcoholic and alcohol-free beverage offerings.
	Implement a new visual identity for the café Car with updated fonts, color schemes, and visual designs across menus and other customer-facing materials.	October 2025	Completed	Successfully implemented as part of the menu refresh executed on October 1, 2025.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Develop and implement marketing strategies to increase ridership with a focus on retaining current customers and attracting new riders.	Drive ridership through digital advertising and paid media.	Ongoing	On-Target	By December 2025, a variety of partnerships, advertising, and marketing campaigns were implemented to drive ridership.
	Grow and optimize the email marketing channel.	Ongoing	On-Target	In October 2025, a thorough cleanup of email marketing lists was completed to remove inactive and outdated contacts. This effort is ongoing and is intended to improve open rates, strengthen audience engagement, and enhance the overall effectiveness of email marketing campaigns.
	Increase social media engagement and content output.	Ongoing	On-Target	In October 2025, social media impressions increased by 45.2 percent, engagements increased by 12.2 percent, and net audience growth increased by 756.5 percent year over year.
Continue to work with Amtrak on identifying solutions to offer checked baggage services in a cost effective and efficient way.	Coordinate with Amtrak to analyze cost recovery options for implementing checked baggage service, including development of a per-bag fee structure.	July 2025	Delayed	Launch is anticipated in FY26 Q3. Amtrak is finalizing its communication plan to notify passengers of the upcoming baggage service changes and updating policy language throughout its national communication channels.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Develop initiatives to enhance the on-board experience for customers.	Implement a standardized set of evergreen questions for all online passenger surveys to consistently measure satisfaction over time.	March 2025	Completed	
	Assess the feasibility of an onboard entertainment platform for passengers and initiate procurement if implementation is warranted.	November 2025	In Development	The LOSSAN Agency received an initial pricing proposal from its existing Wi-Fi provider for an onboard entertainment platform on the Pacific Surfliner and is continuing to work with the vendor to evaluate feasibility. A final decision on implementation is anticipated by February 2026, with launch planned in FY 2026–27 if the platform moves forward.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------

INITIATIVE: MAXIMIZE CUSTOMER FOCUS

Goal: Integrating with Destinations

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Focus on planning efforts for major upcoming events, including the LA28 Olympics and World Cup, by coordinating with Amtrak and regional stakeholders.	Participate in the LA28 GME Regional Rail Subcommittee Meetings.	Ongoing	In Development	Continued participation in coordination meetings with stakeholders, although discussions regarding integration of schedules, fares, or signage for the events have not yet occurred.
Build partnerships with venues, convention and visitor bureaus, universities and schools, cities, counties, and other corridor stakeholders to enhance connectivity, boost ridership, and improve mobility.	Build and strengthen relationships with regional partners.	Ongoing	On-Target	Developed a comprehensive field marketing plan that includes stakeholders and partners in every county along the corridor.
	Collaborate on co-branded marketing and event campaigns.	Ongoing	On-Target	Executed co-branded campaigns, including one with California Operation Lifesaver for Rail Safety Month in September, and participated in Train Festival 2025 at Los Angeles Union Station.
	Market the Pacific Surfliner to major destinations.	Ongoing	On-Target	Launched a new partnership with SeaWorld and continued partnerships with Disneyland and the San Diego Zoo.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------

INITIATIVE: MAXIMIZE CUSTOMER FOCUS

Goal: Integrating with Transportation Partners

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Work with regional partners and stakeholders to develop regional fare products and programs that provide rail flexibility and equitable farebox recovery.	Participate in State-led fare integration discussions and collaborate with regional partners to evaluate fare media options and develop flexible, equitable regional fare products. Coordinate with CalSTA and Caltrans on statewide efforts to implement integrated fare systems through initiatives like Cal-ITP.	Ongoing	On-Target [TYPE]	LOSSAN Agency is actively participating as a founding member of the California Rail Payments Alliance, led by CalSTA. [TYPE]

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------

INITIATIVE: MAXIMIZE CUSTOMER FOCUS

Goal: Maintaining Sustainable Fares

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Advance implementation of demand pricing pilot.	Coordinate with Amtrak to resolve technical and operational issues related to implementation of demand-based pricing.	July 2025	Delayed	The LOSSAN Agency is in ongoing discussions with Amtrak to resolve any remaining issues to allow the demand pricing pilot to move forward to the next phase of planning and implementation. Progress on this effort is contingent on finalizing the fully reserved seating transition and approach to supporting Rail 2 Rail (R2R).
	Work with Amtrak to define reserved seating enforcement policies and assess feasibility of phased implementation.	September 2025	Delayed	The LOSSAN Agency is currently working with Amtrak to develop a plan for transitioning to fully reserved coach seating, which would serve as the first step in implementing the demand pricing pilot. This effort is contingent on the interim R2R approach currently under coordination.
	Evaluate options to integrate Metrolink and NCTD cross-honoring into the Amtrak reservation system, including use of the RideReserve platform.	December 2025	Delayed	The LOSSAN Agency is coordinating with Amtrak to implement an interim R2R approach that directs Metrolink and COASTER riders to trains with available capacity, supporting cross honor access while maintaining seating for reserved Pacific Surfliner passengers.

COMPLETED

ON-TARGET

IN DEVELOPMENT

ON-HOLD

DELAYED

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Assess current fare structure to ensure it meets Agency financial and operating objectives.	Coordinate with Amtrak to determine feasibility of short-term fare structure changes and document recommended interim adjustments.	June 2025	Completed	The LOSSAN Agency has been coordinating with Amtrak on potential short term fare changes. It was determined that postponing these changes until the demand pricing pilot is implemented will avoid placing multiple fare adjustments on passengers in a short period and help maintain a positive impression.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------

INITIATIVE: OPTIMIZE OPERATIONS OF PACIFIC SURFLINER SERVICE

Goal: Expanding Service

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Coordinate with Amtrak, Caltrans, and JPA partners to implement strategic service level increases that support long-term service goals consistent with the State Rail Plan and the LOSSAN Agency Strategic Plan.	Implement 11th, 12th and 13th roundtrips between Los Angeles and San Diego.	December 2025	On-Target	Implemented the 11th round trip on March 31, 2025, and the 12th round trip on June 16, 2025. Equipment was secured and the schedule for the 13th round trip was approved by the host railroads by the end of December 2025, with the 13th round trip scheduled for implementation on January 26, 2026.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------

INITIATIVE: OPTIMIZE OPERATIONS OF PACIFIC SURFLINER SERVICE

Goal: Providing Better System Performance

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Complete the final design of the Central Coast Layover Facility.	Continue to hold regular, bi-weekly meetings with Design Consultant to ensure project is progressing on schedule and on budget.	September 2025	On-Hold	Design is near completion but has been put on hold pending further progress on property purchase negotiations.
	Update project status dashboard with critical data relating to budget and schedule on a monthly basis and make it available to upper management.	Ongoing	On-Target	These updates have been submitted on a regular monthly basis since January 2025 and are design phase focused. An overall project dashboard is being developed and will take over once the design phase is complete.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Complete the final design of the Central Coast Layover Facility.	Track project risks and lessons learned on a regular basis. Develop strategies to mitigate and manage risk. Develop recovery plans/schedules should additional, unforeseen work be required.	Ongoing	On-Target	A lessons learned table has been developed and will be updated on a regular basis.
Advance designs of the Goleta Layover Facility expansion and the Leesdale Siding, coordinating with project stakeholders.	For Goleta, develop plan for alternative sites since existing location is not conducive for UPRR maintenance access. Develop Evaluation Criteria for these sites, score and rank them, and make decision on which site to move forward on keeping UPRR in the loop throughout the process.	July 2025	Completed	Alternatives were evaluated both in the field and in the office, and cost estimates were prepared and assessed. Due to the higher cost of alternative sites, it was determined to revisit the current site. While future expansion at the current site was initially a concern, engineering concepts were developed that demonstrated the Goleta Station site could accommodate future expansion. The next step is to resume 30 percent design.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Advance designs of the Goleta Layover Facility expansion and the Leesdale Siding, coordinating with project stakeholders.	For Leesdale, continue to hold regular, bi-weekly meetings with Design Consultant and make updates to project dashboard to ensure project is progressing on schedule and on budget. Also hold a broader bi-annual meeting for all stakeholder parties involved.	March 2026	On-Target	Biweekly meetings are continuing and will do so through the anticipated completion date. The next biannual meeting is expected within the next few months.
	For Leesdale, track project risks and lessons learned on a regular basis. Develop strategies to mitigate and manage risk. Develop recovery plans/schedules should additional, unforeseen work be required.	Ongoing	On-Target	A lessons learned table has been developed and will be updated on a regular basis.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Coordinate with transportation partners and stakeholders to promote rail safety and improve reliability.	Reestablish partnership with Operation Lifesaver.	September 2025	Completed	Initiated a 2025 partnership with Operation Lifesaver for Rail Safety Month, which included execution of a targeted digital advertising campaign during September.
	Expand placement of mental health awareness signage.	September 2025	Completed	Several locations were identified and signage was installed, including at several stations along the northern portion fo the corridor.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------

INITIATIVE: OPTIMIZE OPERATIONS OF PACIFIC SURFLINER SERVICE

Goal: Improving Regional Connectivity

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Implement the Federal Corridor Identification and Development Program with Caltrans by coordinating corridor-wide efforts with key stakeholders.	Participate in state and federal Corridor ID planning processes.	Ongoing	On-Hold	Participating in meetings with Caltrans, FRA, and other stakeholders, as necessary. The effort is currently on hold pending release of the Notice of Funding Opportunity (NOFO) by the FRA to fund the next step of the program.
Review existing rail interoperability services and explore additional opportunities, focusing on a seamless rider experience, financial sustainability, operational impact, and overall alignment with organizational goals.	Conduct evaluation of the Rail 2 Rail program, including codeshare pilot with Metrolink north of Los Angeles, to determine effectiveness and feasibility of expansion to other segments of the corridor.	Ongoing	On-Target	Evaluation of the R2R program, including the Metrolink codeshare pilot, is underway and focused on effectiveness, feasibility, and alignment with potential demand based pricing strategies. The Metrolink agreement was renewed in July 2025 for a one year term, and the North County Transit District (NCTD) R2R agreement was renewed in January 2026 for a three-year term.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------

INITIATIVE: PRIORITIZE BUSINESS SUSTAINABILITY

Goal: Being Fiscally Responsible

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Create mid- to long-term financial plan to address future funding needs.	Develop 5-year financial forecast for operations and capital projects.	September 2025	In Development	Work has continued to progress on complex models that will provide a long-term forecast for Pacific Surfliner operations and capital expenses. These models encompass forecasted cost categories including Amtrak operating, administrative, and marketing costs.
	Creation of cash flow models based on historical information, service projections and other macro-economic assumptions.	September 2025	In Development	Development of these cash flows is ongoing, with work expected to be complete by June 2026. Significant progress has been made. Once complete, a testing period will be conducted to ensure the models function properly for decision making purposes.
Develop and implement a plan for generating advertising revenue through train wraps and other onboard assets.	Release a Request for Proposals (RFP) to bring on a vendor to provide advertising services.	November 2025	Delayed	Due to staffing transitions during the second half of FY 2025–26, no further progress on this item is expected until FY 2026–27 at the earliest.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------

INITIATIVE: PRIORITIZE BUSINESS SUSTAINABILITY

Goal: Being Leaders in Business Management

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Research and leverage federal and state operating and capital funding opportunities that support LOSSAN Agency goals.	Coordinate with stakeholders and member agencies to leverage funding opportunities.	Ongoing	On-Target	This is an ongoing business process. The LOSSAN Agency continues to leverage funding opportunities in coordination with external stakeholders and member agencies. Recent examples include the R&E grant through coordination with Caltrans in the amount of \$27.2 million, the 2024 TIRCP through coordination with the CRCC totaling \$26.2 million, and the 2022 SCCP through collaboration with VCTC totaling \$43.5 million.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Maintain sound financial and business management practices, including utilizing key business and performance metrics to drive decisions.	Develop a centralized KPI dashboard using Power BI to improve internal visibility of financial and operational performance metrics.	December 2025	On-Target	This project is currently in progress. Staff is working to develop and manage large data sets to produce KPI information to support decision making and evaluate the use of operational and capital funding. These are new processes that will require additional time to develop fully.
	Maintain and enhance internal datasets to support data-driven decision-making and expand tracking of key business indicators.	December 2025	In Development	Staff are working with Amtrak to identify additional datasets available for LOSSAN Agency use. Once determined, staff will compile new information along with currently collected data to enhance the key indicators provided to executive management.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------

INITIATIVE: PRIORITIZE BUSINESS SUSTAINABILITY

Goal: Supporting Equity and Inclusion

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Expand multilingual marketing efforts to ensure equitable access to the Pacific Surfliner.	Deploy evergreen Spanish language advertising.	November 2025	On-Target	Deployed Spanish language advertising for Visit Santa Ana and began issuing all press releases in both English and Spanish.
Improve accessibility at stations by implementing the signage improvement plan.	Develop station-specific signage plans.	March 2026	On-Target	Approximately half of the stations have been completed, and the pace of work has increased to approximately one station every one to two weeks.
	Complete standard signage template designs for consistency between stations.	March 2026	On-Target	Ongoing coordination with Amtrak to ensure consistency with Pacific Surfliner signage.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------

INITIATIVE: PRIORITIZE BUSINESS SUSTAINABILITY

Goal: Being Environmentally Conscious

Objective	Supporting Activities	Anticipated Completion Date	Status	Notes
Support coastal rail protection and sustainability efforts along the LOSSAN Corridor including opportunities for streamlining project permitting.	Coordinate with railroad owners and stakeholders on support and implementation of coastal rail protection projects along the corridor.	Ongoing	On-Target	Five priority locations in the Santa Barbara Subdivision have been identified for drainage repairs. Construction is anticipated to begin in summer 2026.
	Support legislation and funding efforts to advance resilient infrastructure and service improvements, including streamlining permitting for high-risk areas in the corridor.	Ongoing	On-Target	Providing required information in support of SB 1098 and coordinating with Union Pacific Railroad and its consultants to help frame arguments for easing permitting requirements to advance additional seawall work.
Participate as a key stakeholder in the SB1098 working group to address corridor sustainability and Improvements.	Attend 1098 Stakeholder meetings and actively participate in the planning process.	December 2025	Delayed	Meetings have not yet been scheduled by CalSTA. Information is in the process of being prepared at CalSTA's request for incorporation into the legislative report.

COMPLETED	ON-TARGET	IN DEVELOPMENT	ON-HOLD	DELAYED
-----------	-----------	----------------	---------	---------



February 5, 2026

To: Members of the Executive Committee

From: Jason Jewell, Managing Director 

Subject: Fiscal Year 2024-25 Annual Financial Statement Audit

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency is required to complete an annual financial audit pursuant to Government Code Section 6505.6, and as specified in the joint powers agreement, bylaws, and the administrative support agreement. Crowe LLP, an independent accounting firm, has completed the annual audit of the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency financial statements for fiscal year 2024-25, and has issued its independent auditors' opinion.

Recommendation

Receive and file the fiscal year 2024-25 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency audited annual financial statements and accompanying independent auditor's report.

Background

The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) contracted with an independent public accounting firm to perform an annual audit of the accounts of the LOSSAN Agency pursuant to Government Code Section 6505.6, and as specified in the LOSSAN joint powers agreement, bylaws, and the administrative support agreement.

Following a joint competitive procurement with its managing agency, the Orange County Transportation Authority, the LOSSAN Agency entered into an agreement with Crowe LLP on May 20, 2024, to conduct annual financial audits for fiscal years (FY) 2023-24, 2024-25, and 2025-26. The agreement also includes an option to extend the contract for an additional two fiscal years, covering FY 2026-27 and FY 2027-28. The audit for FY 2024-25 marked the second year of the initial three-year term.

LOSSAN Agency staff prepares the annual financial statements.

Discussion

On December 22, 2025, Crowe LLP completed its annual audit and issued an unmodified (also known as “clean”) opinion of the LOSSAN Agency financial statements for the FY that ended June 30, 2025 (Attachment A). The audit was conducted in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

This unmodified opinion indicates that the LOSSAN Agency financial statements, “present fairly, in all material respects, the financial position of the LOSSAN Agency, as of June 30, 2025, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.”

As part of the annual audit, Crowe LLP reported internal controls over financial reporting and compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards. Crowe LLP found no deficiencies in internal controls for the LOSSAN Agency.

Crowe LLP is also required to communicate other significant audit matters to the Board that are related to the financial statements. Crowe LLP has communicated no other significant audit matters (Attachment B) and reported no audit adjustments or misstatements for the fiscal year ended June 30, 2025.

Summary

Staff prepared the LOSSAN Rail Corridor Agency’s annual financial statements for the fiscal year that ended June 30, 2025. Crowe LLP, an independent accounting firm, has audited the financial statements and has issued an unmodified opinion as to the fairness of the financial statements’ presentation.

Attachments

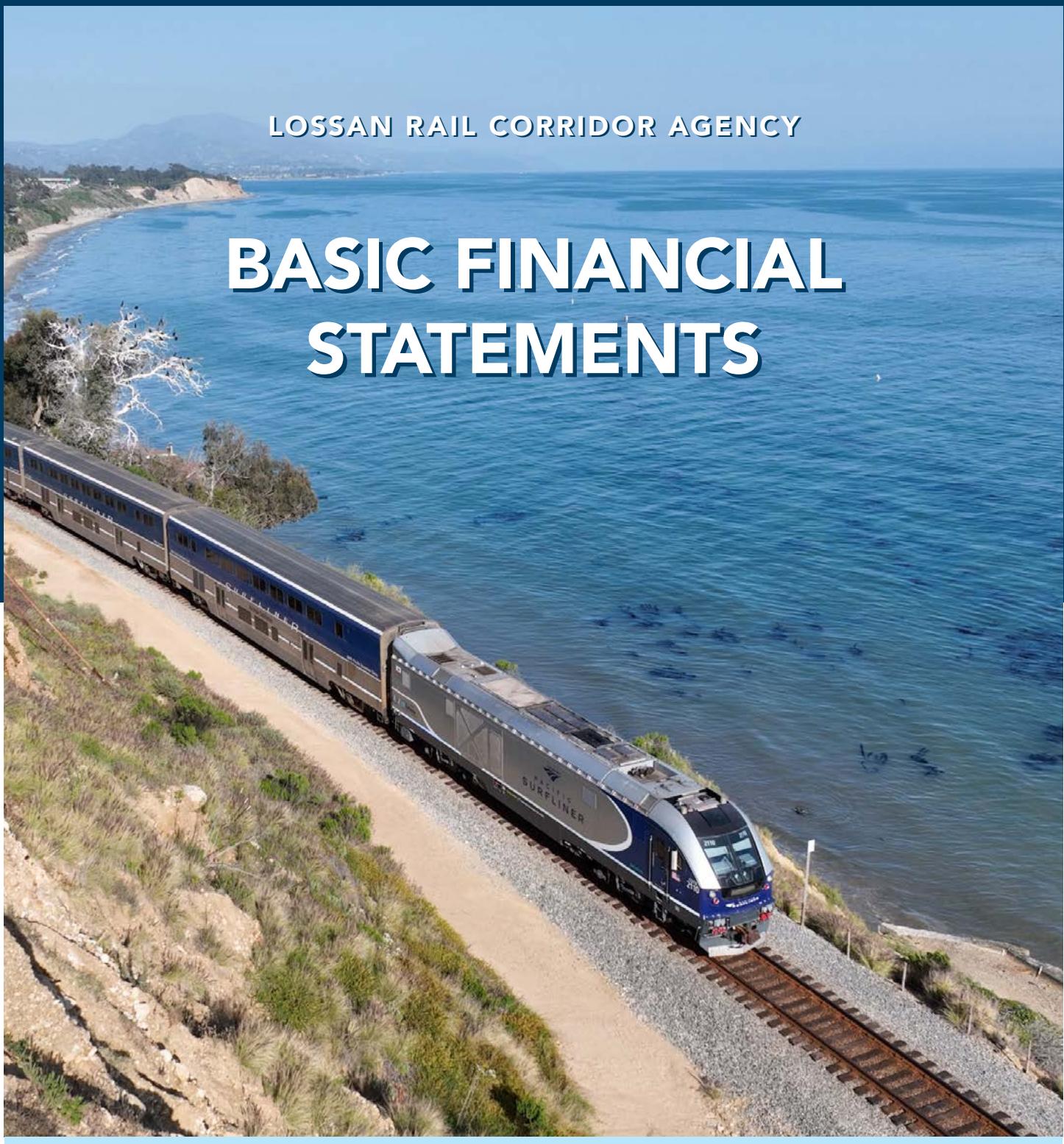
- A. LOSSAN Rail Corridor Agency, Basic Financial Statements, Year Ended June 30, 2025
- B. Letter from Crowe LLP, to the Board of Directors, Los Angeles – San Diego – San Luis Obispo, Dated December 22, 2025

Prepared by:

Kristopher Ryan
Chief Finance Officer
(714) 560-54

LOSSAN RAIL CORRIDOR AGENCY

BASIC FINANCIAL STATEMENTS



Year Ended June 30, 2025
(With Independent Auditor's Report Thereon)

This page left blank intentionally

**LOS ANGELES - SAN DIEGO - SAN LUIS OBISPO
RAIL CORRIDOR AGENCY**

Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

TABLE OF CONTENTS

Independent Auditor's Report.....	1
Management's Discussion and Analysis (unaudited).....	3
Basic Financial Statements:	
Statement of Net Position.....	10
Statement of Revenues, Expenses and Changes in Net Position.....	11
Statement of Cash Flows.....	12
Notes to the Basic Financial Statements.....	13
Independent Auditor's Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Orange, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the LOSSAN Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the LOSSAN Agency, as of June 30, 2025, and the changes in its financial position and its cash flows 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, 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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

Costa Mesa, California
December 22, 2025

**Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Management's Discussion and Analysis
(unaudited)
For the Fiscal Year Ended June 30, 2025**

Introduction

The following discussion and analysis of the financial performance and activity of the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) provides an introduction and understanding of the basic financial statements of the LOSSAN Agency for the year ended June 30, 2025. This discussion was prepared by management. We encourage readers to consider the information on financial performance presented in conjunction with the financial statements that begin on page 10.

The Basic Financial Statements

The basic financial statements provide information about the LOSSAN Agency's enterprise fund. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the LOSSAN Agency's financial statements. The financial statements are comprised of two components: 1) the financial statements and 2) the notes to the financial statements.

The statement of net position presents information on all assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the LOSSAN Agency is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how the LOSSAN Agency's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The statement of cash flows presents information using the direct method and includes a reconciliation of cash to the statement of net position. The financial statements can be found on pages 10-12 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 13-23 of this report.

Statements of Net Position

As noted previously, net position may serve over time as a useful indicator of the LOSSAN Agency's financial position. At June 30, 2025, the LOSSAN Agency's net position was \$4,753,616, an increase of \$1,587,977 from June 30, 2024.

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Management's Discussion and Analysis
(unaudited)
For the Fiscal Year Ended June 30, 2025

The analysis below focuses on net position (Table 1) and changes in net position (Table 2, page 6) of the LOSSAN Agency's financial activities.

Table 1
 LOSSAN Rail Corridor Agency
 Net Position

	2025	2024	Difference Increase (Decrease)	% Increase (Decrease)
Assets:				
Current assets	\$ 75,557,541	\$ 75,732,328	\$ (174,787)	(0.2%)
Noncurrent capital assets, net	-	14,408	(14,408)	(100.0%)
Total assets	75,557,541	75,746,736	(189,195)	(0.2%)
Liabilities:				
Current liabilities	70,803,925	72,581,097	(1,777,172)	(2.4%)
Total liabilities	70,803,925	72,581,097	(1,777,172)	(2.4%)
Net position				
Net investment in capital assets	-	14,408	(14,408)	(100.0%)
Unrestricted net position	4,753,616	3,151,231	1,602,385	50.8%
Total net position	\$ 4,753,616	\$ 3,165,639	\$ 1,587,977	50.2%

In fiscal year 2025, total assets decreased by \$189,195 primarily due to a decrease in prepaid expenses from the prior year. Cash and cash equivalents decreased by \$16,927,577, primarily due to increased payments for rail improvement projects with Union Pacific Railroad (UPRR). However, receivables increased by \$17,711,413 in due from other governments, primarily related to the Honda Bridge replacement in Santa Barbara County.

In fiscal year 2025, noncurrent capital assets decreased by \$14,408 due to the depreciation of rail planning software. Information on capital assets can be found in Note 4 – Capital Assets in the accompanying notes to the basic financial statements.

Total liabilities decreased by \$1,777,172 due to the net impact of a decrease in accounts payable offset by an increase in unearned revenue. Accounts payable decreased by \$12,515,893, primarily due to a reduction in the amount owed to Union Pacific for railroad improvement projects on the northern end of the corridor, specifically related to the Honda Bridge replacement. Unearned revenue increased by \$10,576,799, driven by a \$9,285,529 increase in State Rail Assistance (SRA) grant deposits and a \$1,969,863 increase in unearned administrative funds. These increases in unearned revenue were partially offset by a \$1,628,408 decrease in unearned revenue related to train operating funds. Additional detail on unearned revenue is provided in Note 8 – Unearned Revenue.

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Management's Discussion and Analysis
(unaudited)
For the Fiscal Year Ended June 30, 2025

Additionally, due to other governments increased by \$161,921 primarily due to an increase in year-end accruals related to the North County Transit District capital maintenance and on-time performance incentives.

Net investment in capital assets decreased by \$14,408 due to depreciation. Unrestricted net position represents the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. Unrestricted net position changed from \$3,151,231 at June 30, 2024, to \$4,753,616 at June 30, 2025.

The analysis of changes in net position of the LOSSAN Agency's financial activities can be found in Table 2 on the next page.

[The remainder of this page left blank intentionally]

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Management's Discussion and Analysis
(unaudited)
For the Fiscal Year Ended June 30, 2025

Table 2
LOSSAN Rail Corridor Agency
Changes in Net Position

	2025	2024	Difference	%
			Increase (Decrease)	Increase (Decrease)
Operating revenues:				
Assessments	\$ 107,200	\$ 50,351	\$ 56,849	112.9%
Total operating revenues	\$ 107,200	\$ 50,351	56,849	112.9%
Operating expenses:				
Contracted services for train operations	\$ 52,240,555	\$ 47,533,634	\$ 4,706,921	9.9%
Administrative fees and other expenses	5,492,553	5,461,707	30,846	0.6%
Marketing services	1,159,365	1,445,439	(286,074)	(19.8%)
Depreciation	14,408	34,580	(20,172)	(58.3%)
Total operating expenses	58,906,881	54,475,360	4,431,521	8.1%
Operating income (loss)	(58,799,681)	(54,425,009)	(4,374,672)	8.0%
Nonoperating revenues (expenses):				
State funding for train operations	51,615,408	47,476,478	4,138,930	8.7%
State funding for administration and marketing	6,765,240	6,907,890	(142,650)	(2.1%)
Contributions from other Agency for train operations	536,768	-	536,768	0.0%
Grants for transit programs and railroad projects	43,663,870	28,860,236	14,803,634	51.3%
Grant expenses for transit programs and railroad projects	(43,814,057)	(28,440,111)	(15,373,946)	54.1%
Other miscellaneous revenue	19,677	2,000	17,677	883.9%
Investment income	1,600,752	1,626,940	(26,188)	(1.6%)
Total nonoperating revenues (expenses)	60,387,658	56,433,433	3,954,225	7.0%
Changes in net position	1,587,977	2,008,424	(420,447)	(20.9%)
Total net position – beginning	3,165,639	1,157,215	2,008,424	173.6%
Total net position – ending	\$ 4,753,616	\$ 3,165,639	\$ 1,587,977	50.2%

The LOSSAN Agency's operating expenses consist of net Amtrak charges (operating revenue less operating expenses) related to train operations and bus feeder services, marketing and administrative expenses and other expenses. These expenses are partially funded by operating revenue, which includes assessments charged to Amtrak in the performance of train operations. The majority of operating expenses are funded by the California Department of Transportation (Caltrans) Department of Rail and Mass Transportation (DRMT), and this funding is categorized as nonoperating revenue under State Funding for train operations. The net nonoperating revenues of the LOSSAN Agency increased by

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Management's Discussion and Analysis
(unaudited)
For the Fiscal Year Ended June 30, 2025

\$3,954,225 primarily due to an overall increase in funding requirement from the State to operate the Pacific Surfliner passenger rail service as well as the increase in grants for transit programs and railroad projects. Total operating expenses increased by \$4,431,521 due to contracted services for train operations and bus feeder services. The increase in operating expenses is partially offset by a decrease of \$286,074 for marketing services.

Budgetary Highlights

Revenues

The primary sources of revenue for the LOSSAN Agency are from Caltrans DRMT. In fiscal year 2024-25, the original budget was \$138,182,260. This includes \$53,317,160 in revenue to fund the operations of train and bus feeder services. It also includes \$9,370,100 in administrative and marketing funding (also includes interest revenue), \$74,995,000 in grant funds, and \$500,000 for minor projects.

Actual revenues were \$33,873,345 below the final budget, primarily due to lower-than-anticipated activity related to grant programs, accounting for \$31.7 million of the variance. State operating revenues for train and bus feeder services were \$1.2 million lower than budgeted, while administrative and marketing funding fell short by \$2.6 million. These decreases were partially offset by a \$1.6 million increase in interest earnings on investments.

Expenses

The original expense budget for fiscal year 2024-25 was \$138,182,260 and consisted of \$53,317,160 for payments to Amtrak for train operations and bus feeder services, \$9,370,100 in administrative and marketing expenses, \$74,995,000 in grant expenses, and \$500,000 for minor projects.

Actual expenses were \$35,461,321 below the final budget, primarily due to lower-than-anticipated grant-related project expenses of \$31.6 million for UPRR-managed rail improvement projects on the northern end of the corridor. Net train operating expenses were \$1.1 million lower than budgeted, driven by the restoration of two round trips between San Diego and Los Angeles later than planned. Administrative expenses also came in under budget, with \$700,000 in salary savings, \$530,000 from lower-than-expected managing agency fees, and \$660,000 in savings from project management services. Marketing expenses were also under budget by \$840,000.

Economic and Other Factors

Funding for the LOSSAN Agency for administration, marketing, train and bus feeder operations is provided by Caltrans DRMT. This funding is subject to annual budget appropriation by the State Legislature, and to the extent required, programmed by the California Transportation Commission to carry out the purposes of the interagency transfer agreement (ITA) between the LOSSAN Agency and Caltrans.

The LOSSAN Agency has historically negotiated and entered into annual agreements with Amtrak to provide Pacific Surfliner intercity passenger rail service and connecting bus feeder services for the

**Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Management's Discussion and Analysis
(unaudited)
For the Fiscal Year Ended June 30, 2025**

LOSSAN Rail Corridor. On June 30, 2018, the LOSSAN Agency and Caltrans entered into the first amended ITA, with a term commencing on July 1, 2018 and ceasing on the third anniversary date, June 30, 2021, with two four-year options for renewal.

The first four-year option term was executed prior to June 30, 2021 and extended the agreement through September 30, 2025. During fiscal year 2026, the LOSSAN Agency and Caltrans exercised the second and final four-year option term, extending the ITA from October 1, 2025 through September 30, 2029. No further renewal options remain at the conclusion of this term.

Per the ITA and the LOSSAN Joint Powers Agreement, the LOSSAN Agency must develop an annual business plan to be approved by the LOSSAN Agency Board and submitted to the Secretary of the California State Transportation Agency (CalSTA) by April 1 of each year. The business plan is a two-year planning, operations, and budget document that outlines operating and service goals for the Pacific Surfliner service. The development of the annual budget request and submittal of the business plan for fiscal years 2024-25 and 2025-26 was approved by the LOSSAN Board of Directors on March 18, 2024. The FY 2024-25 and 2025-26 business plan continues building upon the recovery strategy to restore full train service levels and support long-term service sustainability.

Throughout Fiscal Year 2025, LOSSAN continued to face challenges related to coastal resiliency along the rail corridor. While there were no emergency track closures during the year, several planned service suspensions and construction windows were required to support ongoing resiliency and infrastructure improvement efforts. These planned closures accommodated stabilization work in South Orange County, replacement of aging infrastructure on the northern portion of the corridor, and continued bluff protection activities in the Del Mar area. Each of these efforts was undertaken in coordination with our rail partners to protect the long-term viability of the corridor and improve future service reliability.

These planned construction activities temporarily affected train operations along specific sections of the corridor and required adjustments to rail and bus service to maintain connectivity for passengers. The financial statements reflect the impacts of these planned service disruptions, including changes in operating revenue and expenditures associated with modified service levels and construction efforts. Despite these challenges, the LOSSAN Agency remained proactive in collaborating with corridor stakeholders to advance resiliency and infrastructure improvement projects and remains committed to supporting a stable and reliable rail corridor through continued partnership and investment in the coming years.

The LOSSAN Agency's FY 2025-26 adopted operating budget approved by the Board on March 17, 2025, includes \$58,559,400 for net Amtrak operating costs. This amount reflects an estimated \$143,434,300 in total Amtrak operating expenses, less \$84,874,900 in estimated total revenue. The total net State operating funding request includes \$74,350 for transit connectivity and integration, which includes estimates for the continuation of the Transit Transfer Program. Additional expenses and revenues of \$1,000,000 for minor capital projects are included.

The FY 2025-26 adopted budget includes \$7,725,300 for administrative services and \$2,000,000 for marketing services. Additionally, the adopted budget includes \$83,878,000 for various grant programs.

**Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Management's Discussion and Analysis
(unaudited)
For the Fiscal Year Ended June 30, 2025**

Contacting the LOSSAN Agency's Management

This financial report is designed to provide the LOSSAN Agency's Board of Directors, management, creditors, legislative and oversight agencies, citizens and customers with an overview of the Agency's finances and to demonstrate its accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the LOSSAN Agency, at the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584.

**LOS ANGELES - SAN DIEGO - SAN LUIS OBISPO
RAIL CORRIDOR AGENCY**

**Statement of Net Position
June 30, 2025**

Assets:

Current Assets

Cash and cash equivalents	\$ 26,164,050
Prepaid expense	8,457
Receivables:	
Due from other governments	49,277,834
Other receivables - National Railroad Passenger Corporation	107,200
Total current assets	<hr/> 75,557,541
Total Assets	<hr/> 75,557,541

Liabilities:

Current Liabilities

Accounts payable	17,206,322
Due to other governments	6,113,518
Unearned revenue	<hr/> 47,484,085
Total liabilities	<hr/> 70,803,925

Net position:

Unrestricted net position	<hr/> 4,753,616
Total net position	<hr/> \$ 4,753,616

See accompanying notes to the financial statements.

**LOS ANGELES - SAN DIEGO - SAN LUIS OBISPO
RAIL CORRIDOR AGENCY**

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2025

Operating Revenues:

Assessment revenue	\$ 107,200
Total Operating Revenue	107,200

Operating Expenses:

Contracted services for train operations and bus feeder services	52,240,555
Administrative fees and other expenses	5,492,553
Marketing services	1,159,365
Depreciation	14,408
Total Operating Expenses	58,906,881
Operating Loss	(58,799,681)

Nonoperating revenues (expenses)

State funding for train operations	51,615,408
State funding for administration and marketing	6,765,240
Contributions from other Agency for train operations	536,768
Grants for transit programs and railroad projects	43,663,870
Grant expenses for transit programs and railroad projects	(43,814,057)
Miscellaneous revenue	19,677
Interest income	1,600,752
Total nonoperating revenues (expenses)	60,387,658
Change in net position	1,587,977
Net position, beginning of year	3,165,639
Net position, end of year	\$ 4,753,616

See accompanying notes to the financial statements.

**LOS ANGELES - SAN DIEGO - SAN LUIS OBISPO
RAIL CORRIDOR AGENCY**

Statement of Cash Flows

Year Ended June 30, 2025

Cash flows from operating activities

Payments for train operations and bus feeder services	\$ (50,021,619)
Payments for marketing and administrative services	(8,651,549)
Net cash used in operating activities	<u>(58,673,169)</u>

Cash flows from noncapital related financing activities

Receipts from State for train operations and bus feeder services	52,759,116
Receipts from State for marketing and administrative services	9,579,249
Receipts from advertising revenue	72,000
Receipts for grant programs	36,325,849
Payments for grant expenses	(58,591,374)
Net cash provided by noncapital financing activities	<u>40,144,839</u>

Cash flows from investing activities

Interest received on investments	1,600,752
Net cash provided by investing activities	<u>1,600,752</u>

Net decrease in cash and cash equivalents	(16,927,577)
Cash and cash equivalents at beginning of year	43,091,627
Cash and cash equivalents at end of year	<u>\$ 26,164,050</u>

Reconciliation of operating loss to net cash used in operating activities

Operating loss	(58,799,681)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Changes in assets and liabilities:	
Depreciation	14,408
(Increase) decrease in due from other governments	(1,129,862)
(Increase) decrease in other receivables	(56,849)
(Increase) decrease in prepaid assets	1,015,472
Increase (decrease) in accounts payables	2,343,880
Increase (decrease) in due to other governments	(2,037,928)
Increase (decrease) in retention payable	(22,609)
Net cash used in operating activities	<u>\$ (58,673,169)</u>

See accompanying notes to the financial statements.

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

1. Reporting Entity

The Los Angeles - San Diego - San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) is a joint powers authority originally formed in 1989 that works to increase ridership, revenue, capacity, reliability, coordination and safety on the 351-mile coastal rail line between San Diego, Los Angeles and San Luis Obispo, California. The Agency consists of eleven member agencies which include the Los Angeles County Metropolitan Transportation Authority, North County Transit District, San Luis Obispo Council of Governments, Santa Barbara County Association of Governments, Ventura County Transportation Commission, Orange County Transportation Authority, Riverside County Transportation Commission, San Diego Metropolitan Transit System and San Diego Association of Governments. The governing board of the Agency is comprised of eleven voting members representing the member agencies, as well as four non-voting, ex-officio members representing Amtrak, California Department of Transportation (Caltrans) Division of Rail and Mass Transit (DRMT), California High Speed Rail and Southern California Association of Governments.

On September 29, 2012, Governor Jerry Brown signed SB1225 which authorized the LOSSAN Agency to oversee the state-supported intercity passenger rail service, commonly referred to as the Pacific Surfliner, subject to approval of an interagency transfer agreement (ITA) with the State of California. The ITA commenced on July 1, 2015, along with the transition of administrative responsibility for the Pacific Surfliner service to the LOSSAN Agency. The overall goal of the governance change is to transform the existing Pacific Surfliner intercity rail service into a service under local control that is more responsive to local needs, issues and consumer desires.

The LOSSAN Agency receives funding from Caltrans DRMT for the administration and management of the Pacific Surfliner train service. The train equipment used in the LOSSAN Rail Corridor service is owned by both the State of California and the National Railroad Passenger Corporation (Amtrak), while the train service is operated by Amtrak under contract to the LOSSAN Agency. The railroad track is owned by Burlington Northern and Santa Fe Railway (BNSF), Union Pacific Railroad Company (UPRR), Ventura County Transportation Commission (VCTC), Los Angeles County Metropolitan Transportation Authority (LA Metro), Orange County Transportation Authority (OCTA), North County Transit District (NCTD), and San Diego Metropolitan Transit System (SDMTS). The Southern California Regional Rail Authority (SCRRRA), also known as Metrolink, maintains and operates portions of the railroad track owned by VCTC, LA Metro, and OCTA, while NCTD maintains and operates the portion of the track owned by SDMTS. The LOSSAN Agency is staffed by the Orange County Transportation Authority (OCTA) under a management services agreement.

2. Summary of Significant Accounting Policies

The accounting policies of the LOSSAN Agency are in conformity with generally accepted accounting principles applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

(a) Basis of Accounting and Presentation

The basic financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues, consisting primarily of funding from Caltrans DRMT, are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

cash flows. Revenues received from Caltrans DRMT are received in advance and used by the LOSSAN Agency to fund train operations provided by Amtrak.

The financial statements are reported using an Enterprise fund and full accrual method of accounting. The LOSSAN Agency has the authority to set and modify fares as the governing body managing the Pacific Surfliner intercity passenger rail service. As the managing agency of the service, the LOSSAN Agency also has control over train schedules and corridor-wide improvements that will maximize revenue and ridership. Due to this unique responsibility provided to the LOSSAN Agency through SB1225, the LOSSAN Agency reports the financial statements as an Enterprise Fund.

(b) Proprietary Accounting and Financial Reporting

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with an enterprise fund's principal ongoing operations. Operating revenue includes assessment fees charged to Amtrak in the performance of the train operations. The primary funding source of the LOSSAN Agency is funding received by the Caltrans DRMT for both train operations and marketing and administration. This revenue is considered nonoperating revenue. Operating expenses for the LOSSAN Agency include the cost of train operations and bus feeder services, charges for marketing and administration, depreciation of capital assets, and other operating expenses. All expenses not meeting this definition are reported as nonoperating expenses.

(c) Cash and Investments

The LOSSAN Agency currently does not have a written investment policy. The treasurer of the managing agency, the Orange County Transportation Authority (OCTA), serves as the Agency's treasurer. The treasurer serves as the depository of funds and has custody of funds for the Agency.

The LOSSAN Agency's cash and investments consist of a checking account and a money market deposit account. The LOSSAN Agency did not have any other investments as of June 30, 2025. See Note 3.

(d) Cash and Cash Equivalents

The LOSSAN Agency considers all short-term investments with an initial maturity of three months or less to be cash equivalents.

(e) Capital Assets

Capital assets are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets, which range from 3 to 30 years. The LOSSAN Agency follows the Orange County Transportation Authority's capitalization policy which is to capitalize assets with a unit cost in excess of \$5,000 and an estimated useful life greater than one year. The costs associated with the renovation or improvement of an existing capital asset shall also be capitalized if the cost exceeds \$5,000 per unit and it either substantially enhances the asset's performance or productivity or extends the useful life of the asset.

(f) Unearned Revenue

The LOSSAN Agency receives advance funding from the State to pay for Amtrak provided train operations and bus feeder services, as well as administrative and marketing services. The LOSSAN Agency recognizes

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

revenues in the period in which the related expenses are incurred. Any funds received in advance or amounts due from the State that are not used to offset current expenses are classified as unearned revenue. Unearned revenue also includes various grant funding received that has not been used to offset current expenses.

(g) Net Position

Net position represents the residual interest in the LOSSAN Agency's assets after liabilities are deducted. The statement of net position reports total net position in three components: net investment in capital assets, restricted and unrestricted. Net investment in capital assets includes capital assets net of accumulated depreciation. Net position is restricted when constraints are imposed by third parties or by law through constitutional provisions or enabling legislation and include amounts restricted for debt service and other liabilities. As of June 30, 2025, the LOSSAN Agency has \$0 in restricted net position. The amount reported in unrestricted net position is accessible for general use and is not invested in capital assets or restricted by third parties, constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the LOSSAN Agency's policy to use restricted resources first and then unrestricted resources as needed and in accordance with the ITA.

(h) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures during the reporting period. As such, actual results could differ from those estimates.

3. Cash and Cash Equivalents

(a) Cash and Investments

The LOSSAN Agency has a checking account with Bank of Montreal (BMO). As of June 30, 2025, the interest rate was 0%.

The LOSSAN Agency has a money market deposit account with Bank of Montreal (BMO). As of June 30, 2025, the interest rate was 3.062%.

(b) Custodial Credit Risk

Custodial credit risk 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. California Government Code Section 53652 requires California banks and savings and loan associations to secure governmental deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the agency's deposits.

The funds held in the LOSSAN Agency's checking and money market accounts are considered deposits and the amounts are covered by federal depository insurance or were collateralized by the pledging financial institution as required by Section 53652 of the California Government Code. Such collateral is held by the pledging financial institution's trust department or agent in the Agency's name.

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

4. Capital Assets

The changes in capital assets for the year ended June 30, 2025 are summarized as follows:

	Lives (Years)	Beginning Balance	Increases	Decreases	Ending Balance
Depreciable capital assets:					
Software	5	\$ 172,900	\$ -	\$ -	\$ 172,900
Total depreciable capital assets		172,900	-	-	172,900
Less accumulated depreciation		(158,492)	(14,408)	-	(172,900)
Total depreciable capital assets, net		14,408	(14,408)	-	-
Total capital assets, net		<u>\$ 14,408</u>	<u>\$ (14,408)</u>	<u>\$ -</u>	<u>\$ -</u>

5. Prepaid Expense

As of June 30, 2025, prepaid expenses total \$8,457. This balance includes prorated amounts for an annual membership for States for Passenger Rail Coalition and annual agreement for public relations services which all extend through fiscal year 2025.

6. Due From Other Governments

Due from other governments primarily consists of amounts owed to the LOSSAN Agency by Caltrans DRMT for grant revenue related to railroad improvements along the northern end of the corridor. The grant reimbursements category also includes funds for on-time performance and track maintenance, professional services for layover facility enhancements, and support for the transit transfer program. The railroad improvements category includes reimbursements for minor capital projects along the corridor, such as lighting and facility upgrades. The other government agencies category includes payments from the San Diego Association of Governments for the reimbursement of costs associated with the Del Mar Bluffs stabilization project. The amounts due from other governments are detailed in the following table.

Due from Caltrans DRMT for railroad improvements	\$ 186,642
Due from Caltrans DRMT grant reimbursements	48,018,330
Due from other government agencies	1,072,862
Total	<u>\$ 49,277,834</u>

7. Due To Other Governments

Due to other governments consists of amounts due to the North County Transit District (NCTD) for train on time performance and track maintenance, amounts due to OCTA for administrative services, amounts due to the City of Camarillo for costs associated with a pedestrian undercrossing project, and to various other government agencies for transit services provided under the transit transfer program. The table below provides detail of due to other governments as of June 30, 2025.

Due to NCTD for performance and maintenance	\$ 1,018,061
Due to OCTA for administrative services	2,704,256

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Due to SJJPA for legislative services	13,333
Due to Caltrans DRMT for train operations	2,200,211
Due to transit agencies for transit transfer program	19,053
Due to City of Camarillo for pedestrian crossing	158,604
Total	<u>\$ 6,113,518</u>

8. Unearned Revenue

Unearned revenue consists of amounts received from the State for fiscal year 2025 operating, administrative and marketing funding, in advance of incurring the expenses. It also includes unearned revenues from prior-year State operating and marketing funding received. It includes SRA grant revenues. The table below shows detail of unearned revenue as of June 30, 2025.

Unearned advanced train operating funds	\$ 7,913,148
Unearned grant revenue	32,001,221
Unearned advanced administrative funds	4,009,041
Unearned advanced marketing funds	3,510,352
Unearned miscellaneous	50,323
Total	<u>\$ 47,484,085</u>

9. Contracted Services for Train Operations

The LOSSAN Agency negotiates and enters into annual agreements with Amtrak to provide Pacific Surfliner intercity passenger rail service and connecting bus feeder services for the LOSSAN Rail Corridor. These agreements align with the federal fiscal year, spanning October 1 through September 30. The latest agreement covers the period from October 1, 2024, to September 30, 2025. Following the end of the term, the agreement allows for the continuation of service for up to six months or until a new annual agreement is executed.

Payment to Amtrak by the LOSSAN Agency is based on a projected amount mutually agreed to by both parties as part of the agreement. This projected amount is net of related fare revenues. The actual amounts are reconciled and provided to the LOSSAN Agency on a monthly basis. Any surplus or deficits are applied to a future invoice. The actual net expense for train operations as of June 30, 2025, is \$51,639,916, net of adjustments due to year-end reconciliation with Amtrak from results of operations.

10. Charges for Marketing and Administration

Effective November 21, 2013, the Agency entered into an agreement with OCTA to provide administrative support services through the initial term of the ITA (June 30, 2018). In accordance with the agreement, OCTA is reimbursed by the Agency for administrative staff time including an agreed upon overhead rate. A new administrative services agreement with OCTA was entered into on June 25, 2018, effective July 1, 2018 for a three-year term through June 30, 2021. The agreement was extended under the first option term through June 30, 2024, followed by the exercise of the second and final option term, extending it through June 30, 2027. No further option terms remain. Charges from OCTA for administrative services as well as

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

other administrative and marketing related expenses the LOSSAN Agency incurred as of June 30, 2025 are detailed below.

Administrative Services	\$ 4,790,173
Marketing Expenses	1,159,365
Professional Services	418,455
Other Business Expenses	69,159
Legal Services	45,247
Insurance	69,921
Audit Services	49,422
Travel	50,176
Total	<u>\$ 6,651,918</u>

11. State Funding for Train Operations and Administrative and Marketing

Effective July 1, 2015, the LOSSAN Agency and the State of California Department of Transportation (Caltrans) entered into an interagency transfer agreement (ITA), which transferred the administrative responsibility for the operation of rail services along the LOSSAN corridor. The ITA carried an initial three-year term through June 30, 2018. As part of the ITA, the LOSSAN Agency entered into a Master Fund Transfer Agreement (MFTA) with the State. The MFTA provides for State funding, appropriated by the State Budget Act and allocated to the LOSSAN Agency in accordance with the provisions of the MFTA and ITA, for the LOSSAN corridor rail service. In accordance with the MFTA and ITA provisions, funding is contributed towards actual marketing and administrative costs, as well as train operations.

On June 30, 2018, the LOSSAN Agency and Caltrans entered into the first amended ITA, effective July 1, 2018 for a three-year term through June 30, 2021, with two four-year options for renewal.

The first option term extended the agreement through September 30, 2025, and the second and final four-year option term extends the ITA from October 1, 2025 through September 30, 2029. No further renewal options remain.

The ITA allows for the use of an Operating Reserve Fund. Funds provided by the State for train operations that exceed actual billings are considered surplus and may be used to offset future variability in operating costs. The ITA permits the LOSSAN Agency to retain up to 12.5% of the State subsidy from the most recently completed Amtrak contract year. Surplus funds may also be used to support eligible operating costs in years when annual funding has not yet been approved.

The LOSSAN Agency is required to submit a closeout report to the State each March 31 that identifies the amount of surplus funds for the preceding federal fiscal year. As of September 30, 2024, the operating reserve balance is \$4,558,503, based on the FY24 reconciliation submitted to the State. However, these surplus funds have not been transferred to a separate account and remain classified as Unearned Revenue and reported as a liability on the Statement of Net Position. This reflects the Agency's intent to use the funds exclusively for eligible operating costs in future periods, consistent with the terms of the ITA.

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

12. Grants for Transit Programs

(a) Transit and Intercity Rail Capital Program (TIRCP)

2016 TIRCP

In fiscal year 2016, the LOSSAN Agency was awarded \$82 million in 2016 TIRCP grant funds to advance several improvement projects on the LOSSAN rail corridor. These projects include replacing five railway bridges, constructing additional double track, enhancing station and safety features, upgrading signals and switches, conducting planning studies to improve train coordination, and funding on-time performance incentives and host railroad access on the northern end of the corridor. The original grant award included funding for rail equipment leasing, which has since been reallocated to these projects.

For some projects, other transportation agencies served as the lead and received grant funding directly, while the LOSSAN Agency managed planning studies, as well as on-time performance incentives and host railroad access projects. During fiscal year 2025, the remaining allocation totaling \$2,311,276 was utilized for on-time performance incentives and host railroad access with Union Pacific. This grant has been fully closed out.

2018 TIRCP

In fiscal year 2018, the LOSSAN Agency was awarded \$188 million in 2018 TIRCP grant funds to advance capital improvements and planning studies on both the northern and southern ends of the LOSSAN rail corridor. The funding was provided through SB 1 and the proceeds from the Cap-and-Trade program. On the northern end of the corridor, the program of projects includes the construction of additional double track and siding extensions, station and layover facility enhancements, incentives for improved on-time performance, and upgrades to signal systems and switches. On the southern end, the program includes signal improvements, host railroad on-time performance incentives, and the installation of new fencing in San Diego County.

The LOSSAN Agency received an additional \$17 million in supplemental 2018 TIRCP funding through cycle 6 to leverage federal and local resources. Among the projects supported by this funding, the Narlon Bridge replacement began in fiscal year 2020 and was fully completed in fiscal year 2024. Final invoices for the project were processed and paid during fiscal year 2024, marking the closeout of the project. Additional funding for the Narlon Bridge replacement was provided through Proposition 1B, as described in the Proposition 1B section.

In fiscal year 2020, the LOSSAN Agency entered into an agreement with host railroad track owner Union Pacific to utilize 2018 TIRCP funding for additional projects on the northern end of the corridor to support future service expansion. These projects have progressed significantly, with most now completed. In fiscal year 2024, projects to upgrade to centralized traffic control systems and replace non-powered switches with powered switches were completed. In fiscal year 2025, the Canada Honda bridge replacement project continued to progress. The Honda Bridge Replacement project incurred \$14,341,225 in FY 2025 expenses using 2018 TIRCP funding, along with accruals in the amount of \$8,153,473. Additional expenses for this project are detailed in the Proposition 1B section.

In fiscal year 2024, the LOSSAN Agency entered into a separate \$10.4 million agreement with Union Pacific to utilize 2018 TIRCP funding for stabilization efforts on two bluffs in the Hollister Ranch area of Santa Barbara County. The project includes installing drilled piers, lagging walls, and tiebacks to secure the tracks

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

in this geologically vulnerable area. Construction began in April 2024 and continued through FY 2025. Fiscal year expenses for the project totaled \$3,865,124.

In the 3rd quarter of fiscal year 2025, the LOSSAN Agency procured services for Zephyr Rail to design a new siding at Ortega. Expenses through June 2025 totaled \$118,086, which were accrued at year end.

In fiscal year 2022, the LOSSAN Agency entered into an agreement with NCTD to utilize 2018 TIRCP funding for on-time performance incentives and track maintenance. For fiscal year 2025, expenses under this agreement totaled \$3,890,642. This agreement is due to end early in FY 2026.

2020 TIRCP

In fiscal year 2020, the LOSSAN Agency was awarded \$38 million in 2020 TIRCP grant funds for the environmental review, design, and construction of a dedicated layover facility in San Diego, as well as the environmental review, design, and construction of an expanded maintenance and layover facility in San Luis Obispo (Central Coast Layover Facility). In early 2023, LOSSAN requested and received an additional \$14 million in supplemental 2020 TIRCP funding for the Central Coast Layover Facility.

During fiscal year 2023, work began on completing the design phase for the Central Coast Layover Facility, funded by State Rail Assistance and TIRCP. Significant progress has been made, with the 100% design phase scheduled in early 2026. During fiscal year 2025, \$214,949 in TIRCP expenses were incurred for this project.

Additionally, during fiscal year 2021, a site feasibility study for the San Diego layover facility was completed, initiating the project report and environmental document (PR&ED) phase. However, the selected sites are no longer available, and the feasibility study has been restarted, delaying the PR&ED phase. The TIRCP funding allocated to this phase was deallocated in early 2024.

(b) State Rail Assistance (SRA)

The LOSSAN Agency has received multiple allocations of State Rail Assistance (SRA) funding under Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017. These funds support various rail service improvements along the LOSSAN corridor.

2018-2020 SRA

The LOSSAN Agency was initially awarded \$13,100,000 in 2018-2020 SRA funding to address several priority projects. These include the San Luis Obispo platform repair, a refresh of business class equipment, improvements at the Grover Beach station, and the implementation of corridor optimization software. Additionally, the LOSSAN Agency obtained approval to use Cycle 1 funds for the continued operation of the Pacific Surfliner service if necessary. A subsequent allocation increased the total award to \$13,854,547.

During fiscal year 2025, the LOSSAN Agency incurred \$2,076,238 in 2018-2020 SRA-related expenses. Most of the funding was utilized for the design phase of the Leesdale Passing Siding.

2018-2020 Competitive SRA

In fiscal year 2019, CalSTA awarded the LOSSAN Agency \$718,750 in competitive SRA funds for a corridor-wide integrated signage and wayfinding program. FY 2025 expenses totaled \$205,272. This project is scheduled to be completed in June 2026.

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

2021-2025 SRA

In fiscal year 2021, the LOSSAN Agency was awarded \$29,800,000 in 2021-2025 SRA funding to support four key initiatives: an update to the LOSSAN Strategic Plan, various safety and corridor hardening improvements along the northern corridor, the Interregional Connectivity Improvement Project, and equipment replacement. As of June 30, 2025, the LOSSAN Agency has received \$27,381,262 in 2021-2025 SRA funds.

During fiscal year 2025, \$5,391 in 2021-2025 SRA expenses were incurred. The remaining balance of unspent SRA funds, including amounts from all SRA allocations, was reclassified as unearned revenue, totaling \$24,805,629 as of June 30, 2025.

(c) State Transportation Improvement Program (STIP)

The California Transportation Commission (CTC) awarded \$31,500,000 in State Transportation Improvement Program (STIP) funds for the Central Coast Layover Facility and Leesdale Passing Siding projects. This funding is designated for the construction phase of both projects and is provided on a reimbursement basis. During fiscal year 2025, no eligible expenses were incurred utilizing STIP funding.

(d) Proposition 1B Funds

The LOSSAN Agency has been awarded \$35 million by the California Air Resources Board to support several projects. These include \$15,526,000 for the Los Alamos Creek (Narlon) bridge replacement, \$11,000,000 for the Canada Honda bridge replacement, \$4,745,000 for the Camarillo Station pedestrian undercrossing, \$3,400,000 for the Central Coast Layover Facility, and \$300,000 for the interim expansion of the San Luis Obispo Layover Facility.

The Narlon bridge replacement project, which replaced a bridge built in 1895 at the San Antonio Creek crossing at Vandenberg Air Force Base, was completed in February 2023. The Canada Honda bridge replacement project located 13 miles from the Narlon bridge, replaced another 100+ year-old bridge. Construction on the Canada Honda bridge began in April 2024. The entire amount of \$11,000,000 was spent in fiscal year 2025. The new Canada Honda bridge opened to train traffic in August 2025, and project closeout was completed in fiscal year 2025.

These projects, along with preliminary engineering for the San Luis Obispo Layover Facility expansion, were implemented by Union Pacific under an agreement for infrastructure improvement projects on the northern end of the corridor to support future service expansion. Additionally, the environmental phase for a new pedestrian undercrossing at the Camarillo Station began in fiscal year 2024.

As of June 30, 2025, total fiscal year Proposition 1B-funded expenses include \$204,976 for work on the Camarillo Station Pedestrian Undercrossing project. The Central Coast Layover Facility appropriation is scheduled to be allocated in fiscal year 2027.

13. Commitments and Contingencies

(a) Commitments

The LOSSAN Agency has various outstanding contracts. Total outstanding purchase commitments as of June 30, 2025, were \$94,213,394. The most significant commitment is with Union Pacific, totaling

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

\$63,008,618, for a program of railroad improvement projects necessary for service expansion along the rail corridor in Ventura, Santa Barbara, and San Luis Obispo counties. Purchase commitments with Amtrak total \$14,926,646, which includes \$13,848,299 for train operations and bus feeder services, \$701,825 for minor capital projects, and \$376,522 for design services related to the expansion of the Goleta layover facility. Purchase commitments for professional marketing services total \$1,334,484, while administrative and other professional services amount to \$232,363. This total does not include the value of the administrative services agreement with OCTA, as it is an actual cost-based reimbursable agreement.

Other purchase commitments with various vendors total \$13,018,662 and include professional services for design and environmental services for a pedestrian undercrossing at the Camarillo Train Station, the San Diego layover facility environmental document, the Central Coast layover facility environmental document, and on-call program management support services. Outstanding cooperative agreements are in place with NCTD for an on-time incentive and maintenance agreement totaling \$1,314,182 and with other transit agencies for the Transit Transfer Program totaling \$378,439 as of June 30, 2025. The Transit Transfer Program agreements are on a reimbursement basis, meaning the LOSSAN Agency is only billed when passengers use the program.

(b) Contingencies

From fiscal year 2019 through fiscal year 2024, the LOSSAN Agency disputed marketing additive charges under the operating agreement with Amtrak. The dispute related to Amtrak's compliance with the Passenger Rail Investment and Improvement Act of 2020 (PRIIA 209) policy's definition of activities associated with the marketing additive charge. The LOSSAN Agency's position was that certain marketing services were discontinued without a corresponding reduction to the marketing additive rate or a mutually agreed policy amendment. For fiscal year 2024, the amount in dispute was approximately \$235,022, and the cumulative amount from fiscal year 2019 through fiscal year 2024 totaled approximately \$3,325,211. These amounts were recorded as expenses each year as incurred.

In fiscal year 2025, the LOSSAN Agency and Amtrak reached a settlement that resolved the dispute. Under the settlement, Amtrak agreed to accept a payment of \$1,125,000 in full satisfaction of the cumulative \$3,325,211 previously recorded as expenses, and the remaining \$2,200,211 was forgiven. Because the underlying costs had already been expensed in prior years and the related funding remained in Unearned Revenue, the forgiven portion was reclassified from Unearned Revenue to Due to Other Government. The balance will be returned to the State of California in fiscal year 2026 through a future funding adjustment. This settlement fully resolves the outstanding marketing additive matter, and no further amounts are in dispute as of June 30, 2025.

14. Risk Management

As part of the annual operating agreement with Amtrak, Amtrak is responsible to pay any settlement or final judgment of claims against the LOSSAN Agency arising directly from Amtrak's operations of the rail passenger and bus feeder service. The LOSSAN Agency pays an allocated share of the cost of Amtrak's master insurance policies as they relate to the services being provided by Amtrak under contract. The LOSSAN Agency also purchases general liability and excess liability insurance with an aggregate limit of \$4,000,000, errors and omissions public officials' liability of \$1,000,000 and crime liability of \$2,000,000. There have been no claims or settlements that have exceeded insurance coverages within the past three fiscal years.

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

15. Concentration of Funding

Funding for the administration of the LOSSAN Agency as well as funding for marketing, train and bus feeder operations is provided by Caltrans DRMT, and is subject to annual budget appropriation by the California State Legislature (Legislature) and programming by the California Transportation Commission (CTC). This represents approximately 46% of total LOSSAN Agency budgeted revenue. There is no guaranty that funding will actually be appropriated by the Legislature and to the extent required, programmed by the CTC. The remaining budgeted revenues are primarily grant-related revenues.

16. Effect of New Pronouncements:

GASB Statement No. 102

In December 2023, GASB issued Statement No. 102, Certain Risk Disclosures. This Statement establishes disclosure requirements for concentrations and constraints that could subject a government to the risk of a substantial impact on its ability to continue to provide services or meet its obligations. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The LOSSAN Agency has evaluated the provisions of this Statement and determined that its implementation did not have a material impact on the financial statements.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Orange, California

We have audited, in accordance with the 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, the financial statements of the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the LOSSAN Agency's basic financial statements, and have issued our report thereon dated December 22, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the LOSSAN Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the LOSSAN Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the LOSSAN Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the LOSSAN Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP
Crowe LLP

Costa Mesa, California
December 22, 2025



600 South Main Street
Orange, CA 92868

LOSSAN.org





Board of Directors
Los Angeles – San Diego – San Luis Obispo
Rail Corridor Agency
Orange, California

Professional standards require that we communicate certain matters to keep you adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We communicate such matters in this report.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities. Refer to our engagement letter with the Agency for further information on the responsibilities of management and of Crowe LLP.

AUDITOR'S RESPONSIBILITY UNDER GOVERNMENT AUDITING STANDARDS

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of the Agency's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts or disclosures. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

COMMUNICATIONS REGARDING OUR INDEPENDENCE FROM THE AGENCY

Auditing standards generally accepted in the United States of America require independence for all audits, and we confirm that we are independent auditors with respect to the Agency under the independence requirements established by the American Institute of Certified Public Accountants.

Additionally, we wish to communicate that we have no relationships with the Agency that, in our professional judgment, may reasonably be thought to bear on our independence and that we gave significant consideration to in reaching the conclusion that our independence has not been impaired.

PLANNED SCOPE AND TIMING OF THE AUDIT

We are to communicate an overview of the planned scope and timing of the audit. Accordingly, the following matters regarding the planned scope and timing of the audit were discussed with you during our planning phase of the audit.

- How we addressed the significant risks of material misstatement, whether due to fraud or error.
- Our approach to internal control relevant to the audit.
- The concept of materiality in planning and executing the audit, focusing on the factors considered rather than on specific thresholds or amounts.
- The nature and extent of specialized skills or knowledge used to plan and evaluate the results of the audit, including the use of an auditor's expert.
- Your views and knowledge about matters you consider warrant our attention during the audit, as well as your views on:
 - The allocation of responsibilities between you and management.
 - The Agency's objectives and strategies, and the related business risks that may result in material misstatements.
 - Significant communications between the Agency and regulators.
 - Other matters you believe are relevant to the audit of the financial statements.

SIGNIFICANT ACCOUNTING POLICIES AND MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Significant Accounting Policies: Those Charged with Governance should be informed of the initial selection of and changes in significant accounting policies or their application. Also, Those Charged with Governance should be aware of methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas where there is a lack of authoritative consensus. We believe management has the primary responsibility to inform Those Charged with Governance about such matters. There were no such accounting changes or significant policies requiring communication.

Management Judgments and Accounting Estimates: Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. These judgments are based upon knowledge and experience about past and current events and assumptions about future events. Certain estimates are particularly sensitive because of their significance and because of the possibility that future events affecting them may differ markedly from management's current judgments and may be subject to significant change in the near term. We evaluated the key factors and assumptions used to develop the estimates in determining that they appeared reasonable in relation to the financial statements taken as a whole.

AUDITOR'S JUDGMENTS ABOUT QUALITATIVE ASPECTS OF SIGNIFICANT ACCOUNTING PRACTICES

We are to discuss with you our comments about the following matters related to the Agency's accounting policies and financial statement disclosures. Accordingly, these matters will be discussed during our meeting with you.

- The appropriateness of the accounting policies to the particular circumstances of the Agency, considering the need to balance the cost of providing information with the likely benefit to users of the Agency's financial statements.
- The overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- The effect of the timing of transactions in relation to the period in which they are recorded.
- The potential effect on the financial statements of significant risks and exposures, and uncertainties that are disclosed in the financial statements.

- The extent to which the financial statements are affected by unusual transactions including nonrecurring amounts recognized during the period, and the extent to which such transactions are separately disclosed in the financial statements.
- The issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures.
- The factors affecting asset and liability carrying values, including the Agency's basis for determining useful lives assigned to tangible and intangible assets.
- The selective correction of misstatements, for example, correcting misstatements with the effect of increasing reported earnings, but not those that have the effect of decreasing reported earnings.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Corrected Misstatements: We are to inform you of material corrected misstatements that were brought to the attention of management as a result of our audit procedures.

There were no such misstatements.

Uncorrected Misstatements: We are to inform you of uncorrected misstatements that were aggregated by us during the current engagement and pertaining to the latest and prior period(s) presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying the uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if it was concluded that the uncorrected misstatements are immaterial to the financial statements under audit. For your consideration, we have distinguished misstatements between known misstatements and likely misstatements.

There were no such misstatements.

OTHER COMMUNICATIONS

Communication Item	Results
<p>Other Information Included in an Annual Report</p> <p>Information may be prepared by management that accompanies or includes the financial statements. To assist your consideration of this information, you should know that we are required by audit standards to read such information and consider whether a material inconsistency exists between the other information and the financial statements. We are also to remain alert for indications that:</p> <ul style="list-style-type: none"> • Material inconsistency exists between the other information and the auditor's knowledge obtained in the audit; or • A material misstatement of fact exists, or the other information is otherwise misleading. <p>If we identify a material inconsistency between the other information and the financial statements, we are to seek a resolution of the matter.</p>	We understand that management has not prepared other information to accompany the audited financial statements.

Communication Item	Results
Significant Difficulties Encountered during the Audit We are to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.	There were no significant difficulties encountered in dealing with management related to the performance of the audit.
Disagreements with Management We are to discuss with you any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the Agency's financial statements or the auditor's report.	During our audit, there were no such disagreements with management.
Difficulties or Contentious Matters We are required to discuss with the Those Charged with Governance any difficulties or contentious matters for which we consulted outside of the engagement team.	During the audit, there were no such issues for which we consulted outside the engagement team.
Circumstances that Affect the Form and Content of the Auditor's Report We are to discuss with you any circumstances that affect the form and content of the auditor's report, if any.	There are no such circumstances that affect the form and content of the auditor's report.
Consultations with Other Accountants If management consulted with other accountants about auditing and accounting matters, we are to inform you of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.	We are not aware of any instances where management consulted with other accountants about auditing or accounting matters since no other accountants contacted us, which they are required to do by Statement on Auditing Standards No. 50, before they provide written or oral advice.
Representations the Auditor is Requesting from Management We are to provide you with a copy of management's requested written representations to us.	We direct your attention to a copy of the letter of management's representation to us provided separately.
Significant Issues Discussed, or Subject to Correspondence, with Management We are to communicate to you any significant issues that were discussed or were the subject of correspondence with management.	There were no such significant issues discussed, or subject to correspondence, with management.
Significant Related Party Findings or Issues We are to communicate to you significant findings or issues arising during the audit in connection with the Agency's related parties.	There were no such findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.
Other Findings or Issues We Find Relevant or Significant We are to communicate to you other findings or issues, if any, arising during the audit that are, in our professional judgment, significant and relevant to you regarding your oversight of the financial reporting process.	There were no such other findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.

We are pleased to serve your Agency as its independent auditors and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use of the Board of Directors and, if appropriate, management, and is not intended to be and should not be used by anyone other than these specified parties.

Crowe LLP
Crowe LLP

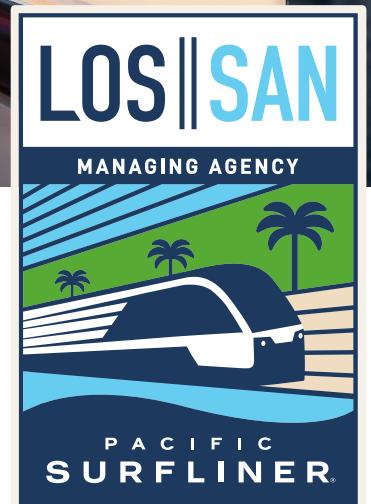
Costa Mesa, California
December 22, 2025



Pacific Surfliner Marketing Update

Fiscal Year 2025-26 – First Half (H1) – July – Dec 2025

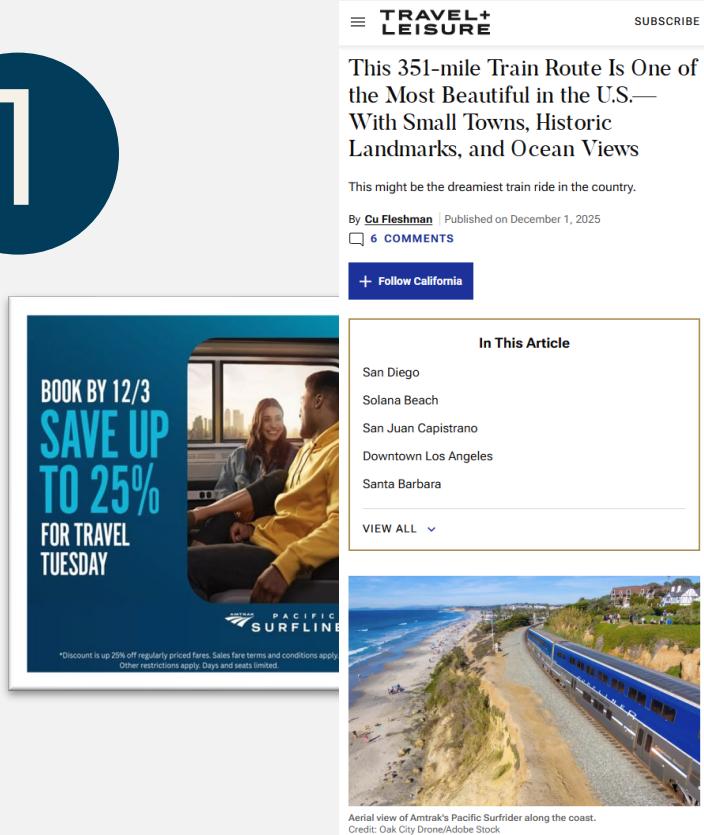
LOSSAN Executive Committee Meeting | February 5, 2026



Marketing Activities = Measurable Impact

LOSSAN's marketing objectives support ridership, build partnerships, and strengthen public trust.

1



This 351-mile Train Route Is One of the Most Beautiful in the U.S.—With Small Towns, Historic Landmarks, and Ocean Views

This might be the dreamiest train ride in the country.

By Cu Fleshman Published on December 1, 2025

6 COMMENTS

+ Follow California

**BOOK BY 12/3
SAVE UP TO 25%
FOR TRAVEL TUESDAY**

PACIFIC SURFLINER

*Discount is up to 25% off regularly priced fares. Sales fare terms and conditions apply. Other restrictions apply. Days and seats limited.

In This Article

- San Diego
- Solana Beach
- San Juan Capistrano
- Downtown Los Angeles
- Santa Barbara

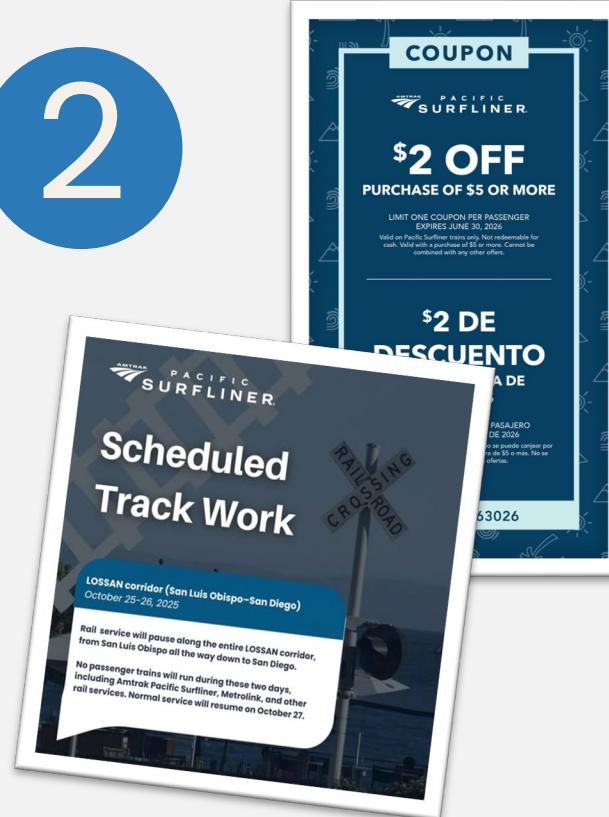
VIEW ALL ▾

Aerial view of Amtrak's Pacific Surfliner along the coast.
Credit: Oak City Drone/Adobe Stock

Build Awareness

Partnerships, Paid Advertising, and PR Campaigns

2



COUPON

PACIFIC SURFLINER

\$2 OFF PURCHASE OF \$5 OR MORE

LIMIT ONE COUPON PER PASSENGER EXPIRES JUNE 30, 2026

\$2 DE DESCUENTO

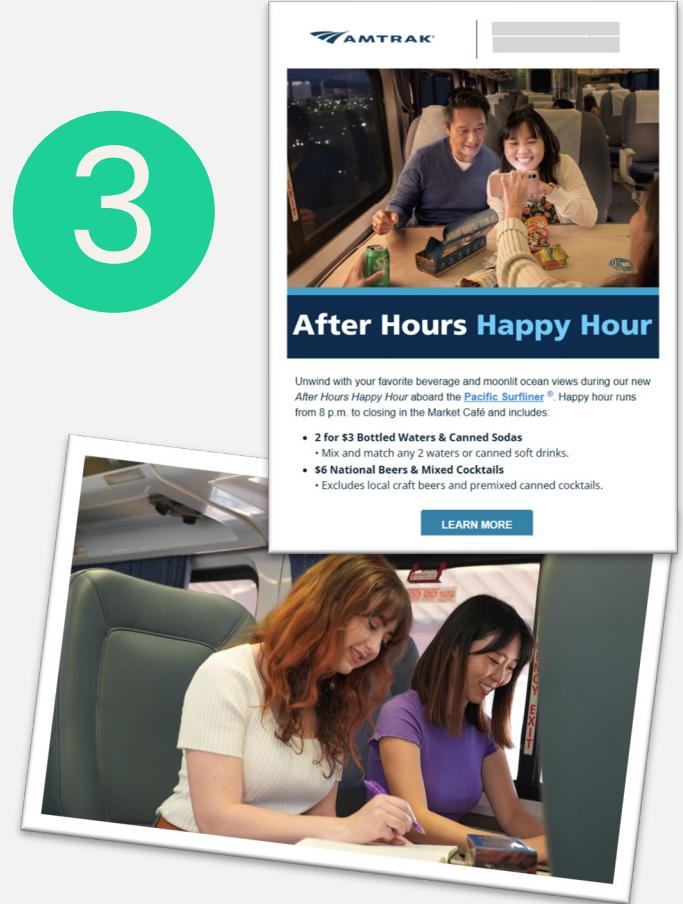
PACIFIC SURFLINER

Scheduled Track Work

LOSSAN corridor (San Luis Obispo–San Diego)
October 25–26, 2025

Rail service will pause along the entire LOSSAN corridor, from San Luis Obispo all the way down to San Diego. No passenger trains will run during these two days, including Amtrak Pacific Surfliner, Metrolink, and other rail services. Normal service will resume on October 27.

3



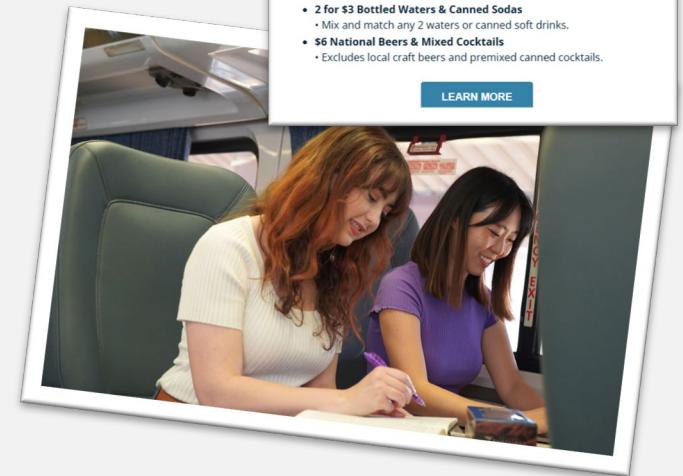
AMTRAK

After Hours Happy Hour

Unwind with your favorite beverage and moonlit ocean views during our new After Hours Happy Hour aboard the **Pacific Surfliner**®. Happy hour runs from 8 p.m. to closing in the Market Café and includes:

- **2 for \$3 Bottled Waters & Canned Sodas**
 - Mix and match any 2 waters or canned soft drinks.
- **\$6 National Beers & Mixed Cocktails**
 - Excludes local craft beers and premixed canned cocktails.

LEARN MORE



Inform Riders

Email, Web, and Organic Social

Increase Ridership

Bookings, Clicks to Amtrak.com

Digital Marketing in H1



Email performance

4.96K

Unique
Conversions
+91.2%*

9.18K

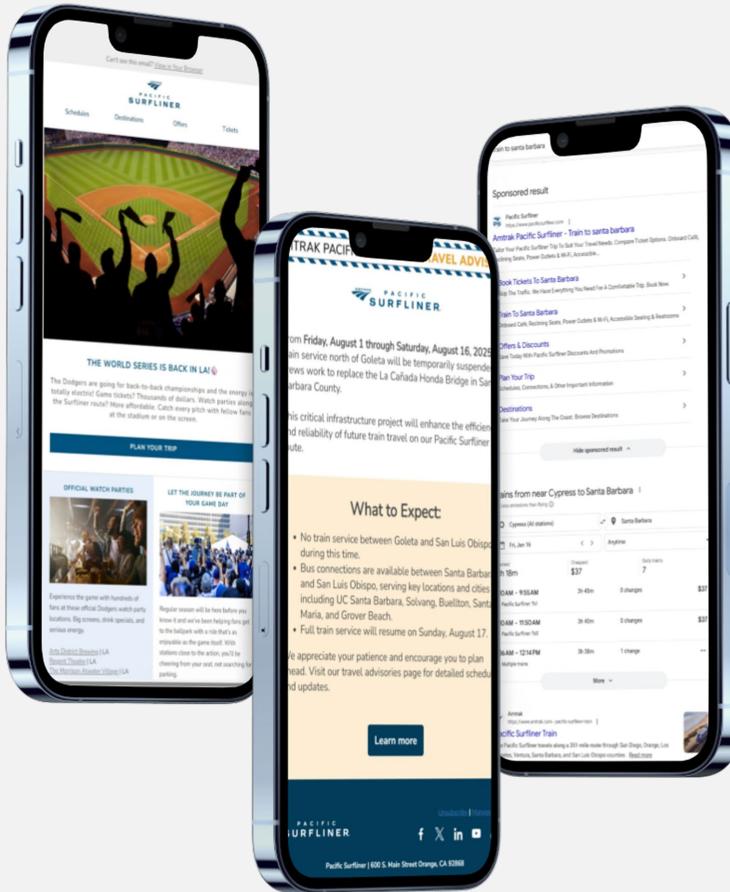
Email
Sign-ups
+65.8%*

170K

Unique Opens
+123.5%*

5.25K

Unique Clicks
+1.9%*



Paid ad performance

66K

Conversions
+5.5%*

9.9%

Conversion Rate
-23.4%*

10.94%

CTR
+1.7%*

Media Coverage & Publicity Value

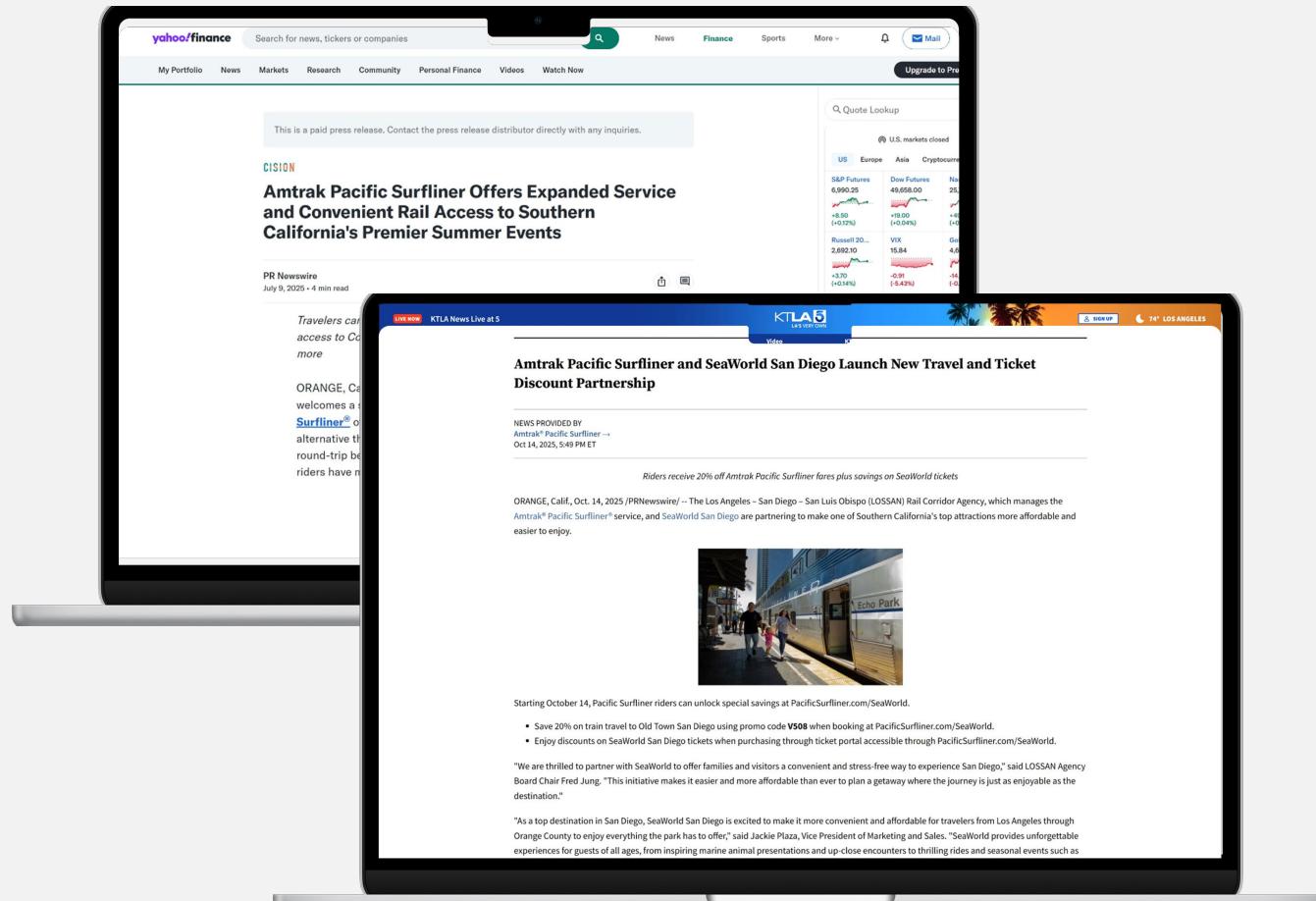
In H1 2025-26, LOSSAN boosted public visibility and trust through earned media tied to major press announcements including the press release promoting of our 12th roundtrip between LA and San Diego and our partnerships.

22,700
Stories in the press

20.7 billion
Earned media
impressions

\$13.6 million
Publicity value

5
Press releases



As Seen In...

Pacific Surfliner in the news



KSBY
CALIFORNIA'S CENTRAL COAST

Time Out
THE BEST OF THE CITY

Independent
Santa Barbara

AFAR

**Condé Nast
Traveler**

**TRAVEL+
LEISURE**

7/9/25

8/27/25

9/5/25

9/19/25

11/5/25

12/1/25

[Amtrak Pacific Surfliner Adds More Service As Summer Events Heat Up](#)

[14 Family-Friendly Road Trips From Los Angeles for Labor Day Weekend](#)

[Amtrak Pacific Surfliner Promotes Safe Practices Around Tracks During Rail Safety Month](#)

[10 Train Routes That Will Take You Straight to a National Park](#)

[7 Dreamy Coastal Train Rides, From California to the Amalfi Coast](#)

[This 351-mile Train Route Is One of the Most Beautiful in the U.S.](#)

H1 Campaigns and Promos



Save 20% on Train Travel to the Ventura County Fair 

A collage of images related to the Pacific Surfliner. It includes the Amtrak Pacific Surfliner logo, a photo of the train, and several images of the La Cañada Honda Bridge under construction, showing workers and the bridge structure.



June - August

**Disneyland
Resort 70th
Anniversary
Celebration**



Jul. 18-Sep.7

**Del Mar
Races**



Jul. 24-27

Comic-Con



Jul. 30-Aug. 10

**Ventura
County Fair**



Aug. 1-17

**Honda Bridge
Construction/
Reopening**

Campaigns and Promos in H1



Sept. 20-21

**Rail Safety Month/
TrainFest
2025**

Sept. 27-28

**Goleta
Lemon
Festival**

Oct. 14

**Happy Hour
After Hours**

Oct. 14

**SeaWorld
Partnership**

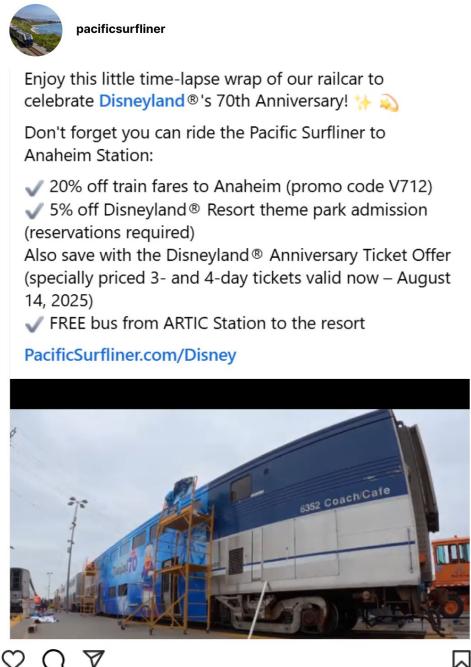
Nov. 26-Jan. 1

**Holiday
Travel
Advisories**

Social Media in H1

Top performing posts

Reach: 103K
Likes/Reactions: 1.7K
Comments:
Shares: 52



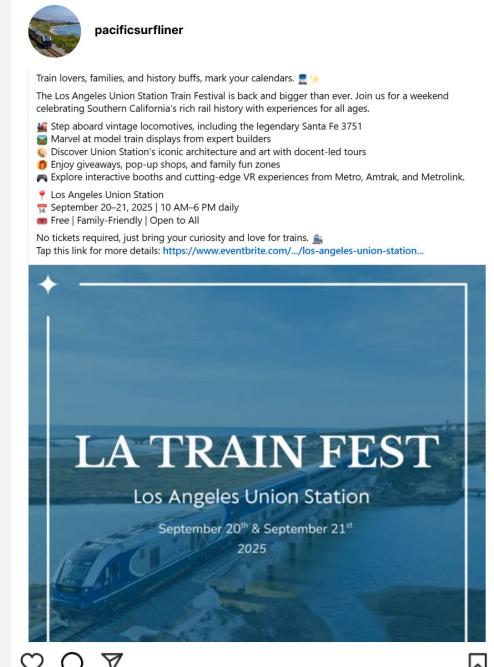
Reach: 34.6K
Likes/Reactions: 1.2K
Comments:
Shares: 111



Reach: 22K
Likes/Reactions: 2K
Comments:
Shares: 113



Reach: 20K
Likes/Reactions: 201
Comments:
Shares: 38



Influencer Partnerships in H1

Pacific Surfliner partnered with **three influencers** to showcase how taking the Pacific Surfliner is an easy, convenient, and enjoyable transportation option for SoCal travelers.



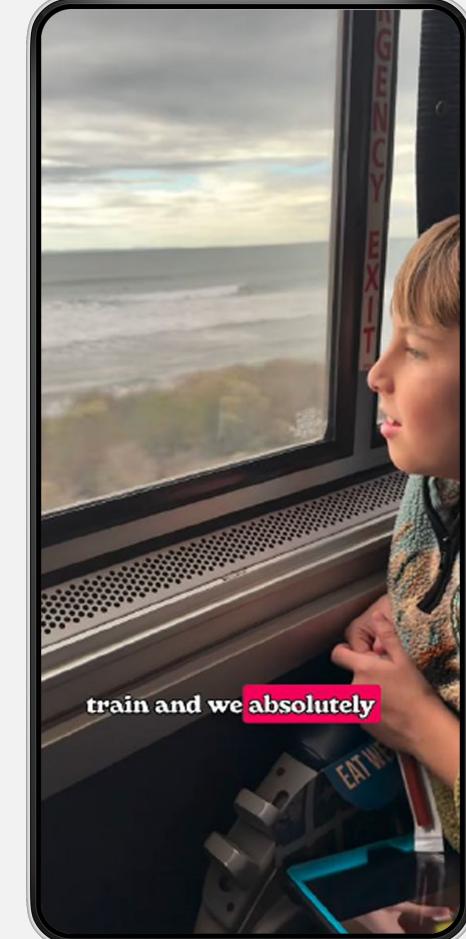
Courtney Quinn
[@colormemagic](https://www.instagram.com/colormemagic)

Views: 23.5K
Likes: 1.6K
Shares: 278



Lexi Stephens
[@lexiswinelist](https://www.instagram.com/lexiswinelist)

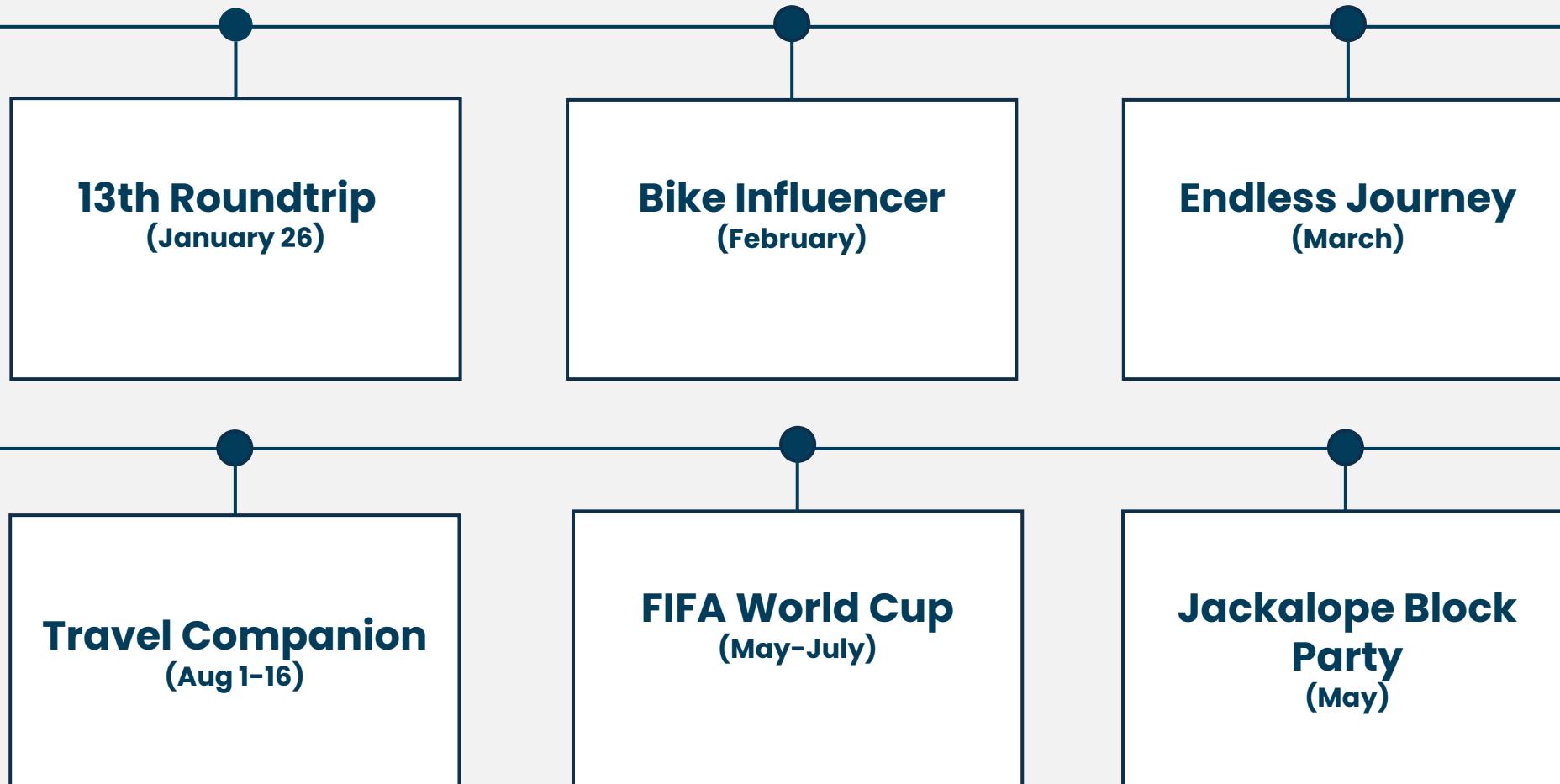
Views: 22.7K
Likes: 724
Shares: 331



Allison Rafie
[@magicfamilyadventures](https://www.instagram.com/magicfamilyadventures)

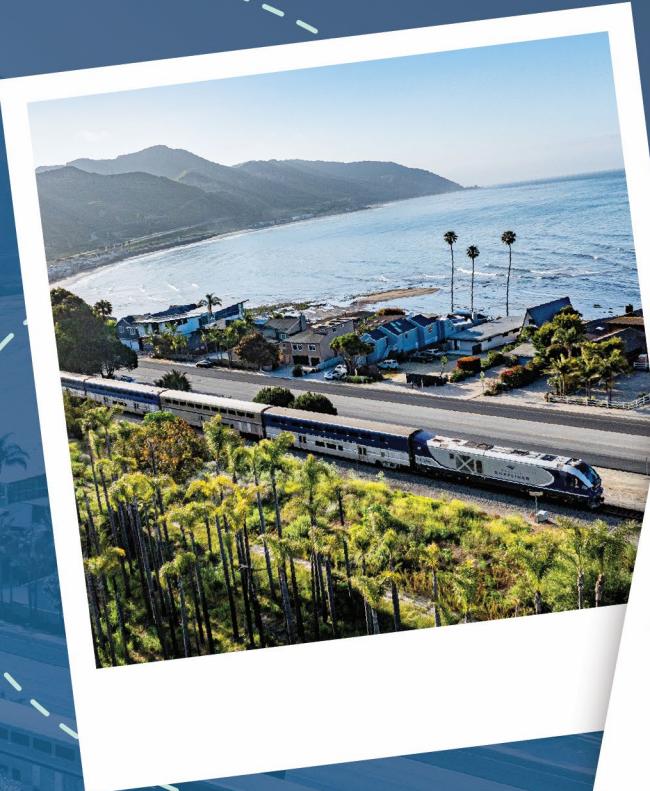
Views: 219.6K
Likes: 7.7K
Shares: 2.3K

Here's what we're working on



YOUR TICKET TO *Endless Escapes*

SAN LUIS
OBISPO



SAN
DIEGO

Wherever you're headed,
the journey is half the fun.

AMTRAK
PACIFIC
SURFLINER®

Questions?