

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2025



MAKING THE MOST OF MARIN COUNTY TRANSPORTATION DOLLARS

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TRANSPORTATION AUTHORITY OF MARIN

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INTRODUCTORY SECTION

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November 20, 2025

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Urban Carmel

Novato

Mark Milberg

Ross

Teri Dowling

San Anselmo

Steve Burdo

San Rafael

Kate Colin

Sausalito

Melissa Blaustein

Tiburon

Alice Fredericks

County of Marin

Mary Sackett
Brian Colbert
Stephanie Moulton-Peters
Dennis Rodoni
Eric Lucan

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, 2025. The financial statements are presented in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Typically, the financial statements include the Single Audit as required for recipients of over \$1.0 million in federal funding. However, due to delays in the federal government releasing the guidance for this year, the Single Audit including the Schedule of Expenditures of Federal Awards (SEFA) will be reported separately once available.

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, 2025.

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.

Maze & Associates, an independent audit firm, has issued an unmodified ("clean") opinion on TAM's financial statements for the year ended June 30, 2025. 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 vitality of Marin County and the 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 essential local funding source for addressing Marin County's transportation priorities. 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 Schools (SR2S) Program; and school crossing guards. Revenues from the extended Measure AA continue to support those voter-set priorities while also providing funding for additional projects and programs, such as the Marin-Sonoma Narrows (MSN) Project, US 101/I-580 Multi-Modal and Local Access Improvement Project, Highway 101 Interchange & Approaching Roadway Study, innovative technology and sea level rise resiliency.

TAM also administers the revenues and expenditures of Measure B, the \$10 Vehicle Registration Fee (VRF), per the Expenditure Plan, first approved by the voters in 2010 and amended in February 2023 by the TAM Board as allowed by the original Expenditure Plan. Revenues collected from Measure B help maintain local roads and pathway networks, now with a focus on capital improvements of safety, bike and pedestrian elements; 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/electric vehicle 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/AA and Measure B revenues and performs project delivery monitoring to assist with project/program implementation. TAM also prepares a 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) funds from the Bay Area Air District (BAAD), previously known as 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 16-member Board of Commissioners includes 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 of standing committees.

ECONOMIC CONDITION

Marin's economy is driven by various 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.

Looking Forward

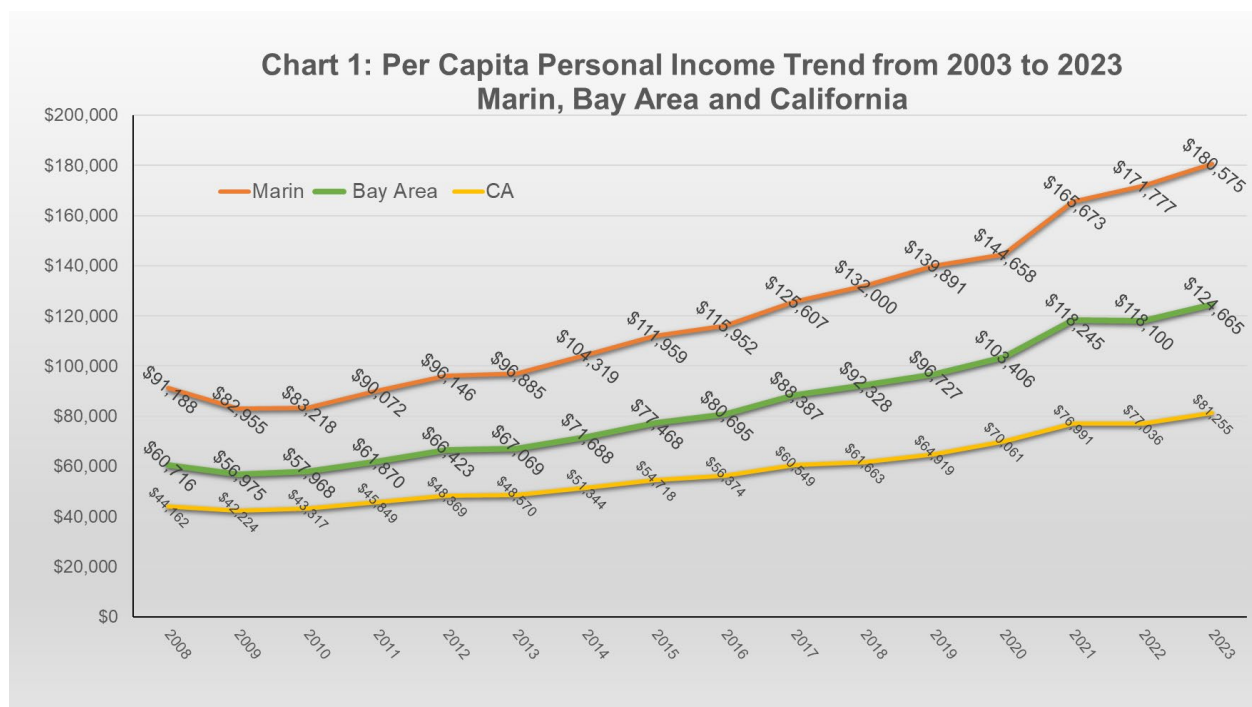
While many new norms in daily life have been established since the COVID-19 pandemic, we continue to observe lingering effects on the market. The uncertainty in the market is compounded by conflicting economic reports and political instability throughout the world. Recent shifts in federal direction regarding grants and funding parameters create some challenges as the implementation of the new rules are still being defined.

Due to the nature of its operation and revenue sources, TAM remained in a stable financial position throughout the pandemic, with the sales tax revenue benefiting temporarily from the work from home and new hybrid working arrangements. Many of our partner agencies continue to experience negative impacts on their operations and funding, especially transit operators such as Marin Transit, Golden Gate Bridge Highway & Transportation District (GGBHTD) and Sonoma-Marín Area Rail Transit (SMART). TAM continues to closely monitor and evaluate the financial and service implications of the post-pandemic environment and economy. The first ever Marin Countywide Transportation Plan (CTP) was adopted in December 2024 which refines TAM's goals, strategies, projects, and programs for the future. TAM is undertaking its six-year review of the Measure AA Expenditure Plan, which will be completed in spring 2026 and will also provide direction and guidance on future funding decisions.

Major Economic and Sales Tax Revenue Trend Indicators

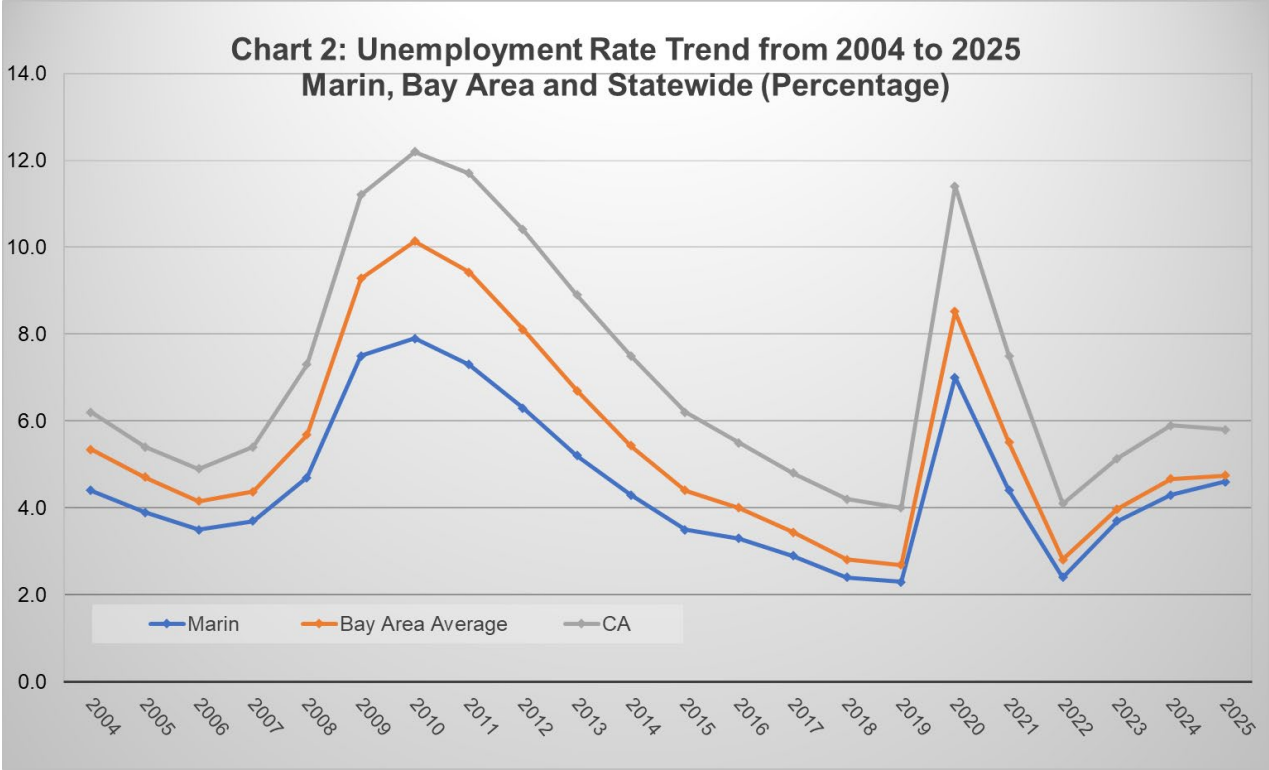
Major factors affecting the economy and sales tax revenues include personal income, unemployment rate, and population.

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 1: Per Capita Personal Income Trend from 2003 to 2023 – Marin, Bay Area and California". As of 2023, Marin's average per capita personal income (\$180,575) is over two and a half times the national average (\$69,810) and more than double the state average (\$81,255) and is also 45% higher than the Bay Area average (\$124,665). Marin County's 2023 per capita income went up 25% compared to 2020, mostly due to the demographic/wealthy nature of the County and likely the unanticipated gain in the housing and stock markets during that time.



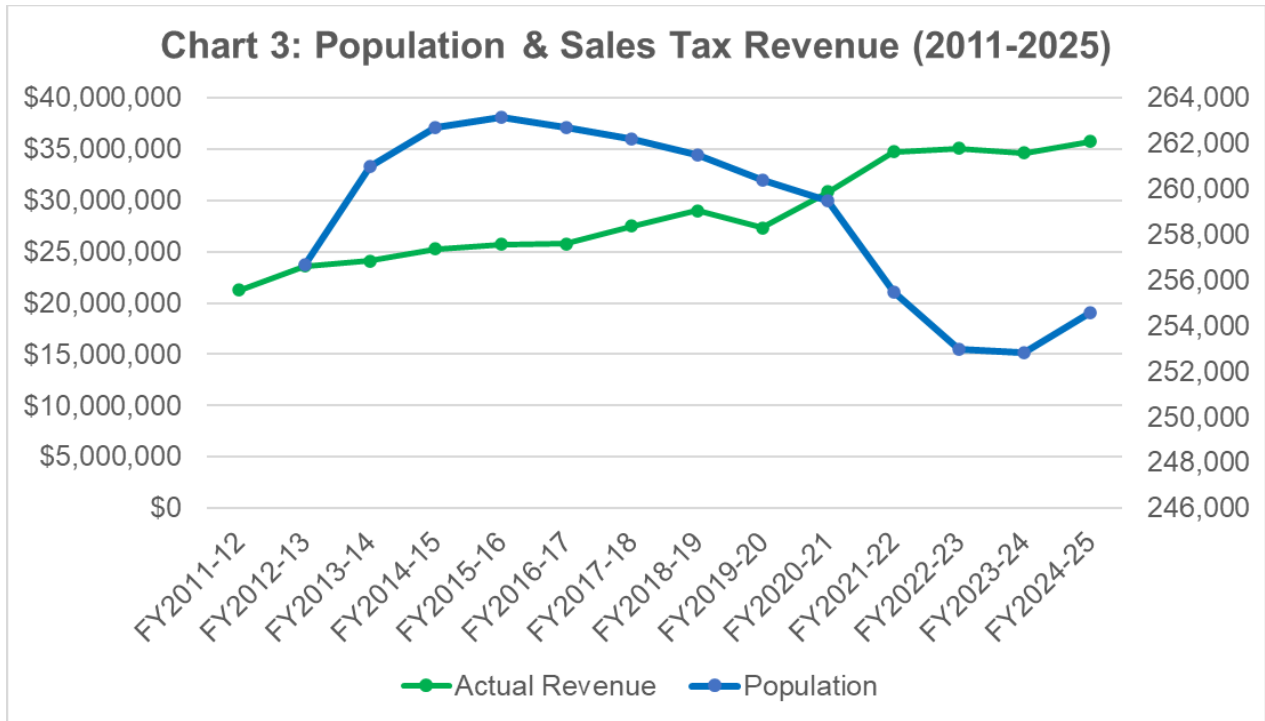
Data Source: U.S. Department of Commerce Bureau of Economic Analysis

As shown in “Chart 2: Unemployment Rate Trend from 2004 to 2025 – Marin, Bay Area and Statewide”, the unemployment rate in Marin continues to be lower than the State and the Bay Area average. The nation enjoyed historically low unemployment for years and rebounded well from the record spike in the unemployment rate due to the COVID-19 and shelter-in-place (SIP) order. There has been a small uptick in unemployment for 2025 in Marin County and the Bay Area, mostly reflecting recent technology firms’ downsizing. The California unemployment rate was 5.8% in August 2025 while it was 4.74% for the Bay Area. Marin’s unemployment rate was 4.6% in August 2025, just slightly higher than San Mateo (4.1%) and San Francisco (4.3%).

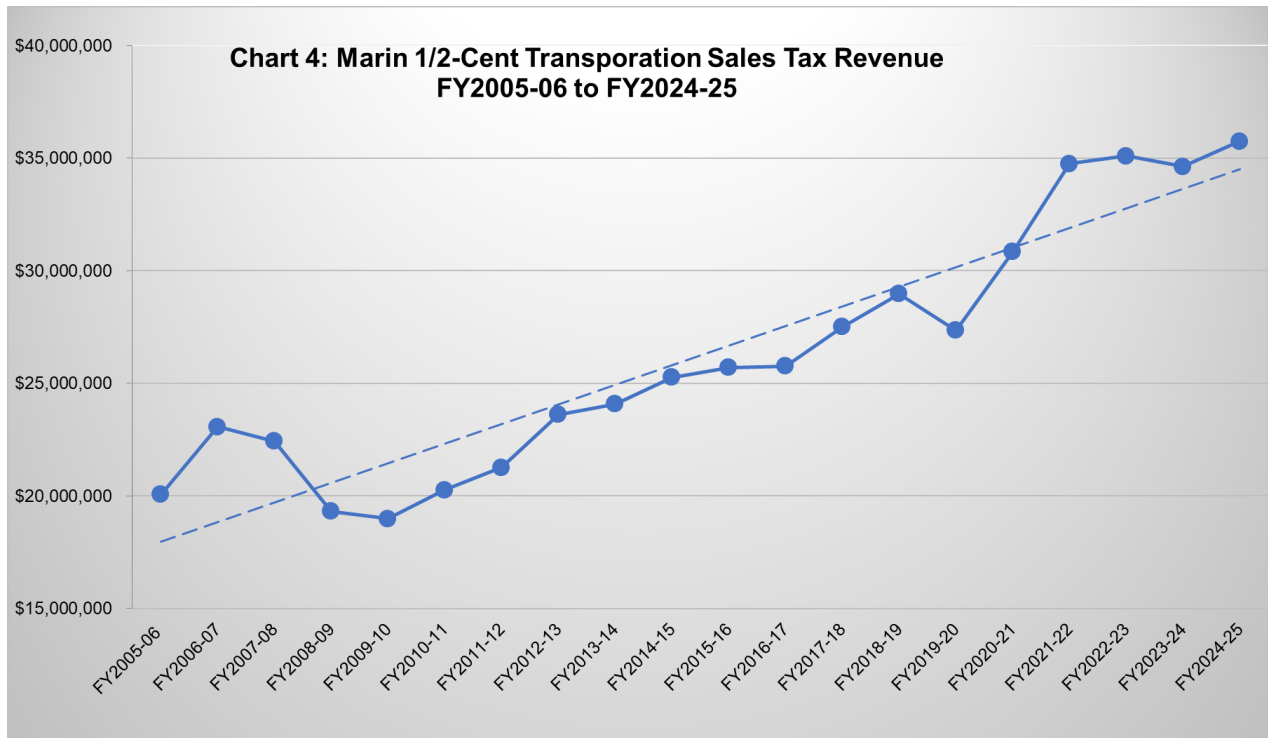


Data Source: State of California Employment Development Department

Since per capita personal income and unemployment rate are two main drivers of taxable sales, the combined effects in general indicate more household income generated and more overall spending by the local economy over the past years. Looking ahead, even though we have seen an obvious slowing down of sales tax revenue growth in recent years, the strong fundamentals in Marin’s economy are expected to result in relatively less volatile taxable sales even if another economic slowdown or recession occurs. However, a dampening effect on Marin’s economic picture is the decline in population annually since 2016, though 2025 saw a promising slight uptick. “Chart 3: Population in Marin County (2011-2025)” illustrates a distinct trend in population that will place some constraints on revenue growth.



“Chart 4: Marin ½-Cent Transportation Sales Tax Revenue Trend from FY2005-06 to FY2024-25” illustrates the 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 5.6% decrease was less severe compared to many other counties in the State, and fortunately for the County, we had almost 13% increase each year in sales tax revenue for both FY2020-21 and FY2021-22. TAM’s sales tax revenues for the past years have been relatively flat.



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

LONG-TERM FUNDING

TAM has been successfully managing and delivering critical transportation projects/programs identified in the Expenditure Plans of the Measure A/AA ½-Cent Transportation Sales Tax and the Measure B \$10 VRF, the two essential local revenue sources for Marin. Expenditure Plans of those critical local tax and fee measures provide a high degree of accountability and were designed to respond to emerging transportation issues both short-term and long-term, while continuing to fund high priority transportation projects/programs in the County.

Even though the potential stagnation of sales tax revenue due to unstable economic, political and social factors in the upcoming few years casts a shadow on the agency's near-term financial plans, over the long-term, the strong sales tax drivers, including Marin's per capita personal income and unemployment rate, will continue to support the stable taxable sales growth in Marin. TAM's long-term prudent fiscal practices will also help the agency weather the next recession if it becomes unavoidable.

Senate Bill 1 (SB1), the Road Repair and Accountability Act of 2017, signed into law in April 2017, provided much needed, ongoing, additional funding for transportation projects and programs for the County as well. Marin is expecting a total of \$23.4 million in FY2025-26 from SB1 for local streets and roads maintenance and substantial additional funds for transit as well.

With the favorable resolution of the litigation against RM3, as well as the \$30 million in State earmarks funds received, TAM and partner agencies are advancing critical capital improvement work on the Highway 101 and SR 37 corridors. While the current federal environment is providing limited opportunities, staff continue to seek out other grant and funding opportunities that will assist TAM in planning, designing, and constructing priority transportation projects and programs in Marin County.

MAJOR PROJECT ACTIVITIES

TAM will continue the delivery of all projects and programs in the Measure A/AA and Measure B Expenditure Plans as directed by the voters in Marin, and all projects and programs with which TAM plays a vital role as the CMA for the County. Per the provisions of the Measure AA Expenditure Plan, TAM is conducting a comprehensive review of the Expenditure Plan, evaluating its structure with the most current economic forecasts and transportation needs information. The TAM Board and partner jurisdictions' governing bodies will consider the results in spring 2026.

In the upcoming year, TAM will continue to work closely with local partners on the delivery of the following critical projects/programs while beginning the implementation of the Countywide Transportation Plan (CTP) and Community Based Transportation Plan:

- Marin-Sonoma Narrows HOV Lane and Multi-Use Path (opens September 2025)
- State Route (SR) 37 Improvements
- US 101/I-580 Multi-modal and Local Access Improvement Project
- Improve Highway 101 Interchanges and Approaching Roadways
- Bellam Boulevard Off-Ramp Improvements
- Safe Routes to Schools (SR2S) Program
- Crossing Guard Program
- Alternative Fuels/Electric Vehicle Program
- "Marin Commutes" Transportation Demand Management Program
- Redwood Bikeshare Pilot Program
- Local Streets & Roads Rehab/Maintenance
- Transit Services
- Sea Level Rise Planning
- Active Transportation Improvements
- Various Innovation Programs

RELEVANT FINANCIAL POLICIES

TAM has financial policies designed to guide decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development, and sales tax revenue and VRF revenue allocation requirements.

In addition, TAM's Investment Policy was 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. TAM's 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 Community Oversight Committee (COC), and the public, and 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 professional support of TAM's audit team from Maze & Associates.

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,



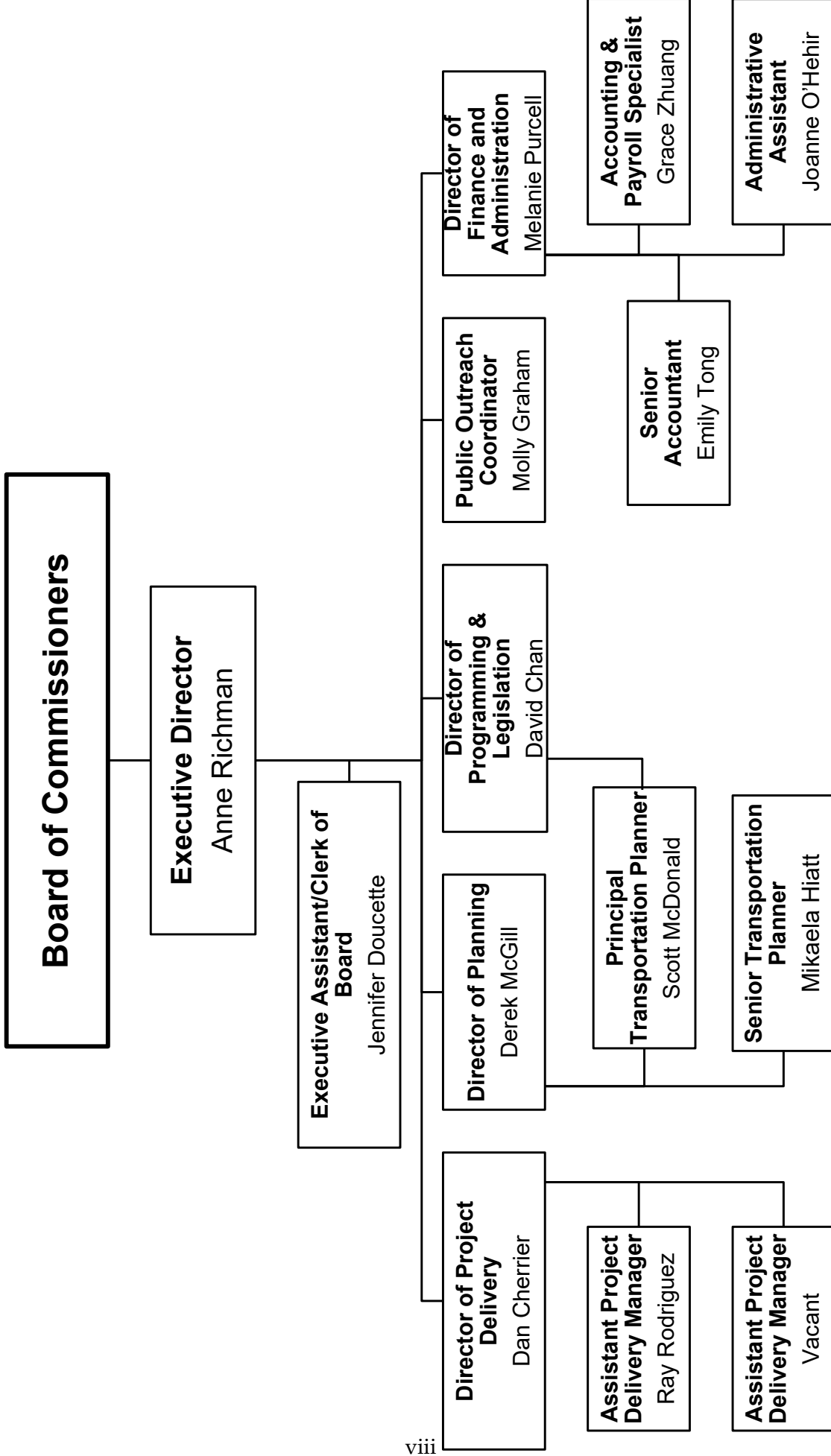
Anne Richman
Executive Director



Melanie Purcell
Director of Finance & Administration

Transportation Authority of Marin Organization Chart

As of June 30, 2025



BOARD OF COMMISSIONERS
JUNE 30, 2025

| | |
|--------------------------|----------------------|
| Peter Mark | City of Belvedere |
| James Andrews | Town of Corte Madera |
| Lisel Blash | Town of Fairfax |
| Gabe Paulson | City of Larkspur |
| Urban Carmel | City of Mill Valley |
| Mark Milberg | City of Novato |
| Teri Dowling | Town of Ross |
| Steve Burdo | Town of San Anselmo |
| Kate Colin | City of San Rafael |
| Melissa Blaustein | City of Sausalito |
| Alice Fredericks | Town of Tiburon |
| Mary Sackett | County of Marin |
| Brian Colbert | County of Marin |
| Stephanie Moulton-Peters | County of Marin |
| Dennis Rodoni | County of Marin |
| Eric Lucan | County of Marin |

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Transportation Authority of Marin (Authority), California, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Maze + Associates

Pleasant Hill, California
November 7, 2025

TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

The 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, 2025. 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 \$75.63 million in revenues in FY2024-25, of which \$35.20 million, 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. Prior to FY2018-19, Marin had experienced steady growth of nearly 5% per year for nine years and with the pandemic, revenues dropped by 5.6% in FY2019-20. For the next two fiscal years, TAM saw over 12% annual growth as residents adjusted to working and shopping from home. Growth has subsequently slowed with a slight decline in FY2023-24 and an unexpected small increase in FY2024-25.

A total of \$2.34 million was collected under Measure B, the \$10 VRF program, in FY2024-25, which is slightly lower than the \$2.39 million collected in FY2023-24. Together, the Measure A/AA ½-Cent Transportation Sales Tax and the Measure B \$10 VRF revenues are more than 77.8% of the agency's total FY2024-25 revenue, outside of Regional Measure 3 disbursements, and the two dedicated local transportation funding sources remain vital to the successful implementation of transportation projects and programs in Marin County. Fund balances for both revenue sources also generated \$2.2 million in investment earnings, which consist of the net total of interest revenue and unrealized investment gains/losses for the year.

Regional Measure 3 (RM3), a ballot measure increasing bridge tolls on all Bay Area Bridges except the Golden Gate Bridge was approved by the voters in 2018 with funds released in 2023 after an extended court challenge. TAM received \$42.12 million in FY2023-24 under the Letter of No Prejudice (LONP) to fund the US 101/I580 Multi-modal and Local Access Improvements Project and the Marin-Sonoma Narrows (MSN) Project. FY2023-24 includes both direct disbursement of funds and reimbursement of Measure AA funds used to begin the projects while the court case was ongoing. TAM received \$21.3 million in RM3 funds in FY2024-25.

Previously, \$30 million in earmarks from the State of California was designated for improvements to SR37 and for Marin City Hwy 101 Flood Mitigation. In FY2024-25, TAM received reimbursement for preliminary design costs including \$7.5 million for the SR37 project and \$1.7 million for the Marin City project.

Besides the Measure A/AA ½-Cent Transportation Sales Tax revenue, the Measure B \$10 VRF revenue, state earmark, and the RM3 disbursement, TAM also received about \$6.9 million for all its CMA related activities. TAM collected about \$1.3 million from the Metropolitan Transportation Commission (MTC) in Planning & Programming and One Bay Area Grant (OBAG) funds. Cities, towns, and the County of Marin also contributed \$0.59 million for various services/support TAM provides as the CMA.

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, along with a total of \$4.6 million from various state and federal funding sources and investment returns.

TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Total FY2024-25 expenditures for TAM were \$75 million, of which \$0.1 million was from the Measure A ½-Cent Transportation Sales Tax Fund. Expenditures for Measure AA ½-Cent Transportation Sales Tax Fund were \$39.6 million. Expenditures for all Measure B \$10 VRF programs were \$2.0 million. Expenditures for the General Fund for various CMA planning/programming activities and major capital projects were \$32.3 million. The TFCA Fund also has a total expenditure of \$0.95 million for the year. Interagency agreements across all funds including those related to RM3 projects totaled \$ 32.9 million.

As of June 30, 2025, the total investment TAM holds with CalTRUST, the Investment Trust of California, is \$70.74 million. Total interest revenue received from various CalTRUST funds and from TAM's cash holding with Bank of Marin during FY2024-25 is \$3.37 million. As of June 30, 2025, the unrealized gain from the various CalTRUST funds is \$0.68 million. TAM also has \$0.151 million in restricted investments with the California Employers' Pension Prefunding Trust (CEPPT) of CalPERS as of June 30, 2025. Including the funds in the Bank of Marin, CalTRUST and the CalPERS Trust, TAM has a total cash/investment balance of \$73.68 million as of June 30, 2025.

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

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

TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

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. 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 that 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 because 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 FY2024-25.

General Fund

This Fund accounts for the revenues and expenditures of TAM's congestion management activities, primarily planning, programming, transportation and transit work elements, and the management of various capital projects. The Fund spent a total of \$3.2 million for administration, various transportation planning and programming activities, and capital projects management and spent \$29.1 million on interagency agreements. TAM received a total of \$3.9 million in revenue net of RM3 and state earmark proceeds in FY2024-25.

The fund's fiscal year-end balance is \$6.79 million. The Fund balance represents funds that have not yet been expended but are restricted for various congestion management activities.

TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

TFCA Fund

This Fund accounts for the revenues and expenditures for the TFCA grant that TAM receives from Bay Area Air District (BAAD) previously known as Bay Area Air Quality Management District (BAAQMD). The purpose of the TFCA grant is to fund improvements that can contribute to the improvement of air quality. Revenue received in FY2024-25 is \$0.42 million. The Fund spent \$0.95 million on such activities in FY2024-25.

The Fund's fiscal year-end balance is \$0.6 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 is \$0.33 million for FY2024-25. The Fund spent \$0.177 million on various Measure A related activities with the majority for Measure A Projects and Programs with prior year balances and release of the Measure A reserve funds.

The Fund's fiscal year-end balance is \$6.13 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 \$37.54 million in revenue was collected in FY2024-25 including \$1.76 million in interest proceeds. The Fund spent \$39.6 million on various Measure AA related activities, with \$1.81 million for Administration, \$0.28 million for Professional Services and \$36.24 million for Measure AA Projects and Programs.

The Fund's fiscal year-end balance is \$32.12 million, representing funds that have not been expended but are restricted for various projects and programs according to the Measure AA ½-Cent Transportation Sales Tax Expenditure Plan.

TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025

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 \$2.47 million in total revenue including interest earnings for FY2024-25 and spent about \$2.05 million, including \$0.54 million for administration and \$1.5 million for various Measure B programs.

The Fund's fiscal year-end balance is \$2.59 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 additional 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, 2025, and June 30, 2024.

TAM's governmental net position was \$47.17 million as of June 30, 2025, and comprised of the following:

- Cash and Investments of \$73.68 million in the CalTRUST and deposits with Bank of Marin.
- Receivables and Prepaid Items of \$16.47 million in sales tax, other accounts receivables and advance grant payments.
- Liabilities, including all account payables, unearned revenues, and net pension liability and OPEB liability, totaling \$44.6 million.
- Total net position for TAM was \$47.17 million as of June 30, 2025, which were all restricted for various transportation projects and programs.

TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT’S DISCUSSION AND ANALYSIS
 JUNE 30, 2025

Table 1
Condensed Statement of Net Position

| | <u>June 30, 2025</u> | <u>June 30, 2024</u> | <u>Change</u> |
|---------------------------------------|----------------------|----------------------|---------------------|
| Assets | | | |
| Cash and Investments | \$ 73,682,466 | \$ 74,364,078 | \$ (681,612) |
| Sales Tax Receivable | 7,089,385 | 8,996,179 | (1,906,794) |
| Accounts Receivable | 8,388,703 | 21,005,005 | (12,616,302) |
| Prepaid Items | 995,787 | 81,444 | - |
| Lease Assets net of accumulated | 1,360,184 | 303,017 | 1,057,166 |
| Total Assets | 91,516,525 | 104,749,723 | (14,147,540) |
| Deferred Outflows | 661,133 | 908,847 | (247,714) |
| Liabilities | | | |
| Accounts Payable | 32,016,962 | 24,843,392 | 7,173,570 |
| Accrued Liabilities | 44,348 | 46,343 | (1,995) |
| Unearned Revenue | 9,605,638 | 32,860,697 | (23,255,059) |
| Other Liabilities Due Within One Year | 453,739 | 453,919 | (181) |
| Liabilities Due in More Than One Year | 2,485,356 | 1,531,358 | 953,999 |
| Total Liabilities | 44,606,043 | 59,735,709 | (15,129,666) |
| Deferred Inflows | 396,717 | 264,710 | 132,007 |
| Net Position | | | |
| Net Investments in Capital Assets | (7,023) | (29,244) | 22,221 |
| Restricted | 47,181,922 | 45,687,395 | 1,494,528 |
| Total Net Position | \$ 47,174,898 | \$ 45,658,151 | \$ 1,516,748 |

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

As Table 2 shows, \$34.04 million or 45.00% of TAM’s FY2024-25 governmental revenues, came from program revenues and \$41.56 million, or 55.00%, came from general revenues such as Measure A/AA ½-Cent Transportation Sales Taxes, Measure B \$10 VRF and investment earnings. The significant decrease in program revenues is the lower disbursement of RM3 funds.

TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025

Program revenues include Operating Grants and Contributions and sometimes Capital Grants and Contributions. RM3 funds represent 28.29% of TAM's total revenues and 63.9% of the Operating Grants and Contributions for FY2024-25. 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 other regional, state and federal grants. Measure A/AA ½-Cent Transportation Sales Tax revenues are the largest ongoing funding source for TAM at \$35.20 million and represent about 46.54% of TAM's FY2024-25 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 \$2.34 million in FY2024-25. Investment earnings, totaling \$4.05 million for FY2024-25, are also part of the general revenue calculation.

Table 2
Condensed Statement of Activities

| | <u>June 30, 2025</u> | <u>June 30, 2024</u> | <u>Change</u> |
|------------------------------------|----------------------|----------------------|---------------------|
| Revenues | | | |
| Program Revenue: | | | |
| Operating Grants and Contributions | \$ 34,042,253 | \$ 42,019,982 | \$ (7,977,729) |
| Total Program Revenues | <u>34,042,253</u> | <u>42,019,982</u> | <u>(7,977,729)</u> |
| General Revenue: | | | |
| Sales Tax | 35,167,079 | 37,962,395 | (2,795,316) |
| Vehicle Registration Fee | 2,341,772 | 2,290,567 | 51,205 |
| Investment earnings | 4,049,145 | 3,910,609 | 138,536 |
| Total General Revenues | <u>41,557,996</u> | <u>44,163,571</u> | <u>(2,605,575)</u> |
| Expenses | | | |
| Administration | 4,165,830 | 4,240,942 | (75,112) |
| Professional Services | 1,967,304 | 2,276,077 | (308,773) |
| Program/Project | 35,547,438 | 36,457,414 | (909,976) |
| Interagency Agreement | 32,402,931 | 38,086,970 | (5,684,039) |
| Total Expenses | <u>74,083,502</u> | <u>81,061,402</u> | <u>(6,977,900)</u> |
| Changes in Net Position | <u>1,516,747</u> | <u>5,122,151</u> | <u>(3,605,404)</u> |
| Net Position - Beginning | <u>45,658,151</u> | <u>40,536,000</u> | <u>5,122,151</u> |
| Net Position - Ending | <u>\$ 47,174,898</u> | <u>\$ 45,658,151</u> | <u>\$ 1,516,746</u> |

TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025

Economic Outlook and Future Projections

Unfortunately, even though the pandemic is finally behind us, the US and global economic outlook is still full of uncertainties due to inconsistent labor and inflation reports, and global political instability and conflicts. Staff 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 in difficult economic times.

With the current revenue collection and fund balances, staff believes that the agency will be able to continue the delivery and funding support of vital transportation projects and programs in Marin but some projects and programs will be facing various levels of funding challenges. Staff is hoping that via collaboration with our partner agencies, we will be able to bring regional, federal, and state resources, to support the delivery of all critical transportation 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 FY2024-25 and expects the same to be true for FY2025-26.

Request for Information

This ACFR is intended to provide residents, 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, 2025**

| | Governmental Activities |
|--|----------------------------|
| ASSETS | |
| Cash and investments | \$ 73,531,475 |
| Restricted investments | 150,991 |
| Sales tax receivable | 7,089,385 |
| Accounts receivable | 8,388,703 |
| Prepaid items | 995,787 |
| Lease asset, net of accumulated amortization | 1,360,184 |
| Total assets | 91,516,525 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows of resources related to OPEB | 52,105 |
| Deferred outflows of resources related to pensions | 609,028 |
| Total deferred outflows of resources | 661,133 |
| LIABILITIES | |
| Accounts payable | 32,016,963 |
| Accrued liabilities | 44,348 |
| Unearned revenue | 9,605,637 |
| Compensated absences, due in one year | 218,305 |
| Compensated absences, due in more than one year | 114,167 |
| Lease liability, due in one year | 235,433 |
| Lease liability, due in more than one year | 1,131,774 |
| Net pension liability | 767,654 |
| Net OPEB liability | 471,762 |
| Total liabilities | 44,606,043 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows of resources related to OPEB | 320,927 |
| Deferred inflows of resources related to pensions | 75,790 |
| Total deferred inflows of resources | 396,717 |
| NET POSITION | |
| Net investment in capital assets | (7,023) |
| Restricted for: | |
| TFCA Projects/Programs | 589,194 |
| Measure A Sales Tax Projects/Programs | 6,136,370 |
| Measure AA Sales Tax Projects/Programs | 31,773,533 |
| Measure B VRF Projects/Programs | 2,512,609 |
| Congestion Management Projects/Programs | 6,170,215 |
| Total net position | \$ 47,174,898 |

See accompanying notes to financial statements

TRANSPORTATION AUTHORITY OF MARIN

**STATEMENT OF NET ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

| Functions/Programs | Expenses | Program Revenues Operating Grants and Contributions | Net (Expense) Revenues and Change in Net Position |
|---|----------------------|--|---|
| Governmental Activities: | | | |
| Congestion Management: | | | |
| Administration | \$ 4,165,830 | \$ (988,010) | \$ (5,153,840) |
| Professional Services | 1,967,304 | 1,688,155 | (279,149) |
| TFCA Programs/Project | 924,488 | 364,178 | (560,310) |
| Measure A Sales Tax Programs: | 165,823 | - | (165,823) |
| Measure AA Sales Tax Programs: | 32,946,956 | - | (32,946,956) |
| Measure B VRF Programs | 1,510,171 | - | (1,510,171) |
| Interagency Agreement | 32,402,930 | 32,402,930 | - |
| | <u>\$ 74,083,502</u> | <u>\$ 33,467,253</u> | <u>(40,616,249)</u> |
| | | | |
| General revenues: | | | |
| Measure A Sales Tax Revenue | | | (3,360) |
| Measure AA Sales Tax Revenue | | | 35,170,439 |
| Measure AA Sales Tax Repayment of Fund Swap | | | 575,000 |
| Measure B Vehicle Registration Fee Revenue | | | 2,341,772 |
| Investment Earnings | | | 4,049,145 |
| | | | <u>42,132,996</u> |
| | | | |
| Change in Net Position | | | 1,516,747 |
| | | | |
| Net Position - Beginning | | | <u>45,658,151</u> |
| | | | |
| Net Position - Ending | | | <u>\$ 47,174,898</u> |

See accompanying notes to financial statements

TRANSPORTATION AUTHORITY OF MARIN

BALANCE SHEET - GOVERNMENTAL FUNDS
 JUNE 30, 2025

| | General | TFCA Fund | Measure A Sales Tax Fund | Measure AA Sales Tax Fund | Measure B VRF Funds | Total Governmental Funds |
|---|---------------------|-------------------|--------------------------|---------------------------|---------------------|--------------------------|
| ASSETS: | | | | | | |
| Cash and Investments | \$28,674,909 | \$ 599,586 | \$ 6,567,248 | \$ 35,074,047 | \$ 2,615,685 | \$ 73,531,475 |
| Restricted Investment | 150,991 | - | - | - | - | 150,991 |
| Sales Tax Receivable | - | - | 1,814 | 7,087,571 | - | 7,089,385 |
| Accounts Receivable | 7,989,248 | - | - | - | 399,455 | 8,388,703 |
| Prepaid Items | 950,343 | - | 21,444 | 10,000 | 14,000 | 995,787 |
| Total Assets | <u>\$37,765,491</u> | <u>\$ 599,586</u> | <u>\$ 6,590,506</u> | <u>\$ 42,171,618</u> | <u>\$ 3,029,140</u> | <u>\$ 90,156,341</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable | \$21,342,943 | \$ 4 | \$ 453,724 | \$ 9,777,400 | \$ 442,892 | \$ 32,016,963 |
| Accrued Liabilities | 22,357 | 54 | 412 | 21,286 | 239 | 44,348 |
| Unearned Revenues | 9,605,637 | - | - | - | - | 9,605,637 |
| Total Liabilities | <u>30,970,937</u> | <u>58</u> | <u>454,136</u> | <u>9,798,686</u> | <u>443,131</u> | <u>41,666,948</u> |
| Deferred Inflows of Resources | | | | | | |
| Unavailable Revenues | - | - | (2,315) | 253,682 | - | 251,367 |
| Fund Balances: | | | | | | |
| Nonspendable | 950,343 | - | 21,444 | 10,000 | 14,000 | 995,787 |
| Restricted for: | | | | | | |
| TFCA Projects/Program | - | 599,528 | - | - | - | 599,528 |
| Measure A Sales Tax Projects/Program | - | - | 6,117,241 | - | - | 6,117,241 |
| Measure AA Sales Tax Projects/Program | - | - | - | 32,109,250 | - | 32,109,250 |
| Section 115 Trust Retirement Benefits | 150,991 | - | - | - | - | 150,991 |
| Measure B VRF Projects/Program | - | - | - | - | 2,572,009 | 2,572,009 |
| Congestion Management Projects/Program | 5,693,220 | - | - | - | - | 5,693,220 |
| Total Fund Balances | <u>6,794,554</u> | <u>599,528</u> | <u>6,138,685</u> | <u>32,119,250</u> | <u>2,586,009</u> | <u>48,238,026</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$37,765,491</u> | <u>\$ 599,586</u> | <u>\$ 6,590,506</u> | <u>\$ 42,171,618</u> | <u>\$ 3,029,140</u> | <u>\$ 90,156,341</u> |

See accompanying notes to financial statements

TRANSPORTATION AUTHORITY OF MARIN

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Fund Balance - Total Governmental Funds \$ 48,238,026

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds because of the following:

CAPITAL ASSETS (LEASE ASSETS)

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 1,360,184

LONG TERM LIABILITIES

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

| | |
|-----------------------|-------------|
| Compensated absences | (332,472) |
| Lease liability | (1,367,207) |
| Net OPEB liability | (471,762) |
| Net pension liability | (767,654) |

DEFERRED INFLOWS AND OUTFLOWS

Deferred outflows are not current assets or financial resources; and deferred inflows are not due and payable in the current period and are therefore not reported in the governmental funds.

| | |
|----------------------|-----------|
| Deferred outflows | 661,133 |
| Deferred inflows | (396,717) |
| Unavailable revenues | 251,367 |

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 47,174,898

See accompanying notes to financial statements

TRANSPORTATION AUTHORITY OF MARIN

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

| | General | TFCA Fund | Measure A Sales Tax Fund | Measure AA Sales Tax Fund | Measure B VRF Funds | Total Governmental Funds |
|---|---------------------|-------------------|-----------------------------|------------------------------|------------------------|--------------------------------|
| REVENUES | | | | | | |
| Measure A/AA Sales Tax Revenue | \$ - | \$ - | \$ (604) | \$ 35,199,126 | \$ - | \$ 35,198,522 |
| Measure AA Sales Tax Repayment of Fund Swap | - | - | - | 575,000 | - | 575,000 |
| Measure B VRF Revenue | - | - | - | - | 2,341,772 | 2,341,772 |
| Cities/Towns and County Contribution | 591,951 | - | - | - | - | 591,951 |
| Investment Earnings | 1,775,744 | 56,162 | 326,777 | 1,763,641 | 126,821 | 4,049,145 |
| MTC STP/CMAQ Planning Fund and OBAG Grants | 1,303,577 | - | - | - | - | 1,303,577 |
| MTC Regional Measure 3 Fund | 21,385,864 | - | - | - | - | 21,385,864 |
| Transportation For Clean Air Funding | - | 364,178 | - | - | - | 364,178 |
| Local Funds - County of Marin | 5,968 | - | - | - | - | 5,968 |
| State STIP/PPM Fund | 328,889 | - | - | - | - | 328,889 |
| State SB1 Funds - Caltrans VMT Grant | 123,485 | - | - | - | - | 123,485 |
| State Earmark Fund | 9,221,777 | - | - | - | - | 9,221,777 |
| State TDA Article 3 | 27,000 | - | - | - | - | 27,000 |
| State Funds - Other | 72,000 | - | - | - | - | 72,000 |
| Federal Funds - Safe Streets for All | 5,404 | - | - | - | - | 5,404 |
| Other Revenues | 35,293 | - | - | 1,867 | - | 37,160 |
| Total Revenues | 34,876,952 | 420,340 | 326,173 | 37,539,634 | 2,468,593 | 75,631,692 |
| EXPENDITURES | | | | | | |
| Congestion Management - Current: | | | | | | |
| Administration | 1,521,619 | 23,870 | - | 1,806,995 | 536,974 | 3,889,458 |
| Professional Services | 1,688,155 | - | 11,175 | 267,974 | - | 1,967,304 |
| TFCA | - | 924,488 | - | - | - | 924,488 |
| Measure A Sales Tax | - | - | 165,823 | - | - | 165,823 |
| Measure AA Sales Tax | - | - | - | 32,946,956 | - | 32,946,956 |
| Measure B VRF | - | - | - | - | 1,510,171 | 1,510,171 |
| Interagency Agreements | 29,109,931 | - | - | 3,292,999 | - | 32,402,930 |
| Capital outlay: | | | | | | |
| Lease asset | - | - | - | 1,284,432 | - | 1,284,432 |
| Total Expenditures | 32,319,705 | 948,358 | 176,998 | 39,599,356 | 2,047,145 | 75,091,562 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 2,557,247 | (528,018) | 149,175 | (2,059,722) | 421,448 | 540,130 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Lease assets | - | - | - | 1,284,432 | - | 1,284,432 |
| Transfers in | 121,137 | - | - | - | - | 121,137 |
| Transfers out | (121,137) | - | - | - | - | (121,137) |
| Total Other Financing Sources (Uses) | - | - | - | 1,284,432 | - | 1,284,432 |
| NET CHANGE IN FUND BALANCES | 2,557,247 | (528,018) | 149,175 | (775,290) | 421,448 | 1,824,562 |
| FUND BALANCES AT BEGINNING OF PERIOD | 4,237,307 | 1,127,546 | 5,989,510 | 32,894,540 | 2,164,561 | 46,413,464 |
| FUND BALANCES AT END OF PERIOD | \$ 6,794,554 | \$ 599,528 | \$ 6,138,685 | \$ 32,119,250 | \$ 2,586,009 | \$ 48,238,026 |

See accompanying notes to financial statements

TRANSPORTATION AUTHORITY OF MARIN

**RECONCILIATION OF THE NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS WITH THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 1,824,562

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

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. (31,443)

Amortization and financing of leased assets that are not recognized in governmental
funds but recognized on the Statement of Activities in accordance with GASB 87. 22,221

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. (207,500)

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. (38,169)

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. (52,924)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,516,747

See accompanying notes to financial statements

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

On March 2, 2004, the Marin County Board of Supervisors created Transportation Authority of Marin (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 Congestion Management Authority 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 Congestion Management Authority (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 11 cities and towns in Marin County, and all five members of the County Board of Supervisors. A twelve-member Citizens’ Oversight Committee (COC), made up of five representatives from the five planning areas and seven representatives from diverse interest groups in Marin County, reviews the revenues and expenditures of the Measure A/AA ½-Cent Transportation Sales Tax and the Measure B \$10 VRF, and reports the results directly to the citizens of Marin County.

Basis of Presentation

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

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

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

| |
|--|
| NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) |
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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 define 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 TFCA grant TAM receives from 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.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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|--|
| NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) |
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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.

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.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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|--|
| NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) |
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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.

Cash Equivalents

TAM's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. TAM consider demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

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 the 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, 2025 were as follows:

| | Balance 7/1/2024 | Net Change | Balance 6/30/2025 | Due Within One Year |
|----------------------|---------------------|------------------|----------------------|------------------------|
| Compensated Absences | <u>\$ 279,548</u> | <u>\$ 52,924</u> | <u>\$ 332,472</u> | <u>\$ 218,305</u> |

Net Position and Fund Balances

Net Position - the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investments in capital assets, restricted and unrestricted.

Net investment in capital assets - consists of capital assets, net of accumulated depreciation/amortization. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

| |
|--|
| NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) |
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Restricted Net Position - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation. This amount consists of amounts restricted from external creditors, grantors, contributors, and laws or regulations of other governments.

Unrestricted Net Position - the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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.

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.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

| |
|--|
| NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) |
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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 of, damage to, and destruction of assets; errors and omissions; and natural disasters for which TAM carries commercial insurance. In addition, TAM has policies and procedures that ensure appropriate insurance coverage and risk procedures for third-party service providers doing work on behalf of the agency. TAM did not settle any claims that exceeded TAM's insurance coverage during the past three years, nor did it reduce its insurance coverage from the prior year.

Deferred Inflow/Outflow of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. TAM has two items that qualify for reporting in this category; deferred amounts related to pension and OPEB. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

| |
|--|
| NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) |
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In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. TAM has two items that qualify for reporting in this category; deferred amounts related to pension and OPEB activities.

Investment Valuations

TAM measures its investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, using observable market transactions or available market information. TAM's investments in the CalTRUST Joint Powers Authority are uncategorized because deposits to and from the pool are made on the basis of \$1 and not at fair value.

Restricted Cash and Investments with Trustees

Assets whose use is restricted to specific purposes are segregated on the statement of net position. Restricted cash and investments consisted of TAM's California Employer's Pension Prefunding Trust Fund (CEPPT) (that is intended to perform an essential government function investment of funds by a State, political subdivision or 115 entity within the meaning of Internal Revenue Code Section 115).

Receivables

Receivables consist of amounts owed to TAM by other governmental agencies and sales tax receivables. An allowance for doubtful accounts receivable is established when, based upon a review of outstanding accounts and the failure of all collection efforts, management determines that collection may not occur. As of June 30, 2025 all receivables are considered fully collectible.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

| |
|--|
| NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) |
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Capital Assets

Capital assets are tangible and intangible assets which include leases as lessee. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. It is TAM's policy to capitalize qualifying tangible and intangible assets with an initial cost of more than \$25,000, and an estimated useful life in excess of one year. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets. Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right to use leased equipment are depreciated/amortized using the straight-line method over the useful life of the asset.

Leases

As Lessor: At the commencement of a lease, TAM will initially measure the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Currently TAM has no recognized lease receivable.

As Lessee: TAM is a lessee for a noncancellable building lease. TAM recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in its financial statement.

At the commencement of a lease, TAM initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

| |
|--|
| NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) |
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TAM uses its estimated bond borrowing rate as the discount rate for leases with adjustment for the applicable lease terms.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that TAM is reasonably certain to exercise.

TAM monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with noncurrent capital assets and lease liabilities are reported with long term debt as current and noncurrent liabilities on the statement of net position.

Subscription Based Information Technology Arrangements

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The provisions of this Statement were implemented during fiscal year 2023. As part of the implementation of this Statement, the Authority accounted for all subscription transactions and has determined that there are no subscriptions that meet these requirements to be disclosed in the financial statement. In addition, the Authority has established a threshold of \$250,000 that subscriptions must meet in order for the Authority to disclose on the financial statements.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Principles

On June 16, 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to provide guidance on calculating compensated absences and on reporting the applicable liability and accounting guidance for associated salary-related payments and sabbatical leave. The principal takes effect for the fiscal year beginning after December 15, 2023 but the Authority has chosen to early implement this principal as of June 30, 2024. This Statement requires that compensated absences be recognized in financial statements prepared using the economic resources measurement focus when three criteria are met (1) the leave accumulates into future period reporting; (2) the leave is attributable to services already rendered by the employee; (3) the leave is more likely than not (a likelihood of more than 50%) to be used for time off or otherwise paid in cash or settled through noncash means.

NOTE 2 – CASH AND INVESTMENTS

Classification

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

| | |
|---|----------------------|
| Cash and Cash Deposits | \$ 2,787,069 |
| Section 115 Trust | 150,991 |
| Investments with CalTRUST Joint Powers Authority Pool | <u>70,744,406</u> |
| Total Cash and Investments | <u>\$ 73,682,466</u> |
| Unrestricted Cash and Cash Investments | \$ 73,531,475 |
| Restricted Investments - Section 115 Trust | <u>150,991</u> |
| Total Cash and Investments | <u>\$ 73,682,466</u> |

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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 Percentage of Portfolio | Maximum Investment In One Issuer |
|--|----------------------------|---------------------------------|----------------------------------|
| Investment Trust of California | None | None | \$100 Million |
| Local Agency Investment Funds (LAIF) | None | None | \$75 Million |
| Certificates of Deposit | 5 years | 30% | None |
| US Treasury Obligations | 5 years | None | None |
| US Agency Securities | 5 years | None | None |
| State of California and Local Agency Bonds | 5 years | None | None |
| Banker's Acceptance | 180 days | 30% | None |
| Commercial Paper | 270 days | 25% | None |
| Medium-Term Notes | 2 years | 30% | None |
| Marin County Cash Pool | None | None | None |
| Repurchase Agreements | 1 year | 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.

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.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 – CASH AND INVESTMENTS (Continued)

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

| Investment Type | Remaining Maturity | | |
|--|----------------------|-------------------|----------------------|
| | Totals | 12 Months or Less | 1 to 5 Years |
| Section 115 Trust | \$ 150,991 | \$ - | \$ 150,991 |
| Deposits with CalTRUST Joint Powers Authority Pool | 70,744,406 | 955,839 | 69,788,567 |
| Total | <u>\$ 70,895,397</u> | <u>\$ 955,839</u> | <u>\$ 69,939,558</u> |

Disclosures Relating to Credit Risks

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

| Investment Type | S&P Global Ratings | | |
|--|----------------------|----------------------|----------------------|
| | Totals | AA-f | AAAm |
| Deposits with CalTRUST Joint Powers Authority Pool | <u>\$ 70,744,406</u> | <u>\$ 42,871,627</u> | <u>\$ 27,872,779</u> |

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

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.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 – CASH AND INVESTMENTS (Continued)

As of June 30, 2025, TAM’s deposits are with the Bank of Marin, a regional bank operating in the San Francisco Bay Area. As of June 30, 2025, the total amount deposited with Bank of Marin is \$2,787,069. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining balance was exposed to custodial credit risk because it was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code described above, but not in the name of TAM.

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.

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.

Deposits and withdrawals in the CalTRUST Investment Pool are made on the basis of \$1 and not fair value. Accordingly, TAM’s proportionate share of investments on June 30, 2025 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

Reported investment income is comprised of the following components as of June 30, 2025:

| | |
|--|---------------------|
| Unrealized/Realized Investment Gain (Loss) | \$ 681,223 |
| Interest Revenue | <u>3,367,922</u> |
| Total Investment Income | <u>\$ 4,049,145</u> |

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 3 – COMMITMENTS AND CONTINGENCIES

TAM has various cooperative agreements with governmental entities and contracts with vendors. As of June 30, 2025, TAM's total outstanding commitments were \$203,716,665 with \$102,643,431 expended and \$101,073,234 still outstanding.

During the fiscal year TAM entered into a coop agreement with Caltrans for the purpose of contributing \$15,000,000 to the SR-37 Elevate Causeway project (Project). This Project is to improve the State Highway System in accordance with the California Street and Highways Code, Section 114 and 130. Funds will be used to elevate approximately 2.5 miles of SR 37 on a causeway to build resiliency to the effects of projected 2130 sea level rise and stormwater overtopping SR 37. As of June 30, 2025 the Authority has a remaining balance of \$3.75 million to be used toward the project.

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.

| Type of Coverage | Insurer | Limits | Deductible Per Occurrence |
|------------------------------|------------------------------------|--------------|---------------------------|
| Commercial General Liability | Alliant Property Insurance Program | \$ 1,000,000 | \$ 2,500 |
| Automobile Liability | Alliant Property Insurance Program | 1,000,000 | 2,500 |
| Public Officials E&O | Alliant Property Insurance Program | 1,000,000 | 2,500 |
| Employment Practices | Alliant Property Insurance Program | 1,000,000 | 10,000 |
| Excess General Liability | Alliant Property Insurance Program | 1,000,000 | 25,000 |
| General Liability Aggregate | Alliant Property Insurance Program | 2,000,000 | 25,000 |

TAM mitigates its exposure to loss through purchase of private insurance. Claims have not exceeded coverage in the past three years.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

| | Balance as of June 30, 2024 | Additions | Balance as of June 30, 2025 |
|---|--------------------------------|---------------------|--------------------------------|
| Right to use lease, Buildings | \$ 984,813 | \$ 1,284,432 | \$ 2,269,245 |
| Accumulated depreciation Right to use lease, Buildings | (681,796) | (227,265) | (909,061) |
| Capital assets, net | <u>\$ 303,017</u> | <u>\$ 1,057,167</u> | <u>\$ 1,360,184</u> |

The lease for office space was entered into on March 19, 2015 and expires on October 31, 2025. On March 2025, the Authority exercised the renewal option to extend the lease until October 31, 2030.

NOTE 6 – PENSION PLANS

General Information about the Pension Plan

Plan Description

All qualified employees are eligible to participate in TAM's Employee Pension Plan (Plan), a cost-sharing multiple 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.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 6 – PENSION PLANS (Continued)

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 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, 2024, are summarized as follows:

| | <u>Miscellaneous Tier I</u> | <u>Miscellaneous PEPR A</u> |
|---|-----------------------------|--------------------------------|
| | Prior to January 1, 2013 | On or after January 1, 2013 |
| Hire date | | |
| Benefit formula | 2% @ 55 | 2% @ 62 |
| Benefit vesting schedule | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age | 50 - 55 | 52 - 67 |
| Monthly benefits, as a % of eligible compensation | 1.426% - 2.418% | 1.0% - 2.5% |
| Required employee contribution rates | 7.00% | 7.75% |
| Required employer contribution rates | 12.52% | 7.87% |

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. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. For the year ended June 30, 2025, the employer contributions made by TAM to the plan were equal to the amount of the annual required employer contributions of \$228,170

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 6 – PENSION PLANS (Continued)

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, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, 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, 2023 |
| Measurement Date | June 30, 2024 |
| Actuarial Cost Method | Entry-Age Actuarial Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 6.90% |
| Inflation | 2.30% |
| Salary Increases | Varies by Entry Age and Service |
| Mortality Rate Table ¹ | Derived using CalPERS' Membership Data for all Funds (1) |
| Post Retirement Benefit Increase | The lesser of Contract Cola or 2.30% until Purchasing Power Protection Allowance floor on purchase power applies, 2.30% thereafter |

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions for the period from 2001 to 2019. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 6 – PENSION PLANS (Continued)

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

For the year ended June 30, 2025, TAM recognized pension expense of \$207,500. As of June 30, 2025, 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 | \$ 228,170 | \$ - |
| Differences between actual and expected experience | 66,371 | (2,590) |
| Changes in assumptions | 19,730 | - |
| Net differences between projected and actual earnings on plan investments | 44,193 | - |
| Change in proportion and differences between actual contributions and proportionate share of contributions | <u>250,564</u> | <u>(73,200)</u> |
| Total | <u>\$ 609,028</u> | <u>\$ (75,790)</u> |

Reported as deferred outflows of resources related to contributions subsequent to the measurement date is \$228,169 will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

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 Ended June 30 | Annual Amortization |
|-----------------------|------------------------|
| 2026 | \$ 172,574 |
| 2027 | 130,128 |
| 2028 | 17,510 |
| 2029 | <u>(15,144)</u> |
| Total | <u>\$ 305,068</u> |

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 6 – PENSION PLANS (Continued)

Discount Rate

The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

In determining the long-term expected rate of return, CalPERS' took into account both short-term and long-term market return expectations. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 6 – PENSION PLANS (Continued)

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 expected real rates of return by asset class are as follows:

| <u>Asset Class (1)</u> | <u>Assumed Asset Allocation</u> | <u>Real Return (1),(2)</u> |
|--------------------------------|---|--------------------------------|
| Global Equity-Cap Weighted | 30.0% | 4.54% |
| Global Equity-Non-Cap Weighted | 12.0% | 3.84% |
| Private Equity | 13.0% | 7.28% |
| Treasury | 5.0% | 0.27% |
| Mortgage-backed Securities | 5.0% | 0.50% |
| Investment Grade Corporates | 10.0% | 1.56% |
| High Yield | 5.0% | 2.27% |
| Emerging Market Debt | 5.0% | 2.48% |
| Private Debt | 5.0% | 3.57% |
| Real Assets | 15.0% | 3.21% |
| Leverage | -5.0% | -0.59% |
| Total | <u>100%</u> | |

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

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:

| | <u>Discount Rate</u> | | |
|---------------|----------------------|----------------|--------------------|
| | <u>1% Decrease</u> | <u>Current</u> | <u>1% Increase</u> |
| | 5.90% | 6.90% | 7.90% |
| Miscellaneous | \$ 1,828,803 | \$ 767,654 | \$ (105,828) |

Pension Plan Fiduciary Net Position

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

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 7 – NET OTHER-POST EMPLOYMENT BENEFIT (OPEB) LIABILITY

For the fiscal year ended June 30, 2025, 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 |
|-----------------------|--------------------------------------|-------------------------------------|-----------------|
| \$ 471,762 | \$ 52,105 | \$ (320,927) | \$ 38,169 |

The details of TAM’s plan are as follows:

Plan Administration

TAM's participates in the California Employers’ Retirement Benefit Trust (CERBT), an irrevocable trust established by fund postemployment healthcare benefits (The Plan). The Plan is an agent multiple employer trust that was established by CalPERS and is managed by an appointed governing body not under the control of TAM. The Plan is a defined benefit plan that is used to provide OPEB other than pensions for eligible retirees and their spouses.

Plan Membership

Membership in the plan consisted of the following at the measurement date of June 30, 2024.

| | |
|--|----|
| Active employees | 13 |
| Inactive employees or beneficiaries currently receiving benefit payments | 2 |
| Inactive employees entitled to but not yet receiving benefit payments | 1 |
| Total | 16 |

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 PEPR employee) with 5 years of State or public agency service or (b) an approved disability retirement. Under PEMHCA, TAM has resolved to make the allowable monthly Minimum 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.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 7 – NET OTHER-POST EMPLOYMENT BENEFIT (OPEB) LIABILITY (Continued)

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 \$3,780 as MEC premium contribution and implicit subsidy to the retiree in FY2024-25.

Actuarial Assumptions

The Authority’s net OPEB liability was measured as of June 30, 2025 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2024, based on the following actuarial methods and assumptions:

| | <u>Actuarial Assumptions</u> |
|-----------------------------|--|
| Valuation Date | June 30, 2024 |
| Measurement Date | June 30, 2024 |
| Actuarial Cost Method | Entry Age Normal Cost, level percent of pay |
| Actuarial Assumptions: | |
| Inflation | 2.50% |
| Discount Rate | 3.93% |
| Salary Increases | 3.00% |
| Healthcare Cost Trend Rates | 6.0% in 2026, fluctuating down to 3.9% by 2075 |
| Retirement Age | 50 to 75 |
| Mortality | CalPERS 2021 Experience Study |
| Mortality Improvement | MacLeod Watts Scale 2022 |

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

Mortality rates were based on the 2017 CalPERS Public Agency for Miscellaneous Employees Table. Mortality rates vary by age and sex. The actuarial assumptions used in the June 30, 2024, valuation were based on the results of the 2021 CalPERS experience study for the period using data from 1997 to 2019.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 7 – NET OTHER-POST EMPLOYMENT BENEFIT (OPEB) LIABILITY (Continued)

Changes in the Net OPEB Liability

| | Increase (Decrease) | | |
|--|-------------------------|---------------------------|-------------------------------|
| | Total OPEB Liability | Fiduciary Net Position | Net OPEB Liability/(Asset) |
| | (a) | (b) | (c) = (a) - (b) |
| Balance at 6/30/2023 (Measurement Date) | \$ 643,568 | \$ 30,165 | \$ 613,403 |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 58,064 | - | 58,064 |
| Interest on the total OPEB liability | 25,387 | - | 25,387 |
| Changes in benefit terms | - | - | - |
| Differences between expected and actual experience | - | 792 | (792) |
| Changes of assumptions | (7,498) | - | (7,498) |
| Plan Experience | (202,968) | - | (202,968) |
| Contributions from the employer | - | 12,170 | (12,170) |
| Net investment income | - | 1,674 | (1,674) |
| Administrative expenses | - | (10) | 10 |
| Benefit payments | (12,170) | (12,170) | - |
| Other Expenses | - | - | - |
| Net changes | (139,185) | 2,456 | (141,641) |
| Balance at 6/30/2024 (Measurement Date) | \$ 504,383 | \$ 32,621 | \$ 471,762 |

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:

| Net OPEB Liability/(Asset) | | |
|----------------------------|---------------|-------------------|
| Discount Rate -1% | Discount Rate | Discount Rate +1% |
| (2.93%) | (3.93%) | (4.93%) |
| \$ 543,483 | \$ 471,762 | \$ 413,347 |

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:

| Net OPEB Liability/(Asset) | | |
|----------------------------|-------------|-------------|
| Current Healthcare Cost | | |
| 1% Decrease | Trend Rates | 1% Increase |
| \$ 398,905 | \$ 471,762 | \$ 564,275 |

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 7 – NET OTHER-POST EMPLOYMENT BENEFIT (OPEB) LIABILITY (Continued)

OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2025, TAM recognized OPEB expense of \$38,169. At June 30, 2025, 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 |
|--|-----------------------------------|----------------------------------|
| Employer contributions made subsequent to the measurement date | \$ 3,780 | \$ - |
| Differences between actual and expected experience | - | (222,256) |
| Changes of assumptions | 46,849 | (98,671) |
| Net differences between projected and actual earnings on plan investments | 1,476 | - |
| Total | \$ 52,105 | \$ (320,927) |

Contributions subsequent to the measurement date will be recognized to OPEB expense in fiscal year 2026. 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 | Annual Amortization |
|-----------------------|------------------------|
| 2026 | \$ (39,926) |
| 2027 | (39,180) |
| 2028 | (42,711) |
| 2029 | (44,268) |
| 2030 | (46,103) |
| Thereafter | (60,414) |
| Total | \$ (272,602) |

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 8 – LEASE LIABILITY

The lease liability consists of a multi-year lease agreement for its administrative office at 900 Fifth Ave, Suite 100, San Rafael. As of June 30, 2025, the value of the building lease liabilities was \$1,367,207. The agency must make monthly rent payments of \$21,444 as of June 30, 2025, escalating to \$24,859 at the expiration of the lease agreements on October 31, 2030. The value of the right-to-use asset at the end of the current fiscal year was \$1,360,184, net of accumulated amortization of \$909,061.

TAM also has a sublease agreement for one office space that started May 2021 and is currently on a month-to-month sublease basis until terminated. Sublease payments for the fiscal year ended June 30, 2025, are \$5,245. TAM has two equipment leases for a copier and postage equipment that have a minimal present value and do not meet a material dollar threshold. TAM has elected not to recognize a lease asset and lease liability for these two leases.

The future principal and interest lease payments as of June 30, 2025, were as follows:

| | <u>Balance as of June 30, 2024</u> | <u>Additions</u> | <u>Deletion</u> | <u>Balance as of June 30, 2025</u> | <u>Due within one year</u> |
|---|--|------------------|-----------------|--|--------------------------------|
| Recognition of lease liability, Buildings | \$ 332,261 | \$1,284,432 | \$ 249,486 | \$ 1,367,207 | \$ 235,433 |

| <u>Fiscal Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------------|---------------------|-------------------|---------------------|
| 2026 | \$ 235,433 | \$ 27,039 | \$ 262,472 |
| 2027 | 231,738 | 38,608 | 270,346 |
| 2028 | 248,829 | 29,627 | 278,456 |
| 2029 | 266,820 | 19,990 | 286,810 |
| 2030 | 285,752 | 9,662 | 295,414 |
| 2031 | 98,635 | 802 | 99,437 |
| | <u>\$ 1,367,207</u> | <u>\$ 125,728</u> | <u>\$ 1,492,935</u> |

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 9 – UNEARNED REVENUE

Near year end of June 30, 2023, TAM received notification of an awarded amount of \$30 million (\$20M for SR 37 and \$10M for Marin City/US 101) to be used to combat the sea level rise and Highway 37 design and reconstructing project as well as mitigate and reduce flooding in the Marin City area. The Highway 37 reconstruction project will include administration and management, technical studies, design, permitting, and right of way. The Authority has chosen to record the award as unearned revenue until the funds are used for the project in the upcoming years. As of June 30, 2025, the Authority has recognized \$9,633,809 as revenue.

REQUIRED SUPPLEMENTARY INFORMATION

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TRANSPORTATION AUTHORITY OF MARIN

REQUIRED SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2025

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|---------------------|---|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Cities/Towns and County Contribution | \$ 591,951 | \$ 591,951 | \$ 591,951 | \$ - |
| Interest Revenue | 750,000 | 750,000 | 1,452,582 | 702,582 |
| MTC STP/CMAQ Planning Fund and OBAG Grants | 1,064,969 | 1,307,814 | 1,303,577 | (4,237) |
| MTC Regional Measure 3 Fund | 43,065,000 | 46,631,257 | 21,385,864 | (25,245,393) |
| State SB1 Funds - Caltrans VMT Grant | 400,000 | 400,000 | 123,485 | (276,515) |
| County of Marin Noise Analysis | - | 31,000 | 5,968 | (25,032) |
| State Earmark Fund | 9,500,000 | 9,500,000 | 9,221,777 | (278,223) |
| State STIP/PPM Fund | 445,000 | 445,000 | 328,889 | (116,111) |
| State TDA Article 3 | 13,500 | 166,081 | 27,000 | (139,081) |
| STIP/RTIP/ITIP Funds/SB1 Local Partnership Program Fund | 1,164,000 | 1,164,000 | - | (1,164,000) |
| Federal SS4A Grant | 280,000 | 280,000 | 5,404 | (274,596) |
| Part Time Transit Lane Grant | 550,000 | 550,000 | - | (550,000) |
| Highway Safety Improvement Program (HSIP) | - | - | 72,000 | 72,000 |
| Realized Highway 101 ROW Excess Fund | 3,566,257 | - | 33,283 | 33,283 |
| Total Revenues | 61,390,677 | 61,817,103 | 34,551,780 | (27,265,323) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Administration: | | | | |
| Salaries & Benefits | 1,487,011 | 1,487,011 | 1,442,145 | 44,866 |
| Office Supplies & Small Miscellaneous Items | - | - | - | - |
| Legal Services | 1,000 | 1,000 | 407 | 593 |
| Document/Video/Marketing Material Production | 9,000 | 9,000 | - | 9,000 |
| Memberships | 27,500 | 27,500 | 22,500 | 5,000 |
| Travel/Meetings/Conferences | 2,500 | 2,500 | 1,273 | 1,227 |
| Stipends | 7,200 | 7,200 | 1,200 | 6,000 |
| Professional Services: | | | | |
| Travel Model Maintenance & Update | 100,000 | 210,000 | 176,779 | 33,221 |
| Traffic Monitoring, Reporting & Travel Model Data Requests | 150,000 | 309,925 | 197,281 | 112,644 |
| Project Management Oversight | 40,000 | 40,000 | 10,228 | 29,772 |
| 101/580 Multi-modal and Local Access Improvements | 1,800,000 | 1,800,000 | 748,291 | 1,051,709 |
| State Legislative Assistance | 50,000 | 50,000 | 50,000 | - |
| N/S Greenway - Construction Design Support | - | 11,858 | 11,858 | - |
| Street Smarts Marin | 13,500 | 27,000 | 27,000 | - |
| Part Time Transit Lane PID & PA/ED | 500,000 | 500,000 | 15,603 | 484,397 |
| Countywide Transportation Plan | 225,000 | 225,000 | 187,964 | 37,036 |
| Equity Planning Support and Outreach | 100,000 | 100,000 | - | 100,000 |
| VMT Toolkit | 400,000 | 400,000 | 117,685 | 282,315 |
| MSN B7 Construction Design Support | 265,000 | 265,000 | 180,911 | 84,089 |
| School Access Safety Action Plan | 280,000 | 280,000 | 7,681 | 272,319 |
| Marin City Noise Analysis PID | - | 6,000 | 5,968 | 32 |
| Federal Legislative Assistance | - | 4,000 | 5,000 | (1,000) |
| Interagency Agreements: | | | | |
| Caltrans MSN B8 PSE/ROW Support/Capital | 2,548,800 | 2,687,881 | 44,833 | 2,643,048 |
| Caltrans & Other - MSN B7 PS&E/ROW Support & Capital | 1,017,457 | 1,017,457 | 640,657 | 376,800 |
| Caltrans - MSN B7 Construction Capital & Support | 41,000,000 | 41,000,000 | 19,253,469 | 21,746,531 |
| Caltrans - 101/580 Multi-modal and Local Access PID Co-op | - | - | - | - |
| Caltrans - SR-37 Segmet A1 Design/ROW coop | 7,500,000 | 7,500,000 | 7,500,000 | - |
| Caltrans - Part Time Transit Lane PID Oversight | 50,000 | 50,000 | - | 50,000 |
| Caltrans - Marin City Flood Mitigation | - | 200,000 | - | 200,000 |
| Marin City Flood Mitigation | 2,000,000 | 2,000,000 | 1,670,972 | 329,028 |
| County of Marin Bellam Ramp Construction | 1,164,000 | 1,164,000 | - | 1,164,000 |
| Total Expenditures | 60,737,968 | 61,382,332 | 32,319,705 | 29,062,627 |
| EXCESS OF REVENUES OVER EXPENDITURES | 652,709 | 434,771 | 2,232,075 | 1,797,304 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Lease asset | - | - | - | - |
| Transfers in | - | - | 121,137 | 121,137 |
| Transfers (out) | - | - | (121,137) | (121,137) |
| Total Other Financing Sources (Uses) | - | - | - | - |
| NET CHANGE IN FUND BALANCE | \$ 652,709 | \$ 434,771 | 2,232,075 | \$ 1,797,304 |
| Fund balance at beginning of year | | | 4,237,307 | |
| Reconciling Item | | | | |
| GASB 31 - fair market value adjustment on investments | | | 325,172 | |
| FUND BALANCE AT END OF YEAR | | | \$ 6,794,554 | |

TRANSPORTATION AUTHORITY OF MARIN

**REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TFCA FUND
FOR THE YEAR ENDED JUNE 30, 2025**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Investment Revenue | \$ 20,000 | \$ 20,000 | \$ 47,112 | \$ 27,112 |
| Marin Transportation for Clean Air Fund | 350,000 | 350,000 | 364,178 | 14,178 |
| Regional TFCA Competitive Grant | - | 283,637 | - | (283,637) |
| Total Revenues | <u>370,000</u> | <u>653,637</u> | <u>411,290</u> | <u>(242,347)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Administration: | | | | |
| Salaries & Benefits | 23,400 | 23,400 | 23,870 | (470) |
| TFCA Program/Project: | | | | |
| TFCA - Reimbursement of Various Capital Projects | 722,816 | 924,488 | 924,488 | - |
| Total Expenditures | <u>746,216</u> | <u>947,888</u> | <u>948,358</u> | <u>(470)</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>(376,216)</u> | <u>(294,251)</u> | <u>(537,068)</u> | <u>(242,817)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (376,216)</u> | <u>\$ (294,251)</u> | <u>(537,068)</u> | <u>\$ (242,817)</u> |
| Fund balance at beginning of year | | | 1,127,546 | |
| Reconciling Item | | | | |
| GASB 31 - fair market value adjustment on investments | | | 9,050 | |
| FUND BALANCE AT END OF YEAR | | | <u>\$ 599,528</u> | |

TRANSPORTATION AUTHORITY OF MARIN

**REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MEASURE A SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2025**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|--------------|--------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Measure A Sales Tax Revenue | \$ - | \$ - | \$ (604) | \$ (604) |
| Interest Revenue | 10,000 | 10,000 | 273,423 | 263,423 |
| Total Revenues | 10,000 | 10,000 | 272,819 | 262,819 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Administration: | | | | |
| Salaries & Benefits | - | - | - | - |
| Professional Services: | | | | |
| N/S Greenway - Construction Design Support | - | 11,175 | 11,175 | - |
| Mill Valley Study | - | 15,000 | 12,350 | 2,650 |
| Marin City Noise Analysis PID | - | 6,000 | 5,968 | 32 |
| Measure A Sales Tax Programs/Projects: | | | | |
| Strategy 1.1 - Local Bus Transit Service | 61,038 | 61,038 | 61,038 | - |
| Strategy 1.2 - Rural Bus Transit System | 4,944 | 4,944 | 4,944 | - |
| Strategy 1.3 - Special Needs Transit Services | 14,848 | 14,848 | 14,848 | - |
| Strategy 1.4 - Bus Transit Facilities | 9,903 | 9,903 | 9,903 | - |
| Strategy 3.1 - Major Roads | - | - | 23,141 | (23,141) |
| Strategy 3.2 - Local Streets and Roads | 21,852 | 21,852 | 21,255 | 597 |
| Strategy 4.1 - Safe Routes to Schools | 5,448 | 5,448 | 5,448 | - |
| Strategy 4.2 - Crossing Guards | 6,928 | 6,928 | 6,928 | - |
| Strategy 4.3 - Safe Pathways To School | 500,000 | 500,000 | - | 500,000 |
| Total Expenditures | 624,961 | 657,136 | 176,998 | 480,138 |
| EXCESS OF REVENUES OVER EXPENDITURES | (614,961) | (647,136) | 95,821 | 742,957 |
| NET CHANGE IN FUND BALANCE | \$ (614,961) | \$ (647,136) | 95,821 | \$ 742,957 |
| Fund balance at beginning of year | | | 5,989,510 | |
| Reconciling Item | | | | |
| GASB 31 - fair market value adjustment on investments | | | 53,354 | |
| FUND BALANCE AT END OF YEAR | | | \$ 6,138,685 | |

TRANSPORTATION AUTHORITY OF MARIN

**REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MEASURE AA SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2025**

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Measure AA Sales Tax Revenue | \$ 35,000,000 | \$ 34,600,000 | \$ 35,199,126 | \$ 599,126 |
| Measure AA Sales Tax Repayment of Fund Swap | - | - | 575,000 | 575,000 |
| Interest Revenue | 1,190,000 | 1,190,000 | 1,493,220 | 303,220 |
| Total Revenues | 36,190,000 | 35,790,000 | 37,267,346 | 1,477,346 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Administration: | | | | |
| Salaries & Benefits | 1,387,023 | 1,387,023 | 1,384,537 | 2,486 |
| Office Lease | 264,827 | 264,827 | 255,975 | 8,852 |
| Agency IT Related Equipment Upgrade | 25,000 | 30,000 | 25,117 | 4,883 |
| Equipment Purchase/Lease | 17,500 | 12,500 | 4,597 | 7,903 |
| Telephone/Internet/Web Hosting Services | 25,000 | 25,000 | 21,266 | 3,734 |
| Office Supplies & Small Miscellaneous Items | 45,000 | 45,000 | 30,427 | 14,573 |
| Insurance | 20,000 | 20,000 | 17,202 | 2,798 |
| Financial Audit | 25,000 | 25,000 | 27,970 | (2,970) |
| Legal Services | 15,000 | 15,000 | 1,951 | 13,049 |
| Document/Video/Marketing Material Production | 25,000 | 37,000 | 66,994 | (29,994) |
| Memberships | 22,500 | 22,500 | 17,413 | 5,087 |
| Travel/Meetings/Conferences | 30,000 | 30,000 | 29,053 | 947 |
| Professional Development | 12,500 | 12,500 | 8,040 | 4,460 |
| Human Resources/Board Support | 15,000 | 15,000 | 3,403 | 11,597 |
| Information Technology Support | 50,000 | 50,000 | 39,327 | 10,673 |
| Annual Support & Upgrade of Financial System | 10,000 | 10,000 | 8,453 | 1,547 |
| Professional Services: | | | | |
| Bellam Blvd 101 Off-ramp Improvements - Design & ROW | 150,000 | 750,000 | 462,872 | 287,128 |
| Project Management Oversight | 200,000 | 200,000 | 1,551 | 198,449 |
| Mill Valley Study | 15,000 | - | - | - |
| Measure A/AA Sales Tax Compliance Audit | 22,000 | 22,000 | 19,812 | 2,188 |
| Public Outreach Service Support | 10,000 | 10,000 | 12,427 | (2,427) |
| Expenditure Plan Update | 40,000 | 40,000 | 18,734 | 21,266 |

(Continued)

TRANSPORTATION AUTHORITY OF MARIN

**REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MEASURE AA SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2025**

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|------------------------------|------------------------------|-----------------------------|---|
| | Original | Final | Actual | |
| Measure AA Sales Tax Program/ Projects: | | | | |
| Major Road Set Aside | 4,000,000 | 4,000,000 | 1,714,813 | 2,285,187 |
| Category 1.1 - MSN B7/B8 Design/ROW/Utility Work | 140,275 | 140,275 | 68,841 | 71,434 |
| Category 1.1 - MSN B7 Construction Design Support | - | - | - | - |
| Category 1.2 - 580/101 Direct Connector Project PID & PAED | - | 25,000 | 22,632 | 2,368 |
| Category 1.3 - Enhance Interchanges | 1,500,000 | 1,500,000 | 1,221,997 | 278,003 |
| Category 1.4 - Transportation Demand Management | 140,000 | 140,000 | 106,735 | 33,265 |
| Category 2.1 - Local Roads | 6,528,669 | 6,528,669 | 6,349,508 | 179,161 |
| Category 2.2 - Large Safe Pathways Capital Projects | 1,000,000 | 1,000,000 | - | 1,000,000 |
| Category 2.3 - Sea Level Rise | 200,000 | 200,000 | 159,585 | 40,415 |
| Category 2.4 - Innovative Technology | 120,000 | 120,000 | 20,150 | 99,850 |
| Category 3.1 - Safe Routes to School | 1,270,000 | 1,270,000 | 1,157,553 | 112,447 |
| Category 3.2 - Crossing Guards | 2,400,000 | 2,400,000 | 2,158,590 | 241,410 |
| Category 3.3 - Small Safe Pathways Capital Projects | 300,000 | 300,000 | - | 300,000 |
| Category 4.1 - Local Bus Transit Service | 13,500,000 | 13,500,000 | 13,167,374 | 332,626 |
| Category 4.2 - Rural Bus Transit Service | 937,522 | 937,522 | 817,835 | 119,687 |
| Category 4.3 - Special Needs Transit Service | 3,220,411 | 3,220,411 | 2,726,988 | 493,423 |
| Category 4.4 - School Transit Service | 1,600,000 | 1,600,000 | 1,454,496 | 145,504 |
| Category 4.5 - Bus Transit Facilities | 1,250,030 | 1,250,030 | 1,250,030 | - |
| Category 4.6 - Expand Access to Transit | - | 153,591 | 153,591 | - |
| Interagency Agreements: | | | | |
| Marin Transit - Bus Facility Lease or Purchase Contribution | 1,100,000 | 1,100,000 | - | 1,100,000 |
| Caltrans - 101 Interchange Studies PID | 100,000 | 100,000 | 137,014 | (37,014) |
| County of Marin - Southern Marin Study | 250,000 | 250,000 | - | 250,000 |
| County of Marin Bellam Ramp Construction | 6,036,000 | 6,036,000 | 3,170,071 | 2,865,929 |
| Capital outlay: | | | | |
| Lease asset | - | - | 1,284,432 | (1,284,432) |
| Total Expenditures | <u>48,019,257</u> | <u>48,794,848</u> | <u>39,599,356</u> | <u>9,195,492</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>(11,829,257)</u> | <u>(13,004,848)</u> | <u>(2,332,010)</u> | <u>10,672,838</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Lease asset | - | - | 1,284,432 | (1,284,432) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>1,284,432</u> | <u>1,284,432</u> |
| NET CHANGE IN FUND BALANCE | <u><u>\$(11,829,257)</u></u> | <u><u>\$(13,004,848)</u></u> | <u>(1,047,578)</u> | <u><u>\$ 11,957,270</u></u> |
| Fund balance at beginning of year | | | 32,894,540 | |
| Reconciling Item | | | | |
| GASB 31 - fair market value adjustment on investments | | | 272,288 | |
| FUND BALANCE AT END OF YEAR | | | <u><u>\$ 32,119,250</u></u> | |

TRANSPORTATION AUTHORITY OF MARIN

**REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MEASURE B VRF FUND
FOR THE YEAR ENDED JUNE 30, 2025**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Measure B VRF Revenue | \$ 2,300,000 | \$ 2,300,000 | \$ 2,341,772 | \$ 41,772 |
| Investment Revenue | 90,000 | 90,000 | 105,462 | 15,462 |
| Total Revenues | <u>2,390,000</u> | <u>2,390,000</u> | <u>2,447,234</u> | <u>57,234</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Administration: | | | | |
| Salaries & Benefits | 187,408 | 187,408 | 169,544 | 17,864 |
| Office Supplies & Small Miscellaneous Items | - | 2,000 | 2,328 | (328) |
| Legal Services | 5,000 | 3,000 | - | 3,000 |
| Document/Video/Marketing Material Production | 5,000 | 6,000 | - | 6,000 |
| Measure B VRF: | | | | |
| Element 1.1 - Local Streets and Roads | 900,000 | 1,642,228 | 271,378 | 1,370,850 |
| Element 1.2 - Bike/Ped Pathways | 115,000 | 115,000 | 86,077 | 28,923 |
| Element 2.1 - Mobility Management Programs | 100,000 | 100,000 | 100,000 | - |
| Element 2.2 - Paratransit & Low-Income Scholarships | 185,000 | 185,000 | 197,180 | (12,180) |
| Element 2.3 - Paratransit Plus | 350,000 | 350,000 | 320,000 | 30,000 |
| Element 2.4 - Volunteer Drive & Gap Grant | 278,000 | 278,000 | 265,000 | 13,000 |
| Element 3.1 - Safe Routes to School/Street Smart Program | 175,000 | 175,000 | 175,000 | - |
| Element 3.2 - Commute Alternative Programs | 285,000 | 285,000 | 210,370 | 74,630 |
| Element 3.3 - Alternative Fuel Vehicle Program | 300,000 | 300,000 | 250,268 | 49,732 |
| Total Expenditures | <u>2,885,408</u> | <u>3,628,636</u> | <u>2,047,145</u> | <u>1,581,491</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>(495,408)</u> | <u>(1,238,636)</u> | <u>400,089</u> | <u>1,638,725</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (495,408)</u> | <u>\$ (1,238,636)</u> | <u>400,089</u> | <u>\$ 1,638,725</u> |
| Fund balance at beginning of year | | | 2,164,561 | |
| Reconciling Item | | | | |
| GASB 31 - fair market value adjustment on investments | | | <u>21,359</u> | |
| FUND BALANCE AT END OF YEAR | | | <u>\$ 2,586,009</u> | |

TRANSPORTATION AUTHORITY OF MARIN

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PENSION CONTRIBUTIONS

Cost Sharing Multiple-Employer Defined Benefit Pension Plans
Last 10 Years*

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

| Fiscal Year End | 2025 | 2024 | 2023 | 2022 |
|---|---------------|---------------|---------------|---------------|
| Plan's proportion of the Net Pension Liability (Asset) | 0.015872% | 0.015200% | 0.011609% | -0.022855% |
| Plan's proportion share of the Net Pension Liability (Asset) | \$ 767,654 | \$ 760,065 | \$ 543,205 | \$ (433,976) |
| Plan's Covered Payroll | \$ 2,332,642 | \$ 2,221,888 | \$ 2,037,041 | \$ 1,888,977 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll | 32.91% | 34.21% | 26.67% | -22.97% |
| Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability | 90.24% | 89.16% | 76.68% | 91.92% |
| Discount Rate | 6.90% | 6.90% | 6.90% | 7.15% |
| Measurement Date | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 |
| Fiscal Year End | 2021 | 2020 | 2019 | 2018* |
| Plan's proportion of the Net Pension Liability (Asset) | 0.006077% | 0.001524% | 0.008852% | 0.0135900% |
| Plan's proportion share of the Net Pension Liability (Asset) | \$ 256,313 | \$ 61,031 | \$ 333,588 | \$ 343,003 |
| Plan's Covered Payroll | \$ 1,904,514 | \$ 1,779,778 | \$ 1,640,908 | \$ 1,255,694 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll | 13.46% | 3.43% | 20.33% | 27.32% |
| Plan's 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 |

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

TRANSPORTATION AUTHORITY OF MARIN

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PENSION CONTRIBUTIONS

Cost Sharing Multiple-Employer Defined Pension Plans Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

| Fiscal Year ended June 30: | 2025 | 2024 | 2023 | 2022 |
|---|--------------|--------------|--------------|--------------|
| Actuarially determined contribution | \$ 228,170 | \$ 232,358 | \$ 207,757 | \$ 192,251 |
| Contributions in relation to the actuarially determined contributions | (228,170) | (232,358) | (207,757) | (192,251) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 2,249,955 | \$ 2,332,642 | \$ 2,221,888 | \$ 2,037,041 |
| Contributions as a percentage of covered payroll | 10.14% | 9.96% | 9.35% | 9.44% |
| Fiscal Year ended June 30: | 2021 | 2020 | 2019 | 2018* |
| Actuarially determined contribution | \$ 193,878 | \$ 180,465 | \$ 550,084 | \$ 115,695 |
| Contributions in relation to the actuarially determined contributions | (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% |

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

TRANSPORTATION AUTHORITY OF MARIN

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS CALPERS Last 10 fiscal years*

| Fiscal Year Ending | 6/30/2025 | 6/30/2024 | 6/30/2023 | 6/30/2022 | 6/30/2021 | 6/30/2020 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Measurement Date | 6/30/2024 | 6/30/2023 | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 |
| Discount Rate on Measurement Date | 3.93% | 3.65% | 3.54% | 2.20% | 2.25% | 3.51% |
| Total OPEB Liability | | | | | | |
| Service Cost | \$ 58,064 | \$ 57,500 | \$ 70,646 | \$ 67,912 | \$ 62,290 | \$ 56,468 |
| Interest | 25,387 | 22,447 | 15,991 | 14,571 | 19,382 | 2,185 |
| Changes of benefit terms | - | - | - | - | - | 413,559 |
| Differences between expected and actual experience | (202,968) | - | (26,233) | - | (65,378) | - |
| Changes of assumptions | (7,498) | (9,368) | (132,734) | 5,069 | 87,693 | 24,642 |
| Benefit payments | (12,170) | (7,187) | (7,451) | (14,532) | (13,904) | - |
| Net change in total OPEB liability | (139,185) | 63,392 | (79,781) | 73,020 | 90,083 | 496,854 |
| Total OPEB liability - beginning | 643,568 | 580,176 | 659,957 | 586,937 | 496,854 | - |
| Total OPEB liability - ending (a) | \$ 504,383 | \$ 643,568 | \$ 580,176 | \$ 659,957 | \$ 586,937 | \$ 496,854 |
| Plan fiduciary net position | | | | | | |
| Contributions - employer | \$ 12,170 | \$ 7,187 | \$ 7,451 | \$ 14,532 | \$ 41,404 | \$ - |
| Net investment income | 2,466 | 1,037 | (4,191) | 5,477 | 377 | - |
| Benefit payments | (12,170) | (7,187) | (7,451) | (14,532) | (13,904) | - |
| Administrative expense | (10) | (9) | (8) | (10) | (8) | - |
| Net change in plan fiduciary net position | 2,456 | 1,028 | (4,199) | 5,467 | 27,869 | - |
| Plan fiduciary net position - beginning | 30,165 | 29,137 | 33,336 | 27,869 | - | - |
| Plan fiduciary net position - ending (b) | \$ 32,621 | \$ 30,165 | \$ 29,137 | \$ 33,336 | \$ 27,869 | \$ - |
| Net OPEB liability - ending (a)-(b) | \$ 471,762 | \$ 613,403 | \$ 551,039 | \$ 626,621 | \$ 559,068 | \$ 496,854 |
| Covered- employee payroll | \$ 2,376,008 | \$ 2,221,887 | \$ 2,115,975 | \$ 2,035,875 | \$ 1,971,505 | \$ 1,847,787 |
| Net OPEB liability as a percentage of covered-employee payroll | 19.86% | 27.61% | 26.04% | 30.78% | 28.36% | 26.89% |

Notes to schedule:

* Fiscal year 2020 was the first year of implementation.

TRANSPORTATION AUTHORITY OF MARIN

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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 the fiscal year ended June 30, 2019. TAM's first OPEB trust contributions to CERBT began 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.

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TRANSPORTATION AUTHORITY OF MARIN
FINANCIAL TRENDS – NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

| | Fiscal Years Ending June 30 | | | | | | | | | |
|--------------------------------|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Governmental Activities: | | | | | | | | | | |
| Restricted | | | | | | | | | | |
| CMA Projects/Programs | \$ 6,163,192 | \$ 3,799,460 | \$ 1,931,115 | \$ 887,015 | \$ 942,316 | \$ 706,094 | \$ 1,111,365 | \$ 1,654,299 | \$ 1,807,945 | \$ 2,047,909 |
| TFCA Projects/Programs | 589,194 | 1,120,239 | 955,619 | 636,760 | 690,212 | 1,663,908 | 1,621,585 | 1,288,964 | 1,148,177 | 1,124,769 |
| Measure A Projects/Programs | 6,136,370 | 5,987,915 | 7,113,857 | 9,952,402 | 11,783,972 | 23,817,466 | 33,739,210 | 33,503,019 | 41,151,805 | 42,617,597 |
| Measure AA Projects/Programs | 31,773,533 | 32,670,112 | 29,107,815 | 29,746,451 | 19,514,817 | 15,341,061 | 6,249,615 | - | - | - |
| Measure B Projects/Programs | 2,512,609 | 2,080,425 | 1,427,594 | 3,135,803 | 2,587,600 | 2,094,195 | 3,869,294 | 3,211,734 | 2,548,561 | 3,938,953 |
| Total Governmental | \$ 47,174,898 | \$ 45,658,151 | \$ 40,536,000 | \$ 44,358,431 | \$ 35,518,918 | \$ 43,622,724 | \$ 46,591,069 | \$ 39,658,016 | \$ 46,656,488 | \$ 49,729,228 |
| Activities Net Position | | | | | | | | | | |

TRANSPORTATION AUTHORITY OF MARIN

FINANCIAL TRENDS – CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

| | Fiscal Years Ending June 30 | | | | | | | | | |
|--------------------------------|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| EXPENSES | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Congestion Management | \$ 74,083,502 | \$ 81,061,402 | \$ 45,165,463 | \$ 35,982,143 | \$ 49,113,994 | \$ 37,973,856 | \$ 34,879,040 | \$ 42,395,402 | \$ 39,766,538 | \$ 29,891,239 |
| Interest | - | - | - | - | - | - | - | - | - | 14,308 |
| Total Expenses | 74,083,502 | 81,061,402 | 45,165,463 | 35,982,143 | 49,113,994 | 37,973,856 | 34,879,040 | 42,395,402 | 39,766,538 | 29,905,547 |
| REVENUES | | | | | | | | | | |
| Program Revenues: | | | | | | | | | | |
| Grants and Contributions* | 33,467,253 | 42,019,982 | 3,369,054 | 9,232,310 | 7,729,826 | 3,234,508 | 8,081,927 | 6,329,413 | 8,024,309 | 8,535,259 |
| Total Revenues | 33,467,253 | 42,019,982 | 3,369,054 | 9,232,310 | 7,729,826 | 3,234,508 | 8,081,927 | 6,329,413 | 8,024,309 | 8,535,259 |
| Net (Expense)/Revenue | (40,616,249) | (39,041,420) | (41,796,409) | (26,749,833) | (41,384,168) | (34,739,348) | (26,797,113) | (36,065,989) | (31,742,229) | (21,370,288) |
| GENERAL REVENUES | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Sales Tax | 35,742,079 | 34,609,062 | 34,965,482 | 34,793,147 | 30,695,297 | 27,435,968 | 29,398,854 | 26,541,399 | 26,147,374 | 25,698,829 |
| Vehicle Registration | 2,341,772 | 2,290,567 | 2,320,048 | 2,311,091 | 2,404,319 | 2,327,292 | 2,417,118 | 2,386,486 | 2,399,640 | 2,376,492 |
| Measure A/AA Sales Tax Revenue | - | - | - | - | - | - | - | - | - | - |
| Attributable to RM3 Repayment | 4,049,145 | 3,910,609 | 688,449 | (1,514,891) | 180,746 | 2,007,743 | 1,914,194 | 139,632 | 122,475 | 682,270 |
| Investment Earnings | 42,132,996 | 44,163,571 | 37,973,980 | 35,589,347 | 33,280,362 | 31,771,003 | 33,730,166 | 29,067,517 | 28,669,489 | 28,757,591 |
| Total General Revenues | 82,265,990 | 84,974,258 | 76,967,959 | 71,588,706 | 67,389,733 | 63,477,014 | 67,482,398 | 66,187,666 | 67,339,018 | 65,975,090 |
| Governmental Activities | | | | | | | | | | |
| Change in Net Position | \$ 1,516,747 | \$ 5,122,151 | \$ (3,822,429) | \$ 8,839,514 | \$ (8,103,806) | \$ (2,968,345) | \$ 6,933,053 | \$ (6,998,472) | \$ (3,072,740) | \$ 7,387,303 |

* Includes RM3 funding

TRANSPORTATION AUTHORITY OF MARIN

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

| | Fiscal Years Ending June 30 | | | | | | | | | |
|--------------------------------|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 950,343 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | 5,844,211 | 4,237,307 | 2,166,370 | 759,523 | 1,116,884 | 899,880 | 755,114 | 1,770,058 | 1,807,945 | 2,047,909 |
| Total General Fund | \$ 6,794,554 | \$ 4,237,307 | \$ 2,166,370 | \$ 759,523 | \$ 1,116,884 | \$ 899,880 | \$ 755,114 | \$ 1,770,058 | \$ 1,807,945 | \$ 2,047,909 |
| All Other Funds | | | | | | | | | | |
| Nonspendable | \$ 45,444 | \$ 21,444 | \$ 21,444 | \$ 21,444 | \$ 21,444 | \$ 21,444 | \$ 24,140 | \$ 29,111 | \$ 21,444 | \$ 21,444 |
| Restricted | 41,398,028 | 42,154,713 | 38,720,936 | 42,834,334 | 34,510,303 | 42,382,108 | 45,067,562 | 38,134,462 | 43,860,646 | 47,085,034 |
| Total Sales & Use Tax Programs | \$ 41,443,472 | \$ 42,176,157 | \$ 38,742,379 | \$ 42,855,778 | \$ 34,531,747 | \$ 42,403,552 | \$ 45,091,702 | \$ 38,163,573 | \$ 43,882,090 | \$ 47,106,478 |

TRANSPORTATION AUTHORITY OF MARIN

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

| | Fiscal Years Ending June 30 | | | | | | | | | |
|--|-----------------------------|-------------------|--------------------|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|-------------------|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| REVENUES | | | | | | | | | | |
| Sales Tax | \$ 35,773,522 | \$ 34,619,869 | \$ 35,086,472 | \$ 34,754,393 | \$ 30,832,521 | \$ 27,345,662 | \$ 28,976,082 | \$ 27,507,852 | \$ 25,755,762 | \$ 25,702,937 |
| Vehicle Registration Fee | 2,341,772 | 2,290,567 | 2,320,048 | 2,311,091 | 2,404,319 | 2,327,292 | 2,417,118 | 2,386,486 | 2,399,640 | 2,376,492 |
| Investment Earnings | 4,049,145 | 3,910,609 | 688,449 | (1,514,891) | 180,746 | 2,007,743 | 1,914,194 | 139,632 | 122,475 | 682,270 |
| Project and Program Revenues | 33,467,253 | 45,378,315 | 3,379,053 | 9,242,310 | 7,744,826 | 3,194,508 | 8,081,927 | 6,329,413 | 8,024,309 | 8,535,259 |
| Total Revenues | 75,631,692 | 86,199,360 | 41,474,023 | 44,792,903 | 41,162,412 | 34,875,205 | 41,389,321 | 36,363,383 | 36,302,186 | 37,296,958 |
| EXPENDITURES | | | | | | | | | | |
| Congestion management - Current | | | | | | | | | | |
| Administration | 3,889,458 | 3,874,185 | 3,711,737 | 3,069,428 | 3,051,243 | 3,154,148 | 3,378,703 | 3,058,896 | 3,013,630 | 2,857,963 |
| Professional Services | 8,199,057 | 2,276,077 | 550,799 | 685,578 | 1,178,698 | 2,629,748 | 4,216,373 | 2,803,406 | 2,965,064 | 1,717,395 |
| Measure A | 165,823 | 1,464,337 | 2,957,868 | 1,143,839 | 12,144,379 | 9,737,500 | 21,849,187 | 28,668,609 | 25,351,395 | 18,357,291 |
| Measure AA | 32,946,956 | 33,663,602 | 33,301,841 | 22,108,424 | 22,768,626 | 16,896,486 | 182,971 | - | - | - |
| Measure B | 1,510,171 | 1,111,221 | 3,442,412 | 1,531,554 | 1,718,579 | 4,098,404 | 1,790,363 | 1,556,536 | 3,632,620 | 1,290,574 |
| Interagency Agreements | 26,171,177 | 38,086,969 | 215,918 | 7,924,784 | 6,644,955 | 535,629 | 3,992,151 | 5,855,948 | 4,526,973 | 4,902,359 |
| Other Capital Expenditures | 924,488 | 218,254 | - | 362,625 | 1,310,733 | 366,674 | 66,388 | 176,392 | 276,856 | 765,658 |
| Debt Service | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - | 953,854 |
| Interest and Fiscal Charges | - | - | - | - | - | - | - | - | - | 14,308 |
| Total Expenditures | 73,807,130 | 80,694,645 | 44,180,575 | 36,826,234 | 48,817,213 | 37,418,589 | 35,476,136 | 42,119,787 | 39,766,538 | 30,859,402 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,824,562 | 5,504,715 | (2,706,552) | 7,966,669 | (7,654,801) | (2,543,384) | 5,913,185 | (5,756,404) | (3,464,352) | 6,437,556 |
| NET CHANGE IN FUND BALANCES | 1,824,562 | 5,504,715 | (2,706,552) | 7,966,669 | (7,654,801) | (2,543,384) | 5,913,185 | (5,756,404) | (3,464,352) | 6,437,556 |
| Fund Balances - Beginning | 46,413,464 | 40,908,749 | 43,615,300 | 35,648,631 | 43,303,432 | 45,846,816 | 39,933,631 | 45,690,035 | 49,154,387 | 42,716,831 |
| Fund Balances - Ending | \$ 48,238,026 | \$ 46,413,465 | \$ 40,908,748 | \$ 43,615,300 | \$ 35,648,631 | \$ 43,303,432 | \$ 45,846,816 | \$ 39,933,631 | \$ 45,690,035 | \$ 49,154,387 |
| Debt Service as a Percentage of Total Expenditures | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 3.24% |

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 |
|---------------------------------------|---------------------------|------------------------------|--------------------------|
| 2025 | 0.50% | \$ 35,773,522 | 3.33% |
| 2024 | 0.50% | 34,619,869 | -1.33% |
| 2023 | 0.50% | 35,086,472 | 0.96% |
| 2022 | 0.50% | 34,754,393 | 12.72% |
| 2021 | 0.50% | 30,832,521 | 12.75% |
| 2020 | 0.50% | 27,345,662 | -5.63% |
| 2019 | 0.50% | 28,976,082 | 5.34% |
| 2018 | 0.50% | 27,507,852 | 6.80% |
| 2017 | 0.50% | 25,755,761 | 0.21% |
| 2016 | 0.50% | 25,702,937 | 1.73% |

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-25 | Apr-24 | Apr-23 | Apr-22 | Apr-21 | Apr-20 | Apr-19 | Apr-18 | Apr-17 | Apr-16 |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Belvedere | 8.25% | 8.25% | 8.25% | 8.00% | 8.25% | 8.25% | 8.25% | 8.25% | 8.25% | 8.50% |
| Corte Madera | 9.00% | 9.00% | 9.00% | 8.75% | 9.00% | 9.00% | 9.00% | 8.75% | 8.75% | 9.00% |
| Fairfax | 9.00% | 9.00% | 9.00% | 8.75% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% |
| Larkspur | 9.25% | 9.25% | 9.25% | 8.75% | 9.00% | 9.00% | 9.00% | 9.00% | 8.75% | 9.00% |
| Mill Valley | 8.25% | 8.25% | 8.25% | 8.00% | 8.25% | 8.25% | 8.25% | 8.25% | 8.25% | 8.50% |
| Novato | 9.25% | 8.50% | 8.50% | 8.25% | 8.50% | 8.50% | 8.50% | 8.50% | 8.50% | 8.75% |
| Ross | 8.25% | 8.25% | 8.25% | 8.00% | 8.25% | 8.25% | 8.25% | 8.25% | 8.25% | 8.50% |
| San Anselmo | 9.25% | 9.25% | 9.25% | 8.50% | 8.75% | 8.75% | 8.75% | 8.75% | 8.75% | 9.00% |
| San Rafael | 9.25% | 9.25% | 9.25% | 9.00% | 9.25% | 9.00% | 9.00% | 9.00% | 9.00% | 9.25% |
| Sausalito | 9.25% | 9.25% | 9.25% | 8.50% | 8.75% | 8.75% | 8.75% | 8.75% | 8.75% | 9.00% |
| Tiburon | 8.25% | 8.25% | 8.25% | 8.00% | 8.25% | 8.25% | 8.25% | 8.25% | 8.25% | 8.50% |
| County-Unincorporated | 8.25% | 8.25% | 8.25% | 8.00% | 8.25% | 8.25% | 8.25% | 8.25% | 8.25% | 8.50% |

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 |
|---------------------------------------|-------------------|------------------------|--------------------------|
| 2025 | \$ 10 | \$ 2,341,772 | 2.24% |
| 2024 | 10 | 2,290,567 | -1.27% |
| 2023 | 10 | 2,320,048 | 0.39% |
| 2022 | 10 | 2,311,091 | -3.88% |
| 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% |

Marin County 10-Year Fee Paid Vehicle Registration Data.

| Calendar Year | Registered Vehicles | Change |
|----------------------|----------------------------|---------------|
| 2024 | 237,331 | 0.11% |
| 2023 | 237,072 | -0.27% |
| 2022 | 237,711 | -1.76% |
| 2021 | 241,977 | -0.82% |
| 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% |

Data Source: California Department of Motor Vehicle.

TRANSPORTATION AUTHORITY OF MARIN

REVENUE CAPACITY – MARIN PRINCIPAL SALES TAXPAYERS BY SEGMENT
YEAR 2024 AND 2015 (NUMBERS IN 000’S)

| Principal Revenue Payers | Rank | 2024 | |
|---|------|-------------------------------------|----------------------------------|
| | | Total Taxable Sales in Marin County | Percentage of Total County Taxes |
| All Other Outlets | 1 | \$ 1,680,435,866 | 25.80% |
| Motor Vehicle and Parts Dealers | 2 | 967,106,166 | 14.85% |
| Other Retail Group | 3 | 849,516,320 | 13.04% |
| Food Services and Drinking Places | 4 | 799,885,041 | 12.28% |
| Building Material and Garden Equipment and Supplies Dealers | 5 | 520,569,502 | 7.99% |
| Gasoline Stations | 6 | 391,050,920 | 6.00% |
| Food and Beverage Stores | 7 | 384,327,317 | 5.90% |
| Clothing and Clothing Accessories Store | 8 | 383,857,866 | 5.89% |
| General Merchandise Stores | 9 | 299,219,455 | 4.59% |
| Home Furnishings and Appliance Stores | 10 | 237,273,284 | 3.64% |
| | | <u>\$ 6,513,241,737</u> | <u>100.00%</u> |

| Principal Revenue Payers | Rank | 2015 | |
|---|------|--------------------------------------|-----------------------------|
| | | Total Taxable Sales 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% |
| * in 000s | | <u>\$ 5,080,258</u> | <u>100.00%</u> |

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 ¹ | Per Capita Personal Income ² | Unemployment Rate ³ |
|---------------|-------------------------|---|--------------------------------|
| 2025 | 254,550 | * | 4.6% |
| 2024 | 254,743 | * | 4.2% |
| 2023 | 252,959 | \$ 180,575 | 3.4% |
| 2022 | 255,470 | 171,177 | 2.4% |
| 2021 | 259,512 | 164,118 | 4.4% |
| 2020 | 260,388 | 148,419 | 7.0% |
| 2019 | 261,478 | 139,891 | 2.3% |
| 2018 | 262,179 | 132,000 | 2.4% |
| 2017 | 262,695 | 125,607 | 2.9% |
| 2016 | 263,130 | 115,952 | 3.3% |

* Information not available.

Data Source:

1. State of California, Department of Finance; E-1 Population Estimates for Cities, Counties, and the State
2. US Bureau of Economic Analysis.
3. Employment Development Department, Labor Market Information

TRANSPORTATION AUTHORITY OF MARIN

DEMOGRAPHIC AND ECONOMIC INFORMATION – PRINCIPAL EMPLOYERS YEAR ONE AND TEN

| Employer | Rank | 2024 | |
|--------------------------------|------|---------------------|---------------------------------------|
| | | Number of Employees | Percentage of Total County Employment |
| Kaiser Permanente | 1 | 5,012 | 3.98% |
| Bio Marin Pharmaceutical Inc | 2 | 3,401 | 2.70% |
| County of Marin | 3 | 2,506 | 1.99% |
| Marin Health Medical Center | 4 | 1,900 | 1.51% |
| Corrections Department | 5 | 1,233 | 0.98% |
| YMCA San Francisco | 6 | 1,096 | 0.87% |
| RH (Restoration Hardware) | 7 | 1,048 | 0.83% |
| Bay Equity | 8 | 1,012 | 0.80% |
| Glassdoor, Inc. | 9 | 860 | 0.68% |
| College of Marin | 10 | 508 | 0.40% |
| Total | | 18,576 | 14.77% |
| Total County Employment | | 125,800 | |

Data Source:

County of Marin Annual Comprehensive Financial Report for FY2023-24

¹ Most recent information available.

| Employer | Rank | 2013 | |
|--------------------------------|------|---------------------|---------------------------------------|
| | | Number of Employees | Percentage of Total County Employment |
| County of Marin | 1 | 2,037 | 1.51% |
| Kaiser Permanente | 2 | 1,756 | 1.30% |
| San Quentin State Prison | 3 | 1,690 | 1.25% |
| Marin General Hospital | 4 | 1,300 | 0.96% |
| Autodesk, Inc. | 5 | 1,000 | 0.74% |
| BioMarin Parmaceutical | 6 | 850 | 0.63% |
| Novato Unified School District | 7 | 805 | 0.60% |
| Fireman's Fund Insurance Co. | 8 | 750 | 0.55% |
| Lucasfilm Ltd. | 9 | 400 | 0.30% |
| Macys | 10 | 380 | 0.28% |
| Total | | 10,968 | 8.11% |
| Total County Employment | | 135,200 | |

Data Source:

County of Marin Annual Comprehensive Financial Report for years prior.

Community Profile, County of Marin

Employment Development Depatment, Labor Market Informaiton: <http://www.labormarketinfo.edd.ca.gov/>

TRANSPORTATION AUTHORITY OF MARIN

OPERATING INFORMATION – FULL – TIME EQUIVALENT EMPLOYEES BY
 FUNCTION
 FISCAL YEAR 2024-25

| Function | Fiscal Year | | | | | | | |
|----------------------------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Ending June 30, | | | | | | | |
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 * |
| Capital Project | 2.00 | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Executive | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Finance and Administration | 5.00 | 4.80 | 4.80 | 4.80 | 4.80 | 4.80 | 4.80 | 4.80 |
| Planning | 2.50 | 2.50 | 2.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Policy and Programming | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Public Outreach | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Total Employees | 13.00 | 12.80 | 13.80 | 12.80 | 12.80 | 12.80 | 12.80 | 12.80 |

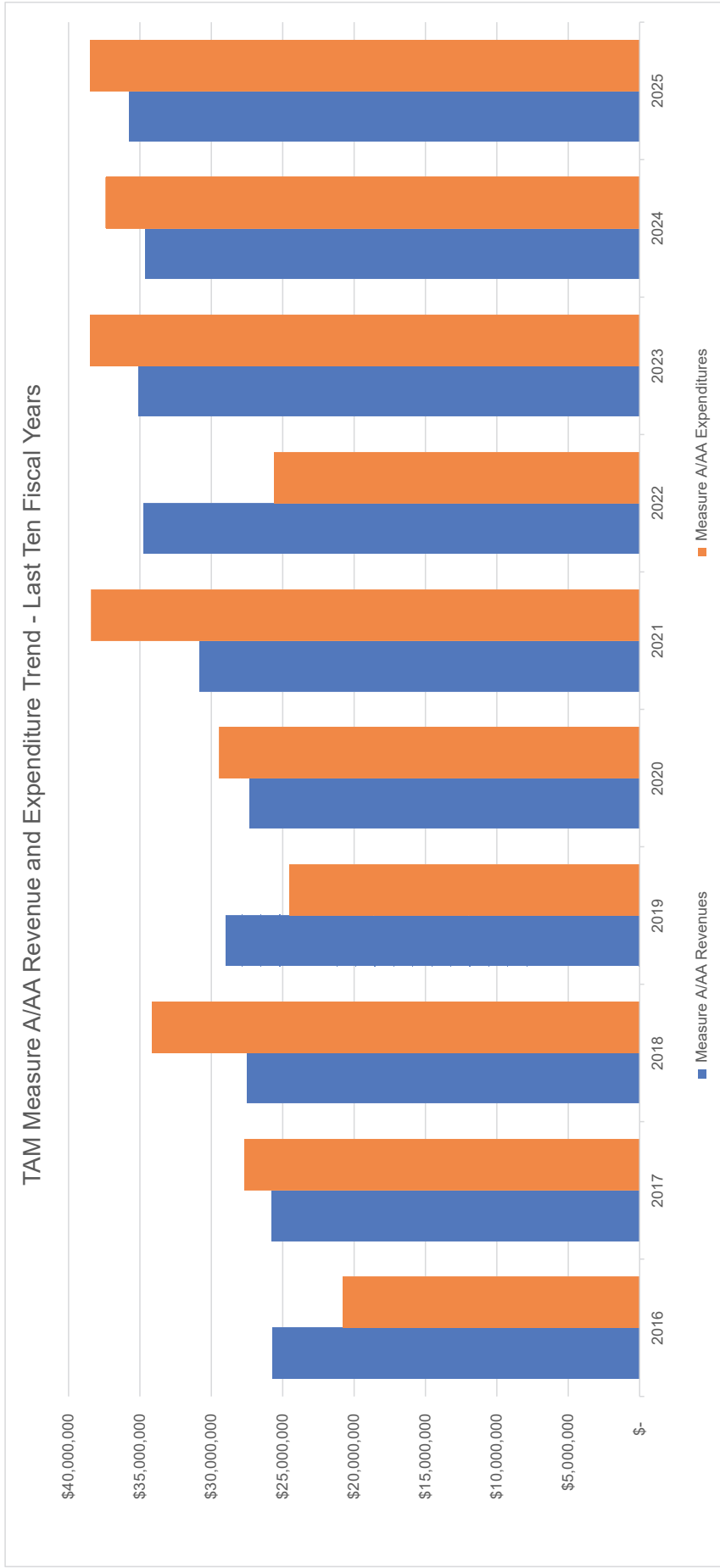
* TAM had no directly hired employees prior to 2018.

TRANSPORTATION AUTHORITY OF MARIN

OPERATING INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Measure A/AA Revenues | \$ 25,702,937 | \$ 25,755,762 | \$ 27,507,852 | \$ 28,976,082 | \$ 27,345,662 | \$ 30,832,521 | \$ 34,754,393 | \$ 35,086,472 | \$ 34,619,869 | \$ 35,773,522 |
| Measure A/AA Expenditures | \$ 20,767,118 | \$ 27,706,397 | \$ 34,146,069 | \$ 24,503,475 | \$ 29,439,432 | \$ 38,396,635 | \$ 25,618,565 | \$ 38,470,758 | \$ 37,382,525 | \$ 38,491,922 |



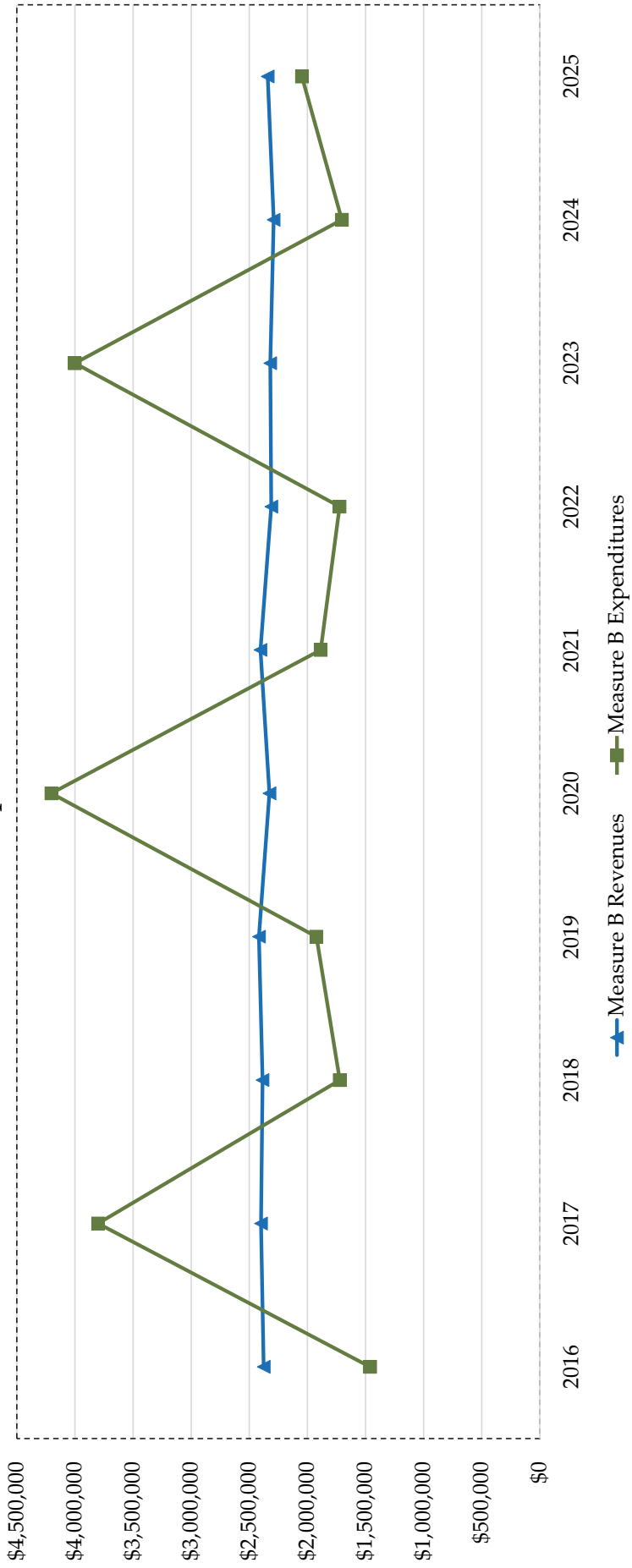
TRANSPORTATION AUTHORITY OF MARIN

OPERATING INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Measure B Revenues | \$ 2,376,492 | \$ 2,399,640 | \$ 2,386,486 | \$ 2,417,118 | \$ 2,327,292 | \$ 2,404,319 | \$ 2,311,091 | \$ 2,320,048 | \$ 2,290,567 | \$ 2,341,772 |
| Measure B Expenditures | \$ 1,460,587 | \$ 3,801,628 | \$ 1,721,647 | \$ 1,923,138 | \$ 4,203,134 | \$ 1,886,189 | \$ 1,723,404 | \$ 4,001,349 | \$ 1,704,168 | \$ 2,047,145 |

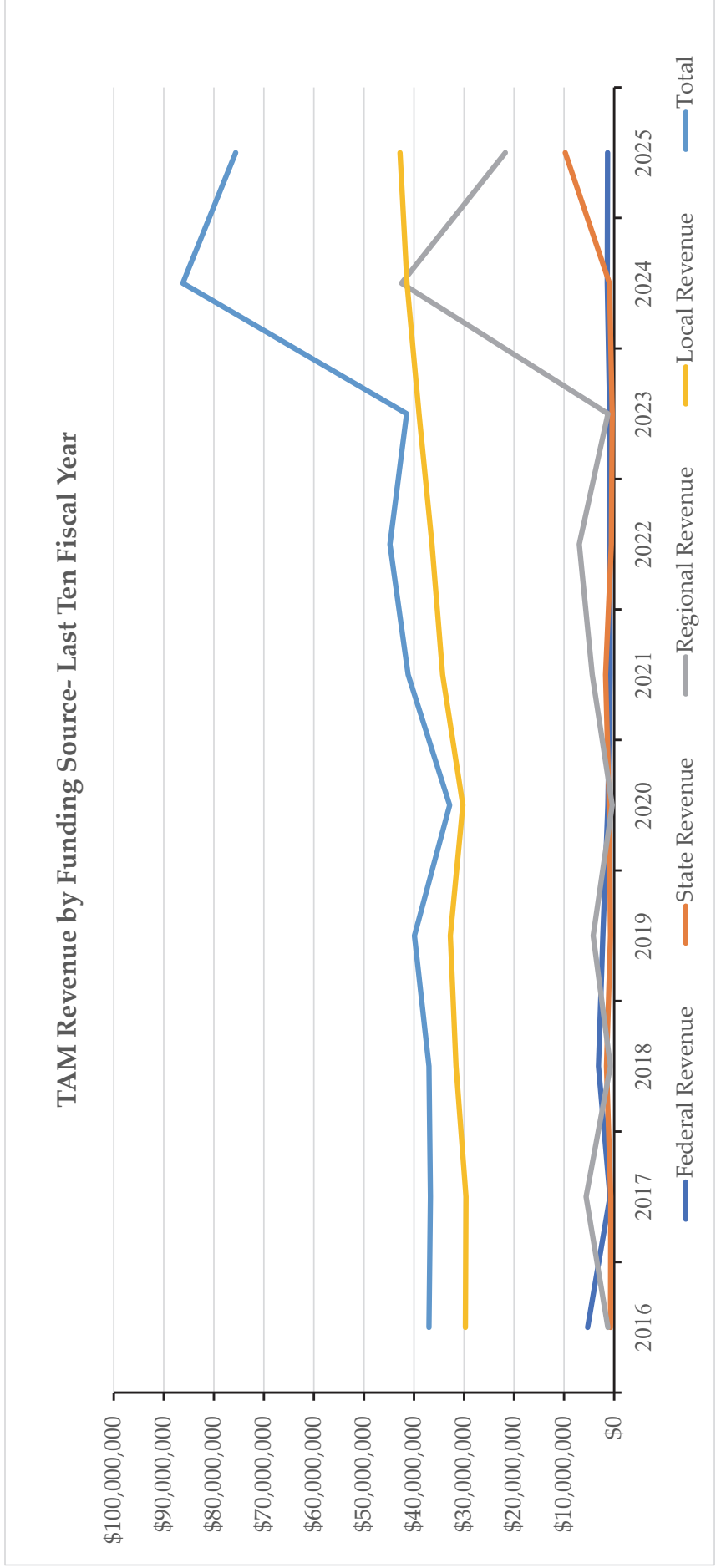
TAM Measure B Revenue and Expenditure Trend - Last Ten Fiscal Years



TRANSPORTATION AUTHORITY OF MARIN

OPERATING INFORMATION
LAST TEN FISCAL YEARS

| | Fiscal Year Ending June 30 | | | | | | | | | |
|-------------------------|----------------------------|------------|--------------|--------------|--------------|------------|------------|------------|--------------|--------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Federal Revenue | \$ 5,301,158 | \$ 840,442 | \$ 3,124,051 | \$ 2,238,572 | \$ 1,258,585 | \$ 814,473 | \$ 860,748 | \$ 878,095 | \$ 1,369,825 | \$ 1,308,981 |
| State Revenue | 716,923 | 665,974 | 1,530,790 | 719,436 | 993,156 | 1,707,370 | 554,574 | 376,382 | 940,004 | 9,773,151 |
| Regional Revenue | 1,259,013 | 5,597,422 | 753,288 | 4,200,382 | 383,768 | 4,364,229 | 6,972,426 | 1,218,073 | 42,479,001 | 21,750,042 |
| Local Revenue | 29,726,691 | 29,602,211 | 31,592,668 | 32,739,508 | 30,231,953 | 34,276,340 | 36,405,155 | 39,001,472 | 41,410,528 | 42,799,518 |
| Total | 37,003,785 | 36,706,049 | 37,000,797 | 39,897,898 | 32,867,462 | 41,162,412 | 44,792,903 | 41,474,022 | 86,199,358 | 75,631,692 |



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COMPLIANCE SECTION

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**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 for 5% Administration Cap

Opinion on Compliance for 5% Administration Cap

We have audited the Transportation Authority of Marin (Authority's) compliance with the requirements of the 5% administration cost cap limit (Limit) contained in the Marin County Transportation Sales Tax Expenditure Plan (Plan) that could have a direct and material effect on the financial statements for the year ended June 30, 2025.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Sales Tax Measures for the year ended June 30, 2025.

Basis for Opinion on the 5% Administration Cap

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards), and requirements specified in the Plan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the 5% Administration Cap. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or agreements applicable to the 5% Administration Cap.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and requirements specified in the Funding Agreement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the 5% Administration Cap as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the requirements referred to above, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 the Sales Tax Measure on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 the 5% Administration Cap 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 the Sales Tax Measure 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, specified in the 5% administration cost cap limit (Limit) contained in the Marin County Transportation Sales Tax Expenditure Plan

Maze + Associates

Pleasant Hill, California
November 7, 2025

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