



**DATE:** October 22, 2020

**TO:** Transportation Authority of Marin Board of Commissioners

**FROM:** Anne Richman, Executive Director *Anne Richman*  
Li Zhang, Chief Financial Officer/Deputy Executive Director

**SUBJECT:** Review and Accept the FY2019-20 TAM Comprehensive Annual Financial Report (Action),  
Agenda Item No. 13

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**RECOMMENDATION:**

The TAM Board reviews and accepts the Draft FY2019-20 TAM Comprehensive Annual Financial Report (CAFR).

The Citizens' Oversight Committee (COC) will review the CAFR at its October 19 meeting. Comments received and actions taken by the COC will be reported at the October 22 Board meeting.

**BACKGROUND:**

TAM is required by the Measure A/AA ½-Cent Transportation Sales Tax Expenditure Plans and PUC Code 180105(c) to conduct an annual financial audit. TAM staff, along with its audit team from Eide Bailly LLP, started the work on the FY2019-20 financial audit in June of this year. Both the initial and the final field visits were conducted remotely due to the COVID-19 pandemic but went smoothly. As required by the Measure A/AA ½-Cent Transportation Sales Tax Expenditure Plans, the COC is asked to review and accept the Draft FY2019-20 TAM Comprehensive Annual Financial Report (CAFR) and report the results to Marin residents in its FY2019-20 Annual Report and also refer it to the TAM Board for review and acceptance.

**DISCUSSION/ANALYSIS:**

FY2019-20 Comprehensive Annual Financial Report

TAM's CAFR includes the following key components to ensure that users of the financial statements have the information and context needed to assess the financial health of TAM.

- **Introductory Section:** A letter of transmittal is included in this section. The letter should discuss a profile of the agency and the general economy of Marin County, in which it operates. It also highlights accomplishments and discusses major initiatives of TAM.
- **Financial Section:** This section contains most of what is required for basic financial statements.

- **Statistical Section:** This section allows operational, economic, and historical data to be included. This provides a context for assessing a government's economic condition. The statistical section is made up of the following broad categories:
  - ✓ Information on financial trends
  - ✓ Information on revenue capacity
  - ✓ Information on debt capacity
  - ✓ Demographic and economic information
  - ✓ Operating information
  
- **Compliance Section:** This section includes all the compliance audits that TAM is subject to in the fiscal year audited as well as the Single Audit Report required by the federal awards.

TAM's first CAFR, developed for FY2017-18, received the Certificate of Achievement for Excellence in Financial Reporting Award from the Government Finance Officers Association of the United States and Canada (GFOA). To apply and receive this award, the agency needs to publish an easily readable and efficiently organized CAFR that satisfies both the generally accepted accounting principles and applicable program requirements. Staff appreciates the confirmation of quality work by the GFOA and is committed to continue to improve the CAFR over the years.

#### Results of the FY2019-20 Financial and Single Audits

The Auditor has certified that all of TAM's financial statements are presented fairly in all material aspects, has certified the financial position of the governmental activities and each major fund as of and for the year ended June 30, 2020, and the respective changes in financial position thereof and the budgetary comparison for the special revenue funds for the year ended in conformity with U.S. generally accepted accounting principles, as well as the accounting system prescribed by the State Controller's Office and state regulations governing special districts.

The auditor also confirmed that its tests during the Single Audit process disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

#### Confirmation of Compliance with the 5% Administration Cost Cap Requirement in Measure A/AA

The Expenditure Plan allows TAM to use up to 5% of the Measure A/AA revenue for administration and project/program management related expenditures, of which 1% can be used for salaries and benefits for administrative staff and 4% can be used for overall project/program support. The Measure A/AA compliance audit conducted for FY2019-20 confirmed that TAM is in compliance with the 5% overall administration cost ceiling and is below the 1% administrative staff cost cap mandated by Measure A/AA.

#### **FISCAL CONSIDERATION:**

The audit is being conducted within budget and on time.

#### **NEXT STEPS:**

After the acceptance of the TAM Board, the COC will report the audit results to Marin County residents in the FY2019-20 COC Annual Report/2020 TAM Annual Report.

**ATTACHMENTS:**

Attachment A: Draft TAM FY2019-20 Comprehensive Annual Financial Report  
Attachment B: Staff PowerPoint Presentation

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# Comprehensive Annual Financial Report

FOR THE FISCAL YEAR  
ENDED JUNE 30, 2020

Transportation Authority of Marin  
San Rafael, CA



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**Transportation Authority of Marin**

**Comprehensive Annual Financial Report**

*For the Fiscal Year Ended June 30, 2020*

*Prepared by the Finance and Administration Team*

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*INTRODUCTORY SECTION*

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October 22, 2020

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**County of Marin**  
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Katie Rice  
Kathrin Sears  
Dennis Rodoni  
Judy Arnold

The Board of Commissioners  
Transportation Authority of Marin

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Transportation Authority of Marin (TAM) for the fiscal year ended June 30, 2020. The financial statements are presented in conformity with generally accepted accounting principles and were audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

The Measure A/Measure AA ½-Cent Transportation Sales Tax and the Measure B \$10 Vehicle Registration Fee Expenditure Plans require an annual audit of TAM's financial statements. This report is published to fulfill the requirement for the fiscal year ended June 30, 2020.

TAM's management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that was established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe the controls and procedures in place are adequate to ensure the accuracy of reported data in all material respects, and TAM's financial position is presented fairly.

Eide Bailly LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on TAM's financial statements for the year ended June 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. TAM's MD&A can be found immediately following the report of the independent auditors. Responsibility for the accuracy, completeness and fairness of the presented data and the clarity of presentation, including all disclosures, rests with the management of TAM.

## PROFILE OF THE AGENCY

TAM plays a major role in improving the quality of life for Marin County residents. TAM supports the economic viability of our local region by funding transportation projects and programs that improve mobility, reduce congestion, and provide a transportation system with more options for those living, working, and visiting Marin County.

TAM administers the Expenditure Plan for Measure A, the ½-Cent Transportation Sales Tax measure passed in 2004, and the Expenditure Plan for Measure AA, the 30-year extension of Measure A, approved by the voters in 2018, with an overwhelming 76.7% approval rate. The ½-Cent Transportation Sales Tax is the most critical local funding source for addressing Marin County's transportation needs. Revenues from the original Measure A have funded many critical transportation projects and programs in the County, such as the carpool lane on Highway 101; local transit; major and local street and road projects; the Safe Routes to School Program; and school crossing guards. Revenues from the renewed Measure AA continue to support those important projects and programs under Measure A and also provide funding for critical new projects, such as the Marin Sonoma Narrows (MSN) Project, Highway 101/I-580 Direct Connector Project, a comprehensive interchange improvement program, and innovative technology and sea level rise resiliency.

TAM also administers the Expenditure Plan for Measure B, the \$10 Vehicle Registration Fee (VRF), passed in 2010. Revenues collected from the Measure B \$10 VRF help maintain local roads and pathways, fund transportation options for seniors and disabled persons; provide school crossing guards; and reduce commute trip congestion and supporting a cleaner environment by providing an alternative fuel support program.

TAM also serves as Marin County's Congestion Management Agency (CMA) and is responsible for coordinating the funding for many of the transportation projects and programs in the County. In this role, TAM is responsible for developing and administering the Congestion Management Program (CMP). Through its CMA activities, TAM leverages state and federal transportation dollars to complement the Measure A/Measure AA ½-Cent Transportation Sales Tax and the Measure B \$10 VRF revenues and performs project delivery oversight to assist with project implementation. TAM also tracks transportation system performance to ensure that Marin County gets good value for its transportation investments and prepares the long-range strategic plan to guide future investment decisions.

TAM has also served as Marin's program manager for the Transportation Fund for Clean Air (TFCA) fund from the Bay Area Air Quality Management District (BAAQMD). In such role, TAM approves funding for transportation projects that directly benefit air quality, through reduced motor vehicle emissions.

## Item 13 - Attachment A

TAM's Board of Commissioners has 16 members, including the five members of the County Board of Supervisors and an elected official from each city and town. Board members elect a chairperson every January. The chairperson recommends and the Board appoints members and chairpersons of several standing committees.

### **ECONOMIC CONDITION**

Marin's economy is driven by various types of industries including financial services, healthcare, biotech, high technology and tourism. Its population is generally one of the wealthiest, healthiest and most highly educated in the nation, though significant disparities exist within the County. Marin's unparalleled quality of life continues to attract new residents and reinforces residential property values. Residents enjoy exceptional school districts, easy access to a multitude of recreational activities, and breathtaking natural beauty.

### **COVID-19 and Its Social Economic and Financial Impacts**

The expansion rate of COVID-19 and the breadth of its social, economic, and fiscal impacts has shocked the whole world. The United States and most other countries have implemented crisis response, with a focus on increasing the capacity of health care systems and constraining the spread of the coronavirus, including Shelter In Place (SIP) orders, remote school, business closures or operation changes, and event cancellations. However, all those measures have major negative impacts on the operations and financial health of governmental agencies at all levels, including service disruption, significant revenue loss, etc. Even though it is still too early to fully grasp the extent of the pandemic's effect, TAM, along with all our partner agencies, is closely monitoring and mitigating the financial and service impacts of COVID-19, as well as constantly rethinking and adjusting our transportation project/program priorities and implementation strategies.

We all hoped at the beginning of the pandemic that the virus situation would be under control quickly, and the economic slowdown and job and financial loss would be temporary. However, as of now, it is clear that the pandemic may last into 2021 and the economic recession could last for years after the end of the pandemic. However, due to the nature of its operation and revenue sources, TAM has experienced less disruption to its daily work activities and is in a relatively stable financial position so far, compared to many of its public agency partners in the County. However, TAM still reduced its sales tax revenue projections for the next 5 years and staff and the TAM Board are facing tough decisions over the next year and beyond in terms of the operation and delivery of many projects and programs.

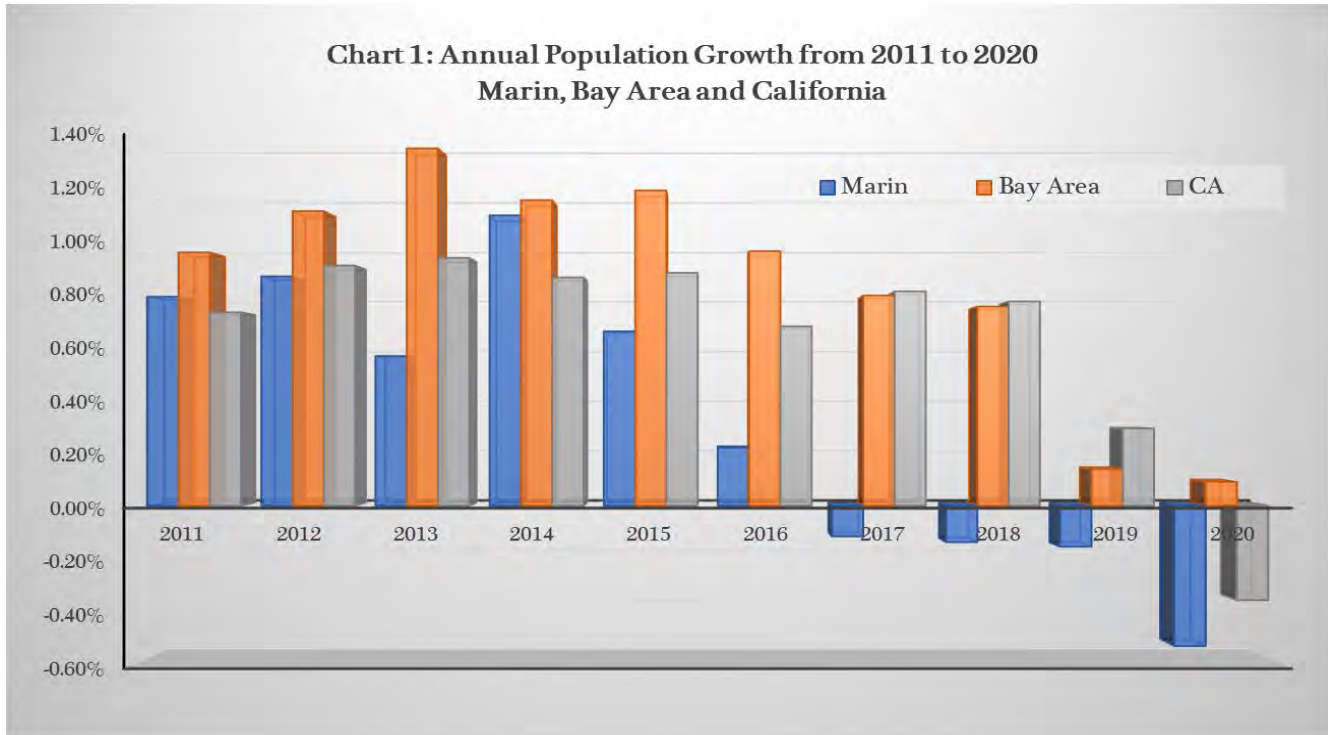
### **Major Economic and Sales Tax Revenue Trend Indicators**

Major factors affecting the economy and sales tax revenues include population, personal income, and unemployment rate.

According to the data provided by the California Department of Finance (DOF), between 2010 and 2020, the population of Marin County increased from 252,409 to 260,831, with an annual growth rate of 0.33% but has been in negative growth since 2017. As shown in "Chart 1: Annual Population Growth

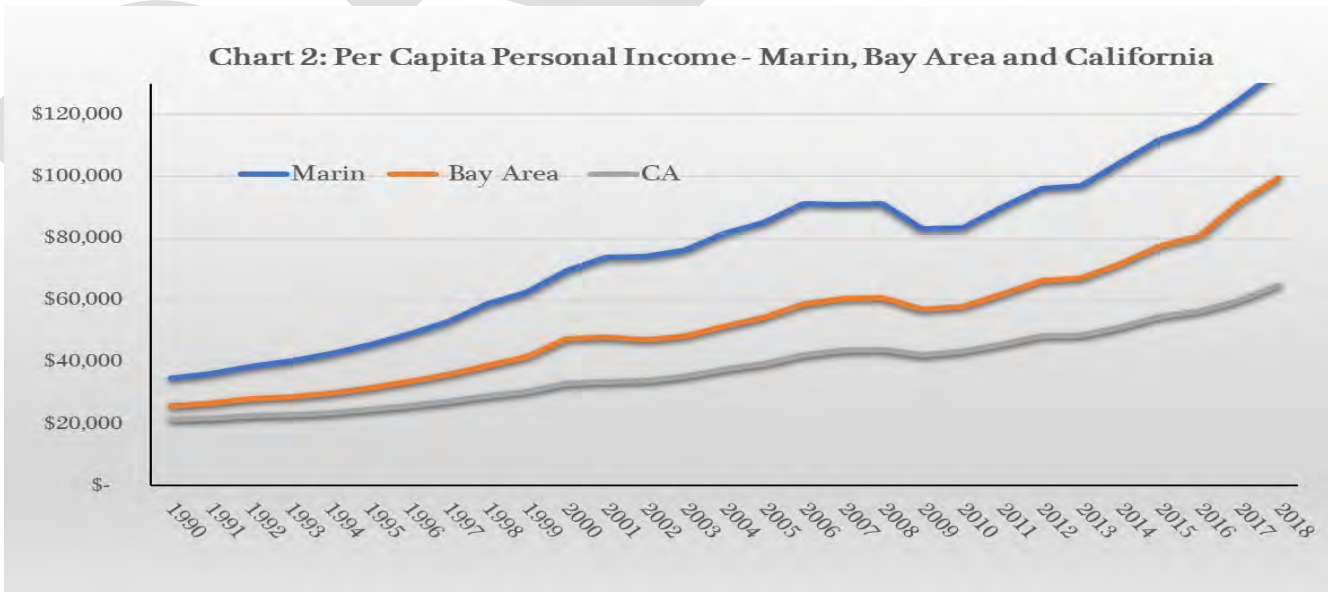
## Item 13 - Attachment A

from 2010 to 2020, Marin, Bay Area and California”, Marin’s population growth is much slower than other parts of the Bay Area.



Data Source: State of California Department of Finance

As one of the wealthiest counties in the US, Marin’s per capita personal income is the highest in the State, as shown in “Chart 2: Per Capita Personal Income – Marin, Bay Area and California”. As of 2018, Marin’s average per capita personal income (\$134,275) is more than double the national average (\$53,820) and the state average (\$64,790) and is also more than 35% higher than the Bay Area average (\$99,424).

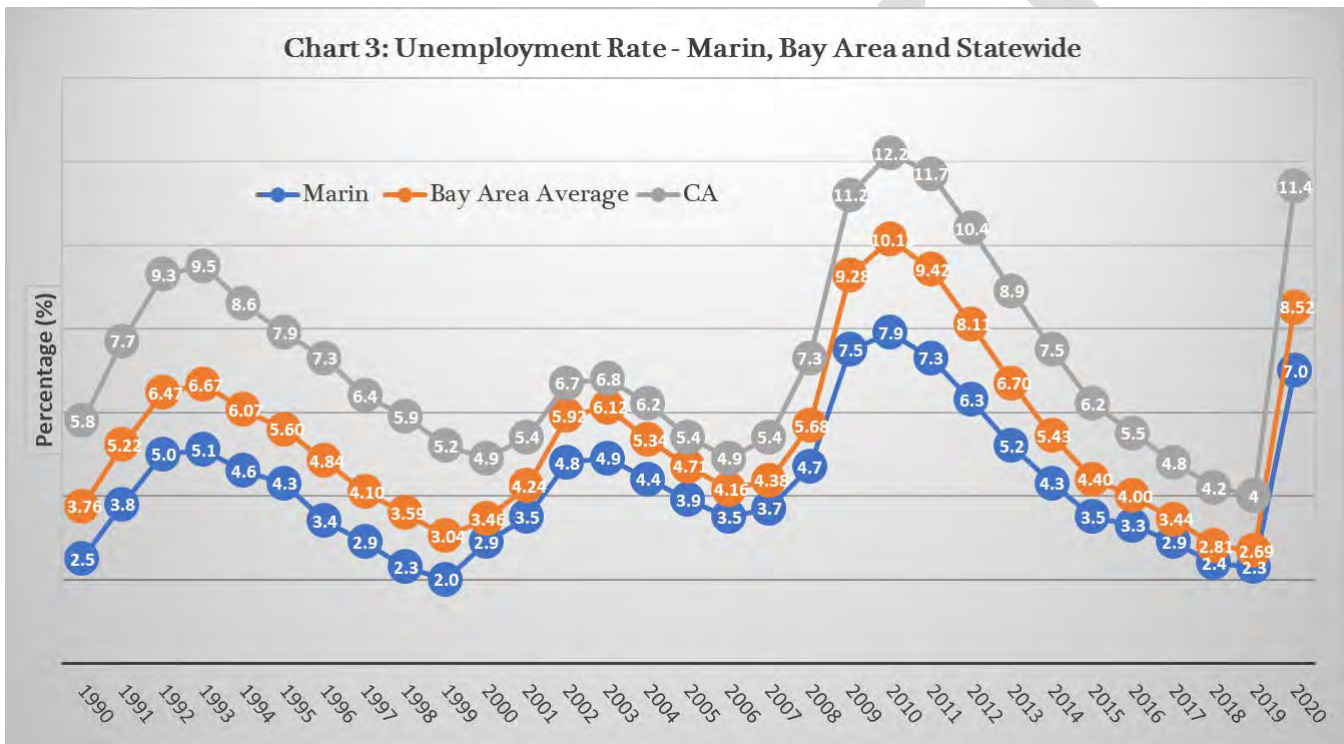


Data Source: U.S. Department of Commerce Bureau of Economic Analysis



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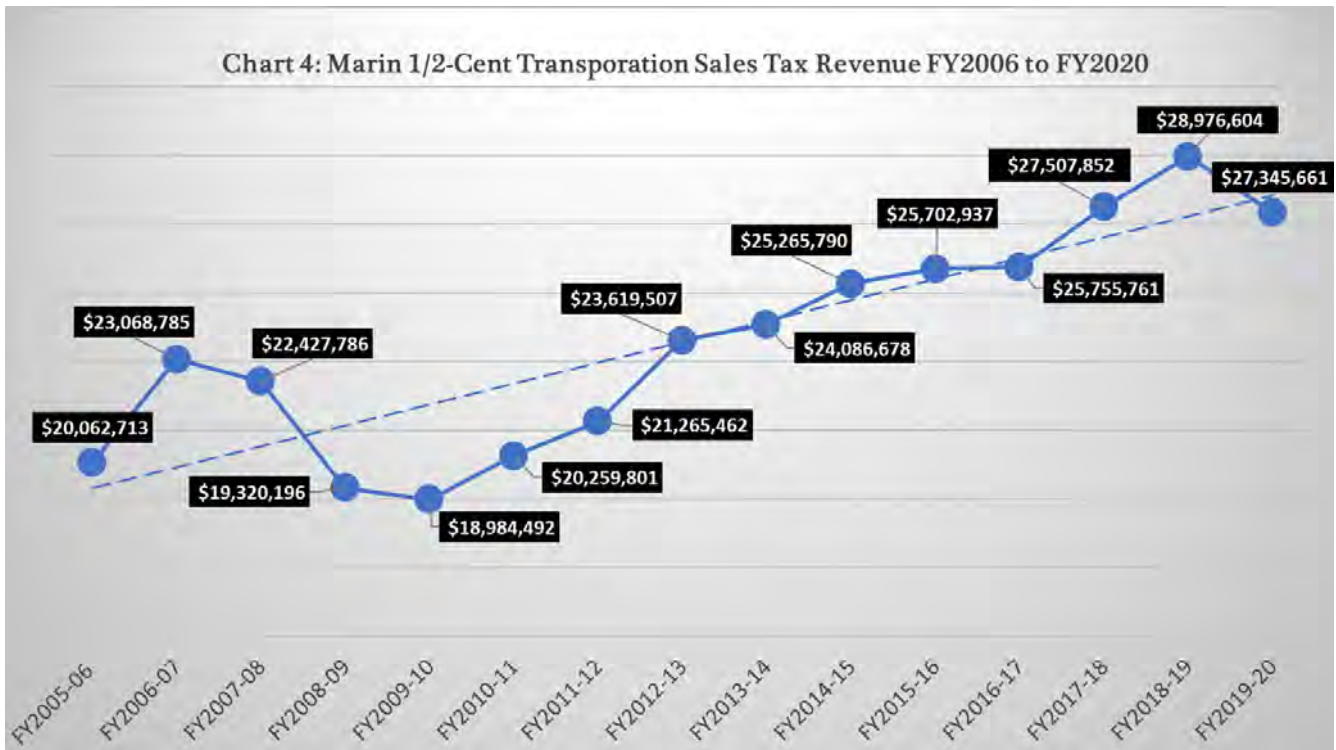
Prior to the pandemic, Marin had been enjoying one of the lowest unemployment rates in the nation for decades. As shown in “Chart 3: Unemployment Rate – Marin, Bay Area and California”, the unemployment rate in Marin is much lower than the State and the Bay Area average. The nation enjoyed historical low unemployment for years and then experienced a record spike in the unemployment rate due to the COVID-19 and SIP order. The national unemployment rate was 3.7% in August 2019 and 8.4% in August 2020. The unemployment rate for California was 4.2% in August 2019 and 11.4% in August 2020. The unemployment rate for the Bay Area was 2.7% in August 2019 and 8.5% in August 2020. Marin’s unemployment rate was 2.3% in August 2019 vs. 7.0% in August 2020 but still the lowest in the Bay Area and third lowest in the State.



Data Source: State of California Employment Development Department

Since per capita personal income and unemployment rate are two main drivers of taxable sales, the combined effects in general indicated more household income generated and more overall spending by the local economy over the past years. Looking ahead, the strong fundamentals in Marin’s economy are expected to result in a relatively lower reduction in taxable sales during the pandemic and in the long-term taxable sales growth and sales tax revenue increase for TAM. However, it is still unclear how long the COVID-19 induced recession will last and how much damage it will cause. “Chart 4: Marin ½-Cent Transportation Sales Tax Revenue Trend, from FY2006-FY2020” shows the historical revenue collection since the inception of the ½-Cent Transportation Sales Tax. While TAM experienced a negative growth in sales tax revenue in FY2019-20, the 5.7% decrease was less severe compared to many other counties in the State.

Chart 4: Marin 1/2-Cent Transportation Sales Tax Revenue FY2006 to FY2020



**LONG-TERM FUNDING PLANNING**

TAM has successfully managed and delivered many of the critical projects/programs in the Expenditure Plans of both the 2004 Measure A 1/2-Cent Transportation Sales Tax and the 2010 Measure B \$10 Vehicle Registration Fee, and is fully prepared to do the same with Measure AA, the 30-year extension of the Measure A. TAM has been operating mostly on a pay-as-you-go basis, other than a one-time interagency loan from the Metropolitan Transportation Commission (MTC) for the cash flow needs of the Highway 101 Gap Closure Project.

The Measure AA 1/2-Cent Transportation Sales Tax Expenditure Plan provides a high degree of accountability and was designed to respond to emerging transportation issues over the next 30-year period, while continuing to fund the high priority transportation projects and programs in the County. Cash flow of most projects and programs under Measure AA will be met by the steady collection of the sales tax revenue. However, various financial options will need to be studied to meet the cash flow needs of the two major highway projects funded by Measure AA: the MSN Project and the Highway 101/I-580 Direct Connector Project.

With the pandemic likely not ending until sometime in 2021 and full economic recovery not expected until 2023 or later, the potential further sales tax revenue loss weighs on the agency’s financial picture over the next few years. However, over the long-term, the strong sales tax drivers, including per capita personal income and unemployment rate Marin has, will continue to support the strong taxable sales growth in Marin.

Senate Bill 1(SB1), the Road Repair and Accountability Act of 2017, signed into law in April 2017, provided much needed additional funding for transportation projects and programs for the County as

## Item 13 - Attachment A

well. Marin is expecting a total of \$8 million annually from SB1 for local streets and roads maintenance needs and substantial additional funds for transit as well.

Marin also is expecting new funding from the Regional Measure 3 (RM3), which was approved by the voters on June 5, 2018, to help fund a few major capital projects in the County. While the two major lawsuits against RM3 were dismissed by the Superior Court, an appeal was filed with the State Supreme Court. Staff will continue to keep the Board apprised of the RM3 legal situation and will continue prudent financial practice during this challenging time.

### MAJOR PROJECT ACTIVITIES

TAM will continue the delivery of all projects and programs in both the Measure A and Measure AA Expenditure Plans, the Measure B Expenditure Plan, and all projects and programs with which TAM plays a vital role as the CMA for the County.

In the upcoming year, TAM will continue to work closely with various local partners on the delivery of the following critical projects and programs in Marin County:

- North/South Greenway Multi-Use Pathway
- The Downtown San Rafael Bettini Transit Center Permanent Relocation
- Marin-Sonoma Narrows HOV Lane and Multi-Use Path
- State Route 37 Improvements
- NB Highway 101 to EB I-580 Direct Connector Project
- Improve Highway 101 Local Interchanges and Freeway Access Routes
- Bellam Boulevard Off-Ramp Improvements
- Safe Routes to School Program
- Crossing Guard Program
- Yellow School Bus Service
- Alternative Fuel Support Program
- First/Last Mile Connection to Transit Hubs
- Senior Mobility
- Local Streets & Roads Rehab/Maintenance
- Transit Services

### RELEVANT FINANCIAL POLICIES

TAM has adopted a comprehensive set of financial policies. Various fiscal policies are designed to guide decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development and sales tax revenue and vehicle registration fee revenue allocation requirements.

Investment Policy is created to organize and formalize investment-related activities, and to set out policies and procedures that enhance opportunities for prudent and systematic investment of TAM's financial assets.

## Item 13 - Attachment A

Debt Policy establishes guidelines for the issuance and management of TAM's debt and confirms the commitment of the Board, management, and staff to adhere to sound debt management practices.

### AWARDS AND ACKNOWLEDGEMENTS

TAM's first Comprehensive Annual Financial Report (CAFR) was produced during the FY2017-18 financial audit. The first CAFR received very positive feedback from the Board, the Citizens' Oversight Committee (COC), the general public and also won the Certificate of Achievement for Excellence in Financial Reporting Award from the Government Finance Officers Association (GFOA) of the United States and Canada. Staff appreciates the confirmation of good work by all parties and will continue to improve the CAFR over the years.

The preparation of TAM's CAFR is made possible by the efficient and dedicated services of the agency's financial and administration team, and with the cooperation and support of all other staff. We also want to acknowledge the extensive effort of TAM's audit team from Eide Bailly LLP.

Most importantly, we would like to thank TAM's Board of Commissioners and the COC for their continued guidance and support in the prudent and high standard financial management of the agency.

Finally, we would like to thank all residents in Marin for their continued support of TAM's mission to provide a better and more efficient transportation system for the County.

Respectfully submitted,

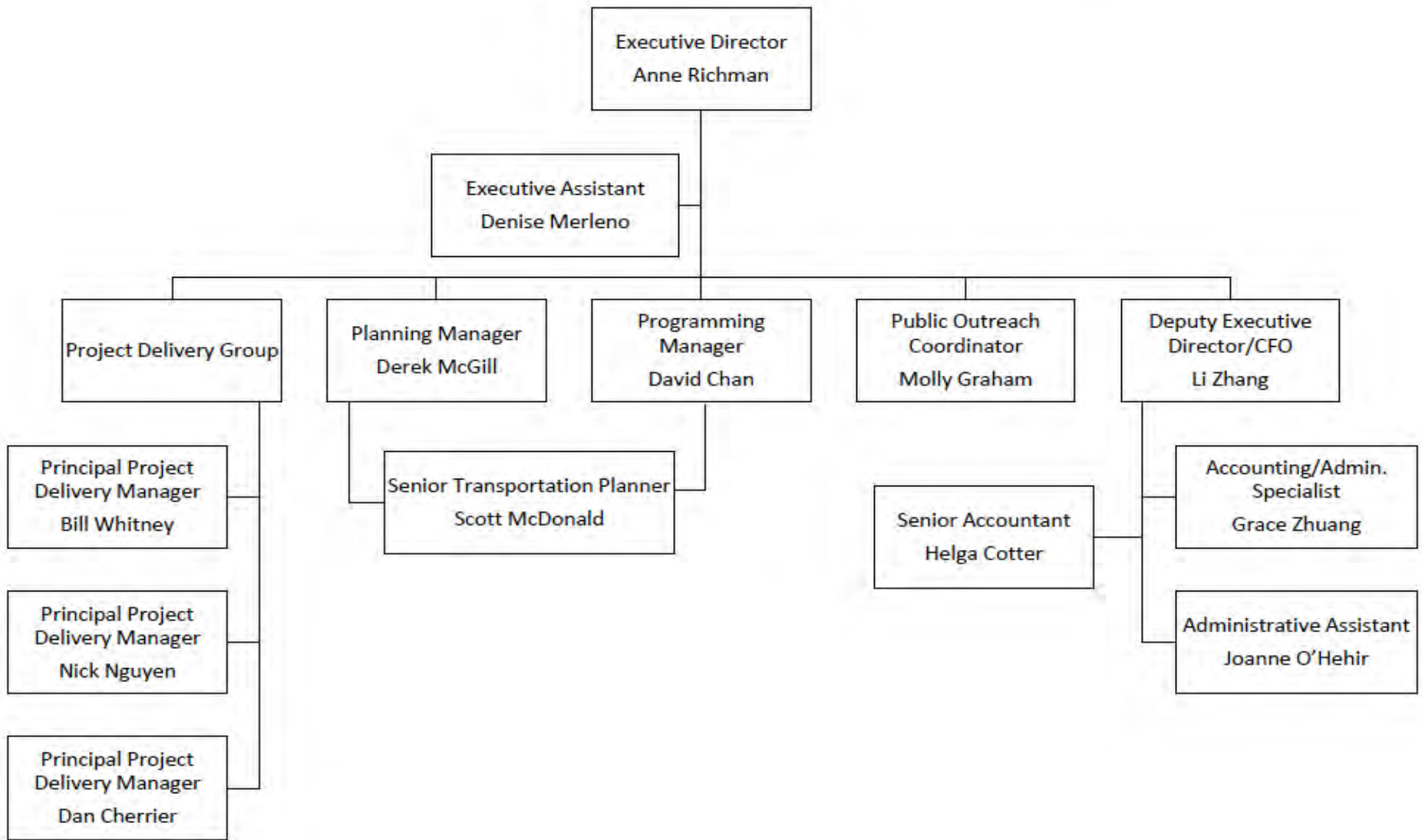


Anne Richman  
Executive Director



Li Zhang  
Chief Financial Officer/Deputy Executive Director

### Transportation Authority of Marin Organization Chart As of June 30, 2020



TRANSPORTATION AUTHORITY OF MARIN

BOARD OF COMMISSIONERS  
JUNE 30, 2020

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Judy Arnold/Chair	County of Marin
Alice Fredericks/Vice Chair	Town of Tiburon
James Campbell	City of Belvedere
Charles Lee	Town of Corte Madera
John Reed	Town of Fairfax
Dan Hillmer	City of Larkspur
Urban Camel	City of Mill Valley
Eric Lucan	City of Novato
P. Beach Kuhl	Town of Ross
Brian Colbert	Town of San Anselmo
Gary Phillips	City of San Rafael
Susan Cleveland-Knowles	City of Sausalito
Damon Connolly	County of Marin
Katie Rice	County of Marin
Kathrin Sears	County of Marin
Dennis Rodoni	County of Marin

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*FINANCIAL SECTION*

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**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners of the  
Transportation Authority of Marin  
San Rafael, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Transportation Authority of Marin (TAM) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the TAM's basic financial statements as listed in the table of contents.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

*Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the TAM, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, schedule of the proportionate share of the net pension liability, schedule of pension contributions, schedule of total OPEB liabilities and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the TAM's basic financial statements. The introductory section, the statistical section, and the supplementary information such as the schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

## Item 13 - Attachment A

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects, in relation to the financial statements taken as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated **December 10, 2020** on our consideration of the TAM'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 TAM'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 of the TAM's internal control over financial reporting and compliance.

San Mateo, California

**Date**

**TRANSPORTATION AUTHORITY OF MARIN****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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This section of the financial statements presents management's overview and analysis of the financial activities of TAM for the fiscal year ended June 30, 2020. We encourage the reader to consider the information presented here in conjunction with the financial statements as a whole.

**FINANCIAL HIGHLIGHTS**

TAM's governmental funds reported a total of \$34.88 million in revenues in FY2019-20, of which \$27.35 million, or 78.42% is the ½-Cent Transportation Sales Tax revenue, originally approved by the voters as Measure A in November 2004, and then renewed as Measure AA in November 2018. As of FY2018-19, the sales tax revenue in Marin County was seeing positive growth for nine years with a close to 5% annual growth rate, and revenue collection at \$28.98 million for FY2018-19. In March 2019, seeing economic recession likely in the next year or two, staff recommended, and the TAM Board adopted the then conservative revenue estimate of \$27.5 million for FY2019-20, with the hope that the actual collection would come in higher than the budgeted level as we saw in the prior years. However, none of us envisioned the unprecedented COVID-19 pandemic and the disruption it brought to our society and economy. With the SIP order started in March and still in place in most parts of California, many counties around the State have been experiencing significant loss in their sales tax revenue collections. Fortunately, the level of revenue loss in Marin is relatively smaller compared to most other counties. TAM's FY2019-20 Measure A/AA ½-Cent Transportation Sales Tax collection was \$27.35 million, which is only about \$0.15 million, or 0.56% less than the \$27.5 million budgeted, but is \$1.63 million, or 5.6% lower than the \$28.98 million collected in FY2018-19. A total of \$2.33 million was collected under Measure B, the \$10 VRF program, in FY2019-20, which is lower than the \$2.42 million collected in FY2018-19 as well as the \$2.4 million budgeted for the year. Together, the Measure A/AA ½-Cent Transportation Sales Tax and the Measure B \$10 VRF revenues are the two dedicated local transportation funding sources vital to the successful implementation of transportation projects and programs in Marin County.

Besides the Measure A/AA ½-Cent Transportation Sales Tax revenue and the Measure B \$10 VRF revenue collection, TAM also received about \$3.19 million for all its CMA related activities. As the CMA for Marin County, TAM collected about \$1.20 million from MTC in Congestion Management Planning & Programming and One Bay Area Grant (OBAG) funds. Cities, towns, and the County of Marin also contributed \$0.56 million for various services/support TAM provides as the CMA. A total of \$0.01 million Regional Measure 2 (RM2) funds were received for various RM2 capital projects in Marin County. TAM collected about \$0.37 million in Transportation Fund for Clean Air (TFCA) funds, a program funded by a \$4 surcharge on motor vehicles registered in the Bay Area. A total of \$0.45 million was received from the State Transportation Improvement Program (STIP), including \$0.14 million for Planning, Programming & Monitoring (PPM), and \$0.31 million for the MSN project. A total of \$0.54 million from Senate Bill 1 (SB1), with \$0.5 million for MSN and \$0.04 million for a Bus on Shoulder study. TAM also received a total of \$0.06 million reimbursement from the Climate Initiative Grant Program for its bike share pilot program and the Non-motorized Transportation Pilot Program (NTPP) for its Street Smarts program.

**TRANSPORTATION AUTHORITY OF MARIN****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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As of June 30, 2020, the total investment TAM holds with CalTRUST, the Investment Trust of California, is \$51.12 million. Total interest revenue received from various CalTRUST funds and from TAM's cash holding with Bank of Marin during FY2019-20 is \$0.97 million. As of June 30, 2020, the unrealized gain from the various CalTRUST funds is \$1.03 million. TAM also has \$0.13 million restricted investment with the California Employers' Pension Prefunding Trust (CEPPT) of CalPERS as of June 30, 2020. Including the funds in the Bank of Marin, CalTRUST and the CalPERS Trust, TAM has a total cash/investment balance of \$55.43 million as of June 30, 2020.

Total FY2019-20 expenditures for TAM were \$37.42 million, of which \$11.01 million was from the Measure A ½-Cent Transportation Sales Tax Fund. Expenditures for Measure AA ½-Cent Transportation Sales Tax Fund were \$18.43 million. Expenditures for all Measure B \$10 VRF programs were \$4.20 million. The other \$3.78 million expenditures were for various CMA planning/programming activities and major capital projects, including all TFCA Fund related expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to TAM's basic financial statements, which have three components: (1) Government-wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to Basic Financial Statements.

These two sets of financial statements provide two different views of TAM's financial activities and financial position.

The Government-wide Financial Statements provide an overall long-term view of TAM's activities and includes the Statements of Net Position and Statement of Activities. The Statement of Net Position provides information about the financial position of TAM as a whole, including its capital assets and long-term liabilities on the full accrual basis of accounting, similar to that used by corporations. The Statement of Activities provides information about all TAM's revenues and expenses, also on the full accrual basis of accounting, with the emphasis on net revenues or expenses of TAM's projects and programs. The Statement of Activities explains in detail the change in Net Position for the fiscal year. All of TAM's activities are grouped into Governmental Activities, as explained below.

The Fund Financial Statements report TAM's operation in more detail than the Government-wide Financial Statements and focus primarily on the short-term activities of TAM's Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances and exclude capital assets, long-term debt and other long-term amounts. Major Funds account for the major financial activities of TAM and are presented individually. All of TAM's funds that qualify or have been selected to be Major Funds are explained below.

**TRANSPORTATION AUTHORITY OF MARIN****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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**The Government-wide Financial Statements**

Government-wide Financial Statements are prepared on the full accrual basis of accounting, which means they measure the flow of all economic resources of TAM as a whole. The Statement of Net Position and the Statement of Activities present information about the following:

The Statement of Net Position includes financial information on all of TAM's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of TAM is improving or deteriorating.

The Statement of Activities includes information which shows how TAM's net position changed during the most recent 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. Consequently, revenues and expenses are reported for items in the Statement of Activities that may not result in cash flows until a future period.

**Fund Financial Statements**

The Fund Financial Statements provide detailed information about each of TAM's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are Major Funds, was established by the Governmental Accounting Standards Board (GASB). Each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Major Funds present the major activities of TAM for the fiscal year and may change from year to year as a result of changes in the pattern of TAM's activities.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements. TAM currently has five major governmental funds. The following is a discussion of the results of operations of each major fund during FY2019-20.

***CMA General Fund***

This Fund accounts for the revenues and expenditures of TAM's congestion management activities, primarily congestion management planning and programming work elements, and the management of various capital projects. The Fund spent a total of \$3.39 million for various transportation planning and programming activities, and capital projects management, and received a total of \$3.03 million in revenue in FY2019-20.

The fund's fiscal year-end balance is \$0.90 million. The Fund balance represents funds that have not yet been expended but are restricted for various congestion management activities.

**TRANSPORTATION AUTHORITY OF MARIN****MANAGEMENT'S DISCUSSION AND ANALYSIS****JUNE 30, 2020**

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*TFCA Fund*

This Fund accounts for the revenues and expenditures for the TFCA grant that TAM receives from BAAQMD. The purpose of the TFCA grant is to fund improvements that can contribute to the improvement of air quality. Revenue received in FY2019-20 is \$0.43 million. The Fund spent \$0.39 million on such activities in FY2019-20.

The Fund's fiscal year-end balance is \$1.67 million, representing funds that have not yet been expended but are restricted for air quality control and improvement projects.

*Measure A ½-Cent Transportation Sales Tax Fund*

This fund accounts for the revenues and expenditures for the projects and programs set forth by the voters in TAM's Measure A ½-Cent Transportation Sales Tax Expenditure Plan, approved by Marin voters in November 2004. Revenue collection of Measure A stopped on March 31, 2019. With the collection transition from Measure A to Measure AA, due to prior year collection reconciliation, FY2019-20 revenue for Measure A is a negative amount of \$0.05 million, taking into account the \$1.06 million investment earnings, total revenue for the fund was \$1.01 million for FY2019-20. The Fund spent \$11.01 million on various Measure A related activities, with \$.54 million for Administration, \$0.39 million for Professional Services, \$9.74 million for Measure A Projects and Programs and \$0.33 million for Interagency Agreements.

The Fund's fiscal year-end balance is \$23.78 million, representing funds that have not been expended but are restricted for various projects and programs according to the Measure A ½-Cent Transportation Sales Tax Expenditure Plan.

*Measure AA ½-Cent Transportation Sales Tax Fund*

This fund accounts for the revenues and expenditures for the projects and programs set forth by the voters in TAM's Measure AA ½-Cent Transportation Sales Tax Expenditure Plan, approved by Marin voters in November 2018, which extended the revenue under Measure A for 30 years. Revenue collection of Measure AA started on April 1, 2019. A total of \$27.97 million in revenue, including investment earnings, was collected in FY2019-20. The Fund spent \$18.43 million on various Measure AA related activities, with \$1.12 million for Administration, \$0.40 million for Professional Services, and \$16.90 million for Measure AA Projects and Programs, and \$0.01 million for Interagency Agreements.

The Fund's fiscal year-end balance is \$14.87 million, representing funds that have not been expended but are restricted for various projects and programs according to the Measure AA ½-Cent Transportation Sales Tax Expenditure Plan.

**TRANSPORTATION AUTHORITY OF MARIN****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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*Measure B \$10 Vehicle Registration Fee*

This fund accounts for the revenues and expenditures for the projects and programs set forth by the voters in TAM's Measure B \$10 VRF Expenditure Plan, approved by Marin voters in November 2010. The Fund collected \$2.42 million, including investment earnings, in FY2019-20 and spent over \$4.20 million, including \$0.10 million for administration and \$4.10 million for various Measure B programs.

The Fund's fiscal year-end balance is \$2.09 million, representing funds that have not been expended but are restricted for various projects and programs according to the Measure B \$10 VRF Expenditure Plan.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide addition information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The Statement of Net Position summarizes TAM's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Table 1 summarizes the net position of governmental activities for the fiscal years ended June 30, 2020, and June 30, 2019.

TAM's governmental net position was \$43.62 million as of June 30, 2020, and comprised of the following:

- Cash and Investments of \$55.43 million in the CalTRUST and deposits with Bank of Marin.
- Receivables and Prepaid Items of \$6.44 million in sales tax and other accounts receivables.
- Liabilities, including all accounts payables, unearned revenues and net pension liability and OPEB liability, totaling \$18.77 million.
- Total net position for TAM was \$43.62 million as of June 30, 2020, which were all restricted for various transportation projects and programs.



## TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020

**Table 1**  
**Condensed Statement of Net Position**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>
<b>Assets</b>			
Cash and Investments	\$ 55,429,668	\$ 53,113,005	\$ 2,316,663
Sales Tax Receivable	5,190,310	5,432,078	(241,768)
Accounts Receivable	1,231,251	5,417,761	(4,186,510)
Prepaid Items	21,444	24,140	(2,696)
<b>Total Assets</b>	<b>61,872,673</b>	<b>63,986,984</b>	<b>(2,114,311)</b>
<b>Deferred Outflows</b>	<b>697,374</b>	<b>853,479</b>	<b>(156,105)</b>
<b>Liabilities</b>			
Accounts Payable	12,655,290	11,998,912	656,378
Accrued Liabilities	55,601	51,858	3,743
Unearned Revenue	5,305,272	5,666,626	(361,354)
Other Liabilities Due Within One Year	143,168	139,708	3,460
Liabilities Due in More Than One Year	607,241	378,615	228,626
<b>Total Liabilities</b>	<b>18,766,572</b>	<b>18,235,719</b>	<b>530,853</b>
<b>Deferred Inflows</b>	<b>180,751</b>	<b>13,675</b>	<b>167,076</b>
<b>Net Position</b>			
Restricted	43,622,724	46,591,069	(2,968,345)
<b>Total Net Position</b>	<b>\$ 43,622,724</b>	<b>\$ 46,591,069</b>	<b>\$ (2,968,345)</b>

The Statement of Activities presents expenses and related program revenues as well as the general revenues in detail. All of these elements in the Changes in Governmental Net Position are summarized below.

As Table 2 shows, \$3.23 million or 9.0% of TAM's FY2019-20 governmental revenues, came from program revenues and \$31.77 million, or 91.0%, came from general revenues such as Measure A and Measure AA ½-Cent Transportation Sales Taxes, Measure B \$10 VRF and investment earnings.

## TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020

Program revenues include Operating Grants and Contributions and sometimes Capital Grants and Contributions. Cities/towns and County fees are part of the Operating Grants and Contributions revenues. Other Operating Grants and Contributions include STP/CMAQ planning funds from MTC, the STIP/PPM funds from the California Transportation Commission (CTC), and various small grants. TAM's total Operating Grants and Contributions for FY2019-20 is \$3.23 million.

Measure A/AA ½-Cent Transportation Sales Tax revenues are the largest funding source for TAM at \$27.44 million and represent about 78.3% of TAM's FY2019-20 revenues. Measure A/AA ½-Cent Transportation Sales Tax revenues are spent under the guidelines of the Expenditure Plans approved by Marin County voters in November 2004 and November 2018. Measure B \$10 VRF revenue is another voter approved dedicated transportation fund source for Marin County with a total collection of \$2.33 million in FY2019-20. Investment earnings are also part of the general revenues, including interested earned during the year and unrealized gains.

**Table 2**  
**Condensed Statement of Activities**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>
<b>Revenues</b>			
<b>Program Revenue:</b>			
Operating Grants and Contributions	\$ 3,234,508	\$ 8,081,927	\$ (4,847,419)
<b>Total Program Revenues</b>	<b>3,234,508</b>	<b>8,081,927</b>	<b>(4,847,419)</b>
<b>General Revenue:</b>			
Sales Tax	27,435,968	29,398,854	(1,962,886)
Vehicle Registration Fee	2,327,292	2,417,118	(89,826)
Investment earnings	2,007,743	1,914,194	93,549
<b>Total General Revenues</b>	<b>31,771,003</b>	<b>33,730,166</b>	<b>(1,959,163)</b>
<b>Expenses</b>			
Administration	3,709,415	2,781,607	927,808
Professional Services	2,629,748	4,216,373	(1,586,625)
Program/Project	31,099,064	23,888,909	7,210,155
Interagency Agreement	535,629	3,992,151	(3,456,522)
<b>Total Expenses</b>	<b>37,973,856</b>	<b>34,879,040</b>	<b>3,094,816</b>
<b>Changes in Net Position</b>	<b>(2,968,345)</b>	<b>6,933,053</b>	<b>(9,901,398)</b>
<b>Net Position - Beginning</b>	<b>46,591,069</b>	<b>39,658,016</b>	<b>6,933,053</b>
<b>Net Position - Ending</b>	<b>\$ 43,622,724</b>	<b>\$ 46,591,069</b>	<b>\$ (2,968,345)</b>

## TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020

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**Economic Outlook and Future Projections**

The national and global economic outlook in the near term will be full of uncertainty due to the pandemic. TAM will continue to maintain a watchful eye over expenditures and remain committed to sound fiscal management practices to deliver the highest quality services to the residents of Marin.

With the expected negative growth of the Measure AA ½-Cent Transportation Sales Tax revenues collection in FY2020-21 and the continuing negative trend over the next few years, though staff believes that the agency will be able to continue the vital transportation projects and programs in Marin, many of TAM's projects and programs will be facing various level of funding challenges. TAM hopes that the litigation against the RM3 fund will be fully resolved over the next few months, which will provide reliable funding for two of TAM's critical projects, the NB Highway 101 to EB I-580 Direct Connector Project and the final segment of the MSN project. Staff is also hopeful that the various federal and state resources will be stable in the upcoming fiscal year to provide more certainty for the funding plans of various projects and programs.

On the expenditure side, through ongoing prudent cash flow management and due to delays in project delivery schedules for various reasons, TAM was able to ensure adequate cash for the needs of all projects/programs in FY2019-20. On the other hand, with a few major capital projects starting under the Measure AA Expenditure Plan, it's expected that TAM will need to explore various cash management/financing options to meet the cash flow of several projects in FY2020-21 and over the next few years.

**Request for Information**

This CAFR is intended to provide citizens, taxpayers and creditors with a general overview of TAM's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Transportation Authority of Marin, 900 Fifth Ave, Suite 100, San Rafael, CA 94901; (415) 226-0815, or [info@tam.ca.gov](mailto:info@tam.ca.gov).

## TRANSPORTATION AUTHORITY OF MARIN

STATEMENT OF NET POSITION  
JUNE 30, 2020

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Cash and Investments	\$ 55,295,488
Restricted Investments	134,180
Sales Tax Receivable	5,190,310
Accounts Receivable	1,231,251
Prepaid Items	21,444
<b>Total Assets</b>	<u>61,872,673</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred Outflows From Pension Activities	634,319
Deferred Outflows From OPEB Activities	63,055
<b>Total Deferred Outflows of Resources</b>	<u>697,374</u>
<b>LIABILITIES:</b>	
Accounts Payable	12,655,290
Accrued Liabilities	55,601
Unearned Revenue	5,305,272
Compensated Absences, Due in One Year	143,168
Compensated Absences	49,356
Net Pension Liability	61,031
Total OPEB Liability	496,854
<b>Total Liabilities</b>	<u>18,766,572</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Deferred Inflows From Pension Activities	180,751
<b>NET POSITION:</b>	
Restricted for:	
TFCA	1,663,908
Measure A Sales Tax	23,817,466
Measure AA Sales Tax	15,341,061
Measure B VRF	2,094,195
Congestion Management	706,094
<b>Total Net Position</b>	<u>\$ 43,622,724</u>

The accompanying notes are an integral part of the financial statements.

## TRANSPORTATION AUTHORITY OF MARIN

BALANCE SHEET- GOVERNMENTAL FUNDS  
JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
<b>Governmental Activities:</b>			
Congestion Management:			
Administration	\$ 3,709,415	\$ 872,611	\$ (2,836,804)
Professional Services	2,629,748	1,832,323	(797,425)
TFCA Programs/Projects	366,674	368,939	2,265
Measure A Sales Tax Programs	9,737,500	-	(9,737,500)
Measure AA Sales Tax Programs	16,896,486	-	(16,896,486)
Measure B VRF Programs	4,098,404	-	(4,098,404)
Interagency Agreement	535,629	160,635	(374,994)
<b>Total Governmental Activities</b>	<b>\$ 37,973,856</b>	<b>\$ 3,234,508</b>	<b>(34,739,348)</b>
General Revenues:			
Measure A Sales Tax Revenue			(12,885)
Measure AA Sales Tax Revenue			27,448,853
Measure B Vehicle Registration Fee Revenue			2,327,292
Investment Earnings			2,007,743
<b>Total, General Revenues</b>			<b>31,771,003</b>
<b>Change in Net Position</b>			<b>(2,968,345)</b>
<b>Net Position - Beginning</b>			<b>46,591,069</b>
<b>Net Position - Ending</b>			<b>\$ 43,622,724</b>

The accompanying notes are an integral part of the financial statements.

## TRANSPORTATION AUTHORITY OF MARIN

## BALANCE SHEET- GOVERNMENTAL FUNDS

JUNE 30, 2020

	General Fund	TFCA Fund	Measure A Sales Tax Fund	Measure AA Sales Tax Fund	Measure B VRF Fund	Total Governmental Funds
<b>ASSETS:</b>						
Cash and Investments	\$ 5,380,954	\$ 1,706,642	\$ 27,319,288	\$ 18,622,096	\$ 2,266,508	\$ 55,295,488
Restricted Investments	134,180	-	-	-	-	134,180
Sales Tax Receivable	-	-	48,978	5,141,332	-	5,190,310
Accounts Receivable	828,348	-	-	-	402,903	1,231,251
Prepaid Items	-	-	21,444	-	-	21,444
<b>Total Assets</b>	<b>\$ 6,343,482</b>	<b>\$ 1,706,642</b>	<b>\$ 27,389,710</b>	<b>\$ 23,763,428</b>	<b>\$ 2,669,411</b>	<b>\$ 61,872,673</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 73,954	\$ 42,750	\$ 3,567,445	\$ 8,397,316	\$ 573,825	\$ 12,655,290
Accrued Liabilities	24,376	(16)	4,799	25,051	1,391	55,601
Unearned Revenues	5,305,272	-	-	-	-	5,305,272
<b>Total Liabilities</b>	<b>5,403,602</b>	<b>42,734</b>	<b>3,572,244</b>	<b>8,422,367</b>	<b>575,216</b>	<b>18,016,163</b>
<b>Deferred Inflows of Resources:</b>						
Unavailable Revenues	40,000	-	40,066	473,012	-	553,078
<b>Fund Balances:</b>						
Nonspendable	-	-	21,444	-	-	21,444
Restricted for:						
TFCA	-	1,663,908	-	-	-	1,663,908
Measure A Sales Tax	-	-	23,755,956	-	-	23,755,956
Measure AA Sales Tax	-	-	-	14,868,049	-	14,868,049
Section 115 Trust	134,180	-	-	-	-	134,180
Measure B VRF	-	-	-	-	2,094,195	2,094,195
Congestion Management	765,700	-	-	-	-	765,700
<b>Total Fund Balances</b>	<b>899,880</b>	<b>1,663,908</b>	<b>23,777,400</b>	<b>14,868,049</b>	<b>2,094,195</b>	<b>43,303,432</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 6,343,482</b>	<b>\$ 1,706,642</b>	<b>\$ 27,389,710</b>	<b>\$ 23,763,428</b>	<b>\$ 2,669,411</b>	<b>\$ 61,872,673</b>

The accompanying notes are an integral part of the financial statements.

## TRANSPORTATION AUTHORITY OF MARIN

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020**

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<b>Total Fund Balances of Governmental Funds</b>	\$ 43,303,432
Revenues collected outside the measurement period of the Governmental Funds are deferred on the Balance Sheet. However, these revenues are considered to be earned on the Statement of Activities.	\$ 553,078
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds.	(192,524)
Net pension liability and related deferrals are not due and payable in the current period and therefore are not reported in the governmental funds.	392,537
Net OPEB liability and related deferrals are not due and payable in the current period and therefore are not reported in the governmental funds.	(433,799)
<b>Total Net Position - Governmental Activities</b>	<u>\$ 43,622,724</u>

The accompanying notes are an integral part of the financial statements.

## TRANSPORTATION AUTHORITY OF MARIN

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	TFCA Fund	Measure A Sales Tax Fund	Measure AA Sales Tax Fund	Measure B VRF Fund	Total Governmental Funds
<b>REVENUES</b>						
Measure A Sales Tax Revenue	\$ -	\$ -	\$ (52,951)	\$ -	\$ -	\$ (52,951)
Measure AA Sales Tax Revenue	-	-	-	27,398,613	-	27,398,613
Measure B VRF Revenue	-	-	-	-	2,327,292	2,327,292
Cities/Towns and County Contribution	558,999	-	-	-	-	558,999
Investment Earnings	205,485	62,441	1,066,928	575,662	97,227	2,007,743
MTC STP/CMAQ Planning Fund and OBAG Grants	1,197,635	-	-	-	-	1,197,635
MTC Regional Measure 2 Fund	14,829	-	-	-	-	14,829
Transportation For Clean Air Funding	-	368,939	-	-	-	368,939
State STIP/PPM Fund	144,617	-	-	-	-	144,617
STIP/RTIP/IIP Fund	308,455	-	-	-	-	308,455
State Senate Bill 1 Funding	540,085	-	-	-	-	540,085
MTC Climate Initiatives Program Grant/CMAQ	49,489	-	-	-	-	49,489
Non-motorized Transportation Pilot Program	11,460	-	-	-	-	11,460
<b>Total Revenues</b>	<b>3,031,054</b>	<b>431,380</b>	<b>1,013,977</b>	<b>27,974,275</b>	<b>2,424,519</b>	<b>34,875,205</b>
<b>EXPENDITURES</b>						
Congestion Management - Current:						
Administration	1,367,929	23,061	540,907	1,117,521	104,730	3,154,148
Professional Services	1,832,323	-	394,949	402,476	-	2,629,748
TFCA Programs/Projects	-	366,674	-	-	-	366,674
Measure A Sales Tax Programs/Projects	-	-	9,737,500	-	-	9,737,500
Measure AA Sales Tax Programs/Projects	-	-	-	16,896,486	-	16,896,486
Measure B VRF Programs/Projects	-	-	-	-	4,098,404	4,098,404
Interagency Agreements	186,036	-	333,007	16,586	-	535,629
<b>Total Expenditures</b>	<b>3,386,288</b>	<b>389,735</b>	<b>11,006,363</b>	<b>18,433,069</b>	<b>4,203,134</b>	<b>37,418,589</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(355,234)</b>	<b>41,645</b>	<b>(9,992,386)</b>	<b>9,541,206</b>	<b>(1,778,615)</b>	<b>(2,543,384)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	679,332	-	-	-	-	679,332
Transfers Out	(179,332)	-	-	(500,000)	-	(679,332)
<b>Total Other Financing Sources (Uses)</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>(500,000)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>144,766</b>	<b>41,645</b>	<b>(9,992,386)</b>	<b>9,041,206</b>	<b>(1,778,615)</b>	<b>(2,543,384)</b>
<b>Fund Balance - Beginning</b>	<b>755,114</b>	<b>1,622,263</b>	<b>33,769,786</b>	<b>5,826,843</b>	<b>3,872,810</b>	<b>45,846,816</b>
<b>Fund Balance - Ending</b>	<b>\$ 899,880</b>	<b>\$ 1,663,908</b>	<b>\$ 23,777,400</b>	<b>\$ 14,868,049</b>	<b>\$ 2,094,195</b>	<b>\$ 43,303,432</b>

The accompanying notes are an integral part of the financial statements.



## TRANSPORTATION AUTHORITY OF MARIN

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

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Amount reported for governmental activities in the Statement of Activities are different because:

<b>Net Change in Fund Balances</b>	\$ (2,543,384)
Governmental funds defer certain revenues that are not recognized with the TAM's accrual period such as sales tax. On the Statement of Activities, however, the amounts are considered to be earned and are recognized as revenues in the current period.	130,306
Pension expenses due to the changes in net pension liability and related deferrals are not recognized in governmental funds because they do not require the use of current resources and therefore are not reported as expenditures.	(113,679)
OPEB expenses due to the changes in net pension liability and related deferrals are not recognized in governmental funds because they do not require the use of current resources and therefore are not reported as expenditures.	(433,799)
The change in compensated absences included in the Statement of Activities does not provide or (require) the use of current financial resources and therefore is not reported as an expenditure in governmental funds.	(7,789)
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ (2,968,345)</u></u>

The accompanying notes are an integral part of the financial statements.

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*Notes to Basic Financial Statements*

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## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

On March 2, 2004, the Marin County Board of Supervisors created TAM by Resolution No. 2004-21, pursuant to Section 180050 of the California Public Utilities Code (“PUC”). As required by California PUC Section 180051(a) and California Government Code Section 65089(a), all City and Town Councils of Marin County, representing a majority of the incorporated population of Marin, have concurred on the membership of TAM and designated TAM as the CMA for Marin County.

TAM’s responsibilities include the development and administration of the Measure A ½-Cent Transportation Sales Tax Expenditure Plan, approved by Marin voters in November 2004, the Measure AA ½-Cent Transportation Sales Tax Expenditure Plan, approved by Marin voters in November 2018 and extended the revenue under Measure A for 30 years, and the Measure B \$10 VRF Expenditure Plan, approved by Marin Voters in November 2010. TAM also serves as the CMA for Marin County, providing countywide planning and programming for transportation related needs. As both the sales tax authority and the CMA for Marin County, TAM plays a leading role in planning, financing, and implementation of transportation projects and programs in Marin County.

TAM’s sixteen-member governing board is comprised of representatives from each of the cities and towns in Marin County, and all five members of the County Board of Supervisors. A twelve-member Citizens’ Oversight Committee (COC), made up of five representatives from the five planning areas and seven representatives from diverse interest groups in Marin County, reviews the revenues and expenditures of the Measure A/AA ½-Cent Transportation Sales Tax and the Measure B \$10 VRF, and reports the results directly to the citizens of Marin County.

**Basis of Presentation**

**Government-wide Financial Statements** - The Statement of Net Position and the Statement of Activities include the overall financial activities of TAM.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of TAM’s activities. Direct expenses are those specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) funds and contributions that are restricted to meeting the operations or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**Fund Financial Statements** - The fund financial statements provide information about TAM's funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is on the major individual funds, each of which is displayed on a separate column.

**Major Funds**

Generally accepted accounting principles defines major funds and requires that TAM's major governmental type funds be identified and presented separately in the fund financial statements. TAM has determined that all of its funds are major funds.

TAM reports the following major governmental funds in the accompanying financial statements:

**CMA General Fund** - This fund accounts for revenues and expenditures for TAM's congestion management activities, primarily congestion management planning and programming work elements, and the management of various capital projects. Major revenues sources for this fund are all programming revenues with the exception of TFCA funds.

**TFCA Special Revenue Fund** - This fund accounts for revenues and expenditures for the Transportation Fund for Clean Air (TFCA) grant TAM receives from Bay Area Air Quality Management District (BAAQMD). The purpose of the TFCA grant is to fund studies related to the monitoring of air quality control, and any capital improvements that can contribute to the improvement of air quality.

**Measure A ½-Cent Transportation Sales Tax Special Revenue Fund** - This fund accounts for revenues and expenditures for the projects and programs set forth by the voters in TAM's Measure A ½-Cent Transportation Sales Tax Expenditure Plan, approved by Marin voters in November 2004. Collection of Measure A revenue ended on March 31, 2019.

**Measure AA ½-Cent Transportation Sales Tax Special Revenue Fund** - This fund accounts for revenues and expenditures for the projects and programs set forth by the voters in TAM's Measure AA ½-Cent Transportation Sales Tax Expenditure Plan, approved by Marin voters in November 2018 and extended the revenue stream under Measure A for 30 years. Collection of Measure AA revenue started on April 1, 2019.

**Measure B \$10 VRF Special Revenue Fund** - This fund accounts for revenues and expenditures for the projects and programs set forth by the voters in TAM's Measure B \$10 VRF Expenditure Plan, approved by the Marin voters in November 2010.

## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**Basis of Accounting and Measurement Focus**

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place. Grants and similar items are recognized as revenues as soon as the eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the *current financial resources* measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when *measurable and available*. TAM considers all revenues reported in the governmental funds to be available if the revenues are collected within 180 days after fiscal year-end, except for sales tax which are considered to be available if collected within 60 days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital assets acquisitions are reported as *expenditures* in governmental funds. Proceeds from sale of capital assets or issuance of long-term debt, including capital leases, are reported as *other financing sources*.

Sales taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements have been met, including any time requirements, and the amount is received during the fiscal period or within the availability period (within 180 days after the fiscal year end). Reimbursement based grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 180 days after fiscal year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

**Estimates**

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

## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**Compensated Absences**

Compensated absences comprise unpaid vacation and compensatory hours which are accrued as earned. Vacation hours accumulated are fully compensated at time of separation or at calendar year end when the accrued hours exceed the allowable amount. The liabilities are separated into current and long-term portions based on estimates as of June 30 and amounts expected to be paid subsequent to next fiscal year. TAM's liability for compensated absences is recorded in government-wide financial statements. The changes in long-term compensated absences during the fiscal year ended June 30, 2020 were as follows:

	Balance July 01, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
Compensated Absences	\$ 184,735	\$ 140,206	\$ 132,417	\$ 192,524	\$ 143,168

**Net Position and Fund Balances**

**Restricted Net Position** - This amount consists of amounts restricted from external creditors, grantors, contributors, and laws or regulations of other governments.

**Fund Financial Statements**

**Fund Balances** - Restrictions of fund balances of governmental funds are amounts that can be spent only for the specific purpose stipulated by constitution, external resource providers, or through enabling legislation. The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in a spendable form such as prepaid items or inventories, or are legally or contractually required to be maintained intact. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications.



## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**Spending Order Policy**

When expenses are incurred for both restricted and unrestricted fund balances available, TAM considers restricted funds to be spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, TAM considers amounts to be spent first out of committed funds then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

**Unearned Revenue**

The government-wide statement of net position and governmental funds defer revenue recognition for resources that have been received at fiscal year-end, but not yet earned.

**Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of TAM's retirement plans (Plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan's administrators. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Risk Management**

TAM is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; and natural disasters for which TAM carries commercial insurance through Alliant Insurance Services, Inc.

**Deferred Outflows and Inflows of Resources**

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

## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. TAM has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from sales tax if received beyond the availability period. This amount is deferred and recognized as an inflow of resources in the period that the amount is available.

**Investment Valuations**

Investments are reported at fair market value for investments with quoted market prices. Investments in government pools are reported at net asset value (NAV). All investment income, including changes in fair market value of investments is reported as revenue in the statements of revenues, expenditures, and changes in fund balance.

**New Accounting Principles**

The GASB has issued the following accounting pronouncements that will become effective in future fiscal years:

- GASB Statement No. 84, *Fiduciary Activities*.
- GASB Statement No. 87, *Leases*.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*.
- GASB Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 60*.
- GASB Statement No. 91, *Conduit Debt Obligations*.
- GASB Statement No. 92, *Omnibus 2020*.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*.

TAM has not determined the effect of these pronouncements.

## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

## NOTE 2 – CASH AND INVESTMENTS

## Classification

Cash and investments are classified in the financial statements as shown below:

Cash and cash deposits	\$ 4,171,541
Section 115 Trust	134,180
Investments with CalTRUST Joint Powers Authority Pool	51,123,947
Total Cash and Investments	<u>\$ 55,429,668</u>

## Investment Authority by the California Government Code and TAM's Investment Policy

The table below identifies the investment types that are authorized for TAM by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk and concentration of credit risk. TAM has adopted a formal investment policy. The allowable investments, according to TAM's investment policy or the government code when more restrictive, are listed below:

Investment Type	Maximum Remaining Maturity	Maximum Specified % Of Portfolio	Minimum Quality Requirements
Local Agency Bonds	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
State Obligations: CA and Others	5 Years	None	None
CA Local Agency Obligations	5 Years	None	None
U.S. Agency Obligations	5 Years	None	None
Bankers' Acceptances	180 days	40%	None
Commercial Paper: Non-pooled Funds	270 days or less	25% of the agency's money	Highest letter and number rating by an NRSRO
Commercial Paper: Pooled Funds	270 days or less	40% of the agency's money	Highest letter and number rating by an NRSRO
Negotiable Certificates of Deposit	5 Years	30%	None
Non-negotiable Certificates of Deposit	5 Years	None	None
Placement Service Deposits	5 Years	50%	None
Placement Service Certificates of Deposit	5 Years	50%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None
Medium-term Notes	5 years or less	30%	"A" rating category or its equivalent or better
Mutual Funds and Money Market Mutual Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-through and Asset Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years or less	30%	"AA" rating category or its equivalent or better
Public Bank Obligations	5 years	None	None

## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

## NOTE 2 – CASH AND INVESTMENTS – CONTINUED

CalTRUST invests in fixed income securities eligible for investment pursuant to California Government Code Sections 53601, et. seq. and 53635, et. seq. Investment guidelines adopted by the CalTRUST Board of Trustees may further restrict the types of investments held by the Trust. Leveraging within the CalTRUST's portfolios is prohibited.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates and may adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of TAM's investments to market interest rate fluctuations is provided by the following table that shows the distribution of TAM's investments by maturity:

Investment Type	Totals	Remaining Maturity	
		12 Months or Less	1 to 5 Years
Section 115 Trust	\$ 134,180	\$ -	\$ 134,180
Deposits with CalTRUST Joint Powers Authority Pool	51,123,947	3,498,997	47,624,950
Total	<u>\$ 51,258,127</u>	<u>\$ 3,498,997</u>	<u>\$ 47,759,130</u>

**Disclosures Relating to Credit Risks**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk can be measured by the rating of the issuers, assigned by nationally recognized statistical rating organizations.

Investment Type	Totals	S&P Global Ratings		
		AAf	AA-f	AAAm
Deposits with CalTRUST Joint Powers Authority Pool	<u>\$ 51,123,947</u>	<u>\$ 1,900,780</u>	<u>\$ 47,521,450</u>	<u>\$ 1,598,217</u>

Investment in the Section 115 Trust with the California Employer's Retiree Benefits Trust is not rated.

## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

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## NOTE 2 – CASH AND INVESTMENTS – CONTINUED

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and TAM's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2020, TAM's deposits are with the Bank of Marin, a regional bank operating in the San Francisco Bay Area. The total amount deposited with Bank of Marin is \$4,171,541. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining balance was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code described above.

**Fair Value Measurements**

TAM categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that TAM has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

## NOTE 2 – CASH AND INVESTMENTS – CONTINUED

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include TAM's own data.

As of June 30, 2020, all investments are held with the CalTRUST Joint Powers Authority Pool and are valued at NAV and are not required to be leveled in the fair value hierarchy.

**Change in Fair Market Value of the CalTRUST Investments**

Reported investment income is comprised of the following components as of June 30, 2020:

Investment income	\$ 973,140
Realized and unrealized gain in investments	1,034,603
Total investment income	<u>\$ 2,007,743</u>

## NOTE 3 – EMPLOYMENT AGREEMENT

Prior to January 1, 2018, all personnel working for TAM were contracted employees hired by the Local Government Services (LGS)/Regional Government Services (RGS) a joint powers authority that provides staffing, payroll and human resource services. Effective January 1, 2018, TAM became the employer of record and hired all 11 full time employees that were previously employed by LGS/RGS directly. TAM since has also hired two additional employees, with one being 80% FTE (Full Time Equivalent), and now has 12.8 FTEs. TAM also entered into direct retirement benefit contracts with CalPERS as of January 1, 2018. Service credits of all prior LGS/RGS employees were transferred into TAM's new CalPERS contracts. As such, TAM recognized employment related liabilities such as pension and compensated absence liabilities.

## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

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**NOTE 4 – COMMITMENTS AND CONTINGENCIES**

TAM has various cooperative agreements with governmental entities and contracts with vendors. As of June 30, 2020, TAM's total outstanding commitments were approximately \$86.92 million, with \$34.03 million expended and \$52.89 million still outstanding as of June 30, 2020.

**Operating Lease**

TAM's original five-year office lease at 900 Fifth Avenue, Suite 100 in Down San Rafael started in November 2015 and was set to expire as of October 31, 2020. TAM renegotiated with the landlord and entered into a new five-year lease at 900 Fifth Avenue. The renewed lease offers two-month free rent and also significantly reduced the current base rate for the 7,621 square feet of office space TAM is renting. The base rent commences at \$19,052 per month and ends at \$21,444 per month. Estimated lease payments for fiscal year ended June 30, 2021 is \$ 200,088 with free rent for November and December 2020.

**NOTE 5 – RISK MANAGEMENT**

TAM is exposed to various risks of losses related to torts; theft or damage to, and destruction of assets; errors and omissions; and natural disasters. TAM carries commercial insurance through Alliant Insurance Services, Inc. for general liability, automobile, property coverage, and public officials' errors and omissions. In addition, TAM carries workers' compensation insurance through the State Compensation Insurance Fund.

Coverage is as follows:

- a) General liability - \$1,000,000 each occurrence.
- b) Damage to rented premises - \$1,000,000 each occurrence.
- c) Automobile liability - \$1,000,000 each accident.
- d) Employment practices liability - \$1,000,000 each occurrence and annual aggregate. All deductibles are \$10,000.
- e) Public official's errors and omissions - \$1,000,000 each occurrence and annual aggregate. All deductibles are \$2,500.
- f) Workers' compensation - \$1,000,000 each occurrence.

TAM mitigates its exposure to loss through purchase of private insurance. TAM has no incidents therefore no claims in the past 10 years.

## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

## NOTE 6 – PENSION PLANS

## General Information about the Pension Plan

*Plan Description*

All qualified employees are eligible to participate in TAM's Employee Pension Plan (Plan), a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute, the contract between CalPERS and TAM, and TAM resolution. CalPERS acts as a common investment and administrative agent for its participating member employers. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website. Copies of the CalPERS annual financial reports may be obtained from the CalPERS Executive Office at 400 Q Street, Sacramento, California 95811.

*Benefits Provided*

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 or 52, depending on the hire date, with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. Benefit provisions and all other requirements are established by State statute and may be amended by TAM's contract with the employees. The Plan provisions and benefits in effect on June 30, 2020, are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Normal retirement age	55	62
Monthly benefits, as a percent of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	10.22%	6.99%



## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

## NOTE 6 – PENSION PLANS - CONTINUED

*Contributions*

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis, as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. TAM is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2020, the contributions made by TAM to the plan were equal to the amount of the annual required employer contributions of \$180,465.

*Net Pension Liability*

TAM's net pension liability is measured as the total pension liability less the pension plan's fiduciary net position. The net pension liability was measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

*Actuarial Assumptions*

The total pension liability was determined using the following actuarial assumptions for the collective miscellaneous plans:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry-Age and Service
Investment Rate of Return	7.15%
Mortality	Based on CalPERS Experience Study
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

## NOTE 6 – PENSION PLANS - CONTINUED

The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of the 2014 actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be accessed on the CalPERS' website under Forms and Publications.

*Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension*

For the year ended June 30, 2020, TAM recognized pension expense of \$294,144. On June 30, 2020, TAM reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 180,465	\$ -
Contributions in excess of proportionate share	286,481	-
Changes in assumptions	2,910	(1,032)
Difference in expected and actual experience	4,239	(328)
Adjustment due to differences in proportions	160,224	(178,324)
Net differences between projected and actual earnings on plan investments	-	(1,067)
Total	<u>\$ 634,319</u>	<u>\$ (180,751)</u>

Reported as deferred outflows of resources related to contributions subsequent to the measurement date is \$180,465 which will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

## NOTE 6 – PENSION PLANS - CONTINUED

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2021	\$ 132,346
2022	109,443
2023	31,099
2024	216
	<u>\$ 273,104</u>

*Discount Rate*

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15% discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report titled "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

## NOTE 6 – PENSION PLANS - CONTINUED

In determining the long-term expected rate of return, CalPERS' staff took into account both short-term and long-term market return expectations, as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2016.

Asset Class	Current Target Allocation	(1) Real Return Years 1 - 10	(2) Real Return Years 11+
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	100.0%		

(1) An expected inflation of 2.0% used for this period.

(2) An expected inflation of 2.92% used for this period.

## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

## NOTE 6 – PENSION PLANS - CONTINUED

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

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

	1% Decrease	Current Discount Rate	1% Increase
	6.15%	7.15%	8.15%
Proportionate share of NPL	597,544	61,031	(381,823)

*Pension Plan Fiduciary Net Position*

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial report.

## NOTE 7 – TOTAL POST EMPLOYMENT BENEFIT (OPEB) LIABILITY

For the fiscal year ended June 30, 2020, TAM reported total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense as follows:

Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
\$ 496,854	\$ 63,055	\$ -	\$ 475,203

The details of TAM's plan are as follows:

*Plan Administration*

TAM's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

## NOTE 7 – TOTAL POST EMPLOYMENT BENEFIT (OPEB) LIABILITY - CONTINUED

*Plan Membership*

At July 1, 2018, the most recent valuation consisted of the following:

	<u>Plan Members</u>
Inactive employees or beneficiaries currently receiving benefits payments	-
Inactive employees or beneficiaries not currently receiving benefits payments	1
Active employees	13
Total	<u><u>14</u></u>

*Benefits Provided*

The Plan provides medical coverage through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS: either (a) attainment of age 50 (age 52, if PEPRA employee) with 5 years of State or public agency service or (b) an approved disability retirement. Under PEMHCA, TAM has resolved to make the minimum allowable monthly employer contributions (the MEC) toward active employee premiums. TAM also must provide a minimum lifetime contribution for all retired employees and for a covered spouse who survives the retiree if the spouse is entitled to survivor pension benefits.

*Contributions*

The contribution requirements of Plan members and TAM are established and may be amended by TAM's governing board. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2020, TAM contributed \$41,404 in current premiums, implicit subsidy and contribution to the newly established trust.

## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

## NOTE 7 – TOTAL POST EMPLOYMENT BENEFIT (OPEB) LIABILITY – CONTINUED

*Actuarial Assumptions*

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary Increases	3.25%
Discount Rate	3.51%
Healthcare cost trend rates	7.5% in 2019, step down 0.5% per year to 5% by 2024

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality rates were based on the 2014 CalPERS Public Agency for Miscellaneous Employees Table. Mortality rates vary by age and sex. The actuarial assumptions used in the July 1, 2018 valuation were based on the results of the 2014 CalPERS experience study for the period using data from 1997 to 2011.

*Changes of assumptions*

The discount rate was changed from 3.87 percent in 2018 to 3.51 percent in 2019 measurement date.

*Changes in the Total OPEB Liability*

	Total OPEB Liability
Balance at June 30, 2019	\$ -
Service cost	56,468
Changes of benefit terms	413,559
Interest	2,185
Changes of assumptions	24,642
Net change in total OPEB liability	496,854
Balance at June 30, 2020	\$ 496,854

## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

**NOTE 7 – TOTAL POST EMPLOYMENT BENEFIT (OPEB) LIABILITY – CONTINUED***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

The following presents the total OPEB liability of TAM, as well as what TAM's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Total OPEB Liability
1% decrease (2.51%)	\$ 577,062
Current discount rate (3.51%)	496,854
1% increase (4.51%)	432,962

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following presents the total OPEB liability of TAM, as well as what TAM's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (6.5% in 2020 to 4.0% in 2024)	\$ 419,045
Current healthcare cost trend rate (7.5% in 2020 to 5.0% in 2024)	496,854
1% increase (8.5% in 2020 to 6.0% in 2024)	597,018

**NOTE 7 – TOTAL POST EMPLOYMENT BENEFIT (OPEB) LIABILITY – CONTINUED***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB*

For the year ended June 30, 2020, TAM recognized OPEB expense of \$475,203. At June 30, 2020, TAM reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
OPEB contributions subsequent to measurement date	\$ 41,404
Changes of assumptions	21,651
Total	\$ 63,055



## TRANSPORTATION AUTHORITY OF MARIN

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

## NOTE 7 – TOTAL POST EMPLOYMENT BENEFIT (OPEB) LIABILITY – CONTINUED

Contributions subsequent to the measurement date will be recognized to OPEB expense in fiscal year 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 2,991
2022	2,991
2023	2,991
2024	2,991
2025	2,991
Thereafter	6,696
	<u>\$ 21,651</u>

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*Required Supplementary Information*

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## TRANSPORTATION AUTHORITY OF MARIN

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

## BALANCE – BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variances -
	Original	Final		Positive
				(Negative)
			Final	to Actual
<b>REVENUES</b>				
Cities/Towns and County Contribution	\$ 559,000	\$ 559,000	\$ 558,999	\$ (1)
Interest Revenue	100,000	113,355	115,053	1,698
MTC STP/CMAQ Planning Fund and OBAG Grants	1,039,487	1,039,487	730,114	(309,373)
MTC Regional Measure 2 Fund	5,528,889	5,528,889	14,829	(5,514,060)
State STIP PPM Fund	160,813	160,813	144,617	(16,196)
STIP/RTIP/ITIP Funds	948,500	948,500	647,819	(300,681)
Nonmotorized Transportation Pilot Program Fund	19,000	19,000	11,460	(7,540)
MTC Climate Initiatives Program Grant/CMAQ	72,091	72,091	49,489	(22,602)
Federal STP	600,000	600,000	467,521	(132,479)
Caltrans Bus On Shoulder Grant	88,000	88,000	40,085	(47,915)
Realized Highway 101 ROW Excess Fund	4,349,000	4,349,000	160,636	(4,188,364)
<b>Total Revenues</b>	<b>13,464,780</b>	<b>13,478,135</b>	<b>2,940,622</b>	<b>(10,537,513)</b>
<b>EXPENDITURES</b>				
Administration:				
Salaries & Benefits	1,500,990	1,500,990	1,303,574	197,416
Pension/OPEB Section 115	157,470	157,470	27,500	129,970
Office Supplies	5,000	5,000	2,201	2,799
Legal Services	40,000	40,000	3,499	36,501
Document/Video/Marketing Material Production	20,000	20,000	3,320	16,680
Memberships	20,000	20,000	12,500	7,500
Travel/Meetings/Conferences	15,000	15,000	5,023	9,978
Professional Development	3,000	3,000	-	3,000
Human Resources/Board Support	10,000	10,000	2,232	7,768
Misc. Expenses	3,000	3,000	8,081	(5,081)

See accompanying note to required supplementary information.

## TRANSPORTATION AUTHORITY OF MARIN

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

## BALANCE – BUDGET AND ACTUAL – CONTINUED

## FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variations -
	Original	Final		Positive (Negative) Final to Actual
<b>EXPENDITURES - continued</b>				
Professional Services:				
CMP Update/Traffic Monitoring	60,000	60,000	35,654	24,346
Traffic Model Maintenance & Update	80,000	80,000	48,866	31,134
Trip Monitoring and Reporting	25,000	25,000	3,408	21,592
Project Management Oversight	25,000	25,000	32,947	(7,947)
MSN B7/B8 Phase 2 ROW Utility	1,100,000	1,100,000	1,573,584	(473,584)
MSN San Antonio Curve Correction Construction Support	40,000	40,000	14,804	25,196
HOV Gap Closure Mitigation - Brookdale /Maintenance	6,000	6,000	5,500	500
State Legislative Assistance	42,000	42,000	42,000	-
Financial Advisor/Sales Tax Audit Services	10,000	30,000	31,991	(1,991)
North-South Greenway Gap Closure / PS&E & Services	300,000	300,000	-	300,000
Public Outreach Service Support	30,000	30,000	500	29,500
Street Smart Program Implementation	19,000	19,000	11,460	7,540
CMFC Onsite Re-Vegetation Mitigation Monitoring and Reporting	2,500	2,500	3,388	(888)
Bus On Shoulder Feasibility Study	100,000	100,000	28,222	71,778
Consulting Pool	25,000	25,000	-	25,000

See accompanying note to required supplementary information.

## TRANSPORTATION AUTHORITY OF MARIN

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

## BALANCE – BUDGET AND ACTUAL – CONTINUED

## FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variances -
	Original	Final		Positive (Negative)
				Final Variances
<b>EXPENDITURES - continued</b>				
Interagency Agreements:				
North-South Greenway (Southern Segment)- County Project Management	150,000	150,000	1,344	148,656
North-South Greenway (Northern Segment) Coop Agmnt with Caltrans for Construction	5,000,000	5,000,000	-	5,000,000
HOV Gap Closure Offsite Landscaping Mitigation Funding Agreement - Caltrans	400,000	400,000	-	400,000
Sausalito - Gate 6 Bridgeway Intersection Improvements	73,000	73,000	-	73,000
Corte Madera - Tamal Vista Blvd Bike/Ped Improvements	526,000	526,000	-	526,000
San Anselmo-Hub Reconfiguration Phase I Study	309,000	309,000	-	309,000
Southern Marin Flooding	24,000	24,000	24,056	(56)
SR Canal Neighborhood CBTP	55,000	55,000	-	55,000
Caltrans MSN PH2 HOV Lanes-ROW	3,750,000	3,750,000	160,636	3,589,364
<b>Total Expenditures</b>	<b>13,925,960</b>	<b>13,945,960</b>	<b>3,386,288</b>	<b>10,559,672</b>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>(461,180)</b>	<b>(467,825)</b>	<b>(445,666)</b>	<b>22,159</b>
<b>Fund Balance - Beginning</b>	<b>755,114</b>	<b>755,114</b>	<b>755,114</b>	<b>-</b>
<b>Fund Balance - Ending - Budgetary Basis</b>	<b>\$ 293,934</b>	<b>\$ 287,289</b>		<b>\$ 22,159</b>
Reconciling Items				
Other financing sources			500,000	
GASB 31 - fair market value adjustment on investments			90,432	
<b>Fund Balance - Ending - GAAP Basis</b>			<b>\$ 899,880</b>	

See accompanying note to required supplementary information.

## TRANSPORTATION AUTHORITY OF MARIN

## TFCA FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

## BALANCE – BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variances -
	Original	Final		Positive (Negative)
				Final to Actual
<b>REVENUES</b>				
Interest Revenue	\$ 35,000	\$ 35,000	\$ 30,813	\$ (4,187)
Regional TFCA Competitive Grant	283,637	\$ 283,637	\$ -	(283,637)
Transportation For Clean Air Funding	363,000	363,000	368,939	5,939
<b>Total Revenues</b>	<b>681,637</b>	<b>681,637</b>	<b>399,752</b>	<b>(281,885)</b>
<b>EXPENDITURES</b>				
Administration:				
Salaries and Benefits	23,525	23,525	23,059	466
TFCA Programs/Projects:				
TFCA - N/S Greenway Construction Grant	283,637	283,637	-	283,637
TFCA - Reimbursement of Various Capital Projects	768,000	768,000	366,676	401,324
<b>Total Expenditures</b>	<b>1,075,162</b>	<b>1,075,162</b>	<b>389,735</b>	<b>685,427</b>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	(393,525)	(393,525)	10,017	403,542
Fund Balance - Beginning	1,622,263	1,622,263	1,622,263	-
Fund Balance - Ending - Budgetary Basis	\$ 1,228,738	\$ 1,228,738		\$ 403,542
Reconciling Item				
GASB 31 - fair market value adjustment on investments			31,628	
Fund Balance - Ending - GAAP Basis			\$ 1,663,908	

See accompanying note to required supplementary information.



## TRANSPORTATION AUTHORITY OF MARIN

## MEASURE A SALES TAX FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

## BALANCE – BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variances -
	Original	Final	Actual	Positive
				(Negative)
				Final
				to Actual
<b>REVENUES</b>				
Measure A Sales Tax Revenue	\$ -	\$ -	\$ (52,951)	\$ (52,951)
Interest Revenue	500,000	500,000	556,849	56,849
<b>Total Revenues</b>	<b>500,000</b>	<b>500,000</b>	<b>503,898</b>	<b>3,898</b>
<b>EXPENDITURES</b>				
Administration				
Salaries & Benefits	248,049	248,049	194,325	53,724
Office Lease	260,000	260,000	218,758	41,242
Agencywide IT and Computer Equipment Upgrade	10,000	10,000	2,651	7,349
Equipment Purchase/Lease	10,000	10,000	4,077	5,923
Telephone/Internet/ Web Hosting Services	25,000	25,000	15,302	9,698
Office Supplies	25,000	25,000	12,273	12,727
Update/Improvement of TAM Website	20,000	20,000	2,105	17,895
Classification Study	30,000	30,000	-	30,000
Insurance	11,000	11,000	10,496	504
Financial Audit	20,000	20,000	18,000	2,000
Legal Services	30,000	30,000	10,481	19,519
Document/Video/Marketing Material Production	20,000	20,000	6,388	13,612
Memberships	5,000	5,000	5,907	(907)
Travel/Meetings/Conferences	20,000	20,000	13,575	6,425
Professional Development	5,000	5,000	576	4,424
Human Resources/Board Support	50,000	50,000	3,882	46,118
Information Technology Support	45,000	45,000	21,203	23,798
Annual Support & Upgrade of Financial System	10,000	10,000	-	10,000
Misc. Expenses	10,000	10,000	909	9,091
Professional Services	-	-	-	-
Bellam Blvd 101 Off-Ramp Improvements - Design & ROW	250,000	250,000	-	250,000
580/101 Direct Connector Project Support	100,000	100,000	-	100,000
Project Management Oversight	100,000	100,000	-	100,000
Financial Advisor Services/Sales Tax Audit Services	10,000	10,000	3,234	6,766
North-South Greenway Gap Closure/PS&E Services	100,000	100,000	382,152	(282,152)
Public Outreach Service Support	15,000	15,000	-	15,000
Consulting Pool	45,000	45,000	9,563	35,437

See accompanying note to required supplementary information.

## TRANSPORTATION AUTHORITY OF MARIN

## MEASURE A SALES TAX FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

## BALANCE – BUDGET AND ACTUAL – CONTINUED

## FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variances -
	Original	Final		Positive (Negative) Final to Actual
Measure A Sales Tax Programs/Projects:				
Measure A Compliance Audit	20,000	20,000	14,500	5,500
Bike/Ped Path Maintenance	100,000	100,000	44,021	55,979
Central Marin Ferry Connector - SMART Insurance Policy	10,000	10,000	6,412	3,588
Substrategy 1.1 - Local Bus Transit Service	2,015,600	2,015,600	1,699,571	316,029
Substrategy 1.4 - Bus Transit Facilities	3,268,500	3,268,500	2,932,857	335,643
Substrategy 2 - STP/HIP Swap Project	300,000	300,000	-	300,000
Substrategy 3.1 - Major Roads	3,800,000	3,800,000	929,853	2,870,147
Substrategy 3.2 - Local Roads	2,443,544	2,443,544	2,443,542	2
Substrategy 4.1 - Safe Routes to Schools	550,000	550,000	956,969	(406,969)
Substrategy 4.2 - Crossing Guards	350,000	350,000	300,923	49,077
Substrategy 4.3 - Safe Pathway Capital Projects	1,251,000	1,251,000	408,850	842,150
Interagency Agreements:				
FA with County of Marin for Bellam Boulevard Const and Const Mngt	200,000	200,000	-	200,000
County Lower Marin City Drainage Study Agreement	45,000	45,000	33,007	11,993
Novato Pedestrian Access to Transit and Crosswalk Improvement Project Agreement	318,000	318,000	300,000	18,000
Marin Transit Bus Facility	1,100,000	1,100,000	-	1,100,000
<b>Total Expenditures</b>	<b>17,245,693</b>	<b>17,245,693</b>	<b>11,006,364</b>	<b>6,239,329</b>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>(16,745,693)</b>	<b>(16,745,693)</b>	<b>(10,502,466)</b>	<b>6,243,227</b>
<b>Fund Balance - Beginning</b>	<b>33,769,786</b>	<b>33,769,786</b>	<b>33,769,786</b>	<b>-</b>
<b>Fund Balance - Ending - Budgetary Basis</b>	<b>\$ 17,024,093</b>	<b>\$ 17,024,093</b>		<b>\$ 6,243,227</b>
Reconciling Item				
GASB 31 - fair market value adjustment on investments			510,080	
<b>Fund Balance - Ending - GAAP Basis</b>			<b>\$ 23,777,400</b>	

See accompanying note to required supplementary information.

## TRANSPORTATION AUTHORITY OF MARIN

**MEASURE AA SALES TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE – BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variances -
	Original	Final		Positive (Negative)
				Final to Actual
<b>REVENUES</b>				
Measure AA Sales Tax Revenue	\$ 27,500,000	\$ 27,500,000	\$ 27,398,613	\$ 101,387
Interest Revenue	200,000	200,000	219,389	(19,389)
<b>Total Revenues</b>	<b>27,700,000</b>	<b>27,700,000</b>	<b>27,618,002</b>	<b>81,998</b>
<b>EXPENDITURES</b>				
Administration				
Salaries and Benefits	736,990	736,990	985,053	(248,063)
Office Lease	-	-	45,991	(45,991)
Agencywide IT and Computer Equipment Upgrade	-	-	4,795	(4,795)
Equipment Purchase/Lease	-	-	3,571	(3,571)
Telephone/Internet/ Web Hosting Services	-	-	9,484	(9,484)
Office Supplies	-	-	10,316	(10,316)
Update/Improvement of TAM Website	-	-	18,762	(18,762)
Legal Services	-	-	1,332	(1,332)
Document/Video/Marketing Material Production	-	-	8,030	(8,030)
Memberships	-	-	2,200	(2,200)
Travel/Meetings/Conferences	-	-	4,024	(4,024)
Human Resources/Board Support	-	-	720	(720)
Information Technology Support	-	-	18,488	(18,488)
Annual Support & Upgrade of Financial System	-	-	4,640	(4,640)
Misc. Expenses	-	-	117	(117)
Professional Services				
Bellam Blvd 101 Off-ramp Improvements - Design & R/W	-	170,000	144,734	25,266
SFD Flyover Bike Path	-	80,000	177,542	(97,542)
Project Management Oversight	275,000	275,000	71,160	203,841
Financial Advisor/Sales Tax Audit Services	-	-	9,041	(9,041)

See accompanying note to required supplementary information.

## TRANSPORTATION AUTHORITY OF MARIN

**MEASURE AA SALES TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE – BUDGET AND ACTUAL - CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variances -
	Original	Final		Positive (Negative)
				Final to Actual
Measure AA Sales Tax Programs/Projects:				
Category 1.1 - MSN Phase 2 HOV Lane ROW/Utility	2,800,000	2,800,000	2,733,356	66,644
Category 1.2 - 580/101 Direct Connector Project PID &	1,400,000	1,400,000	943,974	456,026
Category 1.3 - Enhance Interchanges	350,000	350,000	51,045	298,955
Category 1.4 - Traffic Demand Management	50,000	50,000	-	50,000
Category 2.1 - Local Roads	1,349,425	1,349,425	1,349,425	-
Category 2.2 - Safe Pathways	650,000	650,000	112,809	537,191
Category 2.3 - Sea Level Rise	50,000	50,000	-	50,000
Category 2.4 - Innovative Technology	141,000	141,000	-	141,000
Category 3.1 - Safe Routes to School	400,000	400,000	-	400,000
Category 3.2 - Crossing Guards	1,340,000	1,340,000	727,802	612,198
Category 3.3 - Safe Pathway Capital Projects	-	200,000	123,951	76,049
Category 4.1 - Local Bus Transit Service	7,584,400	7,584,400	7,007,838	576,562
Category 4.2 - Rural Bus Transit Service	948,639	948,639	900,000	48,639
Category 4.3 - Special Needs Transit Service	2,809,000	2,809,000	2,137,479	671,521
Category 4.4 - School Transit Service	1,120,000	1,120,000	1,167,047	(47,047)
Category 4.5 - Bus Transit Facilities	1,024,147	1,024,147	-	1,024,147
Category 4.6 - Expand Access to Transit	112,000	141,670	141,760	(90)
Interagency Agreements:				
FA with County of Marin for Bellam Boulevard Const and				
Const Mngt	3,755,000	3,755,000	16,586	3,738,414
BATA-Class IV Bikeway on I580 SFDB Off Ramp	-	1,300,000	-	1,300,000
<b>Total Expenditures</b>	<b>26,895,601</b>	<b>28,675,271</b>	<b>18,933,069</b>	<b>9,742,202</b>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	804,399	(975,271)	8,684,933	9,660,204
<b>Fund Balance - Beginning</b>	<b>5,826,843</b>	<b>5,826,843</b>	<b>5,826,843</b>	
<b>Fund Balance - Ending - Budgetary Basis</b>	<b>\$ 6,631,242</b>	<b>4,851,572</b>		<b>\$ 9,660,204</b>
Reconciling Item				
GASB 31 - fair market value adjustment on investments			356,273	
<b>Fund Balance - Ending - GAAP Basis</b>			<b>\$ 14,868,049</b>	

See accompanying note to required supplementary information.

## TRANSPORTATION AUTHORITY OF MARIN

## MEASURE B VRF FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variances -
	Original	Final	Actual	Positive (Negative)
				Final to Actual
<b>REVENUES</b>				
Measure B VRF Revenue	\$ 2,400,000	\$ 2,400,000	\$ 2,327,292	\$ (72,708)
Interest Revenue	75,000	75,000	55,246	(19,754)
<b>Total Revenues</b>	<b>2,475,000</b>	<b>2,475,000</b>	<b>2,382,538</b>	<b>(92,462)</b>
<b>EXPENDITURES</b>				
Administration:				
Salaries and Benefits	91,042	91,042	92,764	(1,722)
Office Supplies	1,000	1,000	-	1,000
Update Improvements TAM Website	-	-	263	(263)
Legal Services	10,000	10,000	4,025	5,975
Document/Video/Marketing Material Production	5,000	5,000	5,736	(736)
Travel/Meetings/Conferences	5,000	5,000	679	4,321
Misc Expenses	2,000	2,000	1,264	736
Measure B VRF Programs:				
Element 1.1 - Local Streets	2,414,821	2,414,821	2,414,821	-
Element 1.2 - Bike/Ped Pathways	114,000	114,000	74,934	39,066
Element 2.1 - Mobility Management Programs	140,000	140,000	138,786	1,214
Element 2.2 - Paratransit & Low Income Scholarships	235,000	235,000	232,079	2,921
Element 2.3 - Paratransit Plus	700,000	700,000	479,556	220,444
Element 2.4 - Volunteer Drive & Gap Grant	170,000	170,000	106,279	63,721
Element 3.1 - Safe Routes to School/Street Smart Program	175,000	175,000	175,000	-
Element 3.2 - Commute Alternative Programs	350,000	350,000	266,321	83,679
Element 3.3 - Discretionary Fuel Vehicle Program	345,000	345,000	210,627	134,373
<b>Total Expenditures</b>	<b>4,757,863</b>	<b>4,757,863</b>	<b>4,203,134</b>	<b>554,729</b>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>(2,282,863)</b>	<b>(2,282,863)</b>	<b>(1,820,596)</b>	<b>462,267</b>
<b>Fund Balance - Beginning</b>	<b>3,872,810</b>	<b>3,872,810</b>	<b>3,872,810</b>	<b>-</b>
<b>Fund Balance - Ending - Budgetary Basis</b>	<b>\$ 1,589,947</b>	<b>\$ 1,589,947</b>		<b>\$ 462,267</b>
Reconciling Item				
GASB 31 - fair market value adjustment on investments			41,981	
<b>Fund Balance - Ending - GAAP Basis</b>			<b>\$ 2,094,195</b>	

See accompanying note to required supplementary information.

## TRANSPORTATION AUTHORITY OF MARIN

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**JUNE 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018 *</u>
Proportion of the net pension liability	0.001524%	0.008852%	0.01359%
Proportionate share of the net pension liability	\$ 61,031	\$ 333,588	\$ 343,003
Covered payroll	\$ 1,779,778	\$ 1,640,908	\$ 1,255,694
Proportionate share of the net pension liability as a percentage of covered payroll	3.43%	20.33%	27.32%
Plan's proportionate share of the fiduciary net position as a percentage of the plan's total pension liability	75.26%	77.69%	75.39%
Discount Rate	7.15%	7.15%	7.15%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

\* Prior to January 1, 2018, all personnel working for TAM were hired by the Local Government Services (LGS)/Regional Government Services (RGS). TAM became its own employer of record on January 1, 2018 and entered into a contract with CalPERS directly. Information for a 10 years trend will be compiled as it becomes available.

See accompanying note to required supplementary information.

## TRANSPORTATION AUTHORITY OF MARIN

## SCHEDULE OF PENSION CONTRIBUTIONS

JUNE 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018 *</u>
Actuarially determined contributions	\$ 180,465	\$ 550,084	\$ 115,695
Contributions in relation to the actuarially determined contributions	(180,465)	(550,084)	(115,695)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	1,904,514	1,779,778	1,640,908
Contributions as a percentage of covered payroll	9.48%	30.91%	7.05%

\* Prior to January 1, 2018, all personnel working for TAM were hired by the Local Government Services (LGS)/Regional Government Services (RGS). TAM became its own employer of record on January 1, 2018 and entered into a contract with CalPERS directly. Information for a 10 years trend will be compiled as it becomes available.

See accompanying note to required supplementary information.

## TRANSPORTATION AUTHORITY OF MARIN

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**JUNE 30, 2020**

	<u>2020*</u>
Service Cost	\$ 56,468
Changes of benefit terms	413,559
Interest	2,185
Changes of assumptions	24,642
Net change in total OPEB liability	<u>496,854</u>
Balance at July 1, 2019	-
Balance at June 30, 2020	<u><u>\$ 496,854</u></u>
Covered-Employee Payroll	\$ 1,904,514
Total OPEB Liabilities as a Percentage of Payroll	26.09%
Discount Rate	3.51%
Measurement Date	June 30, 2019

\*TAM's OPEB benefits became effective in fiscal year 2019.

See accompanying note to required supplementary information.



**TRANSPORTATION AUTHORITY OF MARIN****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION****JUNE 30, 2020**

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**NOTE 1 - BUDGETS AND BUDGETARY DATA**

Comparisons with financial results for the current fiscal period for all the funds are presented as required supplementary information and include, in addition to actual expenditures, amounts that have been appropriated for projects and programs. The budget represents a process through which policy decisions are made, implemented and controlled. Appropriations may be adjusted during the year with the approval of the TAM Board. Accordingly, the legal level of budgetary control by TAM is the total expenditures at the agency level. Budgets are adopted on a basis consistent with generally accepted accounting principles, except that a budget is not adopted for the unrealized gains or losses related to TAM's investments and interfund transfers.

**NOTE 2 - SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS**

A cost-sharing employer is required to recognize a liability for its proportionate share of the net pension liability (of all employers for benefits provided through the pension plan)—the collective net pension liability. A cost-sharing employer is also required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. The schedules present information to illustrate changes in TAM's proportionate share of the net pension liability and employer contributions over a ten-year period when the information is available.

**NOTE 3 - TOTAL OPEB LIABILITIES**

TAM's OPEB benefits became effective in fiscal year ended June 30, 2019. TAM's OPEB trust contributions to CalPERS were made in 2020 fiscal year.

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***STATISTICAL SECTION***

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## STATISTICAL SECTION

This part of TAM's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial health.

### Financial Trends

These schedules contain trend information to help the reader understand how TAM's financial performance and well-being have changed over time.

### Revenue Capacity

These schedules contain information to help the reader assess TAM's most significant local revenue source, the sales tax. TAM has no legal debt limits and therefore these schedules are not shown.

### Debt Capacity

These schedules present information to help the reader assess the affordability of TAM's current level of outstanding debt and TAM's ability to issue additional debt in the future.

### Demographic and Economic Information

These schedules present information to help the reader understand the environment within which TAM's financial activities take place.

### Operating Information

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

Sources: Unless otherwise noted, the information in these schedules was derived from TAM's relevant Basic Financial Statements.

TRANSPORTATION AUTHORITY OF MARIN

FINANCIAL TRENDS – NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS

	Fiscal Years Ending June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,908
Restricted										
Corte Madera Project	-	-	-	-	-	10,002	9,984	224,527	324,977	428,496
CMA Projects/Programs	706,094	1,111,365	1,654,299	1,807,945	2,047,909	2,266,878	1,582,014	1,170,448	1,030,578	2,347,175
TFCA Projects/Programs	1,663,908	1,621,585	1,288,964	1,148,177	1,124,769	1,537,359	1,262,147	1,095,396	1,658,285	1,734,290
Marin Community Foundation	-	-	-	-	-	-	-	-	-	36,684
Measure A Projects/Programs	23,817,466	33,739,210	33,503,019	41,151,805	42,617,597	35,543,695	28,474,843	29,449,205	25,560,180	19,909,648
Measure AA Projects/Programs	15,341,061	6,249,615	-	-	-	-	-	-	-	-
Measure B Projects/Programs	2,094,195	3,869,294	3,211,734	2,548,561	3,938,953	2,983,990	2,290,173	3,321,096	1,951,361	113,386
<b>Total Governmental Activities Net Position</b>	<b>\$ 43,622,724</b>	<b>\$ 46,591,069</b>	<b>\$ 39,658,016</b>	<b>\$ 46,656,488</b>	<b>\$ 49,729,228</b>	<b>\$ 42,341,924</b>	<b>\$ 33,619,161</b>	<b>\$ 35,260,672</b>	<b>\$ 30,525,381</b>	<b>\$ 24,574,587</b>

## TRANSPORTATION AUTHORITY OF MARIN

FINANCIAL TRENDS – CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS

EXPENSES	Fiscal Years Ending June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
Congestion Management	\$ 37,973,856	\$ 34,879,040	\$ 42,395,402	\$ 39,766,538	\$ 29,891,239	\$ 25,207,772	\$ 32,378,764	\$ 26,126,024	\$ 22,489,907	\$ 27,047,626
Interest	-	-	-	-	14,308	70,695	125,431	178,559	230,127	133,928
<b>Total Expenses</b>	<b>37,973,856</b>	<b>34,879,040</b>	<b>42,395,402</b>	<b>39,766,538</b>	<b>29,905,547</b>	<b>25,278,467</b>	<b>32,504,195</b>	<b>26,304,583</b>	<b>22,720,034</b>	<b>27,181,554</b>
<b>REVENUES</b>										
Program Revenues:										
Grants and Contributions	3,234,508	8,081,927	6,329,413	8,024,309	8,535,259	5,657,885	4,225,369	5,092,646	6,380,109	10,333,580
<b>Total Revenues</b>	<b>3,234,508</b>	<b>8,081,927</b>	<b>6,329,413</b>	<b>8,024,309</b>	<b>8,535,259</b>	<b>5,657,885</b>	<b>4,225,369</b>	<b>5,092,646</b>	<b>6,380,109</b>	<b>10,333,580</b>
Net (Expense)/Revenue	(34,739,348)	(26,797,113)	(36,065,989)	(31,742,229)	(21,370,288)	(19,620,582)	(28,278,826)	(21,211,937)	(16,339,925)	(16,847,974)
<b>GENERAL REVENUES</b>										
Governmental Activities:										
Sales Tax	27,435,968	29,398,854	26,541,399	26,147,374	25,698,829	25,844,739	24,086,678	23,619,507	21,265,462	20,259,801
Vehicle Registration	2,327,292	2,417,118	2,386,486	2,399,640	2,376,492	2,333,642	2,347,339	2,280,255	2,347,924	273,314
Investment Earnings	2,007,743	1,914,194	139,632	122,475	682,270	164,964	203,298	47,466	77,333	153,834
<b>Total General Revenues</b>	<b>31,771,003</b>	<b>33,730,166</b>	<b>29,067,517</b>	<b>28,669,489</b>	<b>28,757,591</b>	<b>28,343,345</b>	<b>26,637,315</b>	<b>25,947,228</b>	<b>23,690,719</b>	<b>20,686,949</b>
Governmental Activities										
Change in Net Position	\$ (2,968,345)	\$ 6,933,053	\$ (6,998,472)	\$ (3,072,740)	\$ 7,387,303	\$ 8,722,763	\$ (1,641,511)	\$ 4,735,291	\$ 7,350,794	\$ 3,838,975

TRANSPORTATION AUTHORITY OF MARIN

FINANCIAL TRENDS – FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

	Fiscal Years Ending June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ -
Restricted	899,880	755,114	1,770,058	1,807,945	2,047,909	1,687,929	1,582,014	1,170,448	1,028,578	2,347,175
Total General Fund	<u>\$ 899,880</u>	<u>\$ 755,114</u>	<u>\$ 1,770,058</u>	<u>\$ 1,807,945</u>	<u>\$ 2,047,909</u>	<u>\$ 1,687,929</u>	<u>\$ 1,582,014</u>	<u>\$ 1,170,448</u>	<u>\$ 1,030,578</u>	<u>\$ 2,347,175</u>
All Other Funds										
Nonspendable	\$ 21,444	\$ 24,140	\$ 29,111	\$ 21,444	\$ 21,444	\$ 40,496	\$ -	\$ -	\$ -	\$ -
Restricted	42,382,108	45,067,562	38,134,462	43,860,646	47,085,034	40,988,405	34,856,630	38,720,601	35,882,946	30,316,842
Total Sales Tax Program	<u>\$ 42,403,552</u>	<u>\$ 45,091,702</u>	<u>\$ 38,163,573</u>	<u>\$ 43,882,090</u>	<u>\$ 47,106,478</u>	<u>\$ 41,028,901</u>	<u>\$ 34,856,630</u>	<u>\$ 38,720,601</u>	<u>\$ 35,882,946</u>	<u>\$ 30,316,842</u>

## TRANSPORTATION AUTHORITY OF MARIN

FINANCIAL TRENDS – CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

	Fiscal Years Ending June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>REVENUES</b>										
Sales Tax	\$ 27,345,662	\$ 28,976,082	\$ 27,507,852	\$ 25,755,762	\$ 25,702,937	\$ 25,265,790	\$ 24,086,678	\$ 23,619,507	\$ 21,265,462	\$ 20,259,801
Vehicle Registration Fee	2,327,292	2,417,118	2,386,486	2,399,640	2,376,492	2,333,642	2,347,339	2,280,255	2,347,924	273,314
Investment Earnings	2,007,743	1,914,194	139,632	122,475	682,270	164,964	203,298	47,466	77,333	153,834
Project and Program Revenues	3,194,508	8,081,927	6,329,413	8,024,309	8,535,259	5,657,885	4,225,369	5,092,646	6,380,109	10,333,580
<b>Total Revenues</b>	<b>34,875,205</b>	<b>41,389,321</b>	<b>36,363,383</b>	<b>36,302,186</b>	<b>37,296,958</b>	<b>33,422,281</b>	<b>30,862,684</b>	<b>31,039,874</b>	<b>30,070,828</b>	<b>31,020,529</b>
<b>EXPENDITURES</b>										
Congestion management - Current										
Administration	3,154,148	3,378,703	3,058,896	3,013,630	2,857,963	2,342,920	2,221,074	2,417,234	2,270,899	2,025,311
Professional Services	2,629,748	4,216,373	2,803,406	2,965,064	1,717,395	2,979,268	2,511,401	3,734,763	4,947,115	4,953,463
Measure A	9,737,500	21,849,187	28,668,609	25,351,395	18,357,291	16,753,135	23,592,718	18,017,836	14,338,961	15,027,818
Measure AA	16,896,486	182,971	-	-	-	-	-	-	-	-
Measure B	4,098,404	1,790,363	1,556,536	3,632,620	1,290,574	1,547,808	3,285,753	839,395	472,290	-
Interagency Agreements	535,629	3,992,151	5,855,948	4,526,973	4,902,359	1,541,444	596,806	220,459	104,484	2,902,000
Other Capital Expenditures	366,674	66,388	176,392	276,856	765,658	43,196	171,012	896,338	351,249	2,134,125
Debt Service										
Principal	-	-	-	-	953,854	1,865,628	1,810,894	1,757,765	1,706,195	1,727,091
Interest and Fiscal Charges	-	-	-	-	14,308	70,696	125,431	178,559	230,127	133,928
<b>Total Expenditures</b>	<b>37,418,589</b>	<b>35,476,136</b>	<b>42,119,787</b>	<b>39,766,538</b>	<b>30,859,402</b>	<b>27,144,095</b>	<b>34,315,089</b>	<b>28,062,349</b>	<b>24,421,320</b>	<b>28,903,736</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,543,384)</b>	<b>5,913,185</b>	<b>(5,756,404)</b>	<b>(3,464,352)</b>	<b>6,437,556</b>	<b>6,278,186</b>	<b>(3,452,405)</b>	<b>2,977,525</b>	<b>5,649,508</b>	<b>2,116,793</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(2,543,384)</b>	<b>5,913,185</b>	<b>(5,756,404)</b>	<b>(3,464,352)</b>	<b>6,437,556</b>	<b>6,278,186</b>	<b>(3,452,405)</b>	<b>2,977,525</b>	<b>5,649,508</b>	<b>2,116,793</b>
<b>Fund Balances - Beginning</b>	<b>45,846,816</b>	<b>39,933,631</b>	<b>45,690,035</b>	<b>49,154,387</b>	<b>42,716,831</b>	<b>36,438,645</b>	<b>39,891,050</b>	<b>36,913,525</b>	<b>32,664,017</b>	<b>30,547,224</b>
<b>Fund Balances - Ending</b>	<b>\$ 43,303,432</b>	<b>\$ 45,846,816</b>	<b>\$ 39,933,631</b>	<b>\$ 45,690,035</b>	<b>\$ 49,154,387</b>	<b>\$ 42,716,831</b>	<b>\$ 36,438,645</b>	<b>\$ 39,891,050</b>	<b>\$ 38,313,525</b>	<b>\$ 32,664,017</b>
Debt Service as a Percentage of Total Expenditures	0.00%	0.00%	0.00%	0.00%	3.24%	7.68%	5.98%	7.41%	8.61%	6.88%

Other Capital Expenditures are for TFCA projects and program funding contributions and should be included in the calculation.



## TRANSPORTATION AUTHORITY OF MARIN

**REVENUE CAPACITY – SALES TAX RATES  
 LAST TEN FISCAL YEARS**


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<b>Fiscal Year Ended June 30:</b>	<b>Sales Tax Rate</b>	<b>Sales Tax Revenue</b>	<b>Annual Growth</b>	<b>Total Taxable Sales in Marin County (in thousands)</b>
2020	0.50%	\$ 27,345,662	-5.63%	* \$ 5,507,806
2019	0.50%	28,976,082	5.34%	* 5,383,720
2018	0.50%	27,507,852	6.80%	* 5,501,570
2017	0.50%	25,755,761	0.21%	* 5,011,721
2016	0.50%	25,702,937	1.73%	5,045,785
2015	0.50%	25,265,790	4.90%	5,046,316
2014	0.50%	24,086,678	1.98%	4,861,801
2013	0.50%	23,619,507	11.07%	4,664,920
2012	0.50%	21,265,462	4.96%	4,333,600
2011	0.50%	20,259,801	6.72%	4,049,869

\* Amount was estimated based on the sales tax collected.

Source: California Board of Equalization taxable sales on a calendar basis. Effective July 1, 2017, the CDTFA became the successor to the Board of Equalization and became vested with nearly all of the duties, powers and responsibilities of the Board of Equalization.

## TRANSPORTATION AUTHORITY OF MARIN

**REVENUE CAPACITY – SALES TAX RATES BY JURISDICTION  
 LAST TEN FISCAL YEARS**

<b>Effective on</b>	<b>Apr-20</b>	<b>Apr-19</b>	<b>Apr-18</b>	<b>Apr-17</b>	<b>Apr-16</b>	<b>Apr-15</b>	<b>Apr-14</b>	<b>Apr-13</b>	<b>Apr-12</b>	<b>Apr-11</b>
Belvedere	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%	9.00%
Corte Madera	9.00%	9.00%	8.75%	8.75%	9.00%	9.00%	9.00%	8.50%	8.00%	9.00%
Fairfax	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	8.50%	9.00%
Larkspur	9.00%	9.00%	9.00%	8.75%	9.00%	9.00%	9.00%	8.50%	8.00%	9.00%
Mill Valley	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%	9.00%
Novato	8.50%	8.50%	8.50%	8.50%	8.75%	9.00%	9.00%	9.00%	8.50%	9.50%
Ross	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%	9.00%
San Anselmo	8.75%	8.75%	8.75%	8.75%	9.00%	9.00%	9.00%	8.50%	8.00%	9.00%
San Rafael	9.00%	9.00%	9.00%	9.00%	9.25%	9.25%	9.25%	9.00%	8.50%	9.50%
Sausalito	8.75%	8.75%	8.75%	8.75%	9.00%	9.00%	8.50%	8.50%	8.00%	9.00%
Tiburon	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%	9.00%
County-Unincorporated	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%	9.00%

Source: California Department of Tax and Fee Administration.

## TRANSPORTATION AUTHORITY OF MARIN

**REVENUE CAPACITY – VEHICLE REGISTRATION FEE REVENUES  
 LAST NINE FISCAL YEARS**

<b>Fiscal Year Ended June 30:</b>	<b>VRF Amount</b>		<b>VRF Revenue</b>	<b>Annual Growth</b>
2020	\$	10	\$ 2,327,292	-3.72%
2019		10	2,417,118	1.28%
2018		10	2,386,486	-0.55%
2017		10	2,399,640	0.97%
2016		10	2,376,492	1.84%
2015		10	2,333,550	-0.59%
2014		10	2,347,319	2.94%
2013		10	2,280,227	-2.88%
2012		10	2,347,952	n/a

Marin County 10-Year Fee Paid Vehicle Registration Data.

<b>Calendar Year</b>	<b>Registered Vehicles</b>	<b>Change</b>
2019	249,524	0.69%
2018	247,820	0.16%
2017	247,424	-0.76%
2016	249,314	1.41%
2015	245,849	1.14%
2014	243,069	0.89%
2013	240,921	2.29%
2012	235,535	-0.15%
2011	235,891	-1.85%
2010	240,345	-0.35%

Data Source: California Department of Motor Vehicle.

## TRANSPORTATION AUTHORITY OF MARIN

**REVENUE CAPACITY – PRINCIPAL SALES TAX PAYERS BY SEGMENT  
FOR THE COUNTY  
YEAR ONE AND TEN (NUMBERS IN 000'S)**

Principal Revenue Payers	Rank	2019*	
		Total Taxes in Marin County	Percentage of Total County Taxes
All Other Outlets	1	\$ 1,322,703	24.02%
Motor Vehicle and Parts Dealers	2	802,371	14.57%
Food Services and Drinking Places	3	657,272	11.93%
Other Retail Group	4	675,309	12.26%
Building Material and Garden Equipment and Supplies	5	435,751	7.91%
Gasoline Stations	6	386,539	7.02%
Clothing and Clothing Accessories Stores	7	338,536	6.15%
Food and Beverage Stores	8	335,710	6.10%
General Merchandise Stores	9	289,647	5.26%
Home Furnishings and Appliance Stores	10	263,969	4.79%
		<u>\$ 5,507,807</u>	<u>100.00%</u>
Principal Revenue Payers	Rank	2007*	
		Total Taxes in Marin County	Percentage of Taxable Sales
All Other Outlets	1	\$ 911,226	20.72%
Automotive Group	2	608,934	13.85%
Other Retail Stores	3	585,804	13.32%
General Merchandise Group	4	460,821	10.48%
Eating and Drinking Group	5	435,046	9.89%
Building Materials	6	329,500	7.49%
Service Stations	7	308,446	7.01%
Food Stores Group	8	209,609	4.77%
Home Furnishings and Appliances	9	199,860	4.55%
Business and Personal Services	10	184,488	4.20%
Apparel Stores Group	11	163,447	3.72%
		<u>\$ 4,397,181</u>	<u>100.00%</u>

\* 2019 is the latest information available. 2011 information not available and 2007 is the only year available

Data Source: California Department of Tax and Fee Administration.

## TRANSPORTATION AUTHORITY OF MARIN

**DEBT CAPACITY – RATIOS OF OUTSTANDING DEBT  
LAST TEN FISCAL YEARS**


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Fiscal Year Ended June 30:	MTC Funding Exchange Agreement	Total Taxable Sales	Total Debt as a % of Personal Income
2015	\$ 953,855	\$ 5,046,315,590	0.02%
2014	2,819,483	4,861,801,000	0.06%
2013	4,630,377	4,664,920,000	0.10%
2012	6,388,143	4,333,600,000	0.15%
2011	8,094,338	4,049,869,000	0.20%

Data Source: California Board of Equalization.

## TRANSPORTATION AUTHORITY OF MARIN

**DEMOGRAPHIC AND ECONOMIC INFORMATION – DEMOGRAPHIC AND  
ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

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<u>Calendar Year</u>	<u>Population</u>	<u>Total Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2020	*	*	*	7.0%
2019	*	*	*	2.5%
2018	259,666	34,866,708	134,275	2.4%
2017	260,955	32,502,500	124,552	2.9%
2016	260,651	30,222,883	115,952	3.3%
2015	261,221	28,492,821	109,076	3.5%
2014	260,750	25,716,754	98,626	4.3%
2013	258,365	25,093,401	97,124	5.2%
2012	256,069	23,918,732	93,407	6.3%
2011	255,031	21,871,623	85,761	7.3%

\* Information not available.

Data Source: US Bureau of Economic Analysis.

## TRANSPORTATION AUTHORITY OF MARIN

**DEMOGRAPHIC AND ECONOMIC INFORMATION – PRINCIPAL EMPLOYERS  
YEAR ONE AND TEN**

Employer	2018 <sup>1</sup>		
	Rank	Number of Employees	Percentage of Total County Employment
County of Marin	1	2,317	1.68%
Kaiser Permanente	2	2,014	1.46%
BioMarin Parmaceutical	3	1,765	1.28%
San Quentin State Prison	4	1,614	1.17%
Marin General Hospital	5	1,279	0.93%
Glassdoor	6	875	0.64%
San Rafael City Schools	7	865	0.63%
Novato Unified School District	8	800	0.58%
Marin County Office of Education	9	656	0.48%
Dominican University	10	421	0.31%
Subtotal		12,606	9.15%
<b>Total County Employment</b>		<b>137,700</b>	

<sup>1</sup> Most recent information available.

Employer	2011		
	Rank	Number of Employees	Percentage of Total County Employment
County of Marin	1	2,135	1.64%
San Quentin State Prison	2	2,058	1.58%
Kaiser Permanente	3	1,330	1.02%
Safeway, Inc	4	1,200	0.92%
Marin General Hospital	5	1,090	0.84%
Fireman's Fund	6	950	0.73%
Autodesk, Inc.	7	928	0.71%
Novato Unified School District	8	832	0.64%
BioMarin	9	700	0.54%
Comcast	10	619	0.47%
Subtotal		11,842	9.08%
<b>Total County Employment</b>		<b>130,400</b>	

## TRANSPORTATION AUTHORITY OF MARIN

**OPERATING INFORMATION – FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION  
 FISCAL YEAR 2019-20**


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<b>Function</b>	<b>Fiscal Year</b>		
	<b>Ending June 30,</b>		
	<b>2020</b>	<b>2019</b>	<b>2018 *</b>
Capital Project	3.00	3.00	3.00
Executive	1.00	1.00	1.00
Finance and Administration	4.80	4.80	4.80
Planning	1.50	1.50	1.50
Policy and Programming	1.50	1.50	1.50
Public Outreach	1.00	1.00	1.00
<b>Total Employees</b>	<b>12.80</b>	<b>12.80</b>	<b>12.80</b>

\* TAM had no directly hired employees prior to 2018.



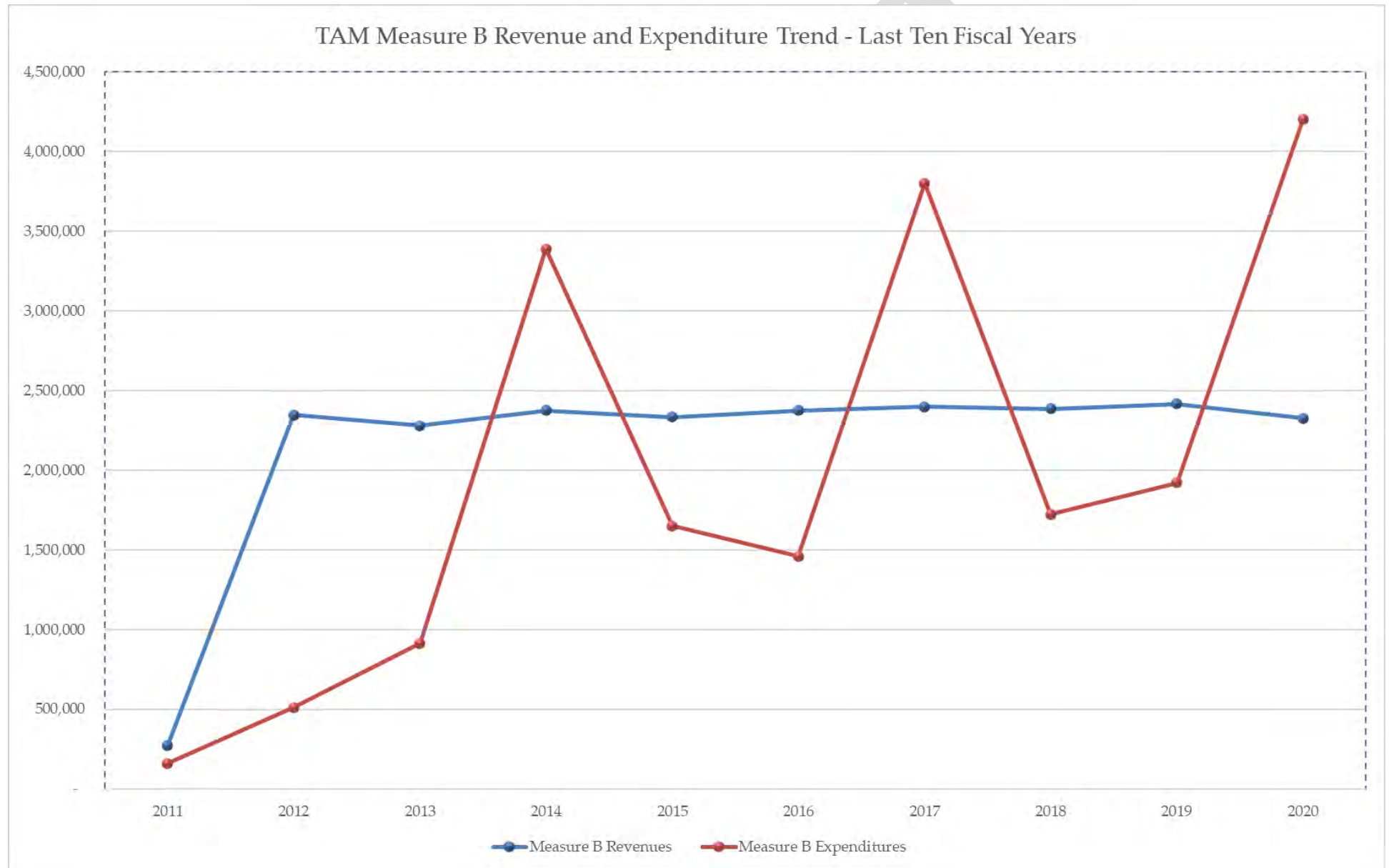
TRANSPORTATION AUTHORITY OF MARIN

OPERATING INFORMATION – MEASURE A AND MEASURE AA ANNUAL REVENUE AND EXPENDITURES  
LAST TEN FISCAL YEARS



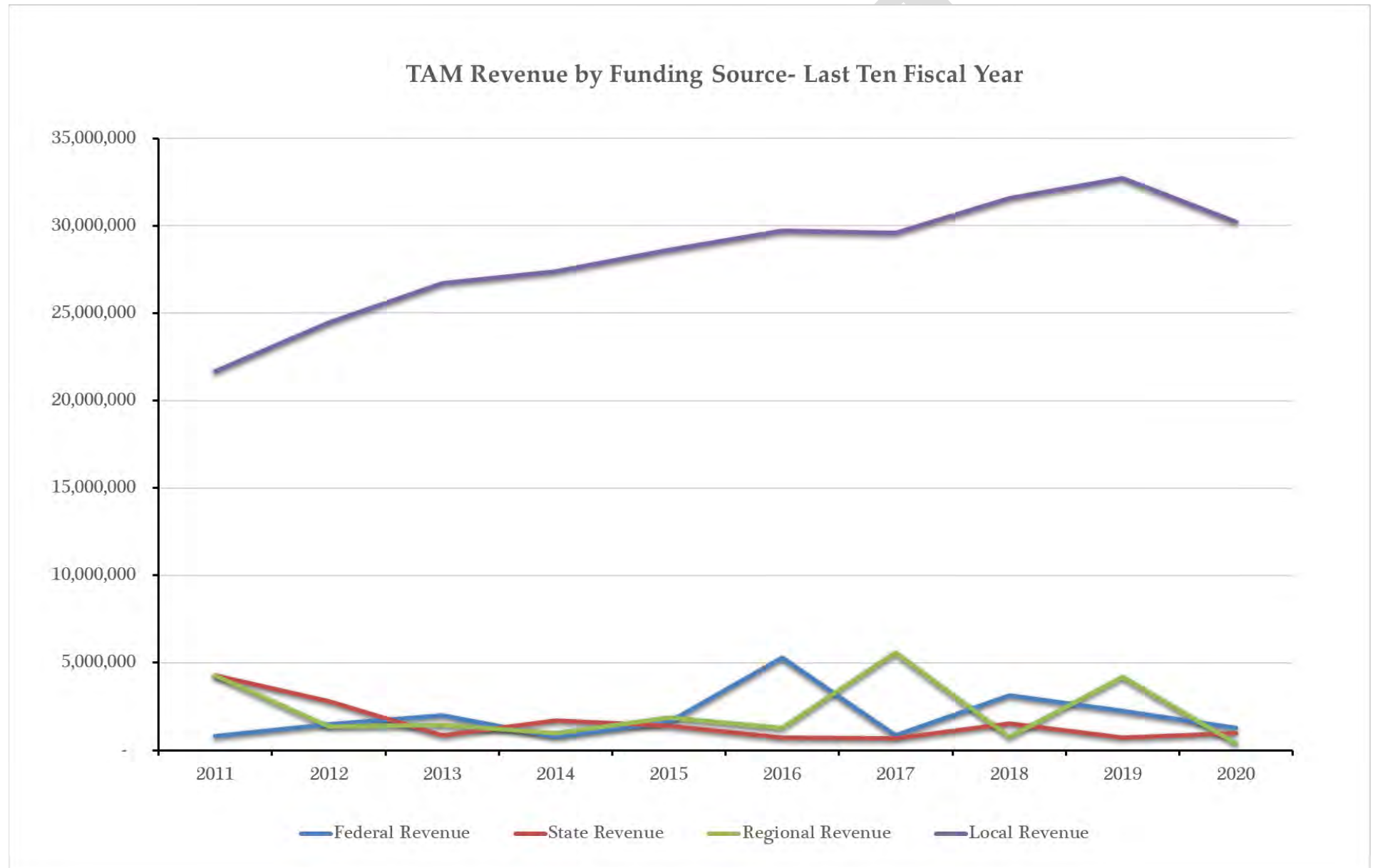
TRANSPORTATION AUTHORITY OF MARIN

OPERATING INFORMATION – MEASURE B ANNUAL REVENUE AND EXPENDITURES  
LAST NINE FISCAL YEARS



TRANSPORTATION AUTHORITY OF MARIN

OPERATING INFORMATION – REVENUE BY FUNDING SOURCE  
 LAST TEN FISCAL YEARS



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***COMPLIANCE SECTION***

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**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 Commissioners of the  
Transportation Authority of Marin  
San Rafael, 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 governmental activities and each major fund of the Transportation Authority of Marin the (TAM) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise TAM's basic financial statements, and have issued our report thereon dated December 10, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered TAM'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of TAM's internal control. Accordingly, we do not express an opinion on the effectiveness of TAM'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 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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether TAM'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 internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TAM's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Mateo, California  
December 10, 2020



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH THE 5% ADMINISTRATION CAP**

Board of Commissioners of the  
Transportation Authority of Marin  
San Rafael, California

**Report on Compliance**

We have audited the Transportation Authority of Marin's (TAM) compliance with the 5% administration cost cap limit (the Limit) contained in the Marin County Transportation Sales Tax Expenditure Plan ended June 30, 2020.

***Management's Responsibility***

Compliance with the requirements referred to above is the responsibility of TAM's management.

***Auditor's Responsibility***

Our responsibility is to express an opinion on TAM's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have occurred. An audit includes examining, on a test basis, evidence about TAM's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of TAM's compliance with those requirements.

*Opinion*

In our opinion, TAM complied, in all material respects, with the requirements referred to above for the fiscal year ended June 30, 2020.

The purpose of this report on compliance is solely to describe the scope of our testing over compliance and the results of that testing. Accordingly, this report is not suitable for any other purpose.

San Mateo, California

December 10, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD  
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Board of Commissioners of  
Transportation Authority of Marin  
San Rafael, California

We have audited the Transportation Authority of Marin's (TAM) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of TAM's major federal programs for the year ended June 30, 2020. TAM's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of TAM's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about TAM's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of TAM's compliance.

## *Opinion on Each Major Federal Program*

In our opinion, TAM complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## **Report on Internal Control Over Compliance**

Management of TAM is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered TAM's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of TAM's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

San Mateo, California  
December 10, 2020

TRANSPORTATION AUTHORITY OF MARIN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 JUNE 30, 2020

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Identifying Number	Total Federal Expenditures	Amount Provided to Subrecipients
U.S. DEPARTMENT OF TRANSPORTATION				
Highway Planning and Construction				
Passed through Metropolitan Transportation Commission				
STP/CMAQ Planning	20.205	CMA Planning Agreement FY2018-22	\$ 730,114	\$ -
Subtotal			<u>730,114</u>	<u>-</u>
Passed through California Department of Transportation				
Car Share Pilot Program	20.205	CML-6406(016)	49,489	-
Federal Surface Transportation Program	20.205	STPL-6406(022)	507,521	-
Nonmotorized Transportation Pilot Program				
NTTP - Street Smarts	20.205	NMTPL-6406(015)	11,460	-
Subtotal			<u>568,470</u>	<u>-</u>
Total U.S. Department of Transportation/Highway Planning and Construction			<u>\$ 1,298,584</u>	<u>\$ -</u>

See accompanying notes to the schedule of expenditures of federal awards.

**TRANSPORTATION AUTHORITY OF MARIN****NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2020**

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**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of TAM under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Example Entity, it is not intended to and does not present the financial position, changes in net assets, or cash flows of TAM.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - INDIRECT COST RATE**

TAM has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4 - PROGRAM DESCRIPTIONS****U. S. Department of Transportation, Highway Planning and Construction**

The Highway Planning and Construction program assists State transportation agencies in the planning and development of an integrated, interconnected transportation system important to interstate commerce and travel by constructing and rehabilitating the National Highway System (NHS), including the Eisenhower Interstate System (EIS); and for transportation improvements to most other public roads; to provide aid for the repair of Federal-aid highways following disasters; to foster safe highway design; to replace or rehabilitate deficient or obsolete bridges; and to provide for other special purposes.

TRANSPORTATION AUTHORITY OF MARIN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 2020

**SUMMARY OF AUDITORS RESULTS**

*FINANCIAL STATEMENTS*

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

*FEDERAL AWARDS*

Internal control over major programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency identified?	<u>None reported</u>
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance	<u>No</u>

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>20.205</u>	<u>Highway Planning and Construction</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

TRANSPORTATION AUTHORITY OF MARIN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2020

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FINANCIAL STATEMENT FINDINGS

None reported.

DRAFT



**TRANSPORTATION AUTHORITY OF MARIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2020**

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**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

DRAFT

TRANSPORTATION AUTHORITY OF MARIN

SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2020

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None reported.

DRAFT



# Comprehensive Annual Financial Report

FOR THE FISCAL YEAR  
ENDED JUNE 30, 2020

Transportation Authority of Marin  
San Rafael, CA



# Review and Accept FY2019-20 TAM Comprehensive Annual Financial Report

TAM Board of Commissioners  
October 22, 2020



# Introduction of the CAFR

–First TAM Comprehensive Annual Financial Report (CAFR) was produced for FY2017-18, with the goal to provide the citizens of Marin with a more complete, and meaningful picture of TAM’s financial condition and performance.

–CAFR includes the following components:

- Introductory Section
- Financial Section
- Statistical Section
- Compliance Section

# Introductory Section

## ➤ Profile of TAM

- Congestion Management Agency and Measure A/AA & B Administrator

## ➤ Economic Condition of the County

- Driven by various types of industries including financial services, healthcare, biotech, high technology and tourism.

- Is one of the wealthiest, healthiest and most highly educated in the nation.

- Good school districts, easy access to a multitude of recreational activities, and breathtaking natural beauty.

### Chart 1: Annual Population Growth from 2011 to 2020 Marin, Bay Area and California



### Chart 2: Per Capita Personal Income - Marin, Bay Area and California

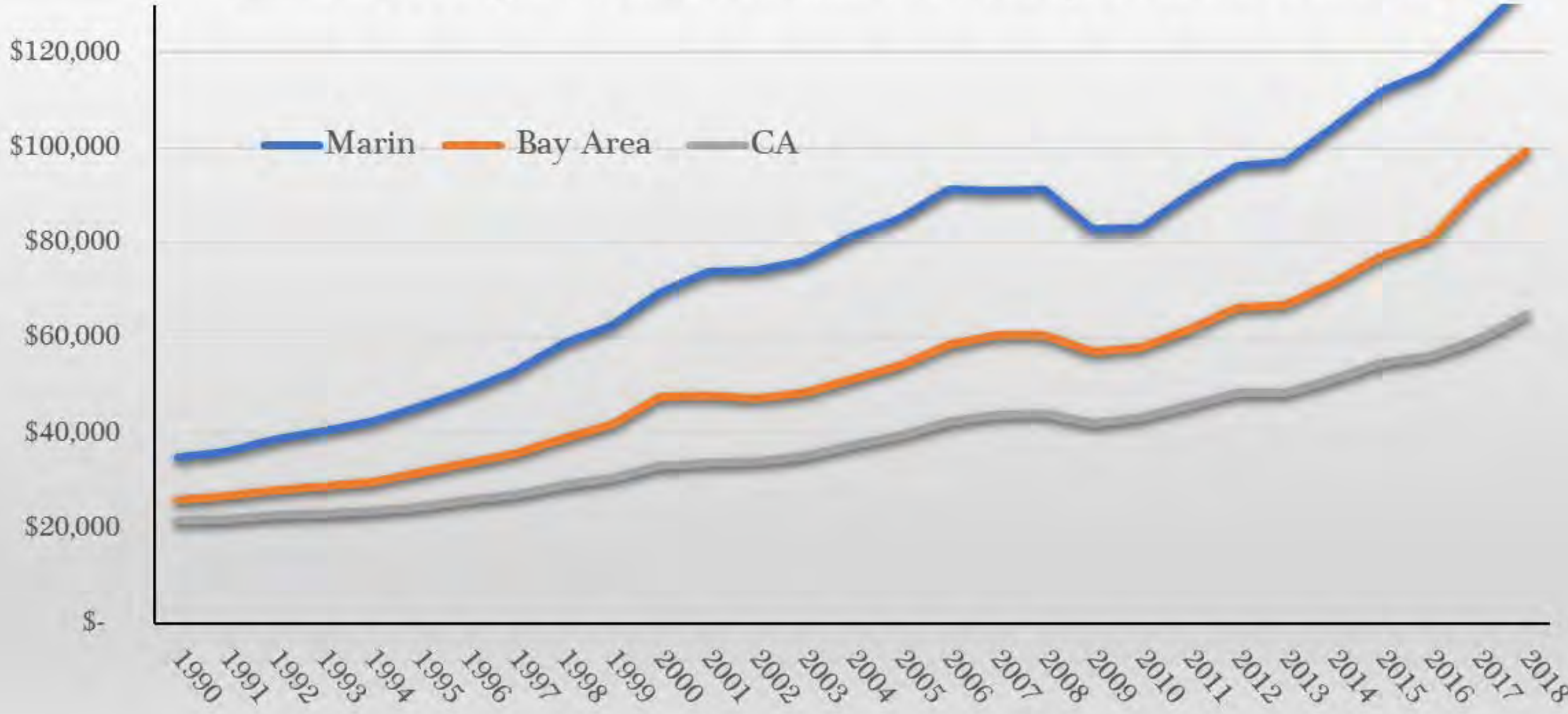


Chart 3: Unemployment Rate - Marin, Bay Area and Statewide

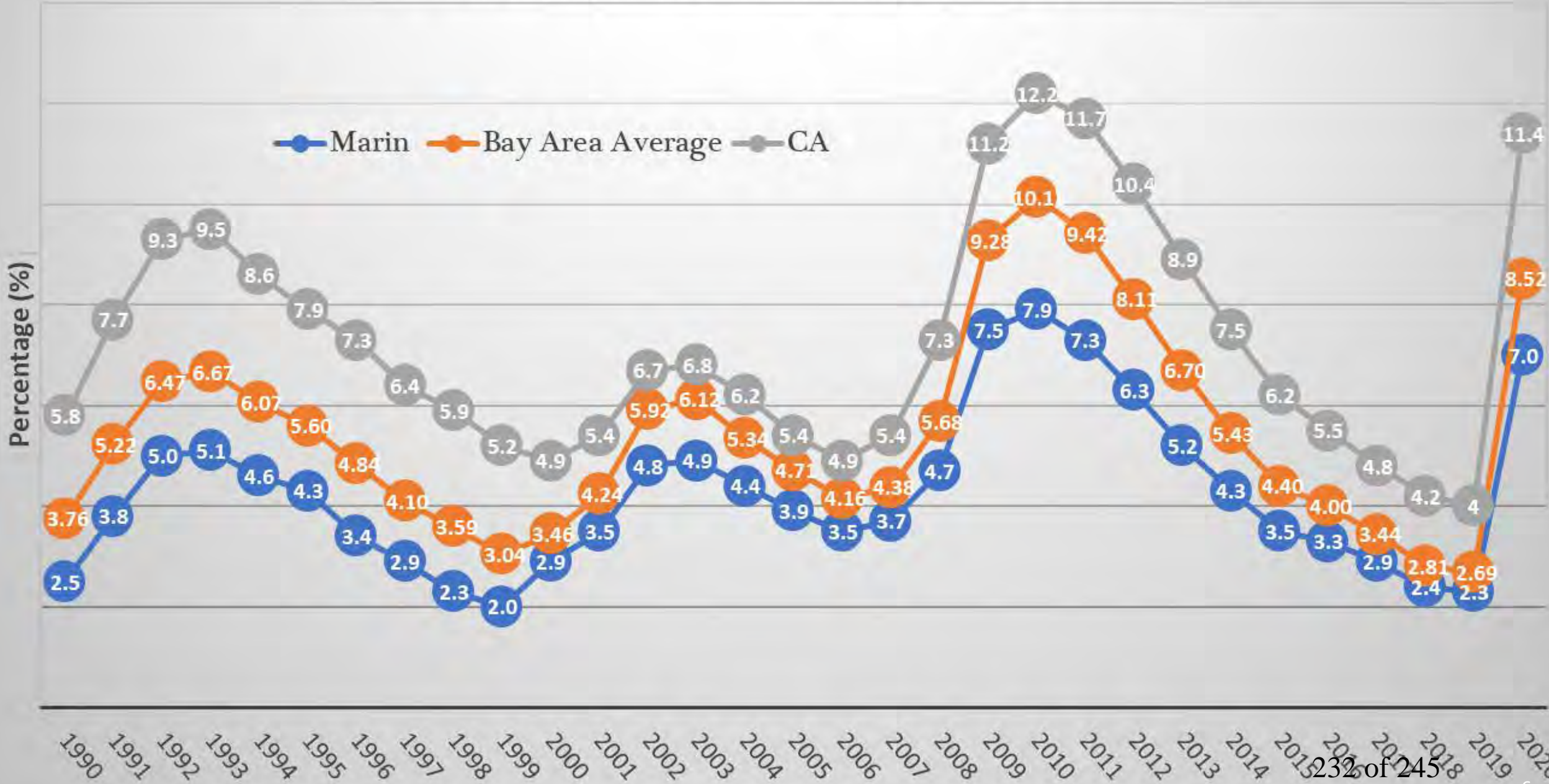




Chart 4: Marin 1/2-Cent Transportation Sales Tax Revenue FY2006 to FY2020



# Financial Section

The Auditor has rendered an opinion that all of TAM's financial statements are fairly stated in all material aspects, and that the financial position of the governmental activities and each major fund on June 30, 2020, and the respective changes in financial position thereof for the year ended are presented fairly in conformity with U.S. generally accepted accounting principles.

# Financial Section

## –Government-Wide Financial Statements

- Prepared on the full accrual basis of accounting, which means they measure the flow of all economic resources of TAM as a whole.
- Include Statement of Net Position and the Statement of Activities.

## –Fund Financial Statements

- The Fund Financial Statements provide detailed information about each of TAM's most significant funds and are prepared on the modified accrual basis.
- TAM currently has five major governmental funds, including CMA General Fund, BAAQMD TFCA Fund, Measure A and Measure AA ½-Cent Transportation Sales Tax Funds, and Measure B \$10 Vehicle Registration Fee.
- Include Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

# Financial Section

## Government-Wide Financial Analysis

- ✓ The Statement of Net Position summarizes TAM's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position.
- ✓ TAM's governmental net position was \$43.62 million as of June 30, 2020, and comprised the following:
  - Cash and Investments of \$55.43 million in the CalTRUST and deposits with Bank of Marin.
  - Receivables and Prepaid Items of \$5.93 million in sales tax and other accounts receivables.
  - Liabilities, including all accounts payables, unearned revenues and net pension liability, totaling \$18.76 million.

# Financial Section

## Government-Wide Financial Analysis

- ✓ The Statement of Activities presents expenses and related program revenues as well as the general revenues in detail.
- ✓ \$3.23 million or 9.0% of TAM's FY2019-20 governmental revenues, came from program revenues and \$31.24 million, or 91%, came from general revenues such as Measure A/AA ½-Cent Transportation Sales Taxes, Measure B \$ 10 VRF and investment earnings.
- ✓ Total expenditure for FY2019-20 is \$37.97 million, with \$3.71 million for Administration, \$2.63 million for Professional Services, \$31.10 million for Program/Project and \$0.54 million for Interagency Agreements.
- ✓ Total net position of \$43.62 million as of June 30, 2020 was restricted for various transportation projects and programs.

# Financial Section

## Governmental Funds FY2019-20 Activities:

*(By Fund and #s in Millions)*

<b>Fund</b>	<b>Revenue</b>	<b>Expenditure</b>	<b>Fund Balance 6/30/2020</b>
<b>CMA General Fund</b>	3.03	3.39	0.90
<b>BAAQMD/TFCA Fund</b>	0.43	0.39	1.66
<b>Measure Fund</b>	1.01	11.01	23.78
<b>Measure AA Fund</b>	27.97	18.43	14.87
<b>Measure B Fund</b>	2.42	4.20	2.09
<b>TOTAL</b>	<b>34.86</b>	<b>37.42</b>	<b>43.30</b>

# Statistical Section

- Statistical Section includes operational, economic, and historical data and provides a context for assessing a government's economic condition.
- The statistical section is made up of the following:
  - ✓ Information on financial trends
  - ✓ Information on revenue capacity
  - ✓ Information on debt capacity
  - ✓ Demographic and economic information
  - ✓ Operating information

# Statistical Section

## TAM Historic Governmental Fund Balance

	Fiscal Years Ending June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ -
Restricted	899,880	755,114	1,770,058	1,807,945	2,047,909	1,687,929	1,582,014	1,170,448	1,028,578	2,347,175
Total General Fund	<u>\$ 899,880</u>	<u>\$ 755,114</u>	<u>\$ 1,770,058</u>	<u>\$ 1,807,945</u>	<u>\$ 2,047,909</u>	<u>\$ 1,687,929</u>	<u>\$ 1,582,014</u>	<u>\$ 1,170,448</u>	<u>\$ 1,030,578</u>	<u>\$ 2,347,175</u>
All Other Funds										
Nonspendable	\$ 21,444	\$ 24,140	\$ 29,111	\$ 21,444	\$ 21,444	\$ 40,496	\$ -	\$ -	\$ -	\$ -
Restricted	42,382,108	45,067,562	38,134,462	43,860,646	47,085,034	40,988,405	34,856,630	38,720,601	35,882,946	30,316,842
Total Sales Tax Program	<u>\$42,403,552</u>	<u>\$45,091,702</u>	<u>\$38,163,573</u>	<u>\$43,882,090</u>	<u>\$47,106,478</u>	<u>\$41,028,901</u>	<u>\$34,856,630</u>	<u>\$38,720,601</u>	<u>\$35,882,946</u>	<u>\$30,316,842</u>



# Statistical Section

## Revenue by Funding Source

	Fiscal Year Ending June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Federal Revenue</b>	795,620	1,485,189	2,005,678	763,713	1,591,156	5,301,158	840,442	3,124,051	2,238,572	1,258,585
<b>State Revenue</b>	4,291,780	2,775,247	864,490	1,674,388	1,418,942	716,923	665,974	1,530,790	719,436	993,156
<b>Regional Revenue</b>	4,277,780	1,343,290	1,442,889	977,992	1,862,025	1,259,013	5,597,422	753,288	4,200,382	383,768
<b>Local Revenue</b>	21,655,349	24,467,101	26,726,817	27,374,883	28,599,290	29,726,691	29,602,211	31,592,668	32,739,508	30,231,953
<b>Total</b>	31,020,529	30,070,827	31,039,874	30,790,976	33,471,413	37,003,785	36,706,049	37,000,797	39,897,898	32,867,462

# Statistical Section

## Local Sales Tax Rate for Marin County

Effective On	Apr-20	Apr-19	Apr-18	Apr-17	Apr-16	Apr-15	Apr-14	Apr-13	Apr-12	Apr-11	Apr-10	Apr-09
Belvedere	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%	9.00%	9.00%	9.00%
Corte Madera	9.00%	9.00%	9.00%	8.75%	9.00%	9.00%	9.00%	8.50%	8.00%	9.00%	9.00%	9.00%
Fairfax	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	8.50%	9.00%	9.00%	9.00%
Larkspur	9.00%	9.00%	9.00%	8.75%	9.00%	9.00%	9.00%	8.50%	8.00%	9.00%	9.00%	9.00%
Mill Valley	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%	9.00%	9.00%	9.00%
Novato	8.50%	8.50%	8.50%	8.50%	8.75%	9.00%	9.00%	9.00%	8.50%	9.50%	9.00%	9.00%
Ross	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%	9.00%	9.00%	9.00%
San Anselmo	8.75%	8.75%	8.75%	8.75%	9.00%	9.00%	9.00%	8.50%	8.00%	9.00%	9.00%	9.00%
San Rafael	9.00%	9.00%	9.00%	9.00%	9.25%	9.25%	9.25%	9.00%	8.50%	9.50%	9.50%	9.50%
Sausalito	8.75%	8.75%	8.75%	8.75%	9.00%	9.00%	8.50%	8.50%	8.00%	9.00%	9.00%	9.00%
Tiburon	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%	9.00%	9.00%	9.00%
County-Unincorporated	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%	9.00%	9.00%	9.00%

# Statistical Section

## Principal Sales Tax Payers by Business Type (#s in 000's)

Principal Revenue Payers	2019			Principal Revenue Payers	2007		
	Rank	Total Taxes in Marin County	Percentage of Total County Taxes		Rank	Total Taxes in Marin County	Percentage of Taxable Sales
All Other Outlets	1	\$ 1,322,703	24.02%	All Other Outlets	1	\$ 911,226	20.72%
Motor Vehicle and Parts Dealers	2	802,371	14.57%	Automotive Group	2	608,934	13.85%
Food Services and Drinking Places	3	657,272	11.93%	Other Retail Stores	3	585,804	13.32%
Other Retail Group	4	675,309	12.26%	General Merchandise Group	4	460,821	10.48%
Building Material and Garden Equipment and Supplies Dealers	5	435,751	7.91%	Eating and Drinking Group	5	435,046	9.89%
Gasoline Stations	6	386,539	7.02%	Building Materials	6	329,500	7.49%
Clothing and Clothing Accessories Stores	7	338,536	6.15%	Service Stations	7	308,446	7.01%
Food and Beverage Stores	8	335,710	6.10%	Food Stores Group	8	209,609	4.77%
General Merchandise Stores	9	289,647	5.26%	Home Furnishings and Appliances	9	199,860	4.55%
Home Furnishings and Appliance Stores	10	263,969	4.79%	Business and Personal Services	10	184,488	4.20%
				Apparel Stores Group	11	163,447	3.72%
		<u>\$ 5,507,807</u>	<u>100.00%</u>			<u>\$ 4,397,181</u>	<u>100.00%</u>

# Compliance Section

- Measure A/AA 5% Administration/Programming Management Cost Cap
  - The Measure A/AA compliance audit conducted for FY2019-20 confirmed that TAM is in compliance with the 5% overall administration cost ceiling and under the 1% administrative staff cost cap mandated by Measure A/AA.
  
- Single Audit Required for Expenditures related to Federal Grants Awarded
  - In the auditor’s opinion, TAM complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

# Q & A