Transportation Authority of Marin

DATE: October 28, 2021

TO: Transportation Authority of Marin Board of Commissioners

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

SUBJECT: Review and Accept the FY2020-21 TAM Annual Comprehensive Financial Report (Action), Agenda Item No. 10

RECOMMENDATION:

The TAM Board reviews and accepts the Draft FY2020-21 TAM Annual Comprehensive Financial Report (ACFR).

The Citizens' Oversight Committee (COC) will be reviewing the Draft FY2020-21 TAM ACFR at its October 25 meeting. Any comments received from the COC will be presented to the Board at the 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 FY2020-21 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 FY2020-21 ACFR, refer it to the TAM Board for review and acceptance, and report the results to Marin residents in its FY2020-21 COC Annual Report.

DISCUSSION/ANALYSIS:

FY2020-21 Annual Comprehensive Financial Report

TAM's ACFR 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 discusses the 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 consists of operational, economic, and historical data, which 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 audit, as well as, the Single Audit Report required by the federal awards.

TAM's first ACFR, 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 ACFR 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 ACFR over the years.

Results of the FY2020-21 Financial and Single Audits

The auditor has certified that all of TAM's financial statements are presented fairly in all material aspects, the respective financial position of the governmental activities and each major fund of TAM, as of June 30, 2021, and the respective changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

The auditor also confirmed that all 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 FY2020-21 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 FY2020-21 COC Annual Report/2021 TAM Annual Report.

ATTACHMENTS:

Attachment A: Draft TAM FY2020-21 Annual Comprehensive Financial Report
Attachment B: Staff PowerPoint Presentation

FY2020-21

Annual Comprehensive Financial Report

TAM
Transportation Authority of Marin

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Transportation Authority of Marin

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

Prepared by the Finance and Administration Team

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TRANSPORTATION AUTHORITY OF MARIN

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INTRODUCTORY SECTION

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October 28, 2021

The Board of Commissioners
Transportation Authority of Marin

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Transportation Authority of Marin (TAM) for the fiscal year ended June 30, 2021. 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.

Both 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, 2021.

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 (CPAs), have issued an unmodified ("clean") opinion on TAM's financial statements for the year ended June 30, 2021. 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 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 and better quality of life 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 (SR2S) Program; and school crossing guards. Revenues from the extended Measure AA continue to support those important projects and programs under Measure A while 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), approved by the voters in 2010. Revenues collected from Measure B help maintain local roads and pathways, fund transportation options for seniors and disabled persons; provide school crossing guards; reduce commute trip congestion; and support a cleaner environment by providing an alternative fuel support program.

As Marin County's Congestion Management Agency (CMA), TAM is responsible for coordinating the funding for many of the transportation projects and programs in the County under various regional, state, and federal funding programs. Through its CMA activities, TAM leverages regional, state, and federal transportation dollars to complement the Measure A/Measure AA and the Measure B revenues and performs project delivery oversight to assist with project/program 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 also serves 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.

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

The expansion rate of COVID-19 and the breadth of its social, economic, and fiscal impacts has shocked the whole world. And it's hard to believe that we are in this pandemic a year and half after the first Shelter In Place (SIP) order was announced in March 2020. 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, remote school/work, business closures or operation changes, and event cancellations over the last 18 months; thankfully, with the widespread availability of the vaccine, many of the initial measures have been eased. However, the long-term negative economic and social impacts of those measures on the operations and financial health of governmental agencies at all levels, including service disruption, significant revenue loss, etc., may never be accurately assessed.

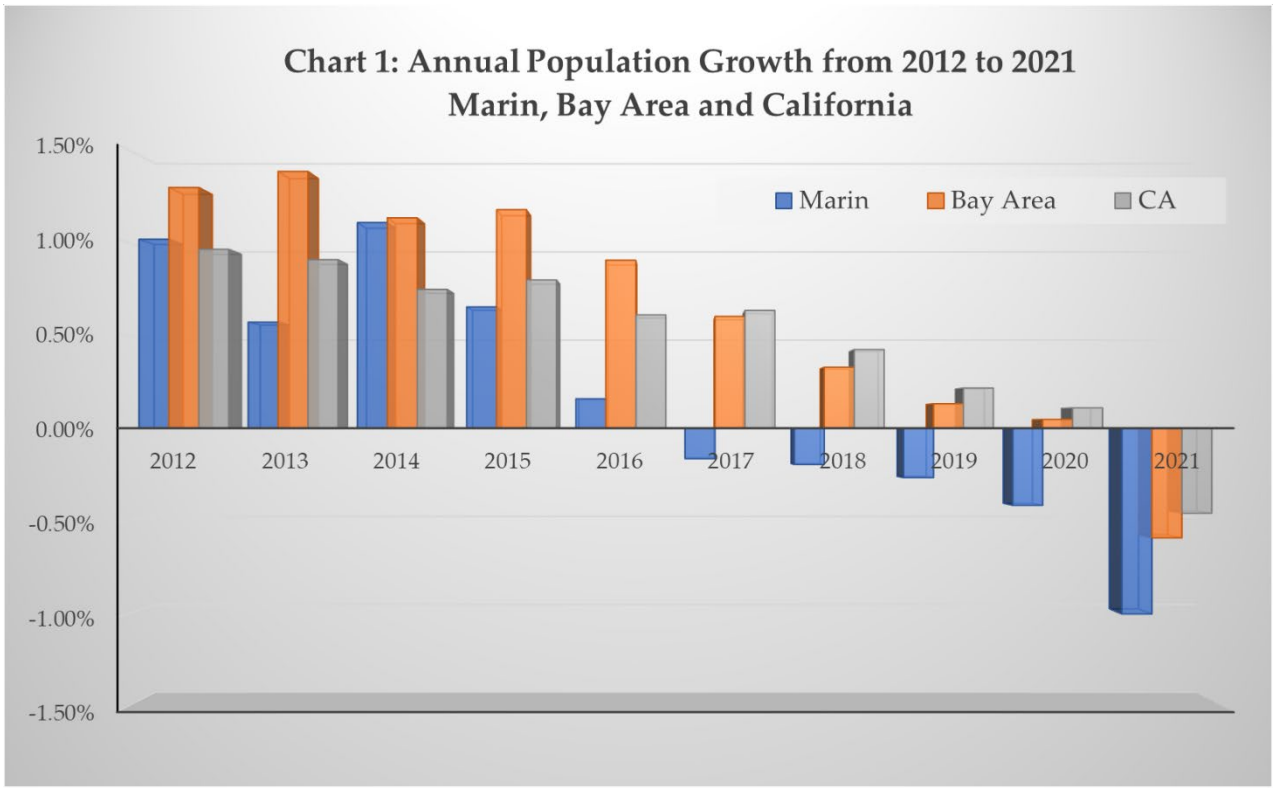
We all hoped at the beginning of the pandemic that the virus situation would be under control quickly, and the economic slowdown and job and financial loss would be temporary. However, as of now, it is clear that the pandemic may not be fully under control until 2022 and the economic and social impacts 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. While TAM is not expecting any direct operational assistance from the American Rescue Plan Act (ARPA), we will be closely monitoring all the funding opportunities that may be possible for the transportation project/program priorities in Marin.

TAM, along with all our partner agencies, is also 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 during this very challenging time.

Major Economic and Sales Tax Revenue Trend Indicators

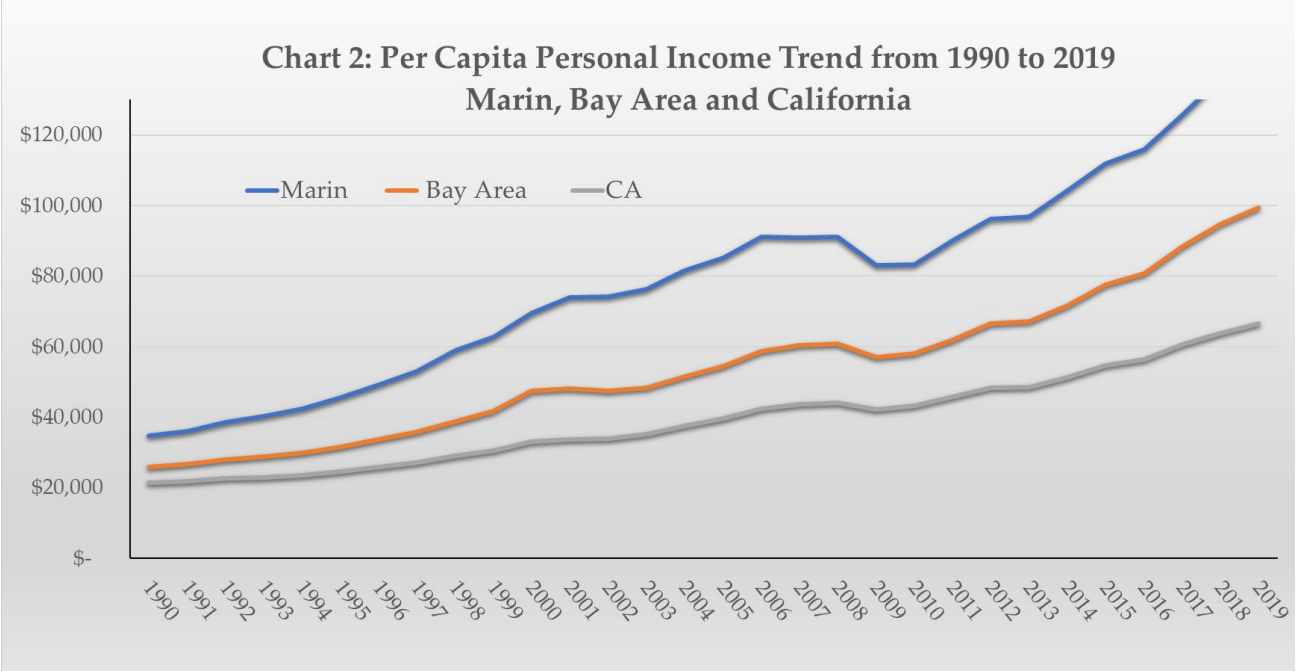
Major factors affecting the economy and sales tax revenues include population, personal income, and unemployment rate.

According to the data provided by the California Department of Finance (DOF), between 2010 and 2021, the population of Marin County increased from 252,409 to 257,774, with an annual growth rate of 2.12%, but has been in negative growth since 2017. As shown in "Chart 1: Annual Population Growth from 2010 to 2021, Marin, Bay Area and California", Marin's population growth is much slower than other parts of the Bay Area.



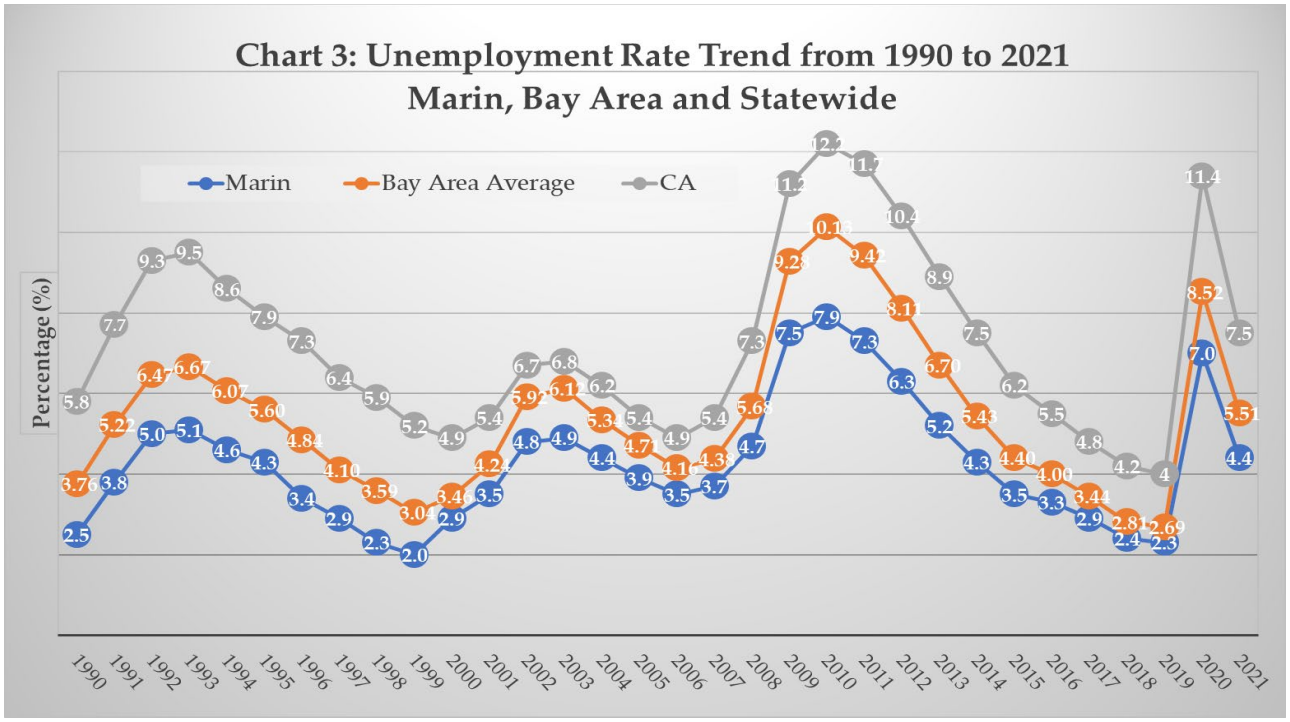
Data Source: State of California Department of Finance

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 2019, Marin's average per capita personal income ($141,375) is more than double the national average ($56,490) and the state average ($66,619) and is also more than 43% higher than the Bay Area average ($99,296).



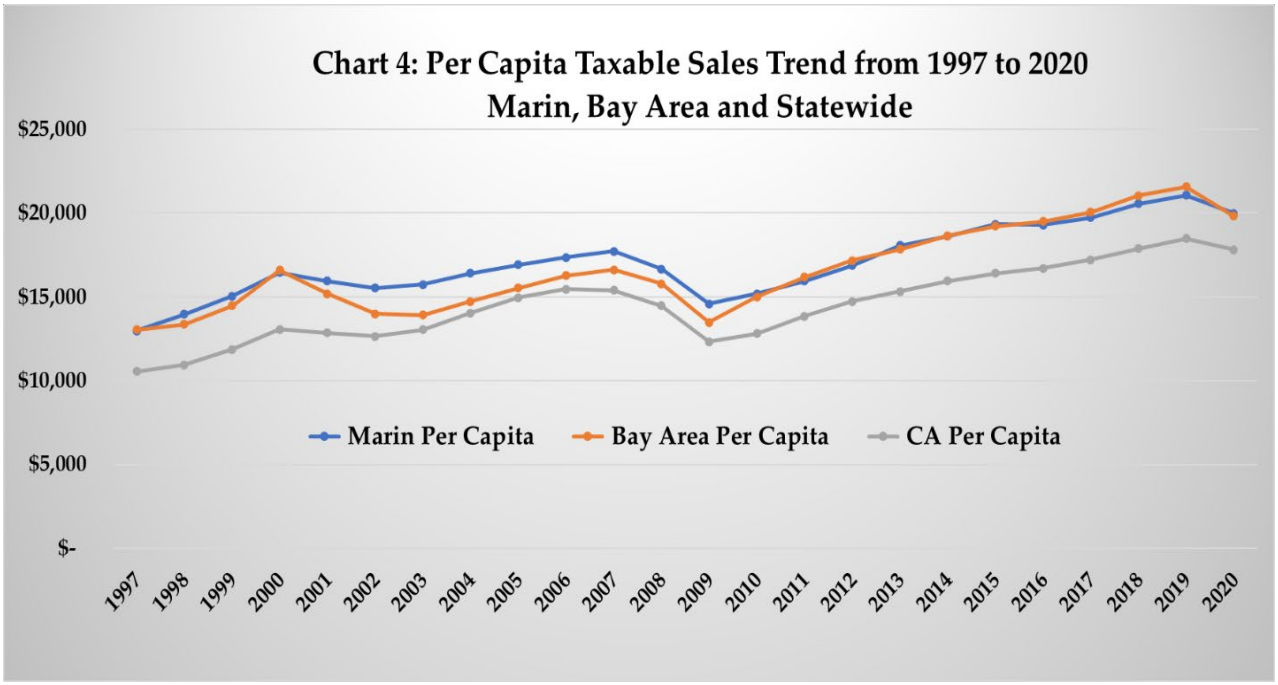
Data Source: U.S. Department of Commerce Bureau of Economic Analysis

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 8.4% in August 2020 and 5.2% in August 2021. The unemployment rate for California was 11.4% in August 2020 and 7.5% in August 2021. The unemployment rate for the Bay Area was 8.5% in August 2020 and 5.5% in August 2021. Marin's unemployment rate was 7.0% in August 2020 vs. 4.4% in August 2021 but still the lowest in the Bay Area and lowest in the State.

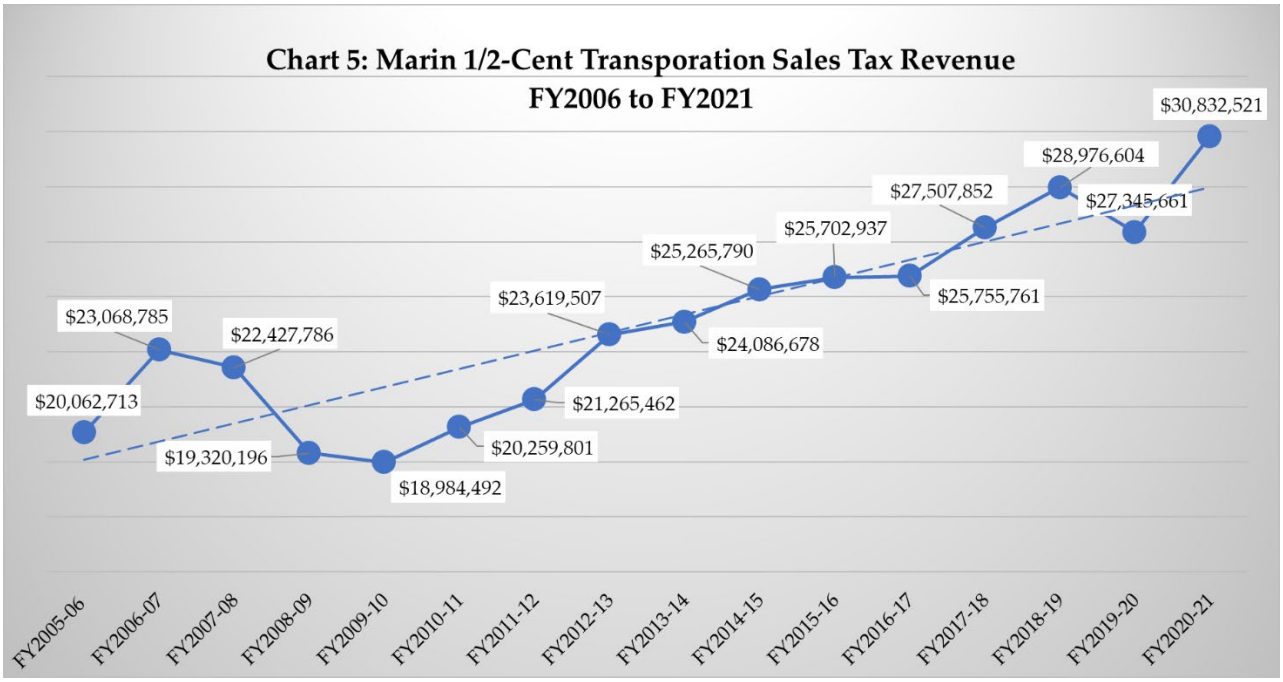


Data Source: State of California Employment Development Department

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 continuing and stable sales tax revenue increase for TAM. However, it is still unclear when we can totally put the pandemic behind us, therefore it is hard to predict how long the COVID-19 induced recession will last and how much damage it will cause. "Chart 4: Per Capita Taxable Sales from 1997 to 2020, Marin, Bay Area and California" and "Chart 5: Marin ½-Cent Transportation Sales Tax Revenue Trend, from FY2006-FY2021" shows the historical taxable sales per capita for Marin, the Bay Area and Statewide since 1997 and the actual 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, and fortunately for the County, we had a 13% increase in sales tax revenue for FY2020-21.



Data Source: State of California Department of Finance and Tax and Fee Administration



TAM has successfully managed and delivered many of the critical projects/programs in the Expenditure Plans of both the 2004 Measure A ½-Cent Transportation Sales Tax and the 2010 Measure B $10 Vehicle Registration Fee, and has already made great progress with many of the projects and programs approved and funded with Measure AA, the 30-year extension of the Measure A.

The Measure AA ½-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, especially with the continued delay and uncertainties of the Regional Measure 3 (RM3) funds.

With the pandemic likely not ending until sometime in 2022 or after, and full economic recovery not expected until 2023 or later, the potential sales tax revenue loss in the upcoming and next couple of years still weighs on the agency's financial picture. 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 stable 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 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.

As noted before, staff will also closely monitor funding opportunities, such as federal and state stimulus packages and the long-anticipated federal infrastructure bill, that may be available to support transportation project/program priorities in Marin.

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
- Alternative Fuel/Electric Vehicle Program

- First/Last Mile Connections to Transit Hubs
- Senior Mobility
- Local Streets & Roads Rehab/Maintenance
- Transit Services
- Transportation Demand Management Program
- Seal Leave Rise
- Various Innovation Programs

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.
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 Annual Comprehensive Financial Report (ACFR) was produced during the FY2017-18 financial audit. The first ACFR 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 ACFR over the years.

The preparation of TAM's ACFR 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.

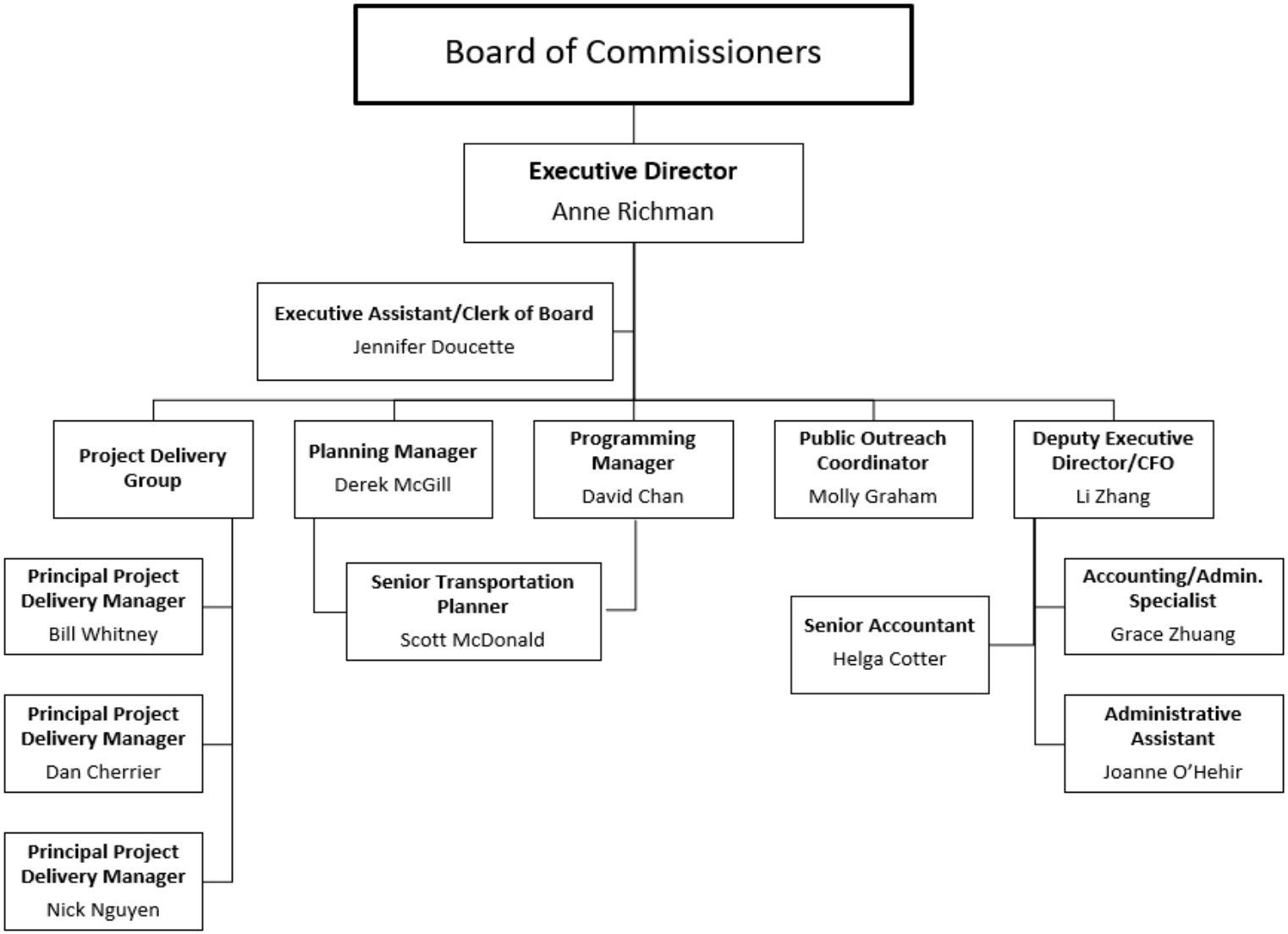
Respectfully submitted,

Anne Richman
Executive Director

Li Zhang
Deputy Executive Director/Chief Financial Officer

Transportation Authority of Marin Organization Chart

As of June 30, 2021



Eric Lucan/Chair	City of Novato
Stephanie Moulton-Peters/Vice Chair	County of Marin
James Campbell	City of Belvedere
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Chance Cutrano	Town of Fairfax
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Susan Cleveland-Knowles	City of Sausalito
Alice Fredericks	Tow of Tiburon
Damon Connolly	County of Marin
Katie Rice	County of Marin
Dennis Rodoni	County of Marin
Judy Arnold	County of Marin

FINANCIAL SECTION

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CPAs & BUSINESS ADVISORS

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, 2021, 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, 2021, 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 changes in the OPEB liabilities and related ratio on pages 43 through 53 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* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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 [*DATE OF REPORT]* 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.

Menlo Park, California
[DATE OF REPORT]

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

This Management's Discussion and Analysis (MD&A) Section of the financial statements presents management's overview and analysis of the financial activities of TAM for the fiscal year ended June 30, 2021. 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 $41.16 million in revenues in FY2020-21, of which $30.83 million, or 74.9% 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 uninterrupted growth for nine years with a close to 5% annual growth rate, and revenue collection at $28.98 million for the year, until the pandemic broke the positive trend in FY2019-20, with a negative growth of 5.6% for the year at a total collection of $27.35 million. 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 FY2020-21. Fortunately, due to the demographic and income nature of the County, unlike many of the counties in the State, the SIP Order has brought more taxable spending home with many who used to commute to other counties now working and shopping from home. With most residents unable to travel and spend on planned vacation trips, and the booming housing market, spending that helps Marin's taxable sales, such as home improvement and landscaping projects, has increased very noticeably during the SIP period and still going strong. All these helped TAM reached its new highest annual sale tax revenue collection in FY2020-21, with a total collection of $30.83 million, which is $3.33 million (12%) more than the $27.5 million budgeted, and $3.48 million (13%) more than the $27.35 million collected in FY2019-20.

A total of $2.40 million was collected under Measure B, the $10 VRF program, in FY2020-21, which is 0.67 million more than the $2.33 million collected in FY2019-20 and 0.68 million more than the $2.32 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 $7.74 million for all its CMA related activities. TAM collected about $0.80 million from MTC in Congestion Management Planning & Programming and One Bay Area Grant (OBAG) funds. Cities, towns, and the County of Marin also contributed $0.50 million for various services/support TAM provides as the CMA. A total of $4.36 million Regional Measure 2 (RM2) funds were received for various RM2 capital projects in Marin County. TAM collected $.01 million in Federal STP funds for the MSN project. TAM collected about $0.36 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 $1.45 million was received from the State Transportation Improvement Program (STIP), including $0.14 million for Planning, Programming & Monitoring (PPM), and $0.43 million for the MSN

project, $0.88 million for various local agency projects. A total of $0.26 million from Senate Bill 1 (SB1), for the Bus on Shoulder study.

Total FY2020-21 expenditures for TAM were $48.81 million, of which $12.24 million was from the Measure A ½-Cent Transportation Sales Tax Fund. Expenditures for Measure AA ½-Cent Transportation Sales Tax Fund were $26.15 million. Expenditures for all Measure B $10 VRF programs were $1.89 million. Expenditures for the General Fund for various CMA planning/programming activities and major capital projects were $7.20 million. The TFCA Fund also has a total expenditure of $1.33 million for the year.

As of June 30, 2021, the total investment TAM holds with CalTRUST, the Investment Trust of California, is $47.35 million. Total interest revenue received from various CalTRUST funds and from TAM's cash holding with Bank of Marin during FY2020-21 is $0.18 million. As of June 30, 2021, the unrealized loss from the various CalTRUST funds is $0.23 million. TAM also has $0.14 million restricted investment with the California Employers' Pension Prefunding Trust (CEPPT) of CalPERS as of June 30, 2021. Including the funds in the Bank of Marin, CalTRUST and the CalPERS Trust, TAM has a total cash/investment balance of $52.04 million as of June 30, 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

The 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.

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 FY2020-21.

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 $7.20 million for various transportation planning and programming activities, and capital projects management, and received a total of $7.42 million in revenue in FY2020-21.

The fund's fiscal year-end balance is $1.12 million. The Fund balance represents funds that have not yet been expended but are restricted for various congestion management activities.

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 FY2020-21 is $0.36 million. The Fund spent $1.33 million on such activities in FY2020-21.

The Fund's fiscal year-end balance is $0.69 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, total revenue for the fund was $0.25 million for FY2020-21. The Fund spent $12.24 million on various Measure A related activities, with $0.01 million for Administration, $0.09 million for Professional Services, $12.14 million for Measure A Projects and Programs.

The Fund's fiscal year-end balance is $11.78 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 $30.72 million in revenue was collected in FY2020-21. The Fund spent $26.15 million on various Measure AA related activities, with $1.86 million for Administration, $0.22 million for Professional Services, and $22.77 million for Measure AA Projects and Programs, and $1.30 million for Interagency Agreements.

The Fund's fiscal year-end balance is $19.44 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.

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 $2.41 million in FY2020-21 and spent about $1.89 million, including $0.17 million for administration and $1.72 million for various Measure B programs.

The Fund's fiscal year-end balance is $2.62 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, 2021, and June 30, 2020.

TAM's governmental net position was $35.52 million as of June 30, 2021, and comprised of the following:

- Cash and Investments of $52.04 million in the CalTRUST and deposits with Bank of Marin.
- Receivables and Prepaid Items of $11.82 million in sales tax and other accounts receivables.
- Liabilities, including all accounts payables, unearned revenues, and net pension liability and OPEB liability, totaling $28.86 million.
- Total net position for TAM was $35.52 million as of June 30, 2021, which were all restricted for various transportation projects and programs.

Table 1
Condensed Statement of Net Position

	June 30, 2021	June 30, 2020	Change
Assets			
Cash and Investments	$ 52,043,655	$ 55,429,668	$ (3,386,013)
Sales Tax Receivable	6,573,085	5,190,310	1,382,775
Accounts Receivable	5,225,270	1,231,251	3,994,019
Prepaid Items	21,444	21,444	-
Total Assets	**63,863,454**	**61,872,673**	**1,990,781**
Deferred Outflows	**704,136**	**697,374**	**6,762**
Liabilities			
Accounts Payable	23,750,249	12,655,290	11,094,959
Accrued Liabilities	53,941	55,601	(1,660)
Unearned Revenue	4,009,780	5,305,272	(1,295,492)
Other Liabilities Due Within One Year	144,009	143,168	841
Liabilities Due in More Than One Year	904,840	607,241	297,599
Total Liabilities	**28,862,819**	**18,766,572**	**10,096,247**
Deferred Inflows	**185,854**	**180,751**	**5,103**
Net Position			
Restricted	35,518,918	43,622,724	(8,103,806)
Total Net Position	**$ 35,518,918**	**$ 43,622,724**	**$ (8,103,806)**

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, $7.73 million or 18.8% of TAM's FY2020-21 governmental revenues, came from program revenues and $33.28 million, or 81.2%, came from general revenues such as Measure A and Measure AA ½-Cent Transportation Sales Taxes, Measure B $10 VRF and investment earnings.

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 FY2020-21 is $7.73 million.

Measure A/AA ½-Cent Transportation Sales Tax revenues are the largest funding source for TAM at $30.70 million and represent about 74.8% of TAM's FY2020-21 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 $2.40 million in FY2020-21. Investment earnings, totaling $0.18 million for FY2020-21, are also part of the general revenues, including $0.41 million in interest earned during the year and $0.23 million of unrealized loss.

Table 2
Condensed Statement of Activities

	June 30, 2021	June 30, 2020	Change
Revenues			
Program Revenue:			
Operating Grants and Contributions	$ 7,729,826	$ 3,234,508	$ 4,495,318
Total Program Revenues	**7,729,826**	**3,234,508**	**4,495,318**
General Revenue:			
Sales Tax	30,695,297	27,435,968	3,259,329
Vehicle Registration Fee	2,404,319	2,327,292	77,027
Investment earnings	180,746	2,007,743	(1,826,997)
Total General Revenues	**33,280,362**	**31,771,003**	**1,509,359**
Expenses			
Administration	3,348,024	3,709,415	(361,391)
Professional Services	1,178,698	2,629,748	(1,451,050)
Program/Project	37,942,317	31,099,064	6,843,253
Interagency Agreement	6,644,955	535,629	6,109,326
Total Expenses	**49,113,994**	**37,973,856**	**11,140,138**
Changes in Net Position	**(8,103,806)**	**(2,968,345)**	**(5,135,461)**
Net Position - Beginning	**43,622,724**	**46,591,069**	**(2,968,345)**
Net Position - Ending	**$ 35,518,918**	**$ 43,622,724**	**$ (8,103,806)**

Economic Outlook and Future Projections

Unfortunately, even though we are more than 18 months into the pandemic, and we have much better understanding and control of the situation, the US and global economic outlook in the near term is full of uncertainty with the stress from the interruption caused by the pandemic. TAM will continue to maintain a watchful eye over the various revenues and expenditures and remain committed to sound fiscal management practices to deliver the highest quality services to the residents of Marin.

Even though TAM's FY2020-21 sales tax revenue collection is very encouraging, there are still great uncertainties for future revenue generations, especially when Marin resident starts to commute and travel out of the County. Staff believes the that the agency will be able to continue the vital transportation projects and programs in Marin but many of TAM's projects and programs will be facing various level of funding challenges. TAM hopes that the legal litigation against the RM3 fund will be fully resolved over the next year, 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 FY2020-21. 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 FY2021-22 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.

TRANSPORTATION AUTHORITY OF MARIN

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
ASSETS:	
Cash and Investments	$ 51,899,066
Restricted Investments	144,589
Sales Tax Receivable	6,573,085
Accounts Receivable	5,225,270
Prepaid Items	21,444
Total Assets	63,863,454
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Outflows From Pension Activities	592,950
Deferred Outflows From OPEB Activities	111,186
Total Deferred Outflows of Resources	704,136
LIABILITIES:	
Accounts Payable	23,750,249
Accrued Liabilities	53,941
Unearned Revenue	4,009,780
Compensated Absences, Due in One Year	144,009
Compensated Absences	89,459
Net Pension Liability	256,313
Net OPEB Liability	559,068
Total Liabilities	28,862,819
DEFERRED INFLOWS OF RESOURCES:	
Deferred Inflows From Pension Activities	127,973
Deferred Inflows From OPEB Activities	57,881
Total Deferred Inflows of Resources	185,854
NET POSITION:	
Restricted for:	
TFCA	690,212
Measure A Sales Tax	11,783,972
Measure AA Sales Tax	19,514,817
Measure B VRF	2,587,600
Congestion Management	942,316
Total Net Position	$ 35,518,918

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

TRANSPORTATION AUTHORITY OF MARIN

STATEMENT OF ACTIVITIES
JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:			
Congestion Management:			
Administration	$ 3,348,024	$ 1,164,163	$ (2,183,861)
Professional Services	1,178,698	866,046	(312,652)
TFCA Programs/Projects	1,310,733	358,753	(951,980)
Measure A Sales Tax Programs	12,144,379	-	(12,144,379)
Measure AA Sales Tax Programs	22,768,626	-	(22,768,626)
Measure B VRF Programs	1,718,579	-	(1,718,579)
Interagency Agreement	6,644,955	5,340,864	(1,304,091)
Total Governmental Activities	$ 49,113,994	$ 7,729,826	(41,384,168)
	General Revenues:		
	Measure A Sales Tax Revenue		121,366
	Measure AA Sales Tax Revenue		30,573,931
	Measure B Vehicle Registration Fee Revenue		2,404,319
	Investment Earnings		180,746
	Total, General Revenues		33,280,362
	Change in Net Position		(8,103,806)
	Net Position - Beginning		43,622,724
	Net Position - Ending		$ 35,518,918

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

TRANSPORTATION AUTHORITY OF MARIN

BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	TFCA Fund	Measure A Sales Tax Fund	Measure AA Sales Tax Fund	Measure B VRF Fund	Total Governmental Funds
ASSETS:						
Cash and Investments	$ 4,087,348	$ 1,206,600	$ 16,463,911	$ 27,683,682	$ 2,457,525	$ 51,899,066
Restricted Investments	144,589	-	-	-	-	144,589
Sales Tax Receivable	-	-	26,114	6,546,971	-	6,573,085
Accounts Receivable	4,824,994	-	-	-	400,276	5,225,270
Prepaid Items	-	-	21,444	-	-	21,444
Total Assets	$ 9,056,931	$ 1,206,600	$ 16,511,469	$ 34,230,653	$ 2,857,801	$ 63,863,454
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	$ 3,885,024	$ 511,668	$ 4,723,456	$ 14,395,205	$ 234,896	$ 23,750,249
Accrued Liabilities	20,243	172	1,780	28,673	3,073	53,941
Unearned Revenues	4,009,780	-	-	-	-	4,009,780
Total Liabilities	7,915,047	511,840	4,725,236	14,423,878	237,969	27,813,970
Deferred Inflows of Resources:						
Unavailable Revenues	25,000	-	6,060	369,793	-	400,853
Fund Balances:						
Nonspendable	-	-	21,444	-	-	21,444
Restricted for:						
TFCA	-	694,760	-	-	-	694,760
Measure A Sales Tax	-	-	11,758,729	-	-	11,758,729
Measure AA Sales Tax	-	-	-	19,436,982	-	19,436,982
Section 115 Trust	144,589	-	-		-	144,589
Measure B VRF	-	-	-	-	2,619,832	2,619,832
Congestion Management	972,295	-	-	-	-	972,295
Total Fund Balances	1,116,884	694,760	11,780,173	19,436,982	2,619,832	35,648,631
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 9,056,931	$ 1,206,600	$ 16,511,469	$ 34,230,653	$ 2,857,801	$ 63,863,454

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, 2021

Total Fund Balances of Governmental Funds	$	35,648,631
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.		400,853
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds.		(233,468)
Net pension liability and related deferrals are not due and payable in the current period and therefore are not reported in the governmental funds.		208,664
Net OPEB liability and related deferrals are not due and payable in the current period and therefore are not reported in the governmental funds.		(505,763)
Total Net Position - Governmental Activities	$	35,518,918

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, 2021

	General Fund	TFCA Fund	Measure A Sales Tax Fund	Measure AA Sales Tax Fund	Measure B VRF Fund	Total Governmental Funds
REVENUES						
Measure A/AA Sales Tax Revenue	$ -	$ -	$ 155,371	$ 30,677,150	$ -	$ 30,832,521
Measure B VRF Revenue	-	-	-	-	2,404,319	2,404,319
Cities/Towns and County Contribution	500,001	-	-	-	-	500,001
Investment Earnings	32,165	5,254	91,938	43,882	7,507	180,746
MTC STP/CMAQ Planning Fund and OBAG Grants	799,473	-	-	-	-	799,473
MTC Regional Measure 2 Fund	4,364,229	-	-	-	-	4,364,229
Transportation For Clean Air Funding	-	358,753	-	-	-	358,753
State STIP/PPM Fund	141,468	-	-	-	-	141,468
STIP/RTIP/IIP Fund	48,027	-	-	-	-	48,027
Federal STP Fund	15,000					15,000
Caltrans Bus On Shoulder Grant	255,282					255,282
Realized Highway 101 ROW Excess Fund	1,262,593	-	-	-	-	1,262,593
Total Revenues	7,418,238	364,007	247,309	30,721,032	2,411,826	41,162,412
EXPENDITURES						
Congestion Management - Current:						
Administration	994,324	22,422	11,146	1,855,741	167,610	3,051,243
Professional Services	866,046	-	89,011	223,641	-	1,178,698
TFCA Programs/Projects	-	1,310,733	-	-	-	1,310,733
Measure A Sales Tax Programs/Projects	-	-	12,144,379	-	-	12,144,379
Measure AA Sales Tax Programs/Projects	-	-	-	22,768,626	-	22,768,626
Measure B VRF Programs/Projects	-	-	-	-	1,718,579	1,718,579
Interagency Agreements	5,340,864	-	-	1,304,091	-	6,644,955
Total Expenditures	7,201,234	1,333,155	12,244,536	26,152,099	1,886,189	48,817,213
Excess (Deficiency) of Revenues Over Expenditures	217,004	(969,148)	(11,997,227)	4,568,933	525,637	(7,654,801)
OTHER FINANCING SOURCES (USES)						
Transfers In	154,325	-	-	-	-	154,325
Transfers Out	(154,325)	-	-	-	-	(154,325)
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	217,004	(969,148)	(11,997,227)	4,568,933	525,637	(7,654,801)
Fund Balance - Beginning	899,880	1,663,908	23,777,400	14,868,049	2,094,195	43,303,432
Fund Balance - Ending	$ 1,116,884	$ 694,760	$ 11,780,173	$ 19,436,982	$ 2,619,832	$ 35,648,631

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, 2021

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

Net Change in Fund Balances	$(7,654,801)
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.	(152,224)
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.	(183,873)
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.	(71,964)
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.	(40,944)
Change in Net Position of Governmental Activities	$(8,103,806)

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

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Notes to Basic Financial Statements

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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.

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.

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.

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.

Special revenue funds are established to account for the proceeds from specific revenue sources (other than trusts, capital projects, or debt service) that are restricted or committed to the financing of particular activities and that compose a substantial portion of the inflows of the fund. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

TAM reports the following governmental special revenue funds in the accompanying financial statements:

TFCA 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 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. Measure A official sunset on March 31, 2019 with Measure AA took effective on April 1, 2019. However, minor annual collection of Measure A revenue is expected to continue into the foreseeable future with various revenue collection/report adjustment for periods prior to March 31, 2019.

Measure AA ½-Cent Transportation Sales Tax 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 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.

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.

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, 2021 were as follows:

Balance July 01, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year
$ 192,524	$ 147,961	$ 107,017	$ 233,468	$ 144,009

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.

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.

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of TAM's OPEB plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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 balances.

New Accounting Principles

The GASB has issued the following accounting pronouncements that became effective during FY2020-21:

- GASB Statement No. 84, *Fiduciary Activities.*
- GASB Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 60.*

Implementation of these statements did not have material impact on TAM's financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

- GASB Statement No. 87, *Leases.*
- GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period.*
- 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.

NOTE 2 – CASH AND INVESTMENTS

Classification

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

Cash and Cash Deposits	$ 4,546,779
Section 115 Trust	144,589
Investments with CalTRUST Joint Powers Authority Pool	47,352,287
Total Cash and Investments	$ 52,043,655

Unrestricted Cash and Investments	$ 51,899,066
Restricted Investments - Section 115 Trust	144,589
Total Cash and Investments	$ 52,043,655

NOTE 2 – CASH AND INVESTMENTS – CONTINUED

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
Commercial Paper: Pooled Funds	270 days or less	40% of the agency's money	Highest letter and number rating by an
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 Securiti	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 Obligationa	5 years	None	None

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.

NOTE 2 – CASH AND INVESTMENTS – CONTINUED

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:

		Remaining Maturity	
Investment Type	Totals	12 Months or Less	1 to 5 Years
Section 115 Trust	$ 144,589	$ -	$ 144,589
Deposits with CalTRUST Joint Powers Authority Pool	47,352,287	1,912,288	45,439,999
Total	$ 47,496,876	$ 1,912,288	$ 45,584,588

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.

		S&P Global Ratings		
Investment Type	Totals		AA-f	AAAm
Deposits with CalTRUST Joint Powers Authority Pool	$ 47,352,287	$ 1,897,020	$ 45,439,999	$ 15,269

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

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, 2021, 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 $4,546,779. 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.

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, 2021, all investments held with CalTRUST are valued at NAV and not required to be leveled in the fair value hierarchy.

Reported investment income is comprised of the following components as of June 30, 2021:

Interest Revenue and Realized Investment Gain	$	408,182
Unrealized Investment Gain (Loss)		(227,436)
Total Investment Income	$	180,746

NOTE 3 – COMMITMENTS AND CONTINGENCIES

TAM has various cooperative agreements with governmental entities and contracts with vendors. As of June 30, 2021, TAM's total outstanding commitments were approximately $77.74 million, with $30.60 million expended and $47.14 million still outstanding as of June 30, 2021.

Operating Lease

TAM's original five-year office lease at 900 Fifth Avenue, Suite 100 in downtown San Rafael started in November 2015 and expired on October 31, 2020. TAM renegotiated with the landlord and entered into a new five-year lease at 900 Fifth Avenue in 2020. The renewed lease offers two-months 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. Lease payments for fiscal year ended June 30, 2022 are $233,203.

NOTE 3 – COMMITMENTS AND CONTINGENCIES – CONTINUED

Scheduled lease payments by fiscal year:

FY2021/22	$	233,203
FY2022/23	$	240,199
FY2023/24	$	247,405
FY2024/25	$	254,827

NOTE 4 – 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. Claims have not exceeded coverage in the past three years.

NOTE 5 – 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 employers 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, 2021, are summarized as follows:

Hire date	Prior to January 1, 2013	On or after January 1, 2013
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	11.03%	7.73%

NOTE 5 – 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, 2021, the contributions made by TAM to the plan were equal to the amount of the annual required employer contributions of $193,878.

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, 2020, using an annual actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, 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, 2019
Measurement Date	June 30, 2020
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

NOTE 5 – PENSION PLANS - CONTINUED

The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2011.

All other actuarial assumptions used in the June 30, 2019, valuation were based on the results of the 2017 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, 2021, TAM recognized pension expense of $377,751. On June 30, 2021, 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	$ 193,878	$ -
Contributions in excess of proportionate share	183,952	(11,508)
Changes in assumptions	-	(1,828)
Difference in expected and actual experience	13,209	-
Adjustment due to differences in proportions	194,297	(114,637)
Net differences between projected and actual earnings on plan investments	7,614	-
Total	$ 592,950	$ (127,973)

Reported as deferred outflows of resources related to contributions subsequent to the measurement date is $193,878 which will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

NOTE 5 – 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:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ 152,719
2022	77,347
2023	37,381
2024	3,652
	$ 271,099

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.

NOTE 5 – 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.

NOTE 5 – 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	874,444	256,313	(254,430)

Pension Plan Fiduciary Net Position

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

NOTE 6 – NET OTHER-POST EMPLOYMENT BENEFIT (OPEB) LIABILITY

For the fiscal year ended June 30, 2021, TAM reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense as follows:

Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
$ 559,068	$ 111,186	$ 57,881	$ 86,496

The details of TAM's plan are as follows:

Plan Administration

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

NOTE 6 – NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY - CONTINUED

Plan Membership

On June 30, 2020, the most recent valuation consisted of the following:

	Plan Members
Inactive employees or beneficiaries currently receiving benefits payments	1
Inactive employees or beneficiaries not currently receiving benefits payments	1
Active employees	13
Total	15

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 (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. TAM contributed $14,532 as MEC premium contribution and implicit subsidy to the retiree in FY2020-21.

NOTE 6 – NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY – CONTINUED

Actuarial Assumptions

The net OPEB liability in the June 30, 2020, actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.00%
Discount Rate	2.25%
Healthcare cost trend rates	5.8% in 2021, step down 0.03% per year to 4% by 2076
Measurement Date	June 30, 2020

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 3.51 percent in 2019 to 2.25 percent in the 2020 measurement date.

Changes in the Net OPEB Liability

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020	$ 496,854	$ -	$ 496,854
Service cost	62,290	-	62,290
Expected Investment Income	-	825	(825)
Employer Contribution	-	41,404	(41,404)
Changes of benefit terms	-	-	-
Interest	19,382	-	19,382
Administrative expenses	-	(8)	8
Benefit Payments	(13,904)	(13,904)	-
Changes of assumptions	87,693	-	87,693
Plan Experience	(65,378)	-	(65,378)
Investment Experience		(448)	448
Net change in total OPEB liability	90,083	27,869	62,214
Balance at June 30, 2021	$ 586,937	$ 27,869	$ 559,068

NOTE 6 – NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY – CONTINUED

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of TAM, as well as what TAM's net 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	Net OPEB Liability
1% decrease (1.25%)	$662,011
Current discount rate (2.25%)	559,068
1% increase (3.25%)	477,246

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

The following presents the net OPEB liability of TAM, as well as what TAM's net 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	Net OPEB Liability
1% decrease (4.8% in 2021 to 3.0% in 2026)	$457,571
Current healthcare cost trend rate (5.8% in 2021 to 4.0% in 2076)	559,068
1% increase (6.8% in 2021 to 5.0% in 2026)	691,757

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

For the year ended June 30, 2021, TAM recognized OPEB expense of $86,496. At June 30, 2021, TAM reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 14,532	-
Changes of assumptions	96,296	-
Differences between expected and actual experience	-	57,881
Net difference between projected and actual earnings on investment	358	-
Total	$ 111,186	$ 57,881

NOTE 6 – NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY – CONTINUED

Contributions subsequent to the measurement date will be recognized to OPEB expense in fiscal year 2022. 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
2022	$ 5,641
2023	5,641
2024	5,641
2025	5,639
2026	5,551
Thereafter	10,660
	$ 38,773

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, 2021

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
REVENUES				
Cities/Towns and County Contribution	$ 500,000	$ 500,000	$ 500,001	$ 1
Interest Revenue	8,419	8,419	49,853	41,434
MTC STP/CMAQ Planning Fund and OBAG Grants	969,646	969,646	799,473	(170,173)
MTC Regional Measure 2 Fund	4,276,767	4,276,767	4,364,229	87,462
State STIP PPM Fund	198,575	198,575	141,468	(57,107)
STIP/RTIP/ITIP Funds	1,480,697	1,480,697	48,026	(1,432,671)
Federal STP	40,000	40,000	15,000	(25,000)
Caltrans Bus On Shoulder Grant	288,000	288,000	255,282	(32,718)
Realized Highway 101 ROW Excess Fund	4,196,000	4,196,000	1,262,593	(2,933,407)
Total Revenues	**11,958,104**	**11,958,104**	**7,435,926**	**(4,522,178)**
EXPENDITURES				
Administration:				
Salaries & Benefits	1,072,053	1,072,053	983,986	88,067
Office Supplies	5,000	5,000	109	4,891
Legal Services	10,000	10,000	1,205	8,795
Document/Video/Marketing Material Production	20,000	20,000	500	19,500
Memberships	12,500	12,500	8,500	4,000
Travel/Meetings/Conferences	6,500	6,500	-	6,500
Human Resources/Board Support	5,000	5,000	-	5,000
Misc. Expenses	10,000	10,000	25	9,975

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, 2021

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
EXPENDITURES - continued				
Professional Services:				
CMP Update/Traffic Monitoring	100,000	100,000	154,936	(54,936)
Traffic Model Maintenance & Update	10,000	10,000	15,618	(5,618)
Trip Monitoring and Reporting	25,000	25,000	7,998	17,002
Project Management Oversight	90,000	90,000	74,177	15,823
HOV Gap Closure Mitigation - Brookdale /Maintenance	5,500	5,500	2,500	3,000
State Legislative Assistance	42,000	42,000	42,000	-
Financial Advisor/Sales Tax Audit Services	10,000	10,000	-	10,000
North-South Greenway Gap Closure / PS&E & Services	150,000	150,000	286,117	(136,117)
Public Outreach Service Support	30,000	30,000	12,263	17,737
CMFC Onsite Re-Vegetation Mitigation Monitoring and Reporting	5,000	5,000	5,015	(15)
Bus On Shoulder Feasability Study	288,000	288,000	265,422	22,578
Consulting Pool	10,000	10,000	-	10,000

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, 2021

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final Variances
EXPENDITURES - continued				
Interagency Agreements:				
North-South Greenway (Southern Segment)- County Project Management	25,000	25,000	-	25,000
North-South Greenway (Northern Segment) Coop Agmnt with Caltrans for Construc	4,000,000	4,000,000	3,999,478	522
HOV Gap Closure Offsite Landscaping Mitigation Funding Agreement - Caltrans	400,000	400,000	-	400,000
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	79,335	229,665
Marin County Rush Creek Hydraulics Study	25,000	25,000	-	25,000
SR Canal Neighboorhood CBTP	75,000	75,000	-	75,000
Caltrans MSN PH2 HOV Lanes-ROW and Construction Support	3,670,000	3,670,000	396,051	3,273,949
FA with County of Marin for Bellam Blvd Const and Const Mngt	1,000,000	-	-	-
Marin County SFD Signal Coordination Improvement Project	-	340,000	340,000	-
Total Expenditures	**11,936,553**	**11,276,553**	**7,201,231**	**4,075,322**
Excess of Revenues Over (Under) Expenditures	**21,551**	**681,551**	**234,694**	**(446,857)**
Fund Balance - Beginning	**899,880**	**899,880**	**899,880**	**-**
Fund Balance - Ending - Budgetary Basis	**$ 921,431**	**$ 1,581,431**		**$ (446,857)**
Reconciling Items				
GASB 31 - fair market value adjustment on investments			(17,690)	
Fund Balance - Ending - GAAP Basis			**$ 1,116,884**	

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, 2021

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
REVENUES				
Interest Revenue	$ 30,950	$ 30,950	$ 10,464	$ (20,486)
Regional TFCA Competitive Grant	283,637	283,637	-	(283,637)
Transportation For Clean Air Funding	373,000	373,000	358,753	(14,247)
Total Revenues	**687,587**	**687,587**	**369,217**	**(318,370)**
EXPENDITURES				
Administration:				
Salaries and Benefits	23,821	23,821	22,422	1,399
TFCA Programs/Projects:				
TFCA - N/S Greenway Construction Grant	283,637	283,637	-	283,637
TFCA - Reimbursement of Various Capital Projects	1,010,000	1,010,000	1,310,733	(300,733)
Total Expenditures	**1,317,458**	**1,317,458**	**1,333,155**	**(15,697)**
Excess of Revenues Over (Under) Expenditures	**(629,871)**	**(629,871)**	**(963,938)**	**(334,067)**
Fund Balance - Beginning	**1,663,908**	**1,663,908**	**1,663,908**	**-**
Fund Balance - Ending - Budgetary Basis	**$1,034,037**	**$1,034,037**		**$ (334,067)**
Reconciling Item				
GASB 31 - fair market value adjustment on investments			(5,210)	
Fund Balance - Ending - GAAP Basis			**$ 694,760**	

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, 2021

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
REVENUES				
Measure A Sales Tax Revenue	$ 50,000	$ 50,000	$ 155,371	$ 105,371
Interest Revenue	427,418	427,418	163,471	(263,947)
Total Revenues	**477,418**	**477,418**	**318,841**	**(158,577)**
EXPENDITURES				
Administration				
Salaries & Benefits	50,000	50,000	11,146	38,854
Professional Services				
Bellam Blvd 101 Off-Ramp Improvements - Design & ROW	687,000	687,000	-	687,000
North-South Greenway Gap Closure/PS&E Services	175,000	175,000	89,011	85,989
Measure A Sales Tax Programs/Projects:				
Bike/Ped Path Maintenance	60,000	60,000	41,639	18,361
Substrategy 1.1 - Local Bus Transit Service	944,535	944,535	944,535	-
Substrategy 1.2 - Rural Bus Transit System	27,059	27,059	27,059	-
Substrategy 1.1 - Special needs Transit Services	134,574	134,574	134,574	-
Substrategy 1.4 - Bus Transit Facilities	68,887	68,887	68,887	-
Substrategy 3.1 - Major Roads	6,000,000	7,500,000	9,805,425	(2,305,425)
Substrategy 3.2 - Local Roads	250,600	250,600	299,392	(48,792)
Substrategy 4.1 - Safe Routes to Schools	532,500	532,500	475,793	56,707
Substrategy 4.2 - Crossing Guards	79,500	79,500	5,320	74,180
Substrategy 4.3 - Safe Pathway Capital Projects	1,000,000	1,000,000	341,757	658,243
Interagency Agreements:				
Marin Transit Bus Facility	1,100,000	1,100,000	-	1,100,000
N/S Greenway (Northern Segment) Coop with City of Larkspur Design Oversight	50,000	50,000	-	50,000
Marin County Drake/Cole Improvement Project	68,000	68,000	-	68,000
San Rafael - Canal Crosswalk Improvement Project	248,000	248,000	-	248,000
Sausalito Gate 6 Intersection Modification Project	-	100,000	-	100,000
Total Expenditures	**11,475,655**	**13,075,655**	**12,244,538**	**831,117**
Excess of Revenues Over (Under) Expenditures	**(10,998,237)**	**(12,598,237)**	**(11,925,696)**	**672,541**
Fund Balance - Beginning	**23,777,400**	**23,777,400**	**23,777,400**	**-**
Fund Balance - Ending - Budgetary Basis	**$12,779,163**	**$11,179,163**		**$ 672,541**
Reconciling Item				
GASB 31 - fair market value adjustment on investments			**(71,531)**	
Fund Balance - Ending - GAAP Basis			**$11,780,173**	

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, 2021

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
REVENUES				
Measure AA Sales Tax Revenue	$ 24,700,000	$ 27,450,000	$ 30,677,150	$ 3,227,150
Interest Revenue	231,544	231,544	166,141	(65,403)
Total Revenues	**24,931,544**	**27,681,544**	**30,843,291**	**3,161,747**
EXPENDITURES				
Administration				
Salaries and Benefits	1,322,797	1,322,797	1,439,504	(116,707)
Office Lease	265,000	265,000	204,376	60,624
Agencywide IT and Computer Equipment Upgrade	10,000	10,000	3,844	6,156
Equipment Purchase/Lease	10,000	10,000	7,082	2,918
Telephone/Internet/ Web Hosting Services	25,000	25,000	21,190	3,810
Office Supplies	25,000	25,000	26,134	(1,134)
Update/Improvement of TAM Website	20,000	20,000	19,877	123
Insurance	12,000	12,000	11,235	765
Financial Audit	20,000	20,000	20,500	(500)
Legal Services	30,000	30,000	4,187	25,813
Document/Video/Marketing Material Production	20,000	20,000	28,395	(8,395)
Memberships	5,000	5,000	7,620	(2,620)
Travel/Meetings/Conferences	20,000	20,000	1,570	18,430
Professional Development	5,000	5,000	4,690	310
Human Resources/Board Support	30,000	30,000	1,074	28,926
Information Technology Support	45,000	45,000	49,298	(4,298)
Annual Support & Upgrade of Financial System	10,000	10,000	4,942	5,058
Misc. Expenses	10,000	10,000	225	9,775
Professional Services				
Bellam Blvd 101 Off-ramp Improvements - Design & R/W	150,000	150,000	123,889	26,111
Project Management Oversight	90,000	90,000	84,716	5,284
Financial Advisor/Sales Tax Audit Services	10,000	10,000	15,036	(5,036)

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, 2021

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
Measure AA Sales Tax Programs/Projects:				
Measure A/AA Compliance Audit	20,000	20,000	18,000.00	2,000
Measure AA Major Road Set-Aside	-	-	2,405,000	(2,405,000)
Category 1.1 - MSN Phase 2 HOV Lane ROW/Utility	1,200,000	1,200,000	117,302	1,082,698
Category 1.2 - 580/101 Direct Connector Project PID &	1,300,000	1,300,000	837,051	462,949
Category 1.3 - Enhance Interchanges	1,200,000	1,200,000	908,876	291,124
Category 1.4 - Traffic Demand Management	50,000	50,000	-	50,000
Category 2.1 - Local Roads	4,621,957	4,621,957	4,621,956	1
Category 2.2 - Large Safe Pathways Capital Projects	800,000	800,000	904,327	(104,327)
Category 2.3 - Sea Level Rise	50,000	50,000	-	50,000
Category 2.4 - Innovative Technology	50,000	208,776	122,599	86,177
Category 3.1 - Safe Routes to School	501,000	501,000	308,706	192,294
Category 3.2 - Crossing Guards	1,990,000	1,990,000	1,194,987	795,013
Category 3.3 - Small Safe Pathway Capital Projects	300,000	300,000	216,942	83,058
Category 4.1 - Local Bus Transit Service	8,055,459	8,055,459	6,678,993	1,376,466
Category 4.2 - Rural Bus Transit Service	564,320	564,320	564,320	-
Category 4.3 - Special Needs Transit Service	1,930,923	1,930,923	1,353,396	577,527
Category 4.4 - School Transit Service	1,200,000	1,200,000	562,535	637,465
Category 4.5 - Bus Transit Facilities	2,041,028	2,041,028	1,920,860	120,168
Category 4.6 - Expand Access to Transit	111,000	111,000	32,775	78,225
Interagency Agreements:				
FA with County of Marin for Bellam Boulevard Const and Const Mngt	1,000,000	160,000	-	160,000
Caltrans - 580/101 Direct Connector PID	150,000	150,000	4,092	145,908
BATA-Class IV Bikeway on I580 SFDB Off Ramp	1,300,000	1,300,000	1,300,000	-
Total Expenditures	30,570,484	29,889,260	26,152,099	3,737,161
Excess of Revenues Over (Under) Expenditures	(5,638,940)	(2,207,716)	4,691,192	6,898,908
Fund Balance - Beginning	14,868,049	14,868,049	14,868,049	
Fund Balance - Ending - Budgetary Basis	$ 9,229,109	12,660,333		$ 6,898,908
Reconciling Item				
GASB 31 - fair market value adjustment on investments			(122,259)	
Fund Balance - Ending - GAAP Basis			$ 19,436,982	

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, 2021

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
REVENUES				
Measure B VRF Revenue	$ 2,420,000	$ 2,320,000	$ 2,404,319	$ 84,319
Interest Revenue	33,636	33,636	18,252	(15,384)
Total Revenues	**2,453,636**	**2,353,636**	**2,422,571**	**68,935**
EXPENDITURES				
Administration:				
Salaries and Benefits	118,985	118,985	158,919	(39,934)
Office Supplies	1,000	1,000	113	887
Update Improvements TAM Website	1,000	1,000	-	1,000
Legal Services	5,000	5,000	5,423	(423)
Document/Video/Marketing Material Production	5,000	5,000	1,919	3,081
Travel/Meetings/Conferences	5,000	5,000	-	5,000
Misc Expenses	2,000	2,000	1,236	764
Measure B VRF Programs:				
Element 1.2 - Bike/Ped Pathways	114,000	114,000	58,405	55,595
Element 2.1 - Mobility Management Programs	100,000	100,000	100,000	0
Element 2.2 - Paratransit & Low Income Scholarships	235,000	235,000	205,000	30,000
Element 2.3 - Paratransit Plus	600,000	600,000	480,000	120,000
Element 2.4 - Volunteer Drive & Gap Grant	140,000	140,000	125,679	14,321
Element 3.1 - Safe Routes to School/Street Smart Prog	175,000	175,000	175,000	-
Element 3.2 - Commute Alternative Programs	413,000	413,000	257,109	155,891
Element 3.3 - Discretionary Fuel Vehicle Program	345,000	488,522	317,384	171,138
Total Expenditures	**2,259,985**	**2,403,507**	**1,886,189**	**517,318**
Excess of Revenues Over (Under) Expenditures	**193,651**	**(49,871)**	**536,382**	**586,253**
Fund Balance - Beginning	**2,094,195**	**2,094,195**	**2,094,195**	**-**
Fund Balance - Ending - Budgetary Basis	**$ 2,287,846**	**$ 2,044,324**		**$ 586,253**
Reconciling Item				
GASB 31 - fair market value adjustment on investments			**(10,745)**	
Fund Balance - Ending - GAAP Basis			**$ 2,619,832**	

See accompanying note to required supplementary information.

TRANSPORTATION AUTHORITY OF MARIN

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS

	2021	2020	2019	2018 *
Proportion of the net pension liability	0.006077%	0.001524%	0.008852%	0.01359%
Proportionate share of the net pension liability	$256,313	$61,031	$ 333,588	$ 343,003
Covered payroll	$ 1,904,514	$ 1,779,778	$ 1,640,908	$ 1,255,694
Proportionate share of the net pension liability as a percentage of covered payroll	13.46%	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	77.71%	77.73%	77.69%	75.39%
Discount Rate	7.15%	7.15%	7.15%	7.15%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Note to schedule:

* 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-year trend will be compiled as it becomes available.

See accompanying note to required supplementary information.

TRANSPORTATION AUTHORITY OF MARIN

SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2021	2020	2019	2018 *
Actuarially determined contributions	$ 193,878	$ 180,465	$ 550,084	$ 115,695
Contributions in relation to the actuarially determined	(193,878)	(180,465)	(550,084)	(115,695)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	1,888,977	1,904,514	1,779,778	1,640,908
Contributions as a percentage of covered payroll	10.26%	9.48%	30.91%	7.05%

Note to schedule:
* 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 a contract with CalPERS directly. Information for a 10-year 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, 2021

	2021	2020
Net OPEB Liability		
Service Cost	$ 62,290	$ 56,468
Changes of benefit terms	-	413,559
Interest	19,382	2,185
Differences between expected and actual experience	(65,378)	-
Changes of assumptions	87,693	24,642
Benefit payments	(13,904)	-
Net change in total OPEB liability	90,083	496,854
Net OPEB liability - Beginning	496,854	-
Net OPEB liability - Ending	$ 586,937	$ 496,854
Plan Fiduciary Net Position		
Contributions - Employer	41,404	-
Net investment income	377	-
Benefit payments	(13,904)	-
Administrative expenses	(8)	-
Net change in plan fiduciary net position	27,869	-
Plan fiduciary net position - Beginning	-	-
Plan fiduciary net position - Ending	$ 27,869	$ -
Plan net OPEB liability	$ 559,068	$ 496,854
Covered-Employee Payroll	$ 1,904,514	$ 1,779,778
Net OPEB Liabilities as a Percentage of Payroll	29.35%	27.92%
Discount Rate	2.25%	3.51%
Measurement Date	June 30, 2020	June 30, 2019

See accompanying note to required supplementary information.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

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 FY2019-20.

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
Investment in Capital Assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted										
Corte Madera Project	-	-	-	-	-	-	10,002	9,984	224,527	324,977
CMA Projects/Programs	942,316	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
TFCA Projects/Programs	690,212	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
Marin Community Foundation	-	-	-	-	-	-	-	-	-	-
Measure A Projects/Programs	11,783,972	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
Measure AA Projects/Programs	19,514,817	15,341,061	6,249,615	-	-	-	-	-	-	-
Measure B Projects/Programs	2,587,600	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
Total Governmental Activities Net Position	$35,518,918	$43,622,724	$46,591,069	$39,658,016	$46,656,488	$49,729,228	$42,341,924	$33,619,161	$35,260,672	$30,525,381

TRANSPORTATION AUTHORITY OF MARIN

FINANCIAL TRENDS – CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Years Ending June 30									
EXPENSES	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Governmental Activities:										
Congestion Management	$ 49,113,994	$ 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
Interest	-	-	-	-	-	14,308	70,695	125,431	178,559	230,127
Total Expenses	49,113,994	37,973,856	34,879,040	42,395,402	39,766,538	29,905,547	25,278,467	32,504,195	26,304,583	22,720,034
REVENUES										
Program Revenues:										
Grants and Contributions	7,729,826	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
Total Revenues	7,729,826	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
Net (Expense)/Revenue	(41,384,168)	(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)
GENERAL REVENUES										
Governmental Activities:										
Sales Tax	30,695,297	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
Vehicle Registration	2,404,319	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
Investment Earnings	180,746	2,007,743	1,914,194	139,632	122,475	682,270	164,964	203,298	47,466	77,333
Total General Revenues	33,280,362	31,771,003	33,730,166	29,067,517	28,669,489	28,757,591	28,343,345	26,637,315	25,947,228	23,690,719
Governmental Activities										
Change in Net Position	$ (8,103,806)	$ (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

TRANSPORTATION AUTHORITY OF MARIN

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

	Fiscal Years Ending June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,000
Restricted	1,116,884	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
Total General Fund	$ 1,116,884	$ 899,880	$ 755,114	$ 1,770,058	$ 1,807,945	$ 2,047,909	$ 1,687,929	$ 1,582,014	$ 1,170,448	$ 1,030,578
All Other Funds										
Nonspendable	$ 21,444	$ 21,444	$ 24,140	$ 29,111	$ 21,444	$ 21,444	$ 40,496	$ -	$ -	$ -
Restricted	34,510,303	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
Total Sales Tax Program	$ 34,531,747	$ 42,403,552	$ 45,091,702	$ 38,163,573	$ 43,882,090	$ 47,106,478	$ 41,028,901	$ 34,856,630	$ 38,720,601	$ 35,882,946

TRANSPORTATION AUTHORITY OF MARIN

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

	Fiscal Years Ending June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
REVENUES										
Sales Tax	$ 30,832,521	$ 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
Vehicle Registration Fee	2,404,319	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
Investment Earnings	180,746	2,007,743	1,914,194	139,632	122,475	682,270	164,964	203,298	47,466	77,333
Project and Program Revenues	7,744,826	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
Total Revenues	41,162,412	34,875,205	41,389,321	36,363,383	36,302,186	37,296,958	33,422,281	30,862,684	31,039,874	30,070,828
EXPENDITURES										
Congestion management - Current										
Administration	3,051,243	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
Professional Services	1,178,698	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
Measure A	12,144,379	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
Measure AA	22,768,626	16,896,486	182,971	-	-	-	-	-	-	-
Measure B	1,718,579	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	6,644,955	535,629	3,992,151	5,855,948	4,526,973	4,902,359	1,541,444	596,806	220,459	104,484
Other Capital Expenditures	1,310,733	366,674	66,388	176,392	276,856	765,658	43,196	171,012	896,338	351,249
Debt Service										
Principal	-	-	-	-	-	953,854	1,865,628	1,810,894	1,757,765	1,706,195
Interest and Fiscal Charges	-	-	-	-	-	14,308	70,696	125,431	178,559	230,127
Total Expenditures	48,817,213	37,418,589	35,476,136	42,119,787	39,766,538	30,859,402	27,144,095	34,315,089	28,062,349	24,421,320
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,654,801)	(2,543,384)	5,913,185	(5,756,404)	(3,464,352)	6,437,556	6,278,186	(3,452,405)	2,977,525	5,649,508
NET CHANGE IN FUND BALANCES	(7,654,801)	(2,543,384)	5,913,185	(5,756,404)	(3,464,352)	6,437,556	6,278,186	(3,452,405)	2,977,525	5,649,508
Fund Balances - Beginning	43,303,432	45,846,816	39,933,631	45,690,035	49,154,387	42,716,831	36,438,645	39,891,050	36,913,525	32,664,017
Fund Balances - Ending	$ 35,648,631	$ 43,303,432	$ 45,846,816	$ 39,933,631	$ 45,690,035	$ 49,154,387	$ 42,716,831	$ 36,438,645	$ 39,891,050	$ 38,313,525
Debt Service as a Percentage of Total Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	3.24%	7.68%	5.98%	7.41%	8.61%

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 REVENUE COLLECTION
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30:	Sales Tax Rate	Sales Tax Revenue	Annual Growth	Total Taxable Sales in Marin County (in thousands)
2021	0.50%	$30,832,521	12.75%	* $ 5,894,353
2020	0.50%	27,345,662	-5.63%	5,182,950
2019	0.50%	28,976,082	5.34%	5,472,193
2018	0.50%	27,507,852	6.80%	5,260,569
2017	0.50%	25,755,761	0.21%	5,091,316
2016	0.50%	25,702,937	1.73%	5,124,958
2015	0.50%	25,265,790	4.90%	4,957,364
2014	0.50%	24,086,678	1.98%	4,769,877
2013	0.50%	23,619,507	11.07%	4,500,246
2012	0.50%	21,265,462	4.96%	4,185,542

* Amount was estimated based on the sales tax collected.

Source: California Department of Tax and Fee Administration.

TRANSPORTATION AUTHORITY OF MARIN

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

Effective on	Apr-21	Apr-20	Apr-19	Apr-18	Apr-17	Apr-16	Apr-15	Apr-14	Apr-13	Apr-12
Belvedere	8.25%	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%
Corte Madera	9.00%	9.00%	9.00%	8.75%	8.75%	9.00%	9.00%	9.00%	8.50%	8.00%
Fairfax	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	8.50%
Larkspur	9.00%	9.00%	9.00%	9.00%	8.75%	9.00%	9.00%	9.00%	8.50%	8.00%
Mill Valley	8.25%	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%
Novato	8.50%	8.50%	8.50%	8.50%	8.50%	8.75%	9.00%	9.00%	9.00%	8.50%
Ross	8.25%	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%
San Anselmo	8.75%	8.75%	8.75%	8.75%	8.75%	9.00%	9.00%	9.00%	8.50%	8.00%
San Rafael	9.25%	9.00%	9.00%	9.00%	9.00%	9.25%	9.25%	9.25%	9.00%	8.50%
Sausalito	8.75%	8.75%	8.75%	8.75%	8.75%	9.00%	9.00%	8.50%	8.50%	8.00%
Tiburon	8.25%	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%
County-Unincorporated	8.25%	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%

Source: California Department of Tax and Fee Administration.

TRANSPORTATION AUTHORITY OF MARIN

REVENUE CAPACITY – VEHICLE REGISTRATION FEE REVENUE COLLECTION LAST TEN YEARS

Fiscal Year Ended June 30:	VRF Amount	VRF Revenue	Annual Growth
2021	$ 10	$ 2,404,319	3.31%
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.

Calendar Year	Registered Vehicles	Change
2020	243,986	-2.22%
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%

Data Source: California Department of Motor Vehicle.

TRANSPORTATION AUTHORITY OF MARIN

REVENUE CAPACITY – MARIN PRINCIPAL SALES TAXPAYERS BY SEGMENT YEAR 2020 AND 2015 (NUMBERS IN 000'S)

	2020*		
Principal Revenue Payers	Rank	Total Taxes in Marin County	Percentage of Total County Taxes
All Other Outlets	1	$ 1,221,016	23.47%
Other Retail Group	2	953,526	18.33%
Motor Vehicle and Parts Dealers	3	788,310	15.15%
Building Material and Garden Equipment and Supplies Dealers	4	473,813	9.11%
Food Services and Drinking Places	5	439,029	8.44%
Food and Beverage Stores	6	335,221	6.44%
General Merchandise Stores	7	281,999	5.42%
Gasoline Stations	8	247,247	4.75%
Home Furnishings and Appliance Stores	9	239,466	4.60%
Clothing and Clothing Accessories Stores	10	223,430	4.29%
		$ 5,203,057	100.00%

	2015		
Principal Revenue Payers	Rank	Total Taxes in Marin County	Percentage of Taxable Sales
All Other Outlets	1	$ 1,210,162	23.82%
Motor Vehicle and Parts Dealers	2	798,160	15.71%
Other Retail Group	3	606,555	11.94%
Food Services and Drinking Places	4	601,279	11.84%
Building Material and Garden Equipment and Supplies Dealers	5	359,379	7.07%
Clothing and Clothing Accessories Stores	6	344,228	6.78%
Gasoline Stations	7	325,560	6.41%
Food and Beverage Stores	8	309,365	6.09%
General Merchandise Stores	9	289,609	5.70%
Home Furnishings and Appliance Stores	10	235,961	4.64%
		$ 5,080,258	100.00%

* 2020 is the latest information available. 2015 information is the most historical 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

Fiscal Year Ended June 30:	MTC Funding Exchange Agreement	Total Taxable Sales	Total Debt as a % of Taxable Sales
2015	$ 953,855	$ 4,957,363,554	0.02%
2014	2,819,483	4,769,877,022	0.06%
2013	4,630,377	4,500,246,733	0.10%
2012	6,388,143	4,185,542,250	0.15%
2011	8,094,338	3,928,074,795	0.21%

Data Source: California Department of Tax and Fee Administration
* The debt was paid off in 2015. Subsequent to 2015, TAM has no outstanding debt.

TRANSPORTATION AUTHORITY OF MARIN

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

Calendar Year	Population	Total Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2021	*	*	*	4.4%
2020	*	*	*	7.0%
2019	258,826	36,684,680	141,735	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%

* Information not available.
Data Source: US Bureau of Economic Analysis.

DEMOGRAPHIC AND ECONOMIC INFORMATION – PRINCIPAL EMPLOYERS YEAR ONE AND TEN

	2020 [1]		
Employer	Rank	Number of Employees	Percentage of Total County Employment
County of Marin	1	2,358	1.97%
Kaiser Permanente	2	2,014	1.69%
BioMarin Parmaceutical	3	1,801	1.51%
San Quentin State Prison	4	1,614	1.35%
Marin General Hospital	5	1,279	1.07%
Novato Unified School District	6	800	0.67%
Glassdoor	7	700	0.59%
Marin County Office of Education	8	664	0.56%
San Rafael City Schools	9	645	0.54%
Marin Community Clinics	10	540	0.45%
Subtotal		12,415	10.39%
Total County Employment		**119,500**	

[1] Most recent information available.

	2012		
Employer	Rank	Number of Employees	Percentage of Total County Employment
County of Marin	1	2,033	1.57%
Kaiser Permanente	2	1,803	1.40%
San Quentin State Prison	3	1,802	1.39%
Marin General Hospital	4	1,100	0.85%
Fireman's Fund Insurance Co.	5	950	0.74%
Autodesk, Inc.	6	878	0.68%
BioMarin Parmaceutical	7	871	0.67%
Safeway, Inc.	8	840	0.65%
Novato Unified School District	9	813	0.63%
Comcast	10	620	0.48%
Subtotal		11,710	9.06%
Total County Employment		**129,200**	

Data Source: County of Marin Comprehensive Annual Financial Report for years prior.

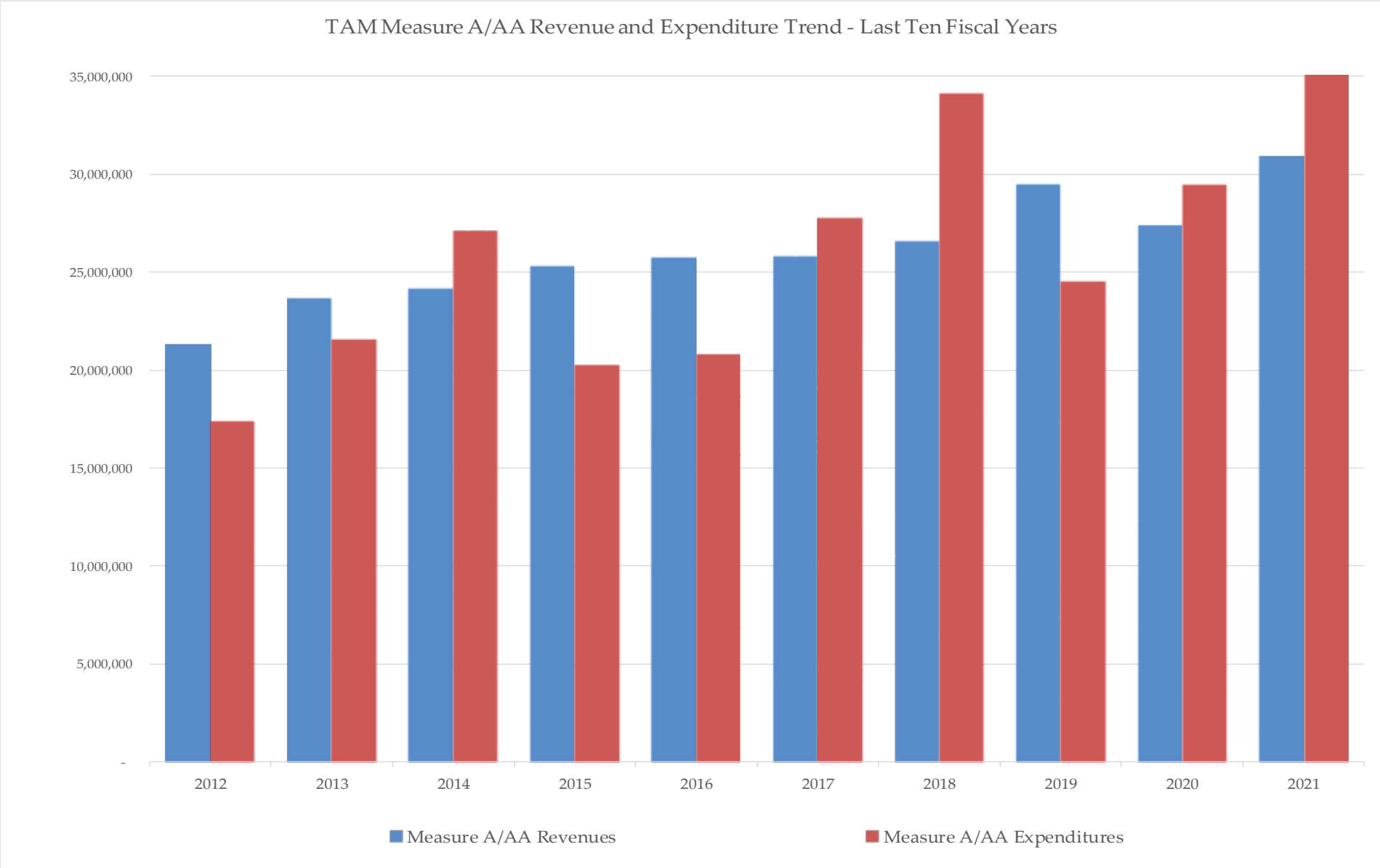
OPERATING INFORMATION – FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION FISCAL YEAR 2020-21

	Fiscal Year Ending June 30,			
Function	**2021**	**2020**	**2019**	**2018 ***
Capital Project	3.00	3.00	3.00	3.00
Executive	1.00	1.00	1.00	1.00
Finance and Administration	4.80	4.80	4.80	4.80
Planning	1.50	1.50	1.50	1.50
Policy and Programming	1.50	1.50	1.50	1.50
Public Outreach	1.00	1.00	1.00	1.00
Total Employees	12.80	12.80	12.80	12.80

* TAM had no directly hired employees prior to 2018.

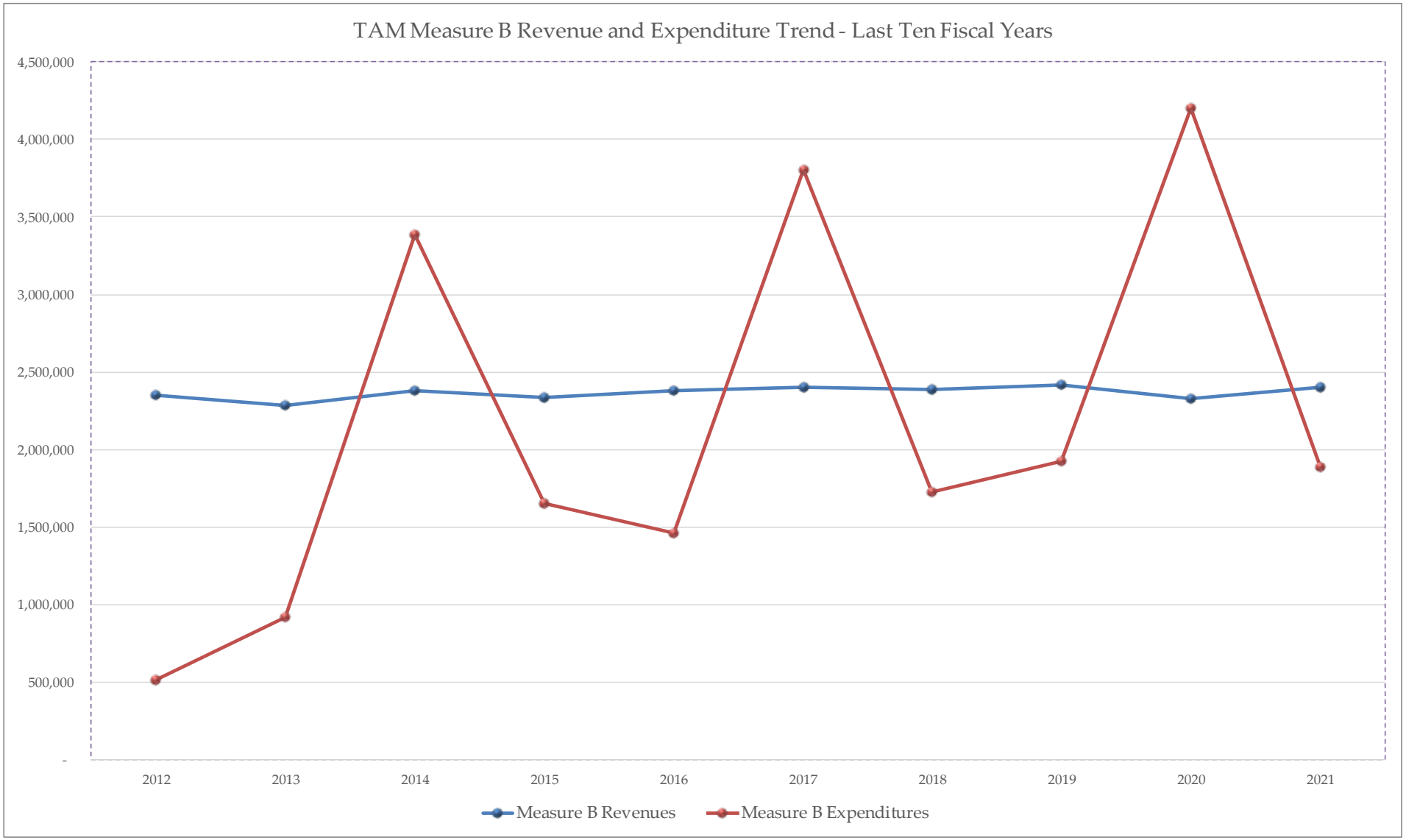
TRANSPORTATION AUTHORITY OF MARIN

OPERATING INFORMATION – REVENUE BY FUNDING SOURCE
LAST TEN FISCAL YEARS



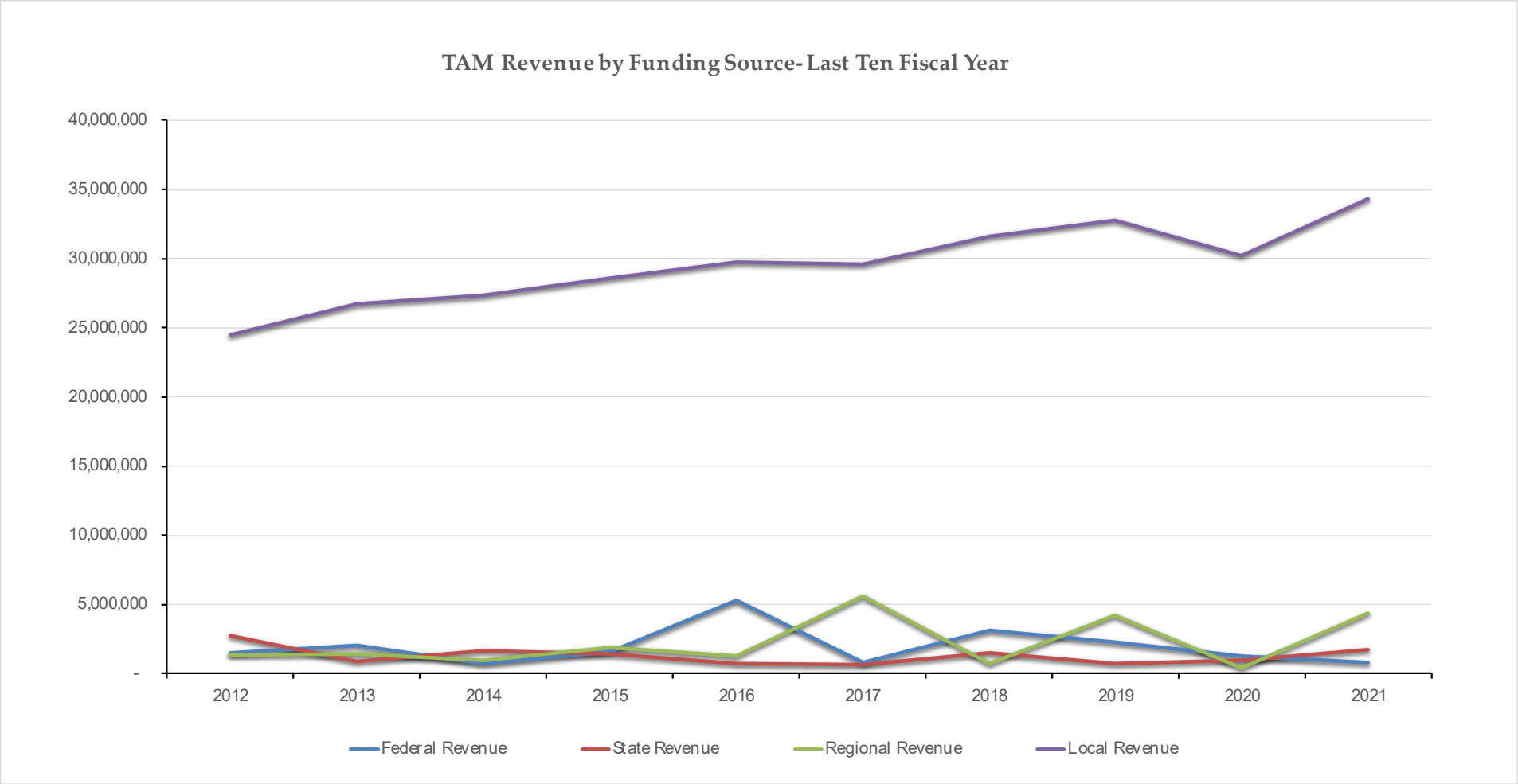
TRANSPORTATION AUTHORITY OF MARIN

OPERATING INFORMATION – REVENUE BY FUNDING SOURCE
LAST TEN FISCAL YEARS



TRANSPORTATION AUTHORITY OF MARIN

OPERATING INFORMATION – REVENUE BY FUNDING SOURCE
LAST TEN FISCAL YEARS



COMPLIANCE SECTION

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CPAs & BUSINESS ADVISORS

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, 2021, and the related notes to the financial statements, which collectively comprise TAM's basic financial statements, and have issued our report thereon dated *[DATE OF REPORT].*

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.

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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.

Menlo Park, California
[DATE OF REPORT]

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CPAs & BUSINESS ADVISORS

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 (Limit) contained in the Marin County Transportation Sales Tax Expenditure Plan for the year ended June 30, 2021.

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.

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Opinion

In our opinion, TAM complied, in all material respects, with the requirements referred to above for the year ended June 30, 2021.

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.

Menlo Park, California
[DATE OF REPORT]

EideBailly

CPAs & BUSINESS ADVISORS

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 the major federal program for the year ended June 30, 2021. TAM's major federal program is 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 program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the TAM's major federal program 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.

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Opinion on the 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 the major federal program for the year ended June 30, 2021.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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.

Menlo Park, California
[DATE OF REPORT]

TRANSPORTATION AUTHORITY OF MARIN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/ 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	$ 799,473	$ 79,335
Subtotal			799,473	79,335
Total U.S. Department of Transportation/Highway Planning and Construction			$ 799,473	$ 79,335

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

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, 2021. 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 does not draw for indirect administrative expenses and 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, 2021

SUMMARY OF AUDITORS RESULTS

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

Identification of major programs:

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021

FINANCIAL STATEMENT FINDINGS

None reported.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2021

None reported.

Review and Accept FY2020-21 TAM Annual Comprehensive Financial Report

Transportation Authority of Marin

Board of Commissioners

October 28, 2021

Introduction of the ACFR

- First TAM Annual Comprehensive Financial Report (ACFR) was produced for FY2017-18, with the goal to provide the residents of Marin with a more complete, and meaningful picture of TAM's financial condition and performance.
- ACFR includes the following components:
  - Introductory Section
  - Financial Section
  - Statistical Section
  - Compliance Section
- First ACFR 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 ACFR over the years.

Introductory Section

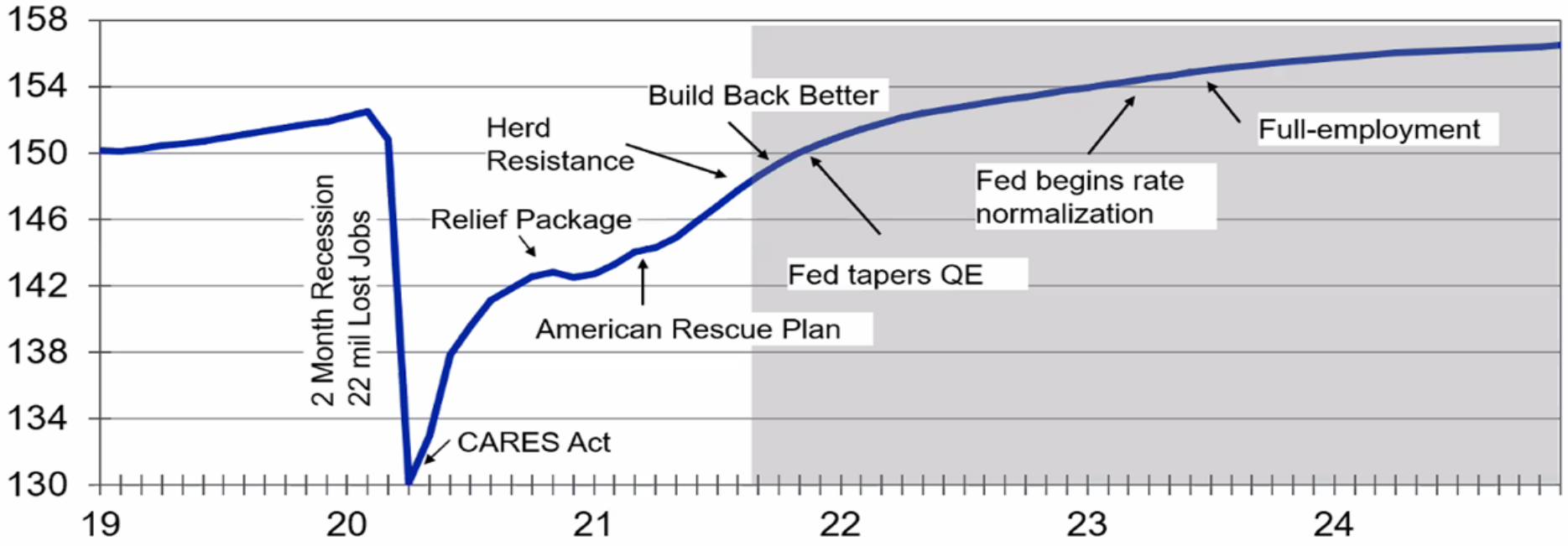
- Profile of TAM
  - Congestion Management Agency and Measure A/AA & B Administrator

- Economic Condition of the County
  - Driven by various types of industries including financial services, healthcare, biotech, high technology and tourism.
  - One of the wealthiest, healthiest and most highly educated in the nation, though disparities exist.
  - Good school districts, easy access to a multitude of recreational activities, and breathtaking natural beauty.

A Glance at the Current Economy

Where We've Been…Where Were Headed

U.S. nonfarm employment, millions



Sources: BLS, Moody's Analytics

MOODY'S ANALYTICS October 2021 2

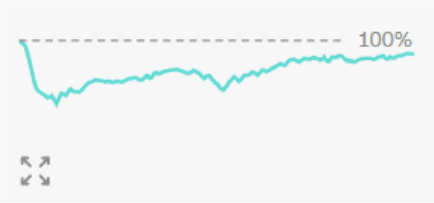
A Glance at the Current Economy

The Back-to-Normal Index

The pandemic economy is far from normal. So Moody's Analytics and CNN Business have partnered to create a proprietary Back-to-Normal Index, comprised of 37 national and seven state-level indicators. The index ranges from zero, representing no economic activity, to 100%, representing the economy returning to its pre-pandemic level in March 2020.

California

91%



The economy in California is operating at 91% of where it was in early March.

New coronavirus cases in the last 7 days
46,022 ▼

Back-to-Normal state rank (1 = Best, 50 = Worst)
46 ▲

Learn how we created the Back-to-Normal Index

Source: Moody's Analytics, JHU CSSE COVID-19 Data

The Back-to-Normal Index

The pandemic economy is far from normal. So Moody's Analytics and CNN Business have partnered to create a proprietary Back-to-Normal Index, comprised of 37 national and seven state-level indicators. The index ranges from zero, representing no economic activity, to 100%, representing the economy returning to its pre-pandemic level in March 2020.

United States

95%

The economy in the United States is operating at 95% of where it was in early March.

New coronavirus cases in the last 7 days
819,571 ▼

Number of states with improved Index since last week
29

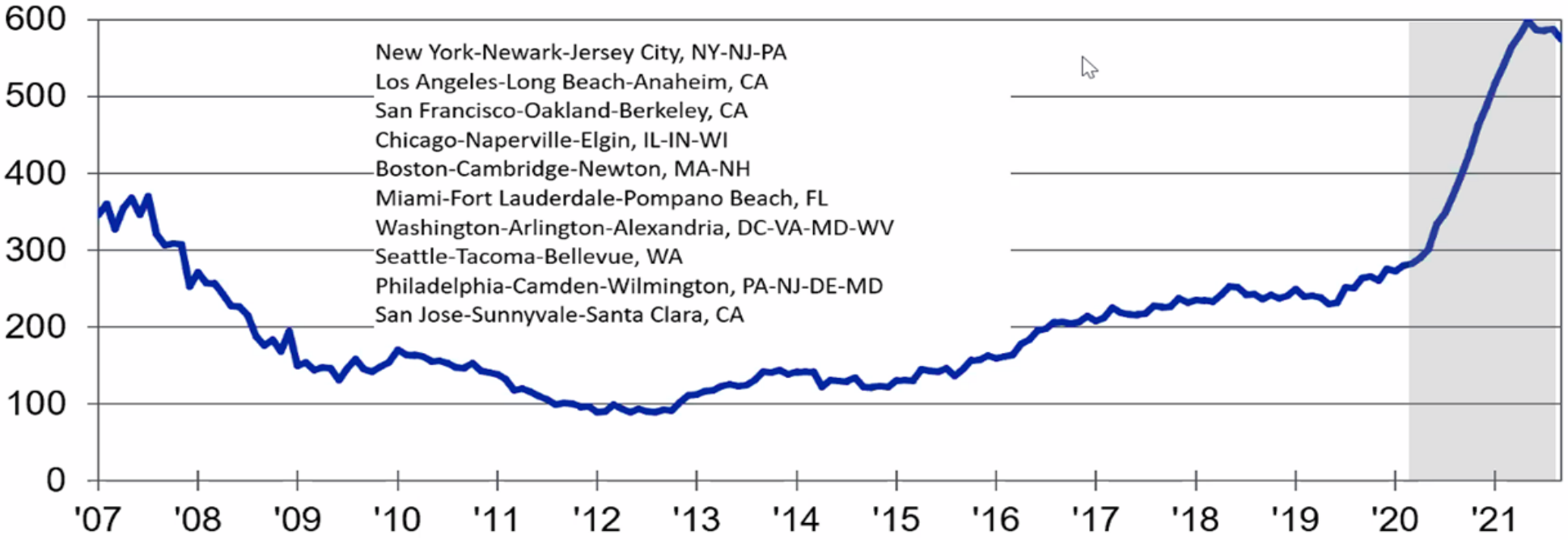
Learn how we created the Back-to-Normal Index

Source: Moody's Analytics, JHU CSSE COVID-19 Data

A Glance at the Current Economy

Remote Work is Here to Stay

Net out-migration from urban core, Thousands, 12-moving sum

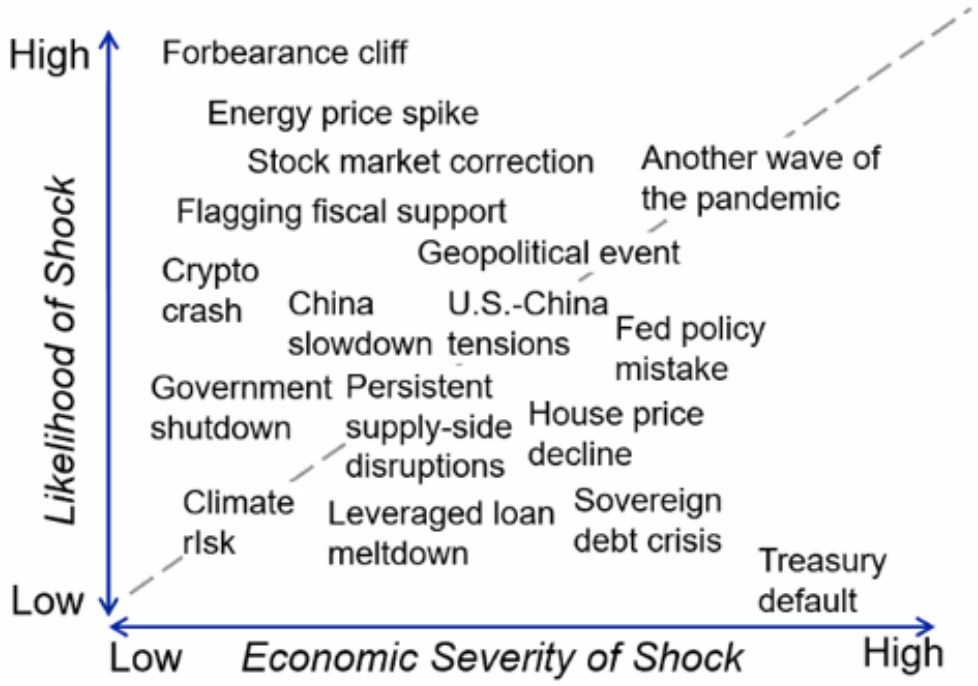


Sources: Equifax, Moody's Analytics

MOODY'S ANALYTICS October 2021 4

A Glance at the Current Economy

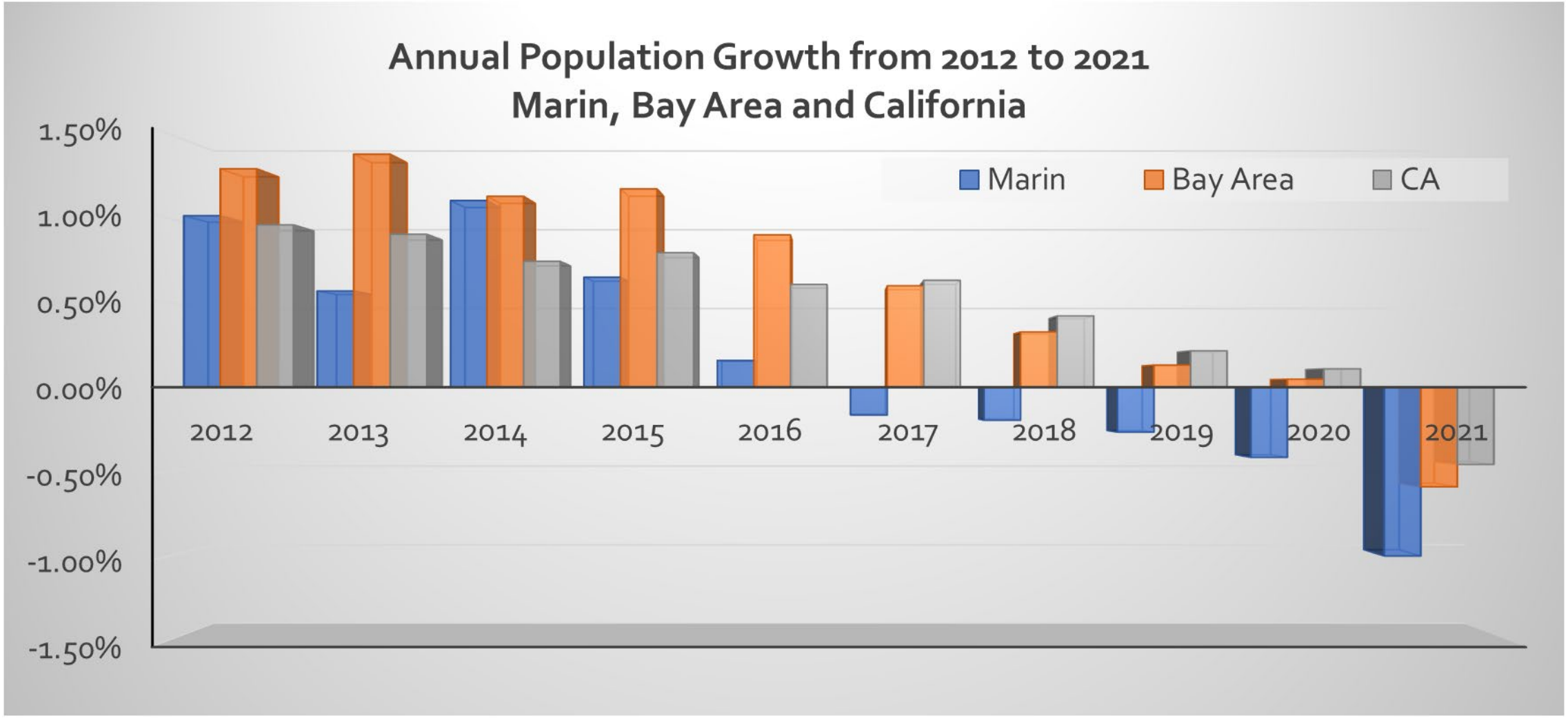
What Could Go Wrong?



Source: Moody's Analytics

MOODY'S ANALYTICS October 2021

Population Trend

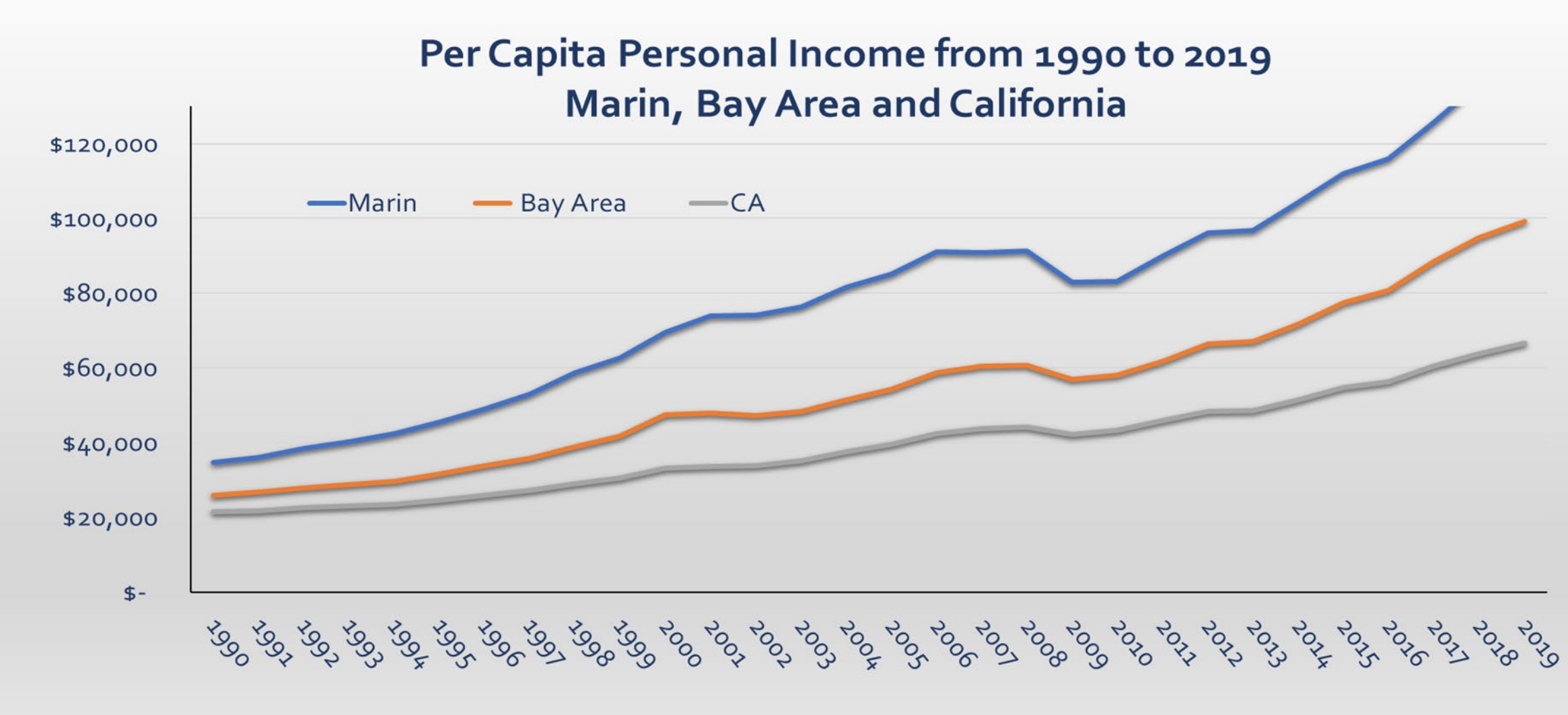


Marin/North Bay Population Trend

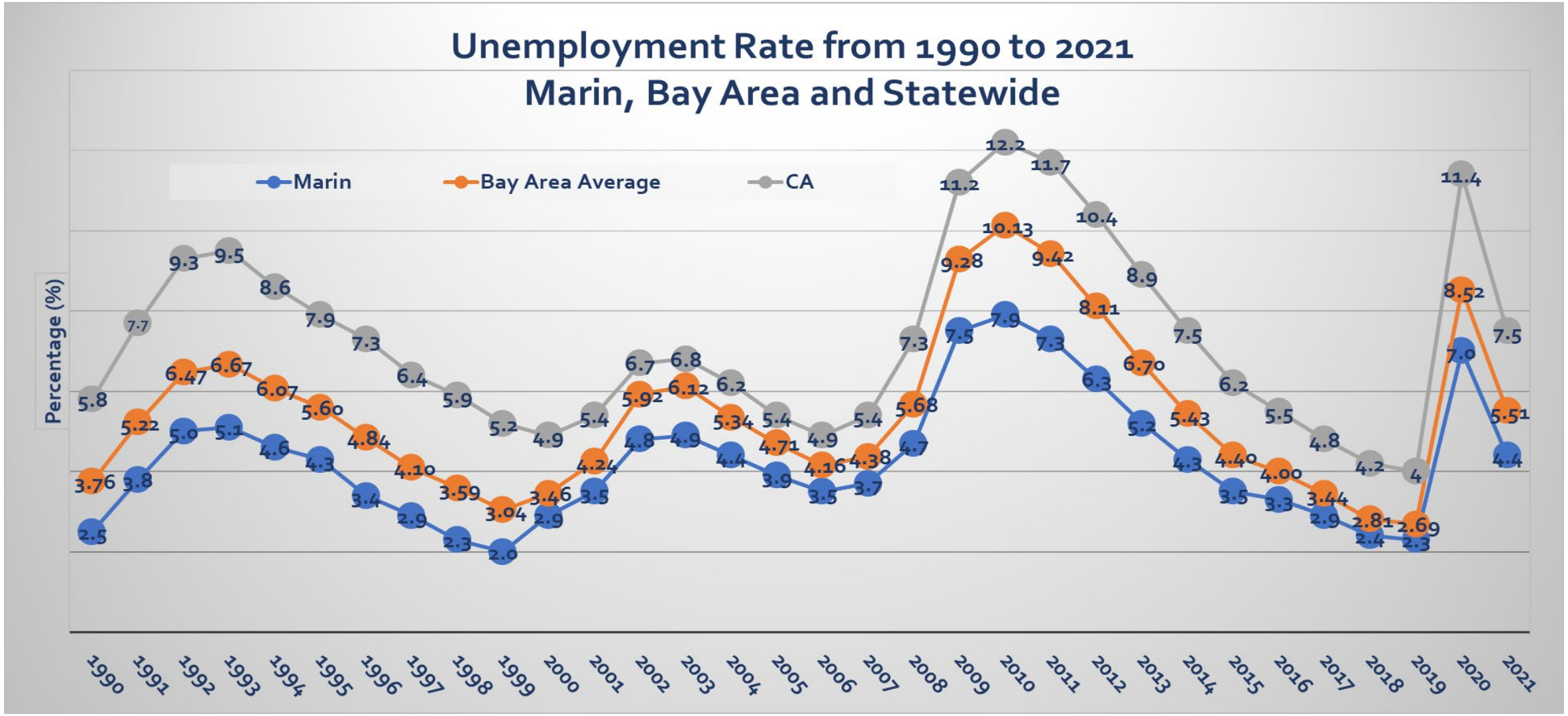
- Out of the four north bay counties, Marin, Napa and Sonoma are experiencing the same
  - Marin in decline since 2017, average decline 0.41%, and lost 1.00% (2,614) from 2020 to 2021
  - Napa in decline since 2017, average decline 0.56%, and lost 0.98% (1,363) from 2020 to 2021
  - Sonoma in decline since 2016, average decline 0.97%, and lost 1.45% (7,147) from 2020 to 2021

- Possible Reasons for the decline of population in North Bay:
  - Aging population that is staying in housing units longer than expected and has fewer people per household
  - Rising cost of housing that leads to fewer people coming to live in these counties
  - Less diverse populations with lower birth rates
  - Possible hidden population of people using housing units with more people per household - data on taxable sales per person across the state suggests the urban areas have relatively large taxable sales per person which could be a sign of more people actually living there than counted

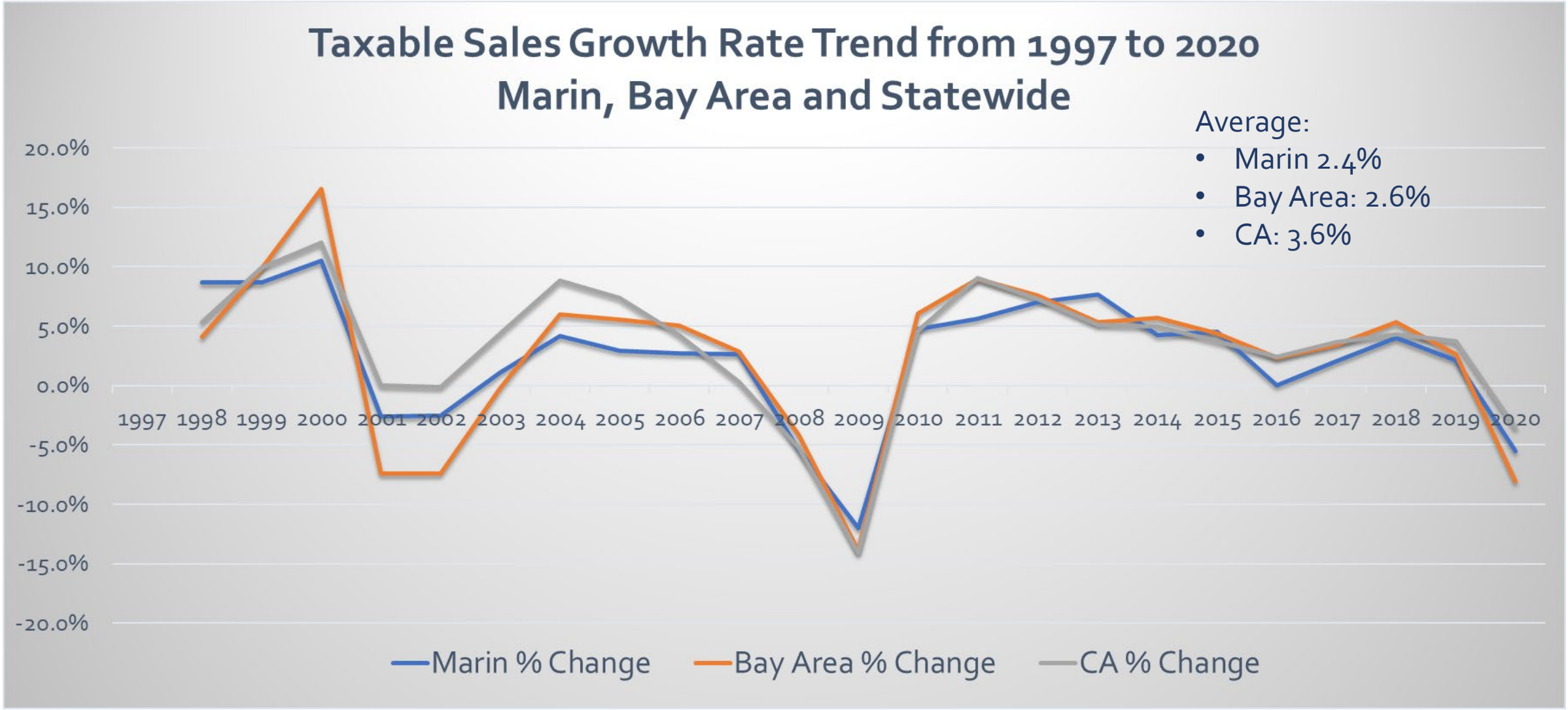
Per Capita Personal Income Trend



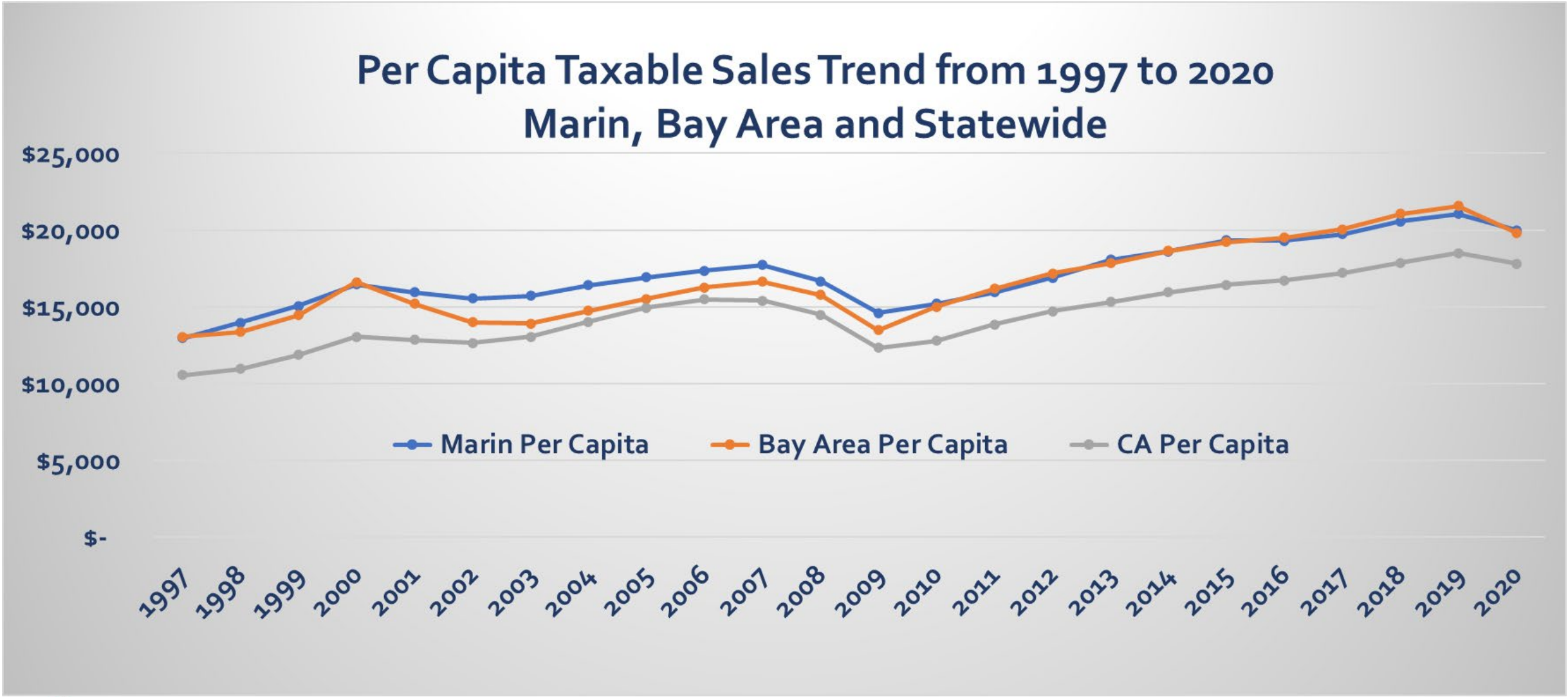
Unemployment Rate Trend



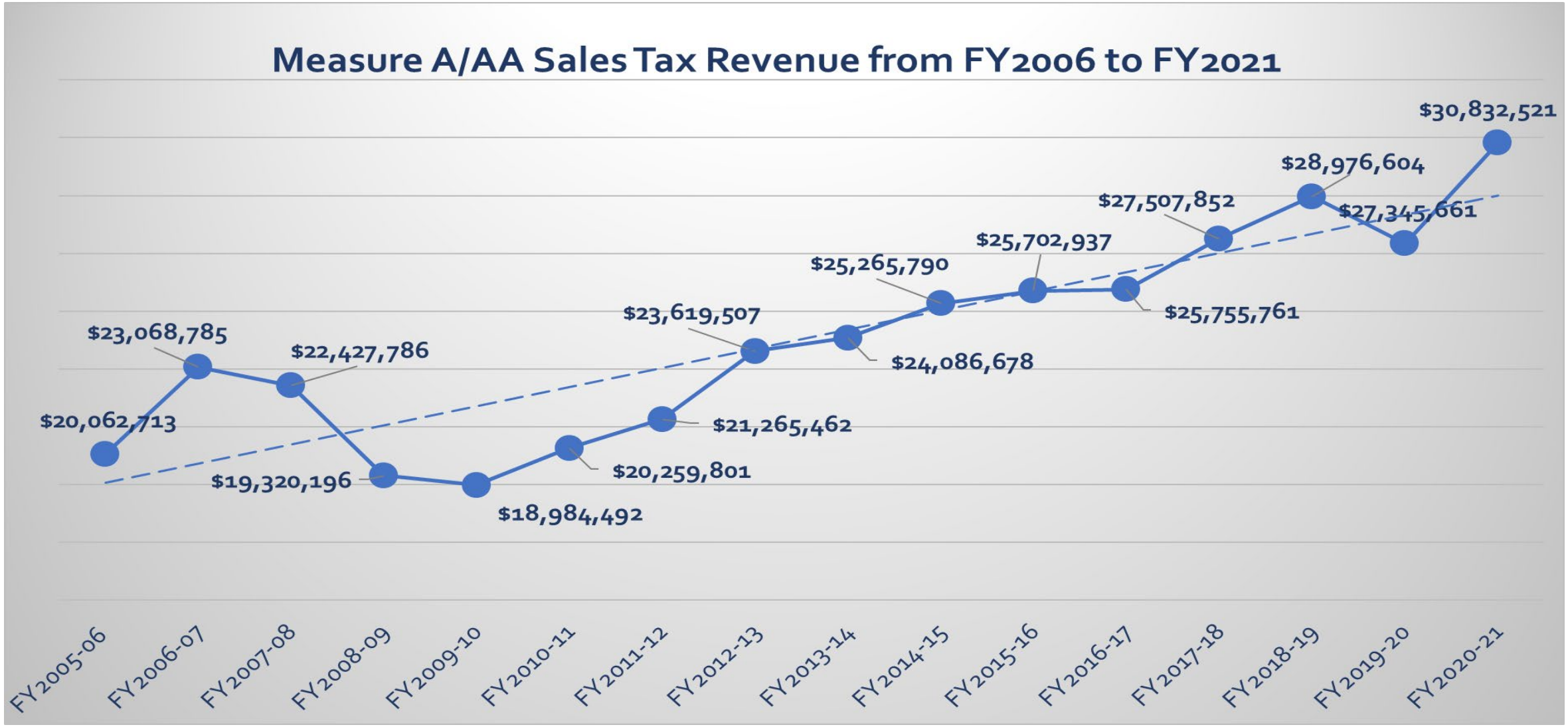
Taxable Sales Trend



Taxable Sales Per Capita Trend



TAM's Sales Tax Revenue Collection Trend



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, 2021, 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 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 $35.52 million as of June 30, 2021, and comprised the following:
    - Cash and Investments of $52.04 million in the CalTRUST and deposits with Bank of Marin
    - Receivables and Prepaid Items of $11.82 million in sales tax and other accounts receivable
    - Liabilities, including all accounts payables, unearned revenues and net pension liability, totaling $28.86 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.
  - $7.73 million or 18.8% of TAM's FY2020-21 governmental revenues, came from program revenues and $33.28 million, or 81.2%, came from general revenues such as Measure A/AA ½-Cent Transportation Sales Taxes, Measure B $10 VRF and investment earnings.
  - Total expenditure for FY2020-21 is $48.81 million, with $3.05 million for Administration, $1.18 million for Professional Services, $37.94 million for Programs/Projects and $6.64 million for Interagency Agreements.
  - Total net position of $35.52 million as of June 30, 2021 was restricted for various transportation projects and programs.

Financial Section

TAM Governmental Funds FY2020-21 Activities and Fund Balances:

	Fund Balance 6/30/2020	FY2020-21 Revenue	FY2020-21 Expenditure	Fund Balance 6/30/2021
General Fund	$ 899,880	$ 7,418,238	$ 7,201,234	$ 1,116,884
BAAQMD/TFCA	$ 1,663,908	$ 364,007	$ 1,333,155	$ 694,760
Measure A Fund	$ 23,777,400	$ 247,309	$ 12,244,536	$ 11,780,173
Measure AA Fund	$ 14,868,049	$ 30,721,032	$ 26,152,099	$ 19,436,982
Measure B Fund	$ 2,094,195	$ 2,411,826	$ 1,886,189	$ 2,619,832
Total	**$ 43,303,432**	**$ 41,162,412**	**$ 48,817,213**	**$ 35,648,631**

Financial Section

Overview of CalPERS Retirement Benefit and Other Post-Employment Benefits (OPEB)

- Effective January 1, 2018, TAM became the employer of recorder and hired all 11 full time employees that were previously employed by LGS/RGS directly. (Current staff level: 12.8 FTE)
- TAM 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 contract. As such, TAM now presents pensions liabilities under Governmental Accounting Standards Board (GASB) 68.
- TAM joined the CalPERS Health Program as of July 1, 2018 and is required to report Other Post-Employment Benefits (OPEB) under GASB 75.

Financial Section

Overview of CalPERS Retirement Benefit

Hire date	Prior to January 1, 2013	On or after January 1, 2013
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	11.03%	7.73%

Financial Section

Overview of CalPERS Retirement Benefit

TAM Pension Benefit Funding Status 6/30/2020	Classic Member Hired Prior to January 1, 2013	PEPRA Member Hired On or after January 1, 2013
(1) Present Value of Projected Benefits (PVB)	$ 7,015,045	$ 788,431
(2) Entry Age Accrued Liability (AL)	$ 5,084,705	$ 199,675
(3) Plan's Market Value of Assets (MVA)	$ 4,635,282	$ 186,002
(4) Unfunded Accrued Liability (UAL) [(2) - (3)]	$ 449,423	$ 13,673
(5) Funded Ratio [(3) / (2)]	91.2%	93.2%

Financial Section

Overview of CalPERS Retirement Benefits

- TAM currently has $144,589 in its California Employers' Pension Pre-funding Trust (CEPPT) with CalPERS.
- Based on the June 30, 2020 CalPERS Actuarial Reports, annual Unfunded Accrued Liability (UAL) payment for both plans totals $23,284 ($21,408-Classic Plan; $1,876-PEPRA Plan) in FY2022-23.
- Total annual UAL payment for FY2021-22 is $13,294 as stated in the June 20, 2019 Actuarial Reports.

Financial Section

Overview of OPEB

- TAM Board only approved the Minimum Employer Contribution (MEC) level of retirement medical benefit for TAM employees who were hired prior to January 1, 2018. ($139 per month for 2020, and $143 for 2021).
- For new hires after January 1, 2018, benefit started at $1 in 2018 and increases at 5% of the MEC per year and will not reach the full MEC amount until 2037.
- TAM currently has two retired employee, who were hired prior to January 1, 2018, taking this benefit.
- The agency currently has $33,333 in the California Employers' Benefit Trust (CERBT), which is more than sufficient to cover the annual cash needs of the explicit subsidy payment.

Financial Section

Overview of OPEB

- Explicit Subsidy – employer's direct contribution to retiree's medical premium
- Implicit Subsidy – the inclusion of retirees in the same pool as active employees for purposes of determining a single health insurance premium rate that applies to all (blended premium rate) results in a higher premium rate for active employees than would be charged if the premium rate was based on the expected healthcare costs of the active employees alone. The amount by which the premium is higher is referred to as the implicit subsidy and is part of the cost of providing retiree healthcare benefits.

Projected Annual Benefit Payments							
Fiscal Year Ending June 30	Explicit Subsidy			Implicit Subsidy			Total
	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	
2021	$ 1,752	$ -	$ 1,752	$ 12,780	$ -	$ 12,780	$ 14,532
2022	1,739	2,663	4,402	-	3,947	3,947	8,349
2023	1,795	3,366	5,161	-	7,665	7,665	12,826
2024	1,853	4,134	5,987	-	12,565	12,565	18,552
2025	1,911	4,945	6,856	-	18,477	18,477	25,333
2026	1,970	5,897	7,867	-	19,776	19,776	27,643
2027	2,029	7,308	9,337	-	29,091	29,091	38,428
2028	2,087	8,358	10,445	-	38,344	38,344	48,789
2029	2,146	9,520	11,666	-	31,331	31,331	42,997
2030	2,203	10,884	13,087	-	42,019	42,019	55,106
2031	2,258	12,417	14,675	-	35,337	35,337	50,012
2032	2,310	14,015	16,325	-	38,717	38,717	55,042
2033	2,359	15,611	17,970	-	48,862	48,862	66,832
2034	2,404	17,351	19,755	-	26,436	26,436	46,191
2035	2,444	19,136	21,580	-	20,661	20,661	42,241

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

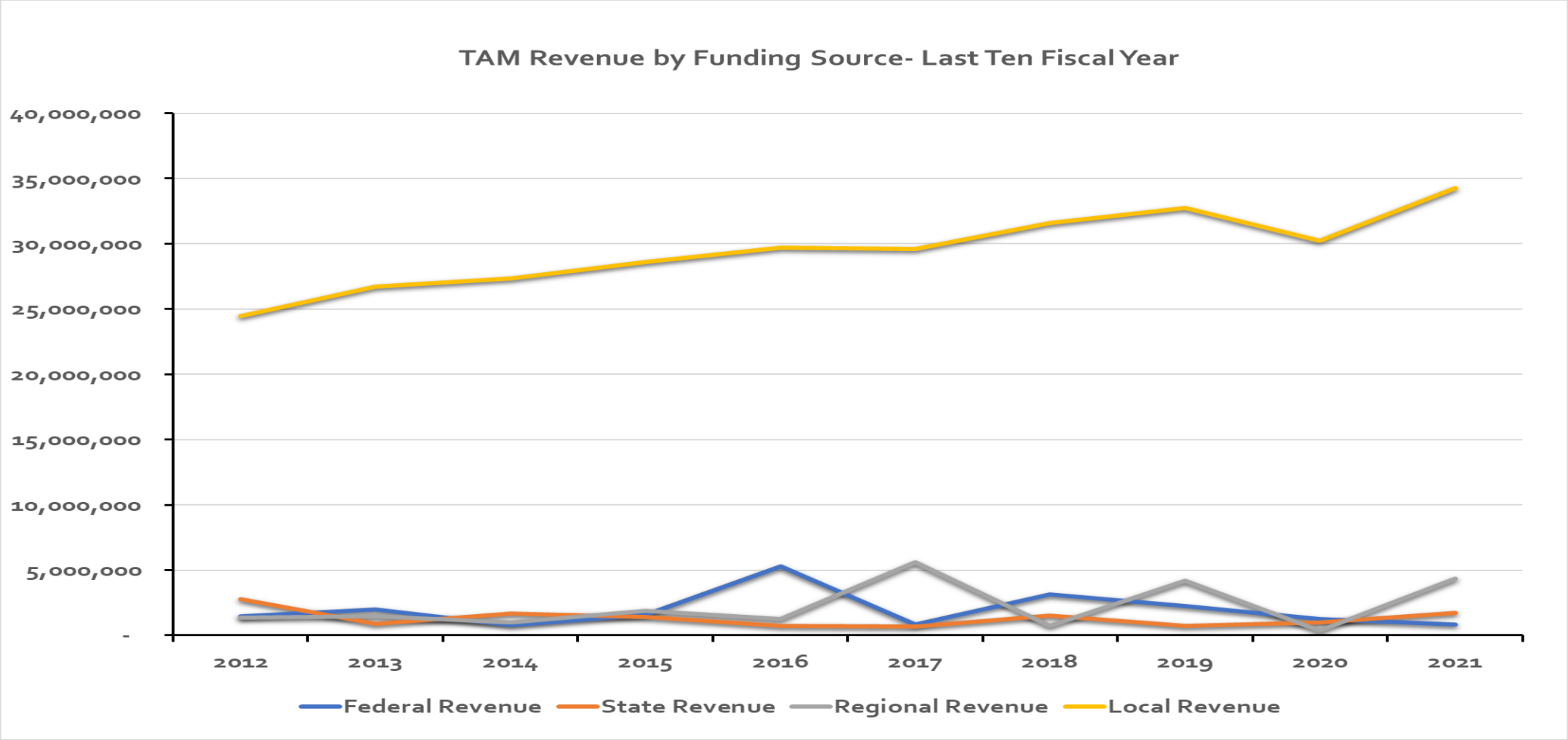
Statistical Section

TAM Historic Governmental Fund Balance

	Fiscal Years Ending June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
REVENUES										
Sales Tax	$ 30,832,521	$ 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
Vehicle Registration Fee	2,404,319	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
Investment Earnings	180,746	2,007,743	1,914,194	139,632	122,475	682,270	164,964	203,298	47,466	77,333
Project and Program Revenues	7,744,826	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
Total Revenues	41,162,412	34,875,205	41,389,321	36,363,383	36,302,186	37,296,958	33,422,281	30,862,684	31,039,874	30,070,828
EXPENDITURES										
Congestion management - Current										
Administration	3,051,243	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
Professional Services	1,178,698	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
Measure A	12,144,379	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
Measure AA	22,768,626	16,896,486	182,971	-	-	-	-	-	-	-
Measure B	1,718,579	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	6,644,955	535,629	3,992,151	5,855,948	4,526,973	4,902,359	1,541,444	596,806	220,459	104,484
Other Capital Expenditures	1,310,733	366,674	66,388	176,392	276,856	765,658	43,196	171,012	896,338	351,249
Debt Service										
Principal	-	-	-	-	-	953,854	1,865,628	1,810,894	1,757,765	1,706,195
Interest and Fiscal Charges	-	-	-	-	-	14,308	70,696	125,431	178,559	230,127
Total Expenditures	48,817,213	37,418,589	35,476,136	42,119,787	39,766,538	30,859,402	27,144,095	34,315,089	28,062,349	24,421,320
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,654,801)	(2,543,384)	5,913,185	(5,756,404)	(3,464,352)	6,437,556	6,278,186	(3,452,405)	2,977,525	5,649,508
NET CHANGE IN FUND BALANCES	(7,654,801)	(2,543,384)	5,913,185	(5,756,404)	(3,464,352)	6,437,556	6,278,186	(3,452,405)	2,977,525	5,649,508
Fund Balances - Beginning	43,303,432	45,846,816	39,933,631	45,690,035	49,154,387	42,716,831	36,438,645	39,891,050	36,913,525	32,664,017
Fund Balances - Ending	$ 35,648,631	$ 43,303,432	$ 45,846,816	$ 39,933,631	$ 45,690,035	$ 49,154,387	$ 42,716,831	$ 36,438,645	$ 39,891,050	$ 38,313,525

Statistical Section

Revenue by Funding Source



Statistical Section

Local Sales Tax Rate for Marin County

Effective on	Apr-21	Apr-20	Apr-19	Apr-18	Apr-17	Apr-16	Apr-15	Apr-14	Apr-13	Apr-12
Belvedere	8.25%	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%
Corte Madera	9.00%	9.00%	9.00%	8.75%	8.75%	9.00%	9.00%	9.00%	8.50%	8.00%
Fairfax	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	8.50%
Larkspur	9.00%	9.00%	9.00%	9.00%	8.75%	9.00%	9.00%	9.00%	8.50%	8.00%
Mill Valley	8.25%	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%
Novato	8.50%	8.50%	8.50%	8.50%	8.50%	8.75%	9.00%	9.00%	9.00%	8.50%
Ross	8.25%	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%
San Anselmo	8.75%	8.75%	8.75%	8.75%	8.75%	9.00%	9.00%	9.00%	8.50%	8.00%
San Rafael	9.25%	9.00%	9.00%	9.00%	9.00%	9.25%	9.25%	9.25%	9.00%	8.50%
Sausalito	8.75%	8.75%	8.75%	8.75%	8.75%	9.00%	9.00%	8.50%	8.50%	8.00%
Tiburon	8.25%	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%
County-Unincorporated	8.25%	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.00%

Statistical Section

Principal Sales Taxpayers by Business Type (#s in ooo's)

Principal Revenue Payers	Rank	Calendar Year 2020 Total Taxes in Marin County	Calendar Year 2020 Percentage of Total County Taxes
All Other Outlets	1	$ 1,221,016	23.47%
Other Retail Group	2	953,526	18.33%
Motor Vehicle and Parts Dealers	3	788,310	15.15%
Building Material and Garden Equipment and Supplies Dealers	4	473,813	9.11%
Food Services and Drinking Places	5	439,029	8.44%
Food and Beverage Stores	6	335,221	6.44%
General Merchandise Stores	7	281,999	5.42%
Gasoline Stations	8	247,247	4.75%
Home Furnishings and Appliance Stores	9	239,466	4.60%
Clothing and Clothing Accessories Stores	10	223,430	4.29%
		$ 5,203,057	100.00%

Compliance Section

- Measure A/AA 5% Administration/Programming Management Cost Cap
  - The Measure A/AA compliance audit conducted for FY2020-21 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, 2021

Q & A