



## MARIN COUNTY TRANSIT DISTRICT BOARD OF DIRECTORS

Board of Supervisors Chambers, Room 330  
3501 Civic Center Drive, San Rafael, CA 94903

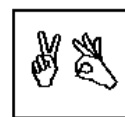
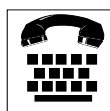
### AGENDA

Monday, December 2, 2019

#### **10:00 a.m. Convene as the Marin County Transit District Board of Directors**

1. Open Time for Public Expression (limited to three minutes per speaker on items not on the Transit District's agenda)
2. Board of Directors' Matters
3. General Manager's Report
  - a. General Manager's Oral Report
  - b. Monthly Monitoring Report for September
4. Consent Calendar
  - a. Minutes for November 18, 2019
  - b. Marin Transit FY 2020 First Quarter Financial Report  
**Recommended Action: Approve.**
5. Marin Transit Comprehensive Annual Financial Report for Fiscal Year 2018/19  
**Recommended Action: Accept report.**
6. Transition of Retirement Accounts to New Retirement Plan Provider  
**Recommended Action: Authorize General Manager to execute three contracts with Hub International, Principal Financial Services, and Carlson Quinn to transition defined contribution retirement savings accounts to a new provider and provide additional plan oversight.**

#### **Adjourn**



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**Late agenda material can be inspected in the office of Marin Transit, between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday. The office is located at 711 Grand Avenue, Suite 110, San Rafael, CA 94901.**

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**Material de agenda de última hora puede ser inspeccionado en la oficina de Marin Transit, entre las horas de 8:00 am y 5:00 pm. La oficina está ubicada en 711 Grand Avenue, Suite 110, San Rafael, CA 94901.**



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[marintransit.org](http://marintransit.org)

December 2, 2019

Honorable Board of Directors  
Marin County Transit District  
3501 Civic Center Drive  
San Rafael, CA 94903

**SUBJECT: General Manager Report – Monthly Report:  
September 2019**

**board of directors**

Dear Board Members:

damon connolly  
president  
supervisor district 1

**RECOMMENDATION:** This is a recurring information item.

dennis rodoni  
vice president  
supervisor district 4

**SUMMARY:** The attached monthly report provides an overview of Marin Transit operations for the monthly period ending September 30, 2019. The monthly reports summarize statistics on the performance of Marin Transit services and customer comments.

kate colin  
2nd vice president  
city of san rafael

Overall ridership in September 2019 increased by 3.0 percent compared to September 2018. Ridership on fixed-route services increased by 2.6 percent compared to the same month last year. Ridership on Marin Access services increased by 13.9 percent, and Yellow Bus ridership increased 7.1 percent compared to September 2018.

judy arnold  
director  
supervisor district 5

Additional detailed analyses of system performance and trends are provided in separate quarterly and annual reports, including route-level statistics and financials. These reports are available on the District's website at <http://marintransit.org/monitoringreports.html>.

stephanie moulton-peters  
director  
city of mill valley

**FISCAL/STAFFING IMPACT:** None associated with this report.

katie rice  
director  
supervisor district 2

Respectfully submitted,

kathrin sears  
director  
supervisor district 3

Nancy Whelan  
General Manager

eric lucan  
alternate  
city of novato

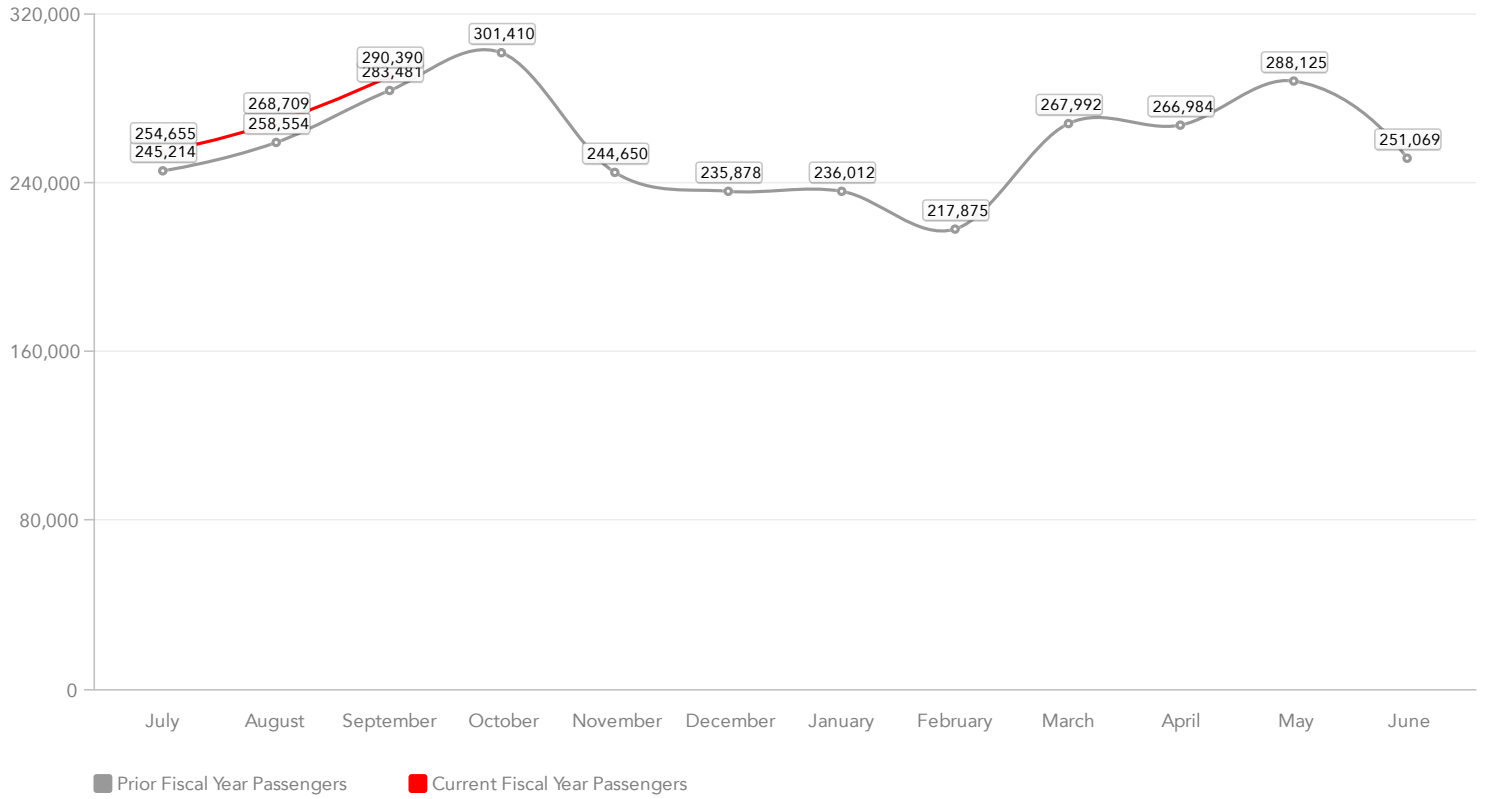
Attachments

FISCAL YEAR

2020

### Year-to-Date Ridership Trends

Fixed-Route Passengers (incl. Yellow Bus) by Month



Demand Response Passengers by Month

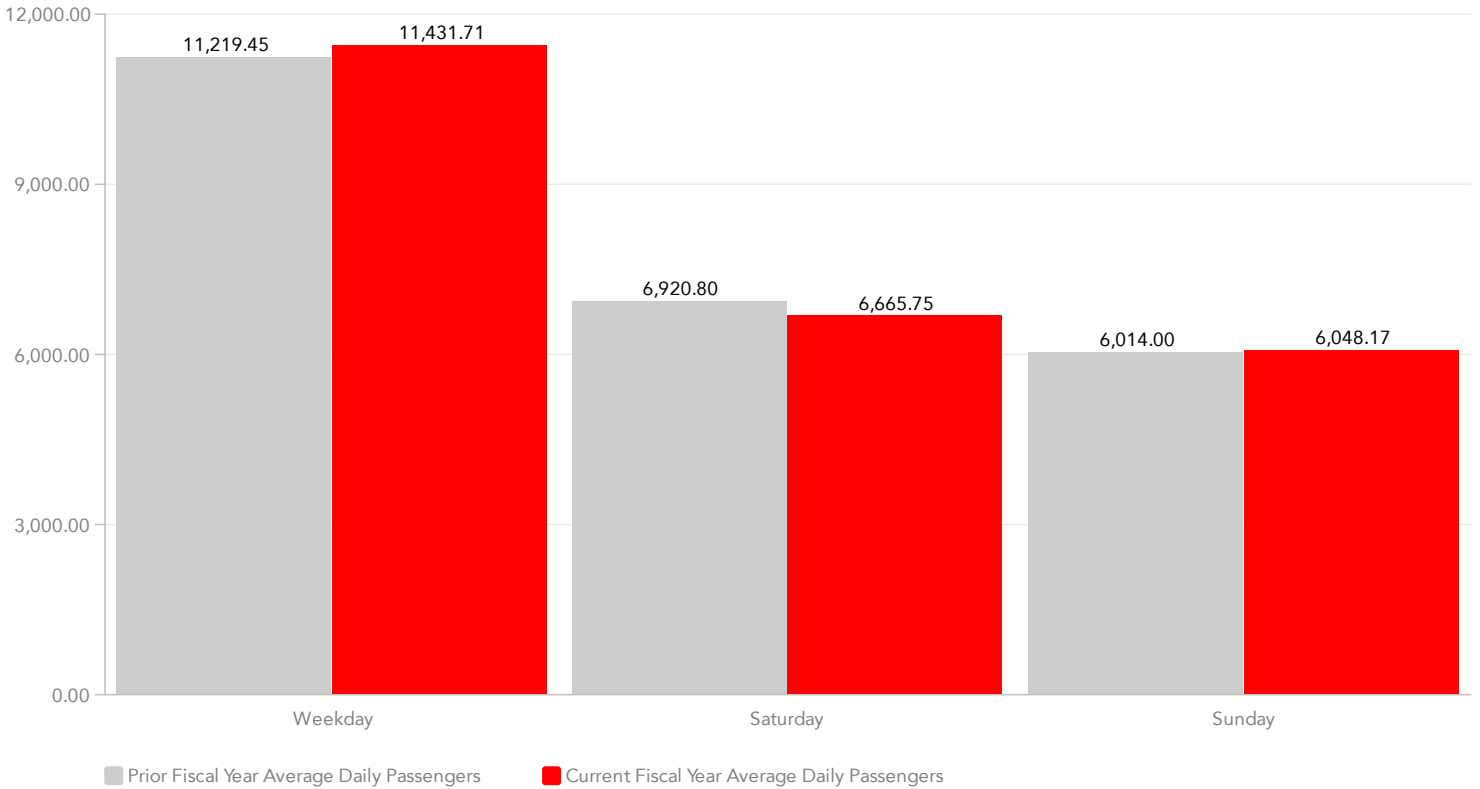


# Monthly Statistics

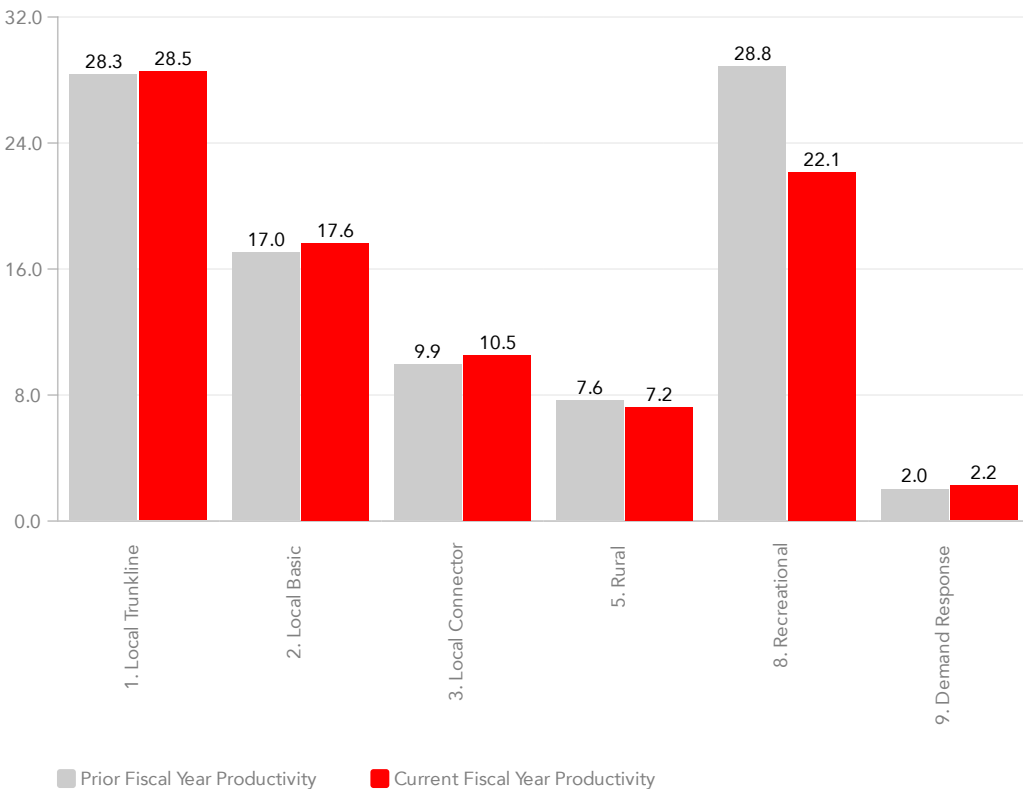
MONTH

September

Average Systemwide Daily Passengers



Productivity (pax/hr) by Typology



### Route Typologies

- 1. Local Trunkline:  
Routes 35, 36, 71X
- 2. Local Basic:  
Routes 17, 22, 23, 23X, 29, 49
- 3. Local Connector:  
Routes 219, 228, 233, 245, 251, 257
- 5. Rural:  
Routes 61, 68
- 8. Recreational:  
Routes 66/66F
- 9. Demand Response:  
Local Paratransit, Novato Dial-A-Ride, Rural Dial-A-Ride



Month: September 2019

| Category                           | Program           |                     |                         |                           |                 |                     |            | Total |
|------------------------------------|-------------------|---------------------|-------------------------|---------------------------|-----------------|---------------------|------------|-------|
|                                    | Fixed-Route Local | Fixed-Route Shuttle | Stagecoach & Muir Woods | Supplemental & Yellow Bus | Demand Response | Mobility Management | Systemwide |       |
| <b>Commendation</b>                | 0                 | 1                   | 0                       | 0                         | 3               | 2                   | 0          | 6     |
| <b>Service Delivery Complaint</b>  | 49                | 21                  | 6                       | 10                        | 3               | 0                   | 3          | 92    |
| Accessibility                      | 2                 | 0                   | 0                       | 0                         | 0               | 0                   | 0          | 2     |
| Driver Conduct Complaint           | 18                | 7                   | 1                       | 2                         | 1               | 0                   | 1          | 30    |
| Driving Complaint                  | 8                 | 0                   | 2                       | 2                         | 0               | 0                   | 1          | 13    |
| Early Trip                         | 2                 | 0                   | 2                       | 0                         | 0               | 0                   | 0          | 4     |
| Equipment Issue                    | 0                 | 0                   | 0                       | 0                         | 0               | 0                   | 1          | 1     |
| Farebox                            | 0                 | 0                   | 0                       | 0                         | 0               | 0                   | 0          | 0     |
| Late Trip                          | 2                 | 4                   | 0                       | 2                         | 2               | 0                   | 0          | 10    |
| Missed Connection                  | 0                 | 0                   | 0                       | 0                         | 0               | 0                   | 0          | 0     |
| Missed Trip                        | 3                 | 0                   | 0                       | 0                         | 0               | 0                   | 0          | 3     |
| No-Show                            | 4                 | 4                   | 0                       | 0                         | 0               | 0                   | 0          | 8     |
| Off-Route                          | 1                 | 0                   | 0                       | 0                         | 0               | 0                   | 0          | 1     |
| Pass-Up Complaint                  | 9                 | 6                   | 1                       | 4                         | 0               | 0                   | 0          | 20    |
| <b>Service Structure Complaint</b> | 6                 | 1                   | 0                       | 3                         | 6               | 3                   | 0          | 19    |
| Bus Stop Improvement Request       | 0                 | 0                   | 0                       | 0                         | 0               | 0                   | 0          | 0     |
| Fares                              | 0                 | 0                   | 0                       | 0                         | 0               | 0                   | 0          | 0     |
| Other Complaint                    | 4                 | 1                   | 0                       | 1                         | 0               | 0                   | 0          | 6     |
| Scheduling Complaint               | 2                 | 0                   | 0                       | 0                         | 4               | 2                   | 0          | 8     |
| Service Improvement Suggestion     | 0                 | 0                   | 0                       | 2                         | 2               | 1                   | 0          | 5     |
| <b>Safety Complaint</b>            | 0                 | 0                   | 0                       | 0                         | 0               | 0                   | 0          | 0     |

|                               |       |       |       |      |       |   |        |        |
|-------------------------------|-------|-------|-------|------|-------|---|--------|--------|
| <b>Total Service Hours</b>    | 8,696 | 3,451 | 1,952 | 781  | 5,620 | - | 21,734 | 21,734 |
| Commendations per 1,000 Hours | 0.0   | 0.3   | 0.0   | 0.0  | 0.5   | - | 0.0    | 0.3    |
| Complaints per 1,000 Hours    | 6.3   | 6.4   | 3.1   | 16.6 | 1.6   | - | 0.1    | 5.1    |

|                                   |         |        |        |        |        |       |         |         |
|-----------------------------------|---------|--------|--------|--------|--------|-------|---------|---------|
| <b>Total Passengers</b>           | 194,155 | 36,341 | 22,005 | 37,889 | 12,152 | 2,187 | 304,729 | 304,729 |
| Commendations per 1,000 Passenger | 0.0     | 0.0    | 0.0    | 0.0    | 0.2    | 0.9   | 0.0     | 0.0     |
| Complaints per 1,000 Passengers   | 0.3     | 0.6    | 0.3    | 0.3    | 0.7    | 1.4   | 0.0     | 0.4     |

## **REGULAR MEETING OF THE MARIN COUNTY TRANSIT DISTRICT BOARD OF DIRECTORS**

**Held Monday, November 18, 2019 at 9:30 A.M.**

### **Roll Call**

**Present: President Connolly, Vice President Rodoni, Second Vice President Colin, Director Arnold, Director Moulton-Peters, Director Rice, Director Sears, Director Lucan**

**Absent: None**

**Director Lucan was in attendance as a non-voting member**

**President Connolly opened the meeting at 9:38 A.M.**

**The Board of Directors convened for a closed session.**

**The Board of Directors reconvened open session at 10:05 am.**

**President Damon Connolly had nothing to report from the closed session.**

1. [Open Time for Public Expression \(limited to three minutes speaker on items not on the Transit District's agenda\)](#)

President Connolly asked if any member of the public wished to speak. Seeing none he called for Board of Directors' Matters.

2. [Board of Directors' Matters](#)

The Board of Directors of Marin Transit commended Director Stephanie Moulton-Peters for her outstanding dedication, service, and commitment as a Director of Marin Transit. Director Moulton-Peters expressed appreciation to the Board of Directors and Marin Transit staff.

Board President Damon Connolly announced that the Marin County Council of Mayors & Councilmembers (MCCMC) elected Eric Lucan to take the City Member position on the Marin Transit Board. MCCMC will elect an alternate for the city members of the Board in January 2020.

3. [General Manager's Report](#)

#### [Staff Report](#)

- a. [General Manager's Oral Report](#)
- b. [Monthly Monitoring Report for August](#)

General Manager Nancy Whelan congratulated Director Stephanie Moulton-Peters and welcomed Director Eric Lucan as a city representative to the Board.

Ms. Whelan reported that Senate Bill 328 was signed by Governor Newsom on October 13, 2019. This bill requires the school day for middle and high schools to begin no earlier than 8:00 a.m. and 8:30 a.m., respectively, by July 1, 2022. Staff will begin planning for schedule changes in the coming months.

Ms. Whelan reported that during the power outages Santa Rosa CityBus requested help from Whistlestop Wheels in order to evacuate seniors and disabled persons from Santa Rosa. Whistlestop also supported requests from Marin General to transport non-emergency patients.

Ms. Whelan reported that overall ridership in August 2019 increased by 4.2 percent compared to August 2018.

4. [Consent Calendar](#)

- a. [Minutes for October 7, 2019](#)
- b. [Board of Directors Meeting Calendar for 2020](#)
- c. [Marin Transit FY 2018/19 System Performance Report](#)
- d. [Marin Transit FY 2018-19 Year End Financial Report](#)

Director Kate Sears noted that the Marin County Board of Supervisors Chambers will be undergoing upgrades the week of January 6<sup>th</sup> and requested that staff move the first 2020 Marin Transit Board meeting to January 13<sup>th</sup>.

**Recommended Action: Approve.**

M/s: Director Arnold – Director Sears

Ayes: President Connolly, Vice President Rodoni, Second Vice President Colin, Director Arnold, Director Moulton-Peters, Director Rice, Director Sears

Noes: None

Absent: None

5. [Purchase of Property at 600 Rush Landing, Novato for \\$4.9 million and Associated Activities](#)

[Staff Report](#)

General Manager Nancy Whelan gave a presentation on the purchase of property at 600 Rush Landing. The District has identified the value of investing in a permanent facility to incentivize competition for service operations contracts, reduce cost uncertainty, and reduce or minimize overall operating cost growth.

Director Dennis Rodoni inquired about the source of the funds to purchase the



property. Ms. Whelan responded that the Federal Transit Administration (FTA) awarded a \$4.4 million bus and bus facilities discretionary grant to the District for property acquisition and minor site improvements in August 2019. The remaining amount will come from Measure A and capital reserve funds. Staff will seek Board approval for minor site improvements after the acquisition is final and staff has completed an assessment of what is needed.

Director Moulton-Peters asked whether the facility will accommodate all of Marin Transit's fleet. Ms. Whelan stated that the facility accommodates some of the fleet. However, there will be no maintenance done on site. Staff will continue to look for a property to locate a maintenance facility.

Second Vice President Kate Colin inquired about the additional benefits of purchasing the property and how it will help improve services. Ms. Whelan responded that the District has a fleet of 100 bus and paratransit vehicles. Operation and maintenance of the District's fleet is performed at a network of storage and maintenance facilities owned or leased by contractors. By investing in a permanent facility, Marin Transit will increase incentives for providers to compete for operations contracts, provide financial stability, and reduce risks associated with leasing.

David Schonbrunn, President of TRANSDEF, congratulated the District on the acquisition of the property. Mr. Schonbrunn requested clarification on the Enterprise lease and how the property will perform with sea level rise. Ms. Whelan answered that the District will be bound by the terms of the existing lease agreements. Ms. Whelan confirmed that staff intends to engage a consultant to perform a "Phase I" environmental assessment and, if warranted, conduct further investigations.

**Recommended Action: Approve the purchase of property at 600 Rush Landing, Novato for \$4.9 million and associated activities; authorize spending for due diligence, closing, and related costs; determine that the acquisition and continued use of the property is exempt from the California Environmental Quality Act (CEQA).**

M/s: Director Sears – Director Arnold

Ayes: President Connolly, Vice President Rodoni, Second Vice President Colin, Director Arnold, Director Moulton-Peters, Director Rice, Director Sears

Noes: None

Absent: None

6. [FASTER Bay Area Initiative](#)

[Staff Report](#)

General Manager Nancy Whelan requested the Board authorize the General Manager to transmit a list of potential projects to assist in developing a FASTER Bay Area initiative. Marin Transit staff will continue to work with the FASTER Technical Advisory Group and TAM staff to provide input on the regional measure.

Directors Kate Sears and Stephanie Moulton-Peters expressed appreciation to staff for the presentation and charts.

David Schonbrunn, President of TRANSDEF, requested that the Board decline their endorsement of the measure. Mr. Schonbrunn provided a handout to the Board of Directors.

Director Judy Arnold noted that the Napa Valley Transportation Authority and the Transportation Authority of Marin do not support the proposal, though they are developing project lists.

General Manager Nancy Whelan emphasized that staff is seeking authorization to make the proposed project list available.

**Recommended Action: Authorize General Manager to transmit project list.**

M/s: Director Arnold – Director Sears

Ayes: President Connolly, Vice President Rodoni, Second Vice President Colin, Director Arnold, Director Moulton-Peters, Director Rice, Director Sears

Noes: None

Absent: None

7. [Marin Transit Fare Policy, Program Eligibility, and Low-Income Fare Assistance Proposal](#)

[Staff Report](#)

Planning Manager Aida Banihashemi presented an overview of the history and proposed changes to Marin Transit's fare policy, program eligibility, and low-income fare assistance (LIFA). The updates are an important next step in implementing new programs and advanced fare technologies. Staff will continue to conduct outreach to riders who may be impacted by this proposal and will prepare a Title VI fare equity analysis for the Board's review.

Ms. Banihashemi requested the Board set a public hearing for the January 2020 meeting to receive public comments. Staff will recommend that the Board consider taking an action to adopt fare and eligibility changes at the February meeting.

Marin Transit will open an online comment portal for the public and invite comments by mail, phone, or in-person at the public hearing. Staff will summarize all comments for the February 2020 Board meeting.

David Schonbrunn, President of TRANSDEF, requested that staff consider incremental fare increases for the paratransit and dial-a-ride services. Mr. Schonbrunn also requested that staff consider a fare discount for all low-income passengers as other agencies are doing as part of a Metropolitan Transportation Commission (MTC) pilot project.

Directors Judy Arnold and Kate Sears noted the importance of emphasizing the proposed changes in low-income fare assistance and making them more prominent in outreach materials.

Ms. Banihashemi clarified that under the proposed changes, LIFA-eligible riders will receive:

- Free unlimited access to Marin Transit Fixed Route Services
- In phase 1, a \$20.00 in credit per month effective July 2020 for use on Marin Access programs including Paratransit, Catch A Ride, Dial A Ride, and Connect
- In phase 2, the credit will increase to \$25 per month in July 2023

General Manager Nancy Whelan stated that riders who are eligible for LIFA- are either disabled residents or age 65 and older. Eligible seniors are enrolled in Medi-Cal or have an income that falls at or below California's Elder Economic Index.

Ms. Whelan noted Marin Transit requested to be included the regional means-based fare discount program. MTC chose not to include Marin Transit. Ms. Whelan added that students participate in the Youth Pass Program at no charge when their families demonstrate income restrictions similar to the State-administered free and reduced-price meal program

Ms. Whelan emphasized that Marin Transit cannot independently change its fares within the Clipper system because its fare table in Clipper is shared with Golden Gate Transit. Until the District achieves Clipper independence, both agencies must agree on changes to local fares.

Directors Judy Arnold and Stephanie Moulton-Peters emphasized the importance of highlighting and publicizing equity fares in future presentations and within the community to spread awareness.

Director Katie Rice remarked that it is outstanding that Marin Transit recognizes that most riders are low-income and transit-dependent and that fare structure updates reflect that.

Board President Damon Connolly noted that the District is participating in a region-wide fare integration discussion that includes fare equity.

General Manager Nancy Whelan stated that the public hearing will take place in January 2020.

**Recommended Action: Set a public hearing on proposed changes to fare policies and programs for January 2020**

M/s: Director Arnold – Director Moulton-Peters

Ayes: President Connolly, Vice President Rodoni, Second Vice President Colin, Director Arnold, Director Moulton-Peters, Director Rice, Director Sears

Noes: None

Absent: None

8. [Draft FY 2020-2029 Marin Transit Short Range Transit Plan](#)

[Staff Report](#)

Planning Manager Aida Banihashemi summarized Marin Transit's accomplishments since the approval of the previous SRTP update in 2017 and outlined the latest draft SRTP identifying activities and programs for the next ten years.

Ms. Banihashemi requested that the Board set a public hearing at the January 2020 meeting. When the hearing date is set, staff will open an online comment portal for the public to submit comments. The District will also accept comments by mail, phone, or in-person at the public hearing. Staff will present the revised final draft of the plan and recommend adoption at the February 2020 meeting.

Board President Damon Connolly asked how often Marin Transit updates the SRTP. General Manager Nancy Whelan responded that TAM requires a revision every two years.

David Schonbrunn, President of TRANSDEF, requested that the District reallocate resources in the SRTP to increase service frequency on US 101.

Board President Connolly and Director Moulton-Peters remarked on the

importance of improving the planning of Marin Transit routes. General Manager Nancy Whelan noted that staff will return with a presentation on service planning.

**Recommended Action: Set a public hearing on Draft Short Range Transit Plan for January 2020**

M/s: Director Arnold – Director Moulton-Peters

Ayes: President Connolly, Vice President Rodoni, Second Vice President Colin, Director Arnold, Director Moulton-Peters, Director Rice, Director Sears

Noes: None

Absent:

Adjourn President Connolly adjourned the meeting at 11:30 A.M.

SINE DIE

\_\_\_\_\_  
PRESIDENT

ATTEST:

\_\_\_\_\_  
CLERK



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san rafael, ca 94901

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December 2, 2019

Honorable Board of Directors  
Marin County Transit District  
3501 Civic Center Drive  
San Rafael, CA 94903

**SUBJECT: Marin County Transit District First Quarter FY 2019/20  
Financial Report**

Dear Board Members:

**RECOMMENDATION:** Accept report and approve associated budget amendments.

**SUMMARY:** The quarterly report is an opportunity for your Board to review the District's financial status and to provide fiscal and operational accountability. This report represents all financial transactions for the District through the first quarter of Fiscal Year 2019/20 and requires approval of three associated budget amendments

Unaudited revenues and expenditures are shown on a full accrual basis consistent with Generally Accepted Accounting Principles (GAAP) for special districts. All known revenues and expenditures for the period are reported even if they have not been received or are awaiting payment. This includes recorded estimates for property tax and other significant transactions.

First quarter operations expenses and revenues were consistent with the Board-adopted budget.

**Operating Expenses**

FY 2019/20 operating expenditures through the first quarter (Attachment A, Page 1) are \$8,162,173, which is 24 percent of the annual budget of \$33,592,353. With these expenditures, Marin Transit successfully delivered the transit services identified in Table 1.

**Operating Revenue**

Marin Transit's FY2019/20 operating revenues through the first quarter (Attachment A, Page 1) are \$9,155,571 or 25 percent of the annual budget of \$37,159,020.

**Capital Budget**

Through the first quarter, Marin Transit's expenditures in the Capital Budget (Attachment A, Page 1) were \$434,323 or two percent of the \$22.6 million budget. Capital revenues typically tie closely to expenditures as they tend to be on a reimbursement basis. The primary

**board of directors**

damon connolly  
president  
supervisor district 1

dennis rodoni  
vice president  
supervisor district 4

kate colin  
2nd vice president  
city of san rafael

judy arnold  
director  
supervisor district 5

stephanie moulton-peters  
director  
city of mill valley

katie rice  
director  
supervisor district 2

kathrin sears  
director  
supervisor district 3

eric lucan  
alternate  
city of novato

expenditures were three paratransit vehicles and one transit shuttle vehicle. Attachment C includes a complete Capital Report for all major Marin Transit capital projects for the current period.

**Table 1: FY 2019/20 Year to Date (YTD) thru First Quarter Service Operations**

| <i>Service</i>                                     | <i>Annual Estimated Revenue Hours</i> | <i>YTD thru Q1 Actual Revenue Hours</i> | <i>% of Annual</i> |
|--|---------------------------------------|---|--------------------|
| <i>Regular Local and Trunk Line</i>                | <i>116,000</i>                        | <i>27,326</i>                           | <i>24%</i>         |
| <i>Community Shuttles</i>                          | <i>43,500</i>                         | <i>10,713</i>                           | <i>25%</i>         |
| <i>Local Supplemental School<sup>1</sup></i>       | <i>6,850</i>                          | <i>674</i>                              | <i>10%</i>         |
| <i>Muir Woods Shuttle</i>                          | <i>6,500</i>                          | <i>2,435</i>                            | <i>37%</i>         |
| <i>Novato Dial-A-Ride</i>                          | <i>2,400</i>                          | <i>661</i>                              | <i>28%</i>         |
| <i>West Marin Stagecoach Service</i>               | <i>16,400</i>                         | <i>4,269</i>                            | <i>26%</i>         |
| <i>Rural Dial A Ride</i>                           | <i>435</i>                            | <i>97</i>                               | <i>22%</i>         |
| <i>Transit Connect</i>                             | <i>8,500</i>                          | <i>1,558</i>                            | <i>18%</i>         |
| <i>Local Paratransit Service</i>                   | <i>63,800</i>                         | <i>15,263</i>                           | <i>24%</i>         |
| <i>Regional Paratransit Service</i>                | <i>8,500</i>                          | <i>1,632</i>                            | <i>19%</i>         |
| <i>Yellow School Bus Service</i>                   | <i>6 buses</i>                        | <i>-</i>                                | <i>-</i>           |
| <i>Service</i>                                     | <i>Annual Estimated Trips</i>         | <i>YTD thru Q1 Actual Trips</i>         | <i>% of Annual</i> |
| <i>Catch A Ride</i>                                | <i>15,400</i>                         | <i>3,904</i>                            | <i>25%</i>         |
| <i>Volunteer Driver</i>                            | <i>15,700</i>                         | <i>3,036</i>                            | <i>19%</i>         |
| <i>Notes: 1) Includes College of Marin service</i> |                                       |   |                    |

### Capital Budget

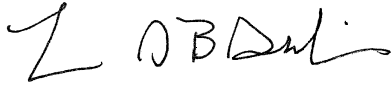
Through the first quarter, Marin Transit's expenditures in the Capital Budget (Attachment A, Page 1) were \$434,323 or two percent of the \$22.6 million budget. Capital revenues typically tie closely to expenditures as they tend to be on a reimbursement basis. The primary expenditures were three paratransit vehicles and one transit shuttle vehicle. Attachment C includes a complete Capital Report for all major Marin Transit capital projects for the current period.

**FISCAL/STAFFING IMPACT:** This item includes the adoption of three administrative budget amendments (Attachment B). Amendment 2020-03 adjusts the current year capital project budgets based on the final FY2018/19 actuals to retain the total project budgets. This increases the FY2019/20 capital revenue and expenses by \$994,002. The shifting of costs between fiscal years does not change the multi-year capital costs for the projects.

Amendment 2020-04 adds the District's FY2018/19 allocation of State Transit Assistance and State of Good Repair funds to the rural vehicle replacement project (XB). The amendment also adds \$30,000 to the project budget due to increased vehicle pricing on the updated State contract.

Amendment 2020-05 adds \$21,000 in project budget to the Hybrid Battery Replacement (HM) project to reflect final costs that included engine rebuilds for these vehicles.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "L Gradia". The signature is written in a cursive, flowing style.

Lauren Gradia  
Director of Finance and Capital Projects

Attachment A: FY2019/20 First Quarter Financial Report

Attachment B: FY2019/20 Budget Amendments

Attachment C: Capital Project Report



Marin Transit  
 FY2019/20 Q1 Budget Report  
 From 7/1/2019 Through 9/30/2019

*Summary*

|                               | <u>FY19 Actual</u> | <u>Total Budget -<br/>Original</u> | <u>Total Budget -<br/>Revised</u> | <u>Current Period<br/>Actual</u> | <u>Percent Total<br/>Budget Used</u> |
|-------------------------------|--------------------|------------------------------------|-----------------------------------|----------------------------------|--------------------------------------|
| Revenue                       |                    |                                    |                                   |                                  |                                      |
| Capital                       | 3,587,683          | 18,583,692                         | 19,648,843                        | 434,323                          | 2.21%                                |
| Vehicle Operations            | 34,660,941         | 37,159,021                         | 37,159,020                        | 9,155,571                        | 24.64%                               |
| Total Revenue                 | <u>38,248,624</u>  | <u>55,742,713</u>                  | <u>56,807,863</u>                 | <u>9,589,894</u>                 | <u>16.88%</u>                        |
| Expenses                      |                    |                                    |                                   |                                  |                                      |
| Capital                       | 3,587,683          | 21,583,691                         | 22,648,841                        | 434,323                          | 1.92%                                |
| Vehicle Operations            | 30,563,140         | 33,567,353                         | 33,592,353                        | 8,162,173                        | 24.30%                               |
| Total Expenses                | <u>34,150,823</u>  | <u>55,151,044</u>                  | <u>56,241,194</u>                 | <u>8,596,496</u>                 | <u>15.29%</u>                        |
| Expenditures                  | <u>34,150,824</u>  | <u>55,151,044</u>                  | <u>56,241,194</u>                 | <u>8,596,496</u>                 | <u>15.04%</u>                        |
| Net Revenue Over Expenditures | <u>4,097,801</u>   | <u>591,669</u>                     | <u>566,668</u>                    | <u>993,398</u>                   | <u>175%</u>                          |

Marin Transit  
 FY2019/20 Q1 Budget Report  
 From 7/1/2019 Through 9/30/2019

**Operations Summary: Admin, Local, Yellow, Rural, Marin Access**

|                                      | FY2018/19<br>Actual      | Total Budget -<br>Original | Total Budget -<br>Revised | Current Period<br>Actual | Percent Total<br>Budget Used |
|--------------------------------------|--------------------------|----------------------------|---------------------------|--------------------------|------------------------------|
| Fare Revenue                         | 4,024,376                | 4,160,781                  | 4,160,781                 | 878,681                  | 21.11%                       |
| Advertising & Other Revenue          | 390,093                  | 408,000                    | 408,000                   | 97,523                   | 23.90%                       |
| Fee for Service                      | 1,934,611                | 2,097,563                  | 2,097,563                 | 499,543                  | 23.81%                       |
| Interest                             | 198,694                  | 150,700                    | 150,700                   | 736                      | 0.48%                        |
| Measure A                            | 13,460,000               | 6,899,497                  | 6,899,497                 | 3,096,071                | 0.00%                        |
| Measure A Interest                   | 85,000                   | 0                          | 0                         | 85,000                   | 0.00%                        |
| Measure AA                           | 0                        | 7,508,005                  | 7,508,004                 | 332,485                  | 0.00%                        |
| Measure B                            | 991,414                  | 1,245,000                  | 1,245,000                 | 209,912                  | 0.00%                        |
| Property Taxes                       | 4,557,957                | 4,629,004                  | 4,629,004                 | 1,044,202                | 0.84%                        |
| Redevelopment Area (RDA) Fees        | 48,787                   | 39,950                     | 39,950                    | 1,163                    | 2.91%                        |
| State Transit Assistance (STA)       | 1,841,702                | 2,375,692                  | 2,375,692                 | 578,923                  | 10.95%                       |
| Transit Development Act (TDA)        | 5,109,399                | 5,836,446                  | 5,836,446                 | 1,459,112                | 0.00%                        |
| Other State                          | 354,858                  | 18,800                     | 18,800                    | 0                        | 0.00%                        |
| FTA Funds                            | 1,417,148                | 1,338,413                  | 1,338,413                 | 749,688                  | 52.01%                       |
| National Park Service                | 323,523                  | 452,570                    | 452,570                   | 122,532                  | 27.07%                       |
| Cost Center Revenue Transfers        | (76,621)                 | (1,400)                    | (1,400)                   | 0                        | 0.00%                        |
| <b>Total Revenue</b>                 | <b><u>34,660,941</u></b> | <b><u>37,159,021</u></b>   | <b><u>37,159,020</u></b>  | <b><u>9,155,571</u></b>  | <b><u>24.64%</u></b>         |
| Salaries and Benefits                | 2,326,048                | 2,675,000                  | 2,675,000                 | 611,704                  | 22.86%                       |
| Consultant Services                  | 320,303                  | 727,217                    | 727,217                   | 66,453                   | 9.13%                        |
| Professional Service-Legal           | 74,552                   | 0                          | 0                         | 1,140                    | 0.00%                        |
| Security and Maintenance             | 260,405                  | 303,854                    | 303,854                   | 66,949                   | 1.76%                        |
| Customer Service                     | 596,949                  | 651,950                    | 651,950                   | 155,379                  | 23.83%                       |
| Indirect County Overhead             | 0                        | 2,652                      | 2,652                     | 0                        | 0.00%                        |
| Mobility Management Support Programs | 7,344                    | 29,800                     | 29,800                    | 2,741                    | 0.00%                        |
| Grants to External Agencies          | 0                        | 405,485                    | 405,485                   | 42,244                   | 0.00%                        |
| Office Supplies                      | 155,764                  | 233,808                    | 258,808                   | 103,570                  | 40.01%                       |
| General Insurance                    | 36,166                   | 40,000                     | 40,000                    | 47,662                   | 119.15%                      |
| Contract Service Operation           | 24,244,754               | 25,631,104                 | 25,631,104                | 6,211,939                | 24.23%                       |
| Membership & Prof Development        | 23,223                   | 63,654                     | 63,654                    | 5,685                    | 8.93%                        |
| Mileage and Travel                   | 12,644                   | 24,401                     | 24,401                    | 2,826                    | 11.58%                       |
| Marketing                            | 116,675                  | 246,808                    | 246,808                   | 34,304                   | 15.00%                       |
| Communication                        | 90,394                   | 227,623                    | 227,623                   | 102,256                  | 44.92%                       |
| Fuel                                 | 2,521,500                | 2,663,294                  | 2,663,294                 | 673,324                  | 25.28%                       |
| Vehicle Leases                       | 26,378                   | 24,730                     | 24,730                    | 4,940                    | 19.97%                       |
| Office - Rental and Overhead         | 126,723                  | 141,110                    | 141,110                   | 33,945                   | 24.05%                       |
| Partner Agency Pass Through          | 85,000                   | 0                          | 0                         | 85,000                   | 0.00%                        |
| Cost Center Transfers                | (461,682)                | (525,136)                  | (525,136)                 | (89,888)                 | 17.11%                       |
| <b>Total Expenses</b>                | <b><u>30,563,140</u></b> | <b><u>33,567,353</u></b>   | <b><u>33,592,353</u></b>  | <b><u>8,162,173</u></b>  | <b><u>23.89%</u></b>         |

Marin Transit  
 FY2018/19 Q1 Budget Report  
 From 7/1/2018 Through 9/30/2018

**Detail: Administration**

|                                      |         | FY2018/19<br>Actual | Total Budget -<br>Original | Total Budget -<br>Revised | Current Period<br>Actual | Percent Total<br>Budget Used |
|--------------------------------------|---------|---------------------|----------------------------|---------------------------|--------------------------|------------------------------|
| <b>Revenue</b>                       |         |                     |                            |                           |                          |                              |
| Interest                             | 4070400 | 198,694             | 150,700                    | 150,700                   | 736                      | 0.48%                        |
| Development Fees                     | 4079950 | 20,494              | 19,950                     | 19,950                    | 0                        | 0.00%                        |
| Residual ABX 126                     | 4079954 | 28,293              | 20,000                     | 20,000                    | 1,163                    | 5.81%                        |
| PropTax-CurrntSecured                | 4080101 | 4,020,242           | 4,106,048                  | 4,106,048                 | 1,005,061                | 0.00%                        |
| County Fee-SV2557Admin Basic Tax     | 4080102 | (61,406)            | (64,562)                   | (64,562)                  | 0                        | 0.00%                        |
| Property Tax-Unitary                 | 4080103 | 38,901              | 36,050                     | 36,050                    | 0                        | 0.00%                        |
| PropTax-CurrntUnSecur                | 4080104 | 73,364              | 75,000                     | 75,000                    | 0                        | 0.00%                        |
| Educ Rev Augm Fund-Redist            | 4080105 | 388,770             | 380,000                    | 380,000                   | 38,494                   | 10.13%                       |
| PropTax-Supp CY SECR                 | 4080106 | 91,711              | 90,000                     | 90,000                    | 0                        | 0.00%                        |
| PropTax-Supp Unsecured               | 4080107 | 791                 | 1,000                      | 1,000                     | 0                        | 0.00%                        |
| PropTax-Redemtion                    | 4080108 | 2,693               | 1,500                      | 1,500                     | 647                      | 43.10%                       |
| Property Tax-Prior Unsecured         | 4080109 | 2,891               | 3,968                      | 3,968                     | 0                        | 0.00%                        |
| Other                                | 4090101 | 152                 | 0                          | 0                         | 0                        | 0.00%                        |
| Other State                          | 4119940 | 284                 | 300                        | 300                       | 0                        | 0.00%                        |
| <b>Total Revenue</b>                 |         | <b>4,805,874</b>    | <b>4,819,954</b>           | <b>4,819,954</b>          | <b>1,046,101</b>         | <b>0.85</b>                  |
| <b>Transfers</b>                     |         |                     |                            |                           |                          |                              |
| Property Tax Transfer                | 4700001 | (554,339)           | (852,865)                  | (852,865)                 | 0                        | 0.00%                        |
| <b>Total Transfers</b>               |         | <b>(554,339)</b>    | <b>(852,865)</b>           | <b>(852,865)</b>          | <b>0</b>                 | <b>0.00%</b>                 |
| <b>Net Revenue</b>                   |         | <b>4,251,535</b>    | <b>3,967,089</b>           | <b>3,967,089</b>          | <b>1,046,101</b>         | <b>26.37%</b>                |
| <b>Expense</b>                       |         |                     |                            |                           |                          |                              |
| Salaries                             | 5010200 | 1,462,869           | 1,710,720                  | 1,710,720                 | 447,365                  | 26.15%                       |
| Employee Benefits                    | 5020000 | 863,179             | 964,280                    | 964,280                   | 164,339                  | 17.04%                       |
| Consultant Services                  | 5030301 | 102,200             | 334,750                    | 334,750                   | 43,655                   | 13.04%                       |
| Prof Svcs - Legal                    | 5030304 | 74,552              | 0                          | 0                         | 1,140                    | 0.00%                        |
| Prof Svcs - Accounting and Audit     | 5030305 | 30,011              | 34,189                     | 34,189                    | 0                        | 0.00%                        |
| Office Supplies                      | 5049901 | 7,471               | 13,000                     | 13,000                    | 1,938                    | 14.90%                       |
| Small Furn/Equip                     | 5049902 | 4,230               | 10,000                     | 10,000                    | 193                      | 1.92%                        |
| Software                             | 5049903 | 59,386              | 61,800                     | 61,800                    | 46,537                   | 75.30%                       |
| Copier Suppl & Srvc                  | 5049904 | 8,276               | 9,442                      | 9,442                     | 2,130                    | 22.55%                       |
| Postage                              | 5049905 | 1,025               | 3,183                      | 3,183                     | 1,054                    | 33.10%                       |
| Computers                            | 5049906 | 16,184              | 20,600                     | 20,600                    | 0                        | 0.00%                        |
| Communication - Phone                | 5050201 | 24,931              | 32,167                     | 32,167                    | 5,058                    | 15.72%                       |
| Insurance - Gen Liability            | 5060301 | 36,166              | 40,000                     | 40,000                    | 47,662                   | 119.15%                      |
| Membership & Prof Development        | 5090101 | 23,223              | 63,654                     | 63,654                    | 5,685                    | 8.93%                        |
| Mileage and Travel                   | 5090202 | 12,644              | 24,401                     | 24,401                    | 2,826                    | 11.58%                       |
| Marketing                            | 5090801 | 8,938               | 13,113                     | 13,113                    | 6,016                    | 45.87%                       |
| County Fee - Special District        | 5100401 | 0                   | 2,652                      | 2,652                     | 0                        | 0.00%                        |
| Office Rental                        | 5121200 | 126,723             | 141,110                    | 141,110                   | 33,945                   | 24.05%                       |
| <b>Total Expense</b>                 |         | <b>2,862,008</b>    | <b>3,479,061</b>           | <b>3,479,061</b>          | <b>809,543</b>           | <b>23.27%</b>                |
| <b>Transfers</b>                     |         |                     |                            |                           |                          |                              |
| Salary/Benefit Transfers             | 5100100 | (2,257,540)         | (2,514,176)                | (2,514,176)               | (596,455)                | 23.72%                       |
| Transfer Overhead                    | 5100101 | (450,733)           | (589,463)                  | (589,463)                 | (160,387)                | 27.20%                       |
| <b>Total Transfers</b>               |         | <b>(2,708,274)</b>  | <b>(3,103,639)</b>         | <b>(3,103,639)</b>        | <b>(756,841)</b>         | <b>24.39%</b>                |
| <b>Total Expense</b>                 |         | <b>153,734</b>      | <b>375,422</b>             | <b>375,422</b>            | <b>52,702</b>            | <b>14.04%</b>                |
| <b>Net Revenue Over Expenditures</b> |         | <b>3,733,870</b>    | <b>3,087,650</b>           | <b>3,087,651</b>          | <b>870,661</b>           | <b>28.19%</b>                |

Marin Transit  
 FY2018/19 Q1 Budget Report  
 From 7/1/2018 Through 9/30/2018

**Detail: Local Service**

|  |         | FY2018/19<br>Actual | Total Budget -<br>Original | Total Budget -<br>Revised | Current Period<br>Actual | Percent Total<br>Budget Used |
|--|---------|---------------------|----------------------------|---------------------------|--------------------------|------------------------------|
| <b>Revenue</b>                               |         |                     |                            |                           |                          |                              |
| Advertising Revenue                          | 4060301 | 240,960             | 258,000                    | 258,000                   | 60,240                   | 23.35%                       |
| Lease of Property                            | 4070301 | 149,133             | 150,000                    | 150,000                   | 37,283                   | 24.86%                       |
| Other Gov Agency Payments                    | 4090101 | 1,725               | 0                          | 0                         | 0                        | 0.00%                        |
| Measure A Sales Tax                          | 4092001 | 9,822,215           | 6,201,178                  | 6,201,178                 | 2,606,047                | 42.03%                       |
| Measure A Sales tax - Interest               | 4092003 | 85,000              | 0                          | 0                         | 85,000                   | -                            |
| Measure AA Sales Tax                         | 4092005 | 0                   | 3,918,822                  | 3,918,821                 | 0                        | 0.00%                        |
| State Transit Assistance                     | 4110101 | 1,140,266           | 1,274,541                  | 1,274,541                 | 318,635                  | 25.00%                       |
| Transit Development Act (TDA)                | 4110102 | 5,109,399           | 5,836,446                  | 5,836,446                 | 1,459,112                | 25.00%                       |
| State Transit Assistance - Lifeline          | 4110103 | 0                   | 391,151                    | 391,151                   | 97,788                   | 25.00%                       |
| State Transit Assistance - Revenue Based     | 4110104 | 598,064             | 650,000                    | 650,000                   | 162,500                  | 25.00%                       |
| State- Low Carbon Transit Operations Program | 4119904 | 335,795             | 0                          | 0                         | 0                        | 0.00%                        |
| National Park Service                        | 4139951 | 323,371             | 452,570                    | 452,570                   | 122,532                  | 27.07%                       |
| Special Fares - Paid By Another Agency       | 4020000 | 686,293             | 701,250                    | 701,250                   | 167,775                  | 23.92%                       |
| Fare Revenue                                 | 4140100 | <u>2,414,173</u>    | <u>2,439,800</u>           | <u>2,439,800</u>          | <u>538,357</u>           | <u>22.06%</u>                |
| Total Revenue                                |         | 20,906,394          | 22,273,758                 | 22,273,757                | 5,655,269                | 25.39%                       |
| <b>Transfers</b>                             |         |                     |                            |                           |                          |                              |
| Property Tax Transfer                        | 4700001 | 0                   | 68,950                     | 68,950                    | 0                        | 0.00%                        |
| Program Revenue Transfer                     | 4700002 | <u>81,326</u>       | <u>80,000</u>              | <u>80,000</u>             | <u>0</u>                 | <u>0.00%</u>                 |
| Total Transfers                              |         | 81,326              | 148,950                    | 148,950                   | 0                        | 0.00%                        |
| Net Revenue                                  |         | <u>20,987,720</u>   | <u>22,422,708</u>          | <u>22,422,707</u>         | <u>5,655,269</u>         | <u>25.22%</u>                |
| <b>Expense</b>                               |         |                     |                            |                           |                          |                              |
| Consultant Services                          | 5030301 | 95,480              | 210,000                    | 210,000                   | 7,989                    | 3.80%                        |
| Fare Processing Charges                      | 5030310 | 15,923              | 17,000                     | 17,000                    | 1,280                    | 7.53%                        |
| Customer Service                             | 5030320 | 288,777             | 300,000                    | 300,000                   | 73,170                   | 0.00%                        |
| Custodial Service                            | 5030602 | 12,236              | 21,954                     | 21,954                    | 5,023                    | 22.87%                       |
| Security Services                            | 5030701 | 246,378             | 280,000                    | 280,000                   | 61,595                   | 0.00%                        |
| Fuel   | 5040101 | 1,698,478           | 1,737,000                  | 1,737,000                 | 440,613                  | 25.36%                       |
| Electric Power                               | 5040160 | 7,022               | 49,200                     | 49,200                    | 6,691                    | 13.59%                       |
| Small Furn/Equipment                         | 5049902 | 2,819               | 5,000                      | 5,000                     | 1,787                    | 24.94%                       |
| Software                                     | 5049903 | 50                  | 30,000                     | 30,000                    | 2,206                    | 7.35%                        |
| Communication-AVL                            | 5050205 | 2,317               | 109,115                    | 109,115                   | 56,552                   | 51.82%                       |
| Communication-Data                           | 5050206 | 2,284               | 3,012                      | 3,012                     | 650                      | 21.57%                       |
| Purchased Transportation - In Report         | 5080101 | 16,901,437          | 17,812,316                 | 17,812,316                | 4,394,781                | 24.67%                       |
| Marketing                                    | 5090801 | 67,090              | 95,707                     | 95,707                    | 17,911                   | 18.71%                       |
| Expense Transfer - GGT Pass Through          | 5100404 | <u>85,000</u>       | <u>0</u>                   | <u>0</u>                  | <u>85,000</u>            | <u>0.00%</u>                 |
| Total Expense                                |         | 19,425,291          | 20,670,304                 | 20,670,304                | 5,155,248                | 24.94%                       |
| <b>Transfers</b>                             |         |                     |                            |                           |                          |                              |
| Cost Center Salary/Benefit Transfers         | 5100100 | 1,302,319           | 1,477,231                  | 1,477,231                 | 394,059                  | 26.67%                       |
| Cost Center Transfer Overhead                | 5100101 | <u>260,109</u>      | <u>275,172</u>             | <u>275,172</u>            | <u>105,962</u>           | <u>38.50%</u>                |
| Total Transfers                              |         | 1,562,428           | 1,752,403                  | 1,752,403                 | 500,021                  | 28.53%                       |
| Total Expense                                |         | <u>20,987,719</u>   | <u>22,422,707</u>          | <u>22,422,707</u>         | <u>5,655,269</u>         | <u>25.22%</u>                |

Marin Transit  
 FY2018/19 Q1 Budget Report  
 From 7/1/2018 Through 9/30/2018

**Detail: Yellow Bus Service**

|   |         | FY2018/19<br>Actual | Total Budget -<br>Original | Total Budget -<br>Revised | Current Period<br>Actual | Percent Total<br>Budget Used |
|---|---------|---------------------|----------------------------|---------------------------|--------------------------|------------------------------|
| <b>Revenue</b>                          |         |                     |                            |                           |                          |                              |
| Yellow Bus Fares - Paid by other Agency | 4030000 | 145,000             | 151,000                    | 151,000                   | 0                        | 0.00%                        |
| Local Government Payments               | 4090101 | 108,425             | 106,550                    | 106,550                   | 23,432                   | 21.99%                       |
| Measure A Sales Tax                     | 4092001 | 261,467             | 0                          | 0                         | 0                        | 0.00%                        |
| Measure AA Sales Tax                    | 4092005 | 0                   | 600,000                    | 600,000                   | 96,732                   | 16.12%                       |
| Fare Revenue - Yellow Bus               | 4140105 | <u>354,831</u>      | <u>441,937</u>             | <u>441,937</u>            | <u>68,296</u>            | <u>15.45%</u>                |
| Total Revenue                           |         | 869,723             | 1,299,487                  | 1,299,487                 | 188,460                  | 14.50%                       |
| <b>Transfers</b>                        |         |                     |                            |                           |                          |                              |
| Property Tax Transfer                   | 4700001 | 0                   | 31,326                     | 31,326                    | 0                        | 0.00%                        |
| Total Transfers                         |         | 0                   | 31,326                     | 31,326                    | 0                        | 0.00%                        |
| Net Revenue                             |         | <u>869,723</u>      | <u>1,330,813</u>           | <u>1,330,813</u>          | <u>188,460</u>           | <u>14.16%</u>                |
| <b>Expense</b>                          |         |                     |                            |                           |                          |                              |
| Consultant Services                     | 5030301 | 31,649              | 0                          | 0                         | 2,255                    | 0.00%                        |
| Fare Processing Charges                 | 5030310 | 9,461               | 18,107                     | 18,107                    | 2,301                    | 12.70%                       |
| Custodial Service                       | 5030602 | 1,791               | 1,900                      | 1,900                     | 332                      | 17.44%                       |
| Small Furn/Equip                        | 5049902 | 572                 | 4,750                      | 4,750                     | 136                      | 2.86%                        |
| Software                                | 5049903 | 447                 | 0                          | 0                         | 200                      | 0.00%                        |
| Communication-AVL                       | 5050205 | 6,094               | 15,390                     | 15,390                    | 0                        | 0.00%                        |
| Communication-Data                      | 5050206 | 8,633               | 9,500                      | 9,500                     | 2,053                    | 21.60%                       |
| Yellow Bus School Service               | 5080103 | 619,009             | 642,967                    | 642,967                   | 96,526                   | 15.01%                       |
| Marketing                               | 5090801 | 85                  | 4,000                      | 4,000                     | 193                      | 4.83%                        |
| Grants to Yellow Bus Prgms              | 5098050 | 0                   | 405,485                    | 405,485                   | 42,244                   | 10.42%                       |
| Leases and Rentals                      | 5120401 | <u>26,378</u>       | <u>24,730</u>              | <u>24,730</u>             | <u>4,940</u>             | <u>19.97%</u>                |
| Total Expense                           |         | 704,119             | 1,126,829                  | 1,126,829                 | 151,179                  | 13.42%                       |
| <b>Transfers</b>                        |         |                     |                            |                           |                          |                              |
| Cost Center Salary/Benefit Transfers    | 5100100 | 138,037             | 156,840                    | 156,840                   | 29,380                   | 18.73%                       |
| Cost Center Transfer Overhead           | 5100101 | <u>27,566</u>       | <u>47,144</u>              | <u>47,144</u>             | <u>7,900</u>             | <u>16.75%</u>                |
| Total Transfers                         |         | 165,603             | 203,984                    | 203,984                   | 37,281                   | 18.28%                       |
| Total Expense                           |         | <u>869,722</u>      | <u>1,330,813</u>           | <u>1,330,813</u>          | <u>188,460</u>           | <u>14.16%</u>                |

Marin Transit  
 FY2018/19 Q1 Budget Report  
 From 7/1/2018 Through 9/30/2018

**Detail: Rural Service**

|                                      |         | FY2018/19<br>Actual | Total Budget -<br>Original | Total Budget -<br>Revised | Current Period<br>Actual | Percent Total<br>Budget Used |
|--------------------------------------|---------|---------------------|----------------------------|---------------------------|--------------------------|------------------------------|
| <b>Revenue</b>                       |         |                     |                            |                           |                          |                              |
| Measure A Sales Tax                  | 4092001 | 990,000             | 174,580                    | 174,580                   | 174,580                  | 100%                         |
| Measure AA Sales Tax                 | 4092005 | 0                   | 714,128                    | 714,128                   | 235,753                  | 33.01%                       |
| Fed-FTA 5311 Rural                   | 4139920 | 215,088             | 213,885                    | 213,885                   | 53,471                   | 0.00%                        |
| Fare Revenue                         | 4140100 | <u>110,245</u>      | <u>121,794</u>             | <u>121,794</u>            | <u>26,101</u>            | <u>21.43%</u>                |
| Total Revenue                        |         | 1,315,333           | 1,224,386                  | 1,224,386                 | 489,905                  | 2.13%                        |
| <b>Transfers</b>                     |         |                     |                            |                           |                          |                              |
| Property Tax Transfer                | 4700001 | <u>477,718</u>      | <u>712,648</u>             | <u>712,648</u>            | 0                        | 0.00%                        |
| Total Transfers                      |         | 477,718             | 712,648                    | 712,648                   | 0                        | 0.00%                        |
| Net Revenue                          |         | <u>1,793,051</u>    | <u>1,937,034</u>           | <u>1,937,034</u>          | <u>489,905</u>           | <u>25.29%</u>                |
| <b>Expense</b>                       |         |                     |                            |                           |                          |                              |
| Consultant Services                  | 5030301 | 5,399               | 15,000                     | 15,000                    | 1,803                    | 12.01%                       |
| Fuel                                 | 5040101 | 208,435             | 230,000                    | 230,000                   | 58,965                   | 25.63%                       |
| Communication-AVL                    | 5050205 | 165                 | 0                          | 0                         | 132                      | 0.00%                        |
| Communication-Data                   | 5050206 | 7,572               | 16,409                     | 16,409                    | 13,756                   | 83.83%                       |
| Purchased Transportation - In Report | 5080101 | 831                 | 1,061                      | 1,061                     | 208                      | 19.59%                       |
| Purchased Transportation - Regional  | 5080102 | 1,435,669           | 1,482,772                  | 1,482,772                 | 380,103                  | 25.63%                       |
| Marketing                            | 5090801 | <u>7,397</u>        | <u>33,138</u>              | <u>33,138</u>             | <u>2,362</u>             | <u>7.12%</u>                 |
| Total Expense                        |         | 1,665,468           | 1,778,380                  | 1,778,380                 | 457,329                  | 25.72%                       |
| <b>Transfers</b>                     |         |                     |                            |                           |                          |                              |
| Cost Center Salary/Benefit Transfers | 5100100 | 106,346             | 121,987                    | 121,987                   | 25,673                   | 21.04%                       |
| Cost Center Transfer Overhead        | 5100101 | <u>21,237</u>       | <u>36,667</u>              | <u>36,667</u>             | <u>6,903</u>             | <u>18.82%</u>                |
| Total Transfers                      |         | 127,584             | 158,654                    | 158,654                   | 32,576                   | 20.53%                       |
| Total Expense                        |         | <u>1,793,052</u>    | <u>1,937,034</u>           | <u>1,937,034</u>          | <u>489,905</u>           | <u>25.29%</u>                |

Marin Transit  
 FY2018/19 Q1 Budget Report  
 From 7/1/2018 Through 9/30/2018

**Detail: Marin Access**

|   |         | FY2018/19<br>Actual     | Total Budget -<br>Original | Total Budget -<br>Revised | Current Period<br>Actual | Percent Total<br>Budget Used |
|---|---------|-------------------------|----------------------------|---------------------------|--------------------------|------------------------------|
| <b>Revenue</b>                          |         |                         |                            |                           |                          |                              |
| Measure A Sales Tax                     | 4092001 | 2,386,318               | 523,739                    | 523,739                   | 315,444                  | 60.23%                       |
| Measure AA Sales Tax                    | 4092005 | 0                       | 2,275,056                  | 2,275,056                 | 0                        | 0.00%                        |
| Measure B                               | 4099950 | 991,414                 | 1,245,000                  | 1,245,000                 | 209,912                  | 16.86%                       |
| State Transit Assistance                | 4110101 | 103,372                 | 60,000                     | 60,000                    | 0                        | 0.00%                        |
| State Prop Tx Relief HOPTR              | 4119910 | 18,779                  | 18,500                     | 18,500                    | 0                        | 0.00%                        |
| Fed-FTA 5307 Urbanized Area Formula     | 4139910 | 715,573                 | 687,028                    | 687,028                   | 539,346                  | 78.50%                       |
| Fed-FTA 5310 Mobility                   | 4139915 | 486,487                 | 437,500                    | 437,500                   | 156,871                  | 35.85%                       |
| Fare Revenue                            | 4140100 | 313,834                 | 305,000                    | 305,000                   | 78,151                   | 25.62%                       |
| Misc.-Reimbursement                     | 4601001 | 3,003                   | 0                          | 0                         | 0                        | 0.00%                        |
| GGBHTD Payment for Local Paratransit    | 4601003 | 1,054,043               | 1,145,995                  | 1,145,995                 | 285,744                  | 24.93%                       |
| GGBHTD Payment for Regional Paratransit | 4601004 | <u>767,416</u>          | <u>845,018</u>             | <u>845,018</u>            | <u>190,367</u>           | <u>22.52%</u>                |
| <b>Total Revenue</b>                    |         | <b>6,840,239</b>        | <b>7,542,836</b>           | <b>7,542,836</b>          | <b>1,775,835</b>         | <b>23.54%</b>                |
| <b>Transfers</b>                        |         |                         |                            |                           |                          |                              |
| Property Tax Transfer                   | 4700001 | 0                       | 38,541                     | 38,541                    | 0                        | -                            |
| Program Revenue Transfer                | 4700002 | <u>(81,326)</u>         | <u>(80,000)</u>            | <u>(80,000)</u>           | <u>0</u>                 | <u>0.00%</u>                 |
| <b>Total Transfers</b>                  |         | <b>(81,326)</b>         | <b>(41,459)</b>            | <b>(41,459)</b>           | <b>0</b>                 | <b>0.00%</b>                 |
| <b>Net Revenue</b>                      |         | <b><u>6,758,913</u></b> | <b><u>7,501,377</u></b>    | <b><u>7,501,377</u></b>   | <b><u>1,775,835</u></b>  | <b><u>23.67%</u></b>         |
| <b>Expense</b>                          |         |                         |                            |                           |                          |                              |
| Consultant Services                     | 5030301 | 29,377                  | 96,171                     | 96,171                    | 7,053                    | 7.33%                        |
| Fare Processing Charges                 | 5030310 | 801                     | 2,000                      | 2,000                     | 117                      | 5.82%                        |
| Customer Service                        | 5030320 | 308,172                 | 351,950                    | 351,950                   | 82,209                   | 23.35%                       |
| Fuel                                    | 5040101 | 607,565                 | 647,094                    | 647,094                   | 167,054                  | 25.81%                       |
| Software                                | 5049903 | 0                       | 0                          | 0                         | 431                      | 0.00%                        |
| Equipment                               | 5049902 | 55,141                  | 76,034                     | 101,034                   | 47,367                   | 46.88%                       |
| Communication- Mobile Data Terminal     | 5050203 | 0                       | 5,000                      | 5,000                     | 0                        | 0.00%                        |
| Communication-MERA Radio                | 5050204 | 22,744                  | 20,969                     | 20,969                    | 20,291                   | 96.77%                       |
| Communication-Data                      | 5050206 | 14,988                  | 15,000                     | 15,000                    | 3,148                    | 20.98%                       |
| Purchased Transportation - In Report    | 5080101 | 4,541,478               | 4,878,268                  | 4,878,268                 | 1,161,142                | 23.80%                       |
| Purchased Transportation - Regional     | 5080102 | 747,161                 | 814,780                    | 814,780                   | 179,386                  | 22.01%                       |
| Marketing                               | 5090801 | 33,165                  | 100,850                    | 100,850                   | 7,821                    | 10.43%                       |
| Misc-Exp Transit User Training          | 5098001 | 1,019                   | 9,800                      | 9,800                     | 2,741                    | 27.97%                       |
| Gap Grant                               | 5098002 | <u>6,325</u>            | <u>20,000</u>              | <u>20,000</u>             | <u>0</u>                 | <u>0.00%</u>                 |
| <b>Total Expense</b>                    |         | <b>6,367,936</b>        | <b>7,037,916</b>           | <b>7,062,916</b>          | <b>1,678,760</b>         | <b>23.77%</b>                |
| <b>Transfers</b>                        |         |                         |                            |                           |                          |                              |
| Cost Center Salary/Benefit Transfers    | 5100100 | 326,007                 | 358,697                    | 358,697                   | 76,504                   | 21.32%                       |
| Cost Center Transfer Overhead           | 5100101 | <u>64,970</u>           | <u>104,764</u>             | <u>104,764</u>            | <u>20,572</u>            | <u>19.63%</u>                |
| <b>Total Transfers</b>                  |         | <b>390,977</b>          | <b>463,461</b>             | <b>463,461</b>            | <b>97,075</b>            | <b>20.95%</b>                |
| <b>Total Expense</b>                    |         | <b><u>6,758,913</u></b> | <b><u>7,501,377</u></b>    | <b><u>7,526,377</u></b>   | <b><u>1,775,835</u></b>  | <b><u>23.59%</u></b>         |

Marin Transit  
 FY2019/20 Q1 Budget Report  
 From 7/1/2019 Through 9/30/2019

**Detail:Capital Budget**

|  | Total Project Budget | FY2019/20 Budget  | FY2019/20 Budget Revised | FY2019/20 Actual | Total Project Expenditure |
|--|----------------------|-------------------|--------------------------|------------------|---------------------------|
| EA Replace 2 Artics with 4 - 40ft Electric       | 3,240,000            | 500               | 500                      | 0                | 0                         |
| EV Purchase Two Electric Vehicles (Replacements) | 1,662,022            | 0                 | 860,245                  | 772              | 802,549                   |
| EX Electric Vehicle Infrastructure               | 132,000              | 114,500           | 114,500                  | 0                | 0                         |
| HM Hybrid Mid-Life Battery Replacements          | 300,000              | 130,000           | 103,313                  | 123,362          | 320,049                   |
| LD Purchase11 -40ft Hybrids (Replace 7 Artics)   | 9,057,000            | 9,057,000         | 9,057,000                | 483              | 483                       |
| PC Purchase 16 Paratransit Replacements          | 1,472,000            | 1,000             | 1,000                    | 0                | 0                         |
| SC Purchase 9 Shuttle Replacements               | 1,161,000            | 1,000             | 1,000                    | 0                | 0                         |
| XB Purchase 4 Replacement XHF's                  | 1,710,000            | 1,710,000         | 1,704,597                | 1,834            | 7,237                     |
| XC Purchase 2 XHF Replacements                   | 850,000              | 1,000             | 1,000                    | 0                | 0                         |
| <b>Subtotal Vehicles</b>                         | <b>19,584,022</b>    | <b>11,015,000</b> | <b>11,843,155</b>        | <b>126,451</b>   | <b>1,130,318</b>          |
| BI Bus Stop Improvements SGR (BI)                | 2,201,130            | 15,000            | 133,578                  | 72,642           | 2,140,194                 |
| BS Bus Stop Assessment Update                    | 115,000              | 5,000             | 0                        | 4,213            | 119,446                   |
| BW Muir Woods Infrastructure Improvements        | 486,505              | 0                 | 20,148                   | 193              | 466,550                   |
| <b>Subtotal Bus Stop Improvements</b>            | <b>2,316,130</b>     | <b>20,000</b>     | <b>133,578</b>           | <b>77,048</b>    | <b>2,259,640</b>          |
| FR Facility ROW Purchase                         | 6,600,000            | 6,364,192         | 6,387,842                | 23,329           | 235,487                   |
| YF Yellow Bus Parking Facility                   | 3,000,000            | 3,000,000         | 3,000,000                | 0                | 0                         |
| <b>Subtotal Facility</b>                         | <b>9,600,000</b>     | <b>9,364,192</b>  | <b>9,387,842</b>         | <b>23,329</b>    | <b>235,487</b>            |
| OA On Board Equipment - 2016                     | 210,000              | 51,000            | 38,590                   | 924              | 172,334                   |
| ME MERA  | 29,000               | 29,000            | 29,000                   | 27,259           | 107,870                   |
| AY AVL Replacement Equipment                     | 180,000              | 174,500           | 179,831                  | 739              | 908                       |
| TB Mobility Management Technology Backbone       | 375,000              |                   | 35,698                   | 50,763           | 390,065                   |
| RT Realtime Signs                                | 212,394              | 210,000           | 210,000                  | 0                | 0                         |
| <b>Subtotal Technology Projects</b>              | <b>1,006,394</b>     | <b>464,500</b>    | <b>493,119</b>           | <b>79,685</b>    | <b>280,204</b>            |
| GG Golden Gate Capital Costs (GG)                | 18,000               | 18,000            | 18,000                   | 4,269            | NA                        |
| BM Bus Stop Maintenance (BM)                     | 100,000              | 100,000           | 100,000                  | 25,278           | NA                        |
| VR Major Vehicle Repairs (VR)                    | 202,000              | 202,000           | 202,000                  | 42,347           | NA                        |
| IF Infrastructure Support (IF)                   | 400,000              | 400,000           | 400,000                  | 55,915           | NA                        |
| <b>Subtotal Ongoing Capital Expenses</b>         | <b>720,000</b>       | <b>720,000</b>    | <b>720,000</b>           | <b>127,809</b>   | <b>0</b>                  |
| <b>Total Expenditures</b>                        | <b>33,226,546</b>    | <b>21,583,692</b> | <b>22,577,694</b>        | <b>434,323</b>   | <b>3,905,649</b>          |



## Attachment B

FY2019/20 Q1  
Budget Amendments

| Number  | Board Authorization | Description   | Function   | Program | Project | GL                        | Original  | Change    | Final     |
|---------|---------------------|---|------------|---------|---------|---------------------------|-----------|-----------|-----------|
| 2020-01 | 07/01/2019          | Add budget for route scheduling software  | Operations | LCL     | NA      |                           | 30,000    |           | 35,640    |
| 2020-02 | 10/07/2019          | Add budget for Via Technology Contract Extension  | Operations | TCT     | NA      | Software                  | 0         | \$25,000  | \$25,000  |
| 2020-03 | Pending             | Roll forward of unspent FY2019 Capital Project budgets;   | Capital    | Capital | EV      | 5230101 Vehicles          | 0         | 860,245   | 860,245   |
|         |                     |   |            |         | XB      | 5230101 Vehicles          | 1,710,000 | (5,403)   | 1,704,597 |
|         |                     |   |            |         | HM      | 5230101 Vehicles          | 130,000   | (23,687)  | 103,313   |
|         |                     |   |            |         | BI      | 5230101 Bus Stops         | 15,000    | 118,578   | 133,578   |
|         |                     |   |            |         | BS      | 5230101 Bus Stops         | 5,000     | (5,000)   | 0         |
|         |                     |   |            |         | BW      | 5230101 Bus Stops         | 0         | 20,150    | 20,150    |
|         |                     |   |            |         | FR      | 5230104 Facility          | 6,364,192 | 23,650    | 6,387,842 |
|         |                     |   |            |         | OA      | 5230102 Equipment         | 51,000    | (12,410)  | 38,590    |
|         |                     |   |            |         | TB      | 5230102 Equipment         | 0         | 35,698    | 35,698    |
|         |                     |   |            |         | AY      | 5230102 Equipment         | 174,500   | 5,331     | 179,831   |
| 2020-04 | Pending             | Add STA- SGR and STA Cap Rev unspent funds to XHF project and increase project budget by \$30,000 | Capital    | CPT     | XB      | 4110105 STA SGR SB1       | 286,651   | 26,496    | 313,148   |
|         |                     |   |            |         |         | 4119901 STA CAP Rev       | 0         | 139,089   | 139,089   |
|         |                     |   |            |         |         | 4092002 Measure A Capital | 711,282   | (135,585) | 575,697   |
|         |                     |   |            |         |         | 5230101 Vehicles          | 1,710,000 | 30,000    | 1,740,000 |
| 2020-05 | Pending             | Increase Hybrid Battery replacement budget to include final engine rebuild costs                  | Capital    | CPT     | HM      | 5230101 Vehicles          | 103,313   | \$21,000  | \$124,313 |

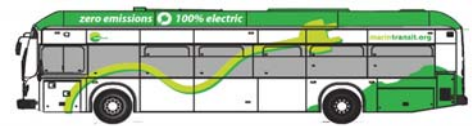
# Capital Projects Report FY2019/20

This capital project report provides detail FY2019/20. Project descriptions and status are given for all major capital projects. Projects are grouped according to project type as shown below.

|                          | Total Project Budgets | Total Expended FY2020 | Total Project Expenditures |
|--------------------------|-----------------------|-----------------------|----------------------------|
| Vehicles                 | \$19,452,022          | \$2,195,444           | \$1,130,318                |
| Bus Stop Improvements    | \$2,316,130           | \$640,790             | \$2,259,640                |
| Facility                 | \$9,600,000           | \$172,816             | \$235,487                  |
| Technology Projects      | \$1,018,394           | \$135,636             | \$200,501                  |
| Ongoing Capital Expenses | \$674,791             | \$439,171             | \$127,809 (annual)         |
|                          | <u>\$33,061,337</u>   | <u>\$3,583,857</u>    | <u>\$3,953,755</u>         |

## Purchase Two Electric Vehicles Total Project Budget \$1,662,022

**Concept:** Purchase Two Electric Vehicles  
**Funding:** \$1,190,640 Federal Section 5307  
 \$135,022 State - BAAQMD  
 \$75,000 TAM - Measure B  
 \$261,360 Measure A



**Description:** Replace two 40 ft vehicles beyond their useful life with battery electric vehicles

**Status:** Board authority to purchase the vehicles was given in November 2016. The vehicle were procured from BYD Motors and delivered in September 2018. A ribbon cutting ceremony was held October 18. One vehicle went into service February 2019. Marin Transit has not made final payment for the vehicles due to need for additional maintenance training from manufacturer.

VEHICLES

| Project ID | Budget      | Expended to |                  | Anticipated Completion |  |
|------------|-------------|-------------|------------------|------------------------|--|
|            |             | Date        | Percent Complete | Date                   |  |
| EA         | \$1,662,022 | \$802,549   | 48%              | Sep-19                 |  |

## Purchase 11 - 40ft Hybrids (Replace 7 Artics) Total Project Budget \$9,057,000

**Concept:** Purchase eleven 40ft hybrids to replace eight 60ft Artics  
**Funding:** \$7,216,000 Federal Section 5307  
 \$216,827 State Transit Assistance - State of Good Repair  
 \$1,624,173 Measure A



**Description:** Replace eight 60ft articulated vehicles that are beyond their useful life

**Status:** Board authorized purchase of the vehicles in April 2019. Vehicles will be delivered in December 2019 to January 2020

VEHICLES

| Project ID | Budget      | Expended to |                  | Anticipated Completion |  |
|------------|-------------|-------------|------------------|------------------------|--|
|            |             | Date        | Percent Complete | Date                   |  |
| LD         | \$9,057,000 | \$483       | 5%               | Mar-20                 |  |

VEHICLES

**Purchase 16 Paratransit Vehicles (Replacements) Total Project Budget \$1,472,000**

Concept: Purchase 16 Paratransit Replacements

Funding: \$1,207,040 Federal 5307  
\$264,960 Measure A

Description: Purchase 16 Paratransit Vehicles to replace vehicles beyond their useful life.

Status: Waiting for pre-award authority on the federal funds. Staff expects to take purchase to the Board in Spring 2020.



| <u>Project ID</u> | <u>Budget</u> | <u>Expended to</u> |                         | <u>Anticipated</u> |
|-------------------|---------------|--------------------|-------------------------|--------------------|
|                   |               | <u>Date</u>        | <u>Percent Complete</u> | <u>Completion</u>  |
| PC                | \$1,472,000   | \$0                | 0%                      | Sep-20             |

VEHICLES

**Purchase 9 Shuttle Replacements Total Project Budget \$1,161,000**

Concept: Purchase Nine Shuttle Replacements

Funding: \$952,020 Federal Section 5307  
\$208,980 Measure A

Description: Replace 9 Shuttles that are beyond their useful life

Status: Waiting for pre-award authority on the federal funds. Staff expects to take purchase to the Board in Spring 2020.



| <u>Project ID</u> | <u>Budget</u> | <u>Expended to</u> |                         | <u>Anticipated</u> |
|-------------------|---------------|--------------------|-------------------------|--------------------|
|                   |               | <u>Date</u>        | <u>Percent Complete</u> | <u>Completion</u>  |
| SC                | \$1,161,000   | \$0                | 0%                      | Dec-20             |

VEHICLES

**Purchase Two 35ft XHF Vehicles (Replacement) Total Project Budget \$850,000**

Concept: Purchase four 35ft XHF vehicles

Funding: \$697,000 Federal 5307  
\$153,000 Measure A

Description: Purchase of two replacement 35-foot XHFs

Status: Waiting for pre-award authority on the federal funds. Staff expects to take purchase to the Board in Spring 2020.



| <u>Project ID</u> | <u>Budget</u> | <u>Expended to</u> |                         | <u>Anticipated</u> |
|-------------------|---------------|--------------------|-------------------------|--------------------|
|                   |               | <u>Date</u>        | <u>Percent Complete</u> | <u>Completion</u>  |
| XC                | \$850,000     | \$0                | 0%                      | Apr-20             |

VEHICLES

**Purchase Four 30ft XHF Vehicles (Replacement) Total Project Budget \$1,710,000**

Concept: Purchase two 35ft XHF vehicles  
Funding: \$559,600 Federal Section 5307  
 \$286,651 State Transit Assistance - State of Good Repair  
 \$712,254 Measure A  
 \$151,495 Paul Sarbanes



Description: Purchase of four replacement 30-foot XHFs

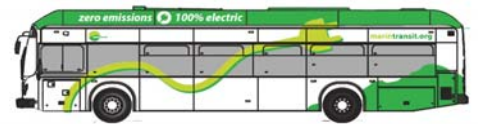
Status: These vehicles will replace 4 cutaway vehicles beyond their useful life. This purchase was approved by your Board in April 2019. Delivery of these vehicles is expected in May 2020.

| <u>Project ID</u> | <u>Budget</u> | <u>Expended to</u> |                         | <u>Anticipated</u> |
|-------------------|---------------|--------------------|-------------------------|--------------------|
|                   |               | <u>Date</u>        | <u>Percent Complete</u> | <u>Completion</u>  |
| XB                | \$1,710,000   | \$7,237            | 0%                      | Jun-20             |

VEHICLES

**Purchase Four 40ft Electric Vehicles (Replacement) Total Project Budget \$3,240,000**

Concept: Replace two 60ft Artics with four 40ft Electric Buses  
Funding: \$2,656,800 Federal Section 5307  
 \$583,200 Measure A



Description: Purchase of four 40-foot Battery Electric Buses to replace two 60-foot Articulated buses beyond

Status: Waiting for pre-award authority on the federal funds. Staff expects to take purchase to the Board in Spring 2020.

| <u>Project ID</u> | <u>Budget</u> | <u>Expended to</u> |                         | <u>Anticipated</u> |
|-------------------|---------------|--------------------|-------------------------|--------------------|
|                   |               | <u>Date</u>        | <u>Percent Complete</u> | <u>Completion</u>  |
| EA                | \$3,240,000   | \$0                | 0%                      | Jun-21             |

VEHICLES

**Hybrid Mid Life Battery Replacements Total Project Budget \$300,000**

Concept: Replace batteries on the 2007 Hybrid Vehicles  
Funding: \$217,566 Measure A  
 \$182,434 FTA 5307



Description: Replace batteries in the 7 hybrid vehicles

Status: As a preventative maintenance measure, under the existing maintenance contract, GGBHTD will replace the batteries on the 2007 Hybrid Vehicles.

| <u>Project ID</u> | <u>Budget</u> | <u>Expended to</u> |                         | <u>Anticipated</u> |
|-------------------|---------------|--------------------|-------------------------|--------------------|
|                   |               | <u>Date</u>        | <u>Percent Complete</u> | <u>Completion</u>  |
| HM                | \$300,000     | \$320,049          | 107%                    | Dec-19             |

BUS STOP IMPROVEMENTS

**Bus Stop Improvements (State of Good Repair)**

**Total Project Budget \$ 2,201,130**

Concept: Improve bus stops in Marin County  
Funding: \$1,600,000 Federal Section 5309  
 \$400,000 PTMISEA  
 \$201,130 Measure A

Description: Phase 1: Install new bus stop signage throughout Marin County. Phase 2: Minor and Major bus stop improvements at 12 locations throughout the County .  
 Phase 3: Additional bus stop improvements of up to 11 stops.

Status: Phase 1 - complete. Phase 2 - complete. Phase 3 - Construction began in December 2019. There were some delays due to permitting through Caltrans and increased traffic controls requested by some jurisdictions. Construction is complete and the project is in the closeout phase.



| <u>Project ID</u> | <u>Budget</u> | <u>Expended to</u> |                         | <u>Phase 3</u>                |
|-------------------|---------------|--------------------|-------------------------|-------------------------------|
|                   |               | <u>Date</u>        | <u>Percent Complete</u> | <u>Anticipated Completion</u> |
| BI                | \$2,201,130   | \$2,140,194        | 97%                     | Dec-19                        |

BUS STOP IMPROVEMENTS

**Bus Stop Assessments**

**Total Project Budget \$115,000**

Concept: Update Bus Stop Assessments  
Funding: \$115,000 Measure A

Description: Project to update the District's 2005 bus stop conditions assessment to quantify & prioritize future improvements

Status: Marin Transit hired a consultant to conduct an assessment of bus stop conditions and develop preliminary plans for future bus stop improvements. The assessment is complete and preliminary plans for 20 stops are complete.



| <u>Project ID</u> | <u>Budget</u> | <u>Expended to</u> |                         | <u>Completion</u> |
|-------------------|---------------|--------------------|-------------------------|-------------------|
|                   |               | <u>Date</u>        | <u>Percent Complete</u> | <u>Date</u>       |
| BS                | \$115,000     | \$119,446          | 100%                    | Dec-19            |

ADMIN AND OPERATIONS FACILITY

**Maintenance Facility - ROW Purchase & Capital Improvements**

**Total Project Budget**

**\$6,600,000**

Concept: Acquire property and develop a maintenance facility  
Funding: \$2,200,000 Measure A  
 \$4,400,000 FTA 5339

Description: Purchase land for a new facility

Status: Marin Transit continues to actively search for and evaluate available land to purchase in the county.



| <u>Project ID</u> | <u>Budget</u> | <u>Expended to</u> |                         | <u>Anticipated</u> |
|-------------------|---------------|--------------------|-------------------------|--------------------|
|                   |               | <u>Date</u>        | <u>Percent Complete</u> | <u>Completion</u>  |
| FR                | \$6,600,000   | \$235,487          | 4%                      | NA                 |

ADMIN AND OPERATIONS FACILITY

**Yellow Bus Parking Facility** **Total Project Budget \$3,000,000**

Concept: Identify and purchase property for vehicles

Funding: \$3,000,000 Capital Reserve

Description: Replace temporary leased parking with a permanent location



Status: Marin Transit is evaluating and identifying opportunities for land acquisition.

| <u>Project ID</u> | <u>Budget</u> | <u>Expended to</u> |                         | <u>Anticipated Completion</u> |             |
|-------------------|---------------|--------------------|-------------------------|-------------------------------|-------------|
|                   |               | <u>Date</u>        | <u>Percent Complete</u> | <u>Date</u>                   | <u>Date</u> |
| YF                | \$3,000,000   | \$0                | 0%                      | NA                            |             |

TECHNOLOGY PROJECTS

**TECHNOLOGY PROJECTS** **Total Project Budget \$1,018,394**

Concept: District technology projects

Funding: \$300,000 Federal Job Access Funds (JARC)  
 \$312,000 Federal Section 5307  
 \$406,394 Measure A

| <u>Projects:</u> |                         | <u>Total Project</u> | <u>Expended to</u> |
|------------------|-------------------------|----------------------|--------------------|
|                  |                         | <u>Cost</u>          | <u>Date</u>        |
| OA               | On Board Equipment 2016 | \$210,000            | \$172,334          |
| AY               | AVL Replacements        | \$180,000            | \$908              |
| RT               | Realtime Signs          | \$212,394            | \$0                |
| TM               | Techonology Backbone    | \$387,000            | \$390,065          |
| ME               | MERA                    | \$29,000             | \$27,259           |



Description: Marin Transit provides technology acquisitions for vehicle operations, fare collection, and passenger information

Status: Marin Transit will continue the project to pay for fareboxes and on board equipment associated with vehicle replacements. The technology Backbone project is in its closeout phase, and Real Time Signs contract has been awarded with work to begin in 2020.



ONGOING CAPITAL EXPENSES

**Ongoing Capital Expenses** **Annual Budget**    **\$674,794**

Concept: Ongoing capital expenses



Funding:        \$674,794 Measure A

|                  |                           | Total Project |                      |               | Expended in |
|------------------|---------------------------|---------------|----------------------|---------------|-------------|
| <u>Projects:</u> |                           | Budgets       | <u>Annual Budget</u> | <u>FY2019</u> |             |
| GG               | Golden Gate Capital Costs | \$18,000      | \$18,000             | \$4,269       |             |
| BM               | Bus Stop Maintenance      | \$100,000     | \$100,000            | \$25,278      |             |
| VR               | Major Vehicle Repairs     | \$200,000     | \$200,000            | \$42,347      |             |
| IF               | Infrastructure Support    | \$356,794     | \$356,791            | \$55,915      |             |

Description: Ongoing capital costs associated with the Golden Gate operations contract, major vehicle repairs, and other small capital expenses

Status: Capital depreciation expenses for equipment owned by Golden Gate Transit are billed monthly. Major vehicle repairs, such as transmissions, are expended as needed. Infrastructure support includes small capital projects, staff support, and work on partner agency capital projects.



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December 2, 2019

Honorable Board of Directors  
Marin County Transit District  
3501 Civic Center Drive  
San Rafael, CA 94903

**SUBJECT: Marin Transit Comprehensive Annual Financial Report for Fiscal Year 2018/19**

Dear Board Members:

**board of directors**

damon connolly  
president  
supervisor district 1

dennis rodoni  
vice president  
supervisor district 4

kate colin  
2nd vice president  
city of san rafael

judy arnold  
director  
supervisor district 5

stephanie moulton-peters  
director  
city of mill valley

katie rice  
director  
supervisor district 2

kathrin sears  
director  
supervisor district 3

eric lucan  
alternate  
city of novato

**RECOMMENDATION:** Accept report.

**SUMMARY:** Brown Armstrong Accountancy Corporation has completed the annual financial audit of the Marin County Transit District for the fiscal year ended June 30, 2019. The audit includes a detailed *single* audit as required when the expenditure of federal funds in a fiscal year exceeds \$500,000. Staff has incorporated the annual financial audit into the attached Comprehensive Annual Financial Report (CAFR). The auditor presented the CAFR to the ad hoc Audit Subcommittee of your Board for review on November 26, 2019. With your acceptance of this report, the District will be up to date with all independent audits and will submit the required federal audit well before the required deadline of March 30, 2020.

This is the third year the District has published a Comprehensive Annual Financial Report. The report is designed to ensure that users of the financial statements have the information and context needed to assess the financial health of the District.

The CAFR has four main components:

- Introductory Section
- Financial Section
- Statistical Section
- Single Audit Section governed

The **Introductory Section** discusses the District’s governing structure, staff structure, and service area map.

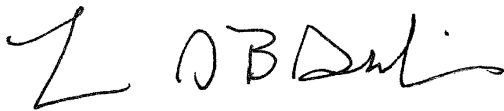
The **Statistical Section** compiles data from the District’s prior financial statements and Short Range Transit Plans, along with countywide statistics from the County of Marin and other sources. This section is designed to provide information about trends and the local economy that will provide context for the reader to assess the District’s financial condition.



The **Financial** and **Single Audit Sections** contain the District's audited financial statements and the results of the federal single audit. The audit was conducted 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. The audit team found no deficiencies in internal control over financial reporting or in compliance that they considered to be material weaknesses. Similarly, the audit team found no material weaknesses or significant deficiencies in internal control over major federal award programs.

**FISCAL/STAFFING IMPACT:** None associated with this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'L Gradia', written in a cursive style.

Lauren Gradia  
Director of Finance and Capital Programs

Attachments: Marin County Transit District FY2018/19 Comprehensive Annual Financial Report  
Letter to the Board from Brown Armstrong Accountancy Corporation



**MARIN COUNTY TRANSIT DISTRICT**

San Rafael, California

A Component Unit of the County of Marin, California

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Years Ended June 30, 2019 and 2018



**MARIN COUNTY TRANSIT DISTRICT  
(A COMPONENT UNIT OF THE COUNTY OF MARIN, CALIFORNIA)  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

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**MARIN COUNTY TRANSIT DISTRICT  
JUNE 30, 2019 AND 2018**

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November 22, 2019

The Board of Directors  
Marin County Transit District

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Marin County Transit District (the District) for the fiscal years ended June 30, 2019 and 2018.

#### board of directors

The District's enabling legislation requires an annual audit of the District's financial statements. This report is published to fulfill that requirement for the fiscal years ended June 30, 2019 and 2018.

stephanie moulton-peters  
president  
city of mill valley

Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

damon connolly  
vice president  
supervisor district 1

dennis rodoni  
2nd vice president  
supervisor district 4

- (1) the cost of a control should not exceed the benefits likely to be derived; and,
- (2) the valuation of costs and benefits requires estimates and judgments by management. Management believes internal controls in place are adequate to ensure the financial data provided herein is materially accurate.

judy arnold  
director  
supervisor district 5

Brown Armstrong Accountancy Corporation has issued an unmodified ("clean") opinion on the District's financial statements for the fiscal years ended June 30, 2019 and 2018. The independent auditor's report is located at the front of the financial section of this report. This report has been prepared by the Finance Department following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA) and is in conformance with generally accepted accounting principles for state and local governmental entities established by the Governmental Accounting Standards Board (GASB). 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. The District'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 the District.

kate colin  
director  
city of san rafael

kathrin sears  
director  
supervisor district 3

katie rice  
director  
supervisor district 2

The following provides an overview of the District's history, services, local economy, planning initiatives, and policies.



## PROFILE OF THE GOVERNMENT

### History

The Marin County Transit District (“Marin Transit” or the “District”) was formed by a vote of the people of Marin County (the County) in 1964 and was given the responsibility for providing local transit service within the County. Marin Transit is a component unit of the County of Marin, California. Although Marin Transit has responsibility for local transit services, it does not own any facilities and does not employ its own drivers. Instead, Marin Transit contracts with other providers, including Golden Gate Bridge Highway and Transportation District (Golden Gate Transit), Marin Airporter, MV Transportation, Michael’s Transportation, and the Senior Coordinating Council (Whistlestop Transportation), for local bus and paratransit services.

Prior to a major fixed route service restructuring by Golden Gate Transit in November 2003, the primary responsibility of Marin Transit was to manage and administer the paratransit contract for both local and regional paratransit services in the County. For fixed route services, Marin Transit was historically a “pass through” agency, providing funds for local services managed by Golden Gate Transit. With the 2003 service restructuring, Marin Transit took on increased responsibility for the planning, outreach, oversight, and management of local fixed route transit services throughout the County.

The passing of Measure A, the County’s ½ cent sales tax increase, in 2004 further propelled the responsibility of Marin Transit under a 20-year expenditure plan providing a dedicated local funding source for public transit within the County. This new funding source allowed the District to fund its local big bus fixed route services, expand the rural Stagecoach service, and introduce the community shuttle program.

The Muir Woods Shuttle program was inaugurated in 2005 and became the responsibility of Marin Transit in 2009. Although the County started the program as a demonstration project, its success in reducing transportation impacts on the National Monument and surrounding areas has led to a formal partnership between the District and the National Park Service.

Internal growth within the District has also occurred as responsibility for local service has increased. Staffing levels prior to the passage of Measure A included one full-time and one part-time employee. With the passage of Measure A, the number of full-time employees grew from 1.5 to 3.5 in 2006 and then to 5 employees in 2008. As of June 30, 2019, the District has 16.4 authorized full time equivalent employees.

### Services

#### *Fixed Route*

Marin Transit operates transit service on 28 routes within Marin County. Over three million trips were made on the local fixed route network in fiscal year 2019.

Fixed route services are organized within the District based on route typologies. Typologies define the primary function of that route and its intended market. There are currently seven typologies: Local Trunkline, Local Basic, Local Connector, Supplemental School, Rural, Partnership, and Recreational. Below is a brief summary of each typology.

#### Local Trunkline

- Description: Services that operate along the highest ridership corridors and often the most densely populated areas of the County. These services provide the backbone for the transit system and connect with Local Basic and Local Connector services at key transfer locations. Along Highway 101, Trunkline service supplements the Golden Gate Transit regional services that continue to San Francisco and Sonoma Counties.
- Operational Focus: Capacity, frequency, and speed.
- Routes: 35, 36, 71x
- Program: Local Bus
- Typical Vehicle: 40’ heavy duty or 60’ articulated

### Local Basic

- Description: Services that operate along many of the County's arterial corridors with transit-supportive land use patterns with an emphasis on providing the more extensive coverage of transit services.
- Operational Focus: Frequency, accessibility, and speed.
- Routes: 17, 22, 23, 23x, 29, 49
- Program: Local Bus
- Typical Vehicle: 35' or 40' heavy duty

### Local Connector

- Description: Services to lower density areas with less supportive transit land use patterns or areas where larger bus capacity is not warranted. These services rely on good transfer opportunities to the Local Trunkline and Local Basic Services for travel outside the community.
- Operational Focus: Accessibility.
- Routes: 219, 228, 233, 245, 251, 257
- Program: Community Shuttles
- Typical Vehicle: 24' cutaways

### Supplemental School

- Description: Services that are provided to address the transportation needs of schools, primarily middle and high schools, within the County. These services provide additional capacity on Marin Transit routes for this purpose and are not designed for transfer opportunities.
- Operational Focus: Capacity.
- Routes: 113, 115, 117, 119, 125, 139, 145, 151, 154
- Program: Local Bus
- Typical Vehicle: 35' or 40' heavy duty

### Rural

- Description: Services to the rural areas of West Marin that provide community mobility and reduce congestion in the rural areas. Topography is challenging on these routes and requires specific attributes for the fleet used to deliver these services.
- Operational Focus: Accessibility.
- Routes: 61, 68
- Program: Rural and Recreational
- Typical Vehicle: 28'-32' cutaways

### Recreational

- Description: Services that support recreational or tourist-based travel within the County. Major attractions include the Muir Woods National Monument within the Golden Gate National Recreational Area.
- Operational Focus: Accessibility.
- Routes: 66/66F

### Partnership

- Description: Services that are provided in partnership to address specific needs within a certain community or certain rider type, such as students.
- Operational Focus: Depends on partnership goals.
- Routes: 122
- Program: Partnership
- Typical Vehicle: 35' heavy duty

### *Yellow Bus*

Marin Transit provides yellow school bus service to two schools in the Ross Valley School District: White Hill Middle School and Hidden Valley Elementary School. In fiscal year 2019, this service carried over 118,000 passengers. Marin Transit handles all logistics of the program including contract management, website development, pass sales and production, customer service, and daily monitoring of the buses via GPS technology. Staff at White Hill Middle School and Hidden Valley Elementary School support the program by distributing passes and managing student loading on the buses in the afternoon. Marin Transit also provide planning and management support to Mill Valley School District and a Joint Powers Authority for Reed Union School District.

### *Demand Response*

In addition to fixed-route services, the District provides a suite of programs named “Marin Access” to serve the aging and disabled population in Marin County. A total of five programs provide a variety of mobility options to these users and all services are coordinated by a team of Travel Navigators. These programs include local paratransit, dial-a-ride, volunteer driver, and subsidized taxi (Catch-A-Ride). Marin Transit launched a new on-demand, micro-transit pilot service, Marin Transit Connect, on May 22, 2018. Travel Navigators provide trip planning and technical assistance to riders to empower the user to select from available travel options to best meet their mobility need.

## **LOCAL ECONOMY**

The District operates within Marin County, one of the nine counties in the San Francisco-Oakland Bay Area. The County includes 11 incorporated cities and towns: Belvedere, Corte Madera, Fairfax, Larkspur, Mill Valley, Novato, Ross, San Anselmo, San Rafael, Sausalito, and Tiburon.

The local economy in 2019 continued to be strong after a period of economic recovery starting in 2011. The County’s unemployment rate has dropped from 7.9% in 2009 to 2.4% in June 2019 and continues to be lower than the state of California’s rate of 4.2%. Contractors continue to have difficulties hiring and retaining drivers and other front line staff. These challenges may be increasing due to the sustained low unemployment rate combined with high housing costs.

A significant portion of the District’s operating funds are derived from sales tax revenues. Marin County had six years of sales tax growth, averaging 5.2% per year, that ended in in fiscal year 2016. After almost no growth in fiscal year 2017, taxable sales grew by 6.8% in fiscal year 2018 and 5.4% in fiscal year 2019. In future years, the District projects modest growth of 2.2% per year consistent with projections by the Transportation Authority of Marin.

## **LONG TERM PLANNING AND MAJOR INITIATIVES**

### Short Range Transit Plan

The District’s Short Range Transit Plan (SRTP) is the primary service and financial planning document for the District and includes ten years of financial projections for operations and capital programs. The 2017-2027 SRTP was adopted by the Board of Directors (the Board) on December 17, 2017. The District is preparing an updated SRTP that is expected to be adopted in January 2019.

### Operating Plan

Successful contract renegotiations with Golden Gate Transit in 2015 resulted in a new operations contract that was reflected in the fiscal year 2016 budget. This contract provides a reduction in the costs of Local Fixed Route service and provides additional revenues for Local Paratransit. The remaining fixed route service contracts expired June 30, 2018, and the District competitively bid the services in November 2017 and awarded contracts in March and April 2018. Overall, these two contracts resulted in combined rate increase of 10%. A new competitively bid Local Paratransit contract was effective January 1, 2016, and has also resulted in lower purchased transportation costs.

The District has restored reserves and implemented a 19% service expansion on June 12, 2016 as approved by the Board on March 28, 2016 and outlined in the District's SRTP. Even with this service expansion, fiscal years 2017, 2018, and 2019 had revenue surplus from increasing property tax, lower fuel costs, lower contract service rates, and carryforward of prior year Measure A funds. The District's priority for these funds is to purchase right of way for vehicle parking and an operations and maintenance facility.

### Capital Plan

The District's Capital Improvement and Funding Plan has expanded as the District has taken increasing responsibility for transit service in Marin County. The District's primary capital responsibilities and priorities are to:

1. Maintain a sufficient fleet of clean fueled vehicles for local transit service,
2. Improve and maintain the amenities and accessibility of Marin County bus stops,
3. Improve major bus transfer locations,
4. Provide passenger information, and Improvement Program, and
5. Provide needed operations equipment and infrastructure.

The District's baseline capital resources limit the Capital Plan to primarily maintaining a state of good repair for existing assets and making the minimal level of investment required to maintain and operate the local bus system. The 10-year Capital Plan includes expenditures of \$69 million, of which 78% is for purchasing transit vehicles. Other major capital expenditures included in the funded plan are major vehicle repairs, bus stop improvements, and small capital.

To ensure stable operations and allow for future expansion, the District needs to find a permanent location for contract maintenance and transit vehicle parking. In fiscal year 2019, the District added \$2.8 million to a capital reserve to give a total balance of \$11.0 million.

## **RELEVANT FINANCIAL POLICIES**

### Budget Process

Marin Transit's budget uses full accrual basis of accounting to record annual revenue and expenses consistent with Generally Accepted Accounting Principles (GAAP) for special districts and the District's annual audited financial reports. All known revenues and expenditures are recorded in the period they are earned or expended.

The Marin Transit Board adopts an annual budget for the District's fiscal year starting July 1 and ending June 30. Under the direction of the Director of Finance, staff develops a balanced budget for the Board that provides sufficient and sustainable funding for local transit service needs using the following guidelines:

1. Maintain adopted reserve levels;
2. Preserve a balance of revenues and expenditures over a ten-year horizon;
3. Provide for SRTP-adopted service levels; and
4. Allow for innovative growth.

### Reserve Policy

Marin Transit's Board-adopted policy designates an Emergency Reserve equivalent to two months of operating expenses and a Contingency Reserve equivalent to an additional two to four months. When the emergency reserve is fully funded and the reserve is funded with the equivalent of at least two months of operations funds, the District may fund a capital reserve through the budgeting process. The reserve is designed to reduce the District's future needs for borrowing or bonding for large capital projects.

If the reserve balance exceeds six months of operating expenditures for a prolonged period, the policy advises the Board to consider options such as, but not limited to, expanding transit service or decreasing fares in an effort to provide the optimal level of transit service and benefits to Marin County residents.

Consistent with the fiscal year 2019 budget, the District added \$1.3 million to the operations reserve in fiscal year 2019, to maintain a total operations reserve of \$16.2 million or the equivalent of 6.5 months operating expenses in the combined Emergency and Contingency Reserves.

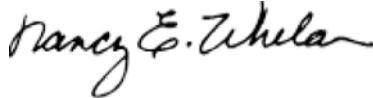
#### **AWARDS AND ACKNOWLEDGEMENTS**

We are pleased that the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Reports (CAFR) for the fiscal years ended June 30, 2017 and June 30, 2018. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state or local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report required the dedicated efforts of the District's staff. We also gratefully recognize Brown Armstrong Accountancy Corporation for their timely audit and expertise on the preparation of this CAFR. Finally, we would like to thank the Board for its commitment and support in the development of a strong financial system.

Respectfully Submitted,



Nancy Whelan  
General Manager



Lauren Gradia  
Director of Finance and Capital Programs

**MARIN COUNTY TRANSIT DISTRICT  
INTRODUCTORY SECTION  
PRINCIPAL OFFICIALS**

**Damon Connolly** District 1

**Katie Rice** District 2

**Kathrin Sears** District 3

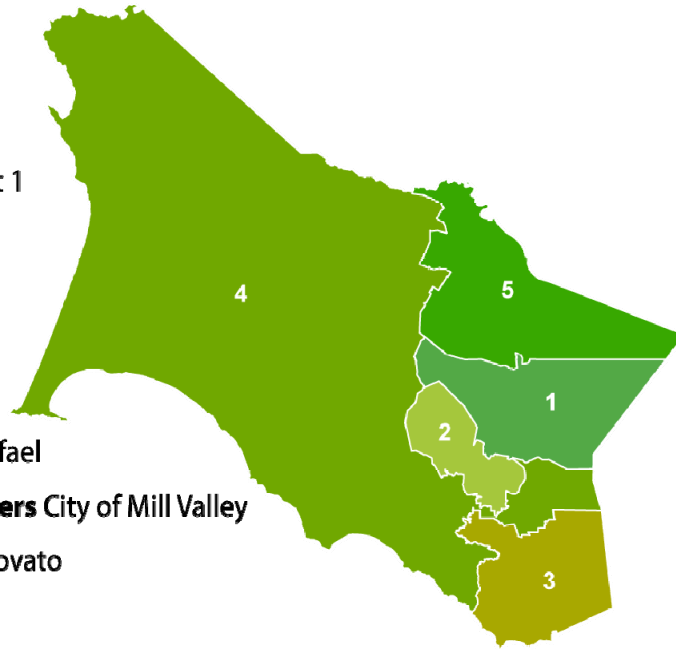
**Dennis Rodoni** District 4

**Judy Arnold** District 5

**Kate Colin** City of San Rafael

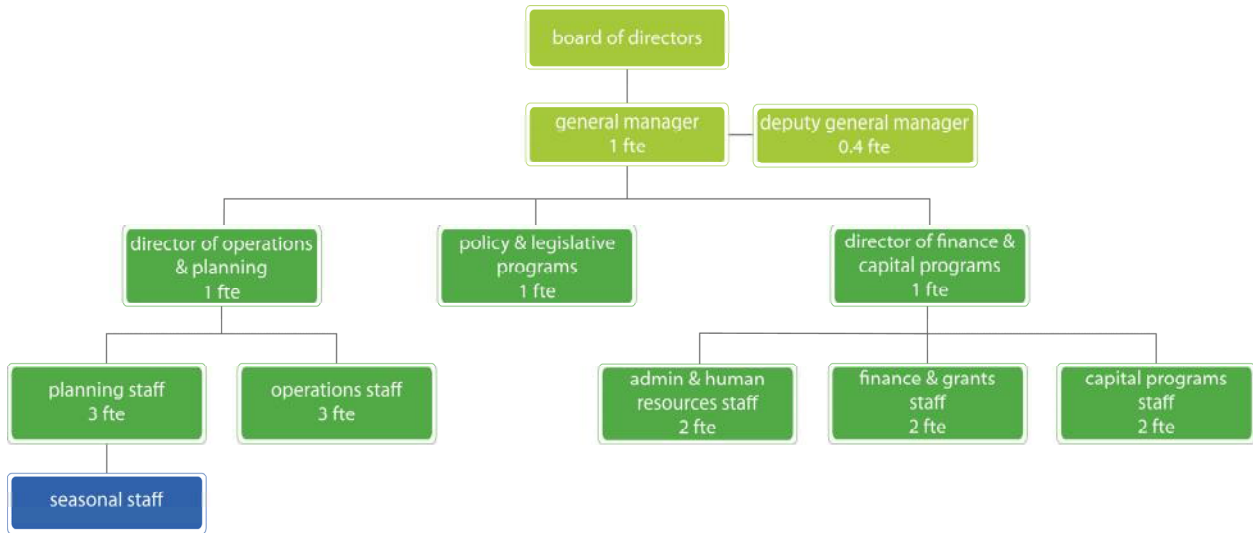
**Stephanie Moulton-Peters** City of Mill Valley

**Eric Lucan (alt)** City of Novato



| Board Member                | District or City    | Current Term Ends |
|-----------------------------|---------------------|-------------------|
| Damon Connolly              | District 1          | January 1, 2023   |
| Katie Rice                  | District 2          | January 1, 2021   |
| Kathrin Sears               | District 3          | January 1, 2021   |
| Dennis Rodoni               | District 4          | January 1, 2021   |
| Judy Arnold                 | District 5          | January 1, 2023   |
| Stephanie Moulton-Peters    | City of Mill Valley | January 2020      |
| Kate Colin                  | City of San Rafael  | January 2021      |
| Eric Lucan (City Alternate) | City of Novato      | January 2021      |

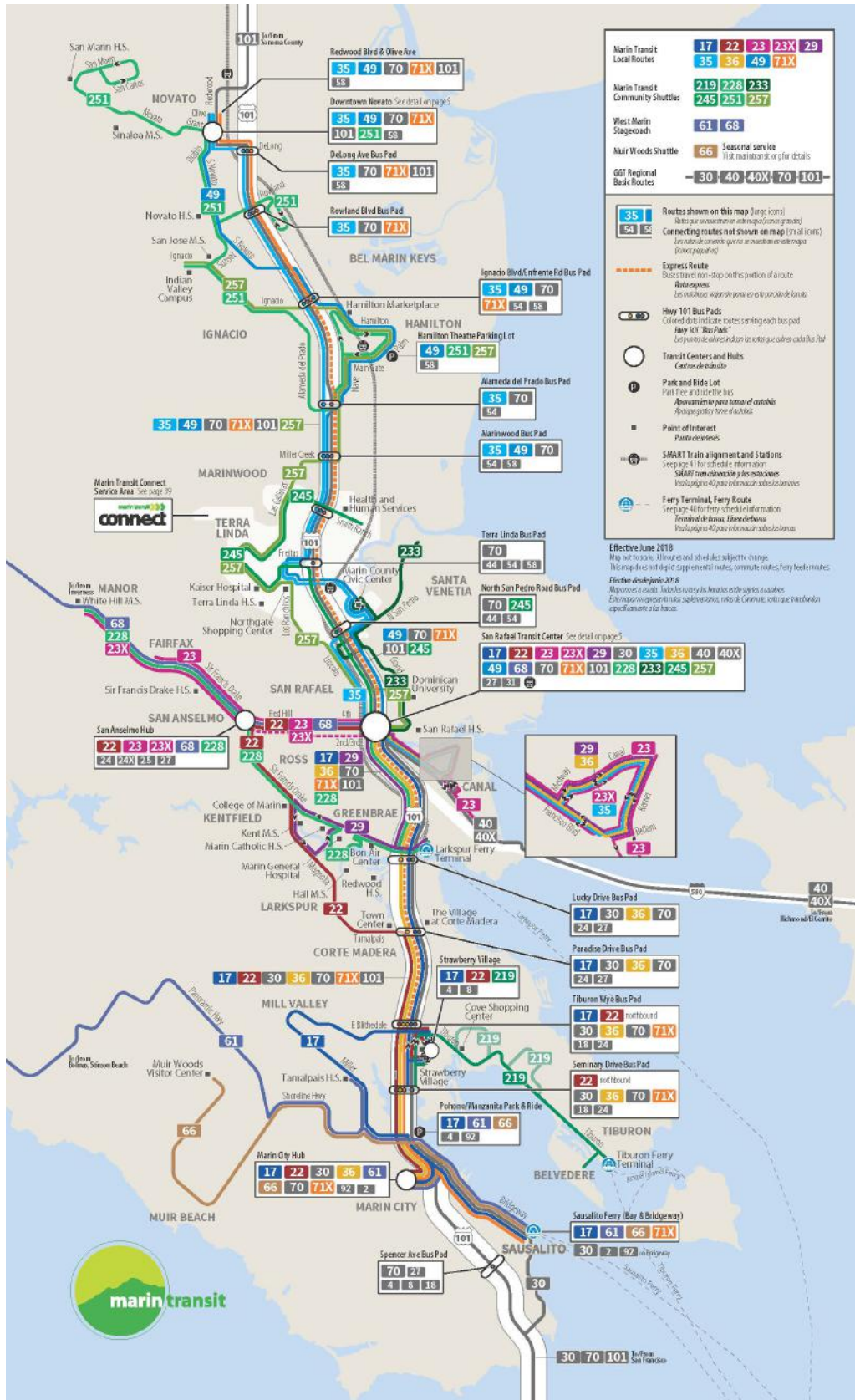
**MARIN COUNTY TRANSIT DISTRICT  
INTRODUCTORY SECTION  
ORGANIZATIONAL CHART**



**Note:**

- Total authorized FTE 16.4
- Vacancies at 6/30/19 equal 1.3 FTE

## MARIN COUNTY TRANSIT DISTRICT INTRODUCTORY SECTION SERVICE AREA MAP







Government Finance Officers Association

Certificate of  
Achievement  
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in Financial  
Reporting

Presented to

**Marin Transit  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

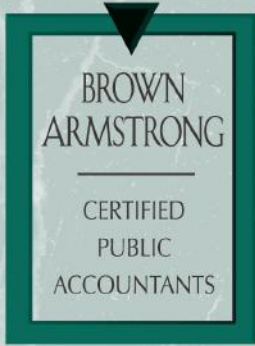
**June 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

**FINANCIAL SECTION**

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# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of the Marin County Transit District  
San Rafael, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the Marin County Transit District (the District), a component of the County of Marin, as of and for the fiscal years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of June 30, 2019 and 2018, and the respective changes in financial position, and cash flows thereof, for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2019, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California  
November 22, 2019

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**MARIN COUNTY TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019 AND 2018**

As management of the Marin County Transit District (Marin Transit or the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2019 and June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i to vi of this report.

**FINANCIAL HIGHLIGHTS**

- The assets of the District exceeded its liabilities at June 30, 2019 and 2018, by \$55,992,611 and \$52,222,268 (net position), respectively. Of this amount, \$28,758,459 and \$29,085,919, respectively, is net investment in capital assets, and \$27,234,152 and \$23,136,349, respectively, is unrestricted.
- The District's total net position increased for the fiscal year ended June 30, 2019, by \$3,770,343 compared to the fiscal year ended June 30, 2018. The District's total net position increased for the year ended June 30, 2018, by \$11,938,242 compared to the year ended June 30, 2017. The increases are due to increased investment in capital assets and increased intergovernmental operating revenue including Federal and State funding.
- The District claimed \$14,243,570 in fiscal year 2019 from the Transportation Authority of Marin as part of a voter approved sales tax, plus \$85,000 in pass-through Measure A interest, plus recognition of \$3,824 in prior year revenue, for a total of \$14,332,395 recognized in fiscal year 2019. The District claimed \$16,708,511 in fiscal year 2018 from the Transportation Authority of Marin as part of a voter approved sales tax, plus \$85,000 in pass-through Measure A interest, plus recognition of \$6,555 in prior year revenue, for a total of \$16,800,066 recognized in fiscal year 2018.
- The District's emergency reserve and contingency reserve are fully-funded, with a total value equivalent to six months operating funds. The District also added \$2,838,399 to a capital reserve, for a total capital reserve of \$10,998,637.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of two components: (1) government-wide financial statements and (2) notes to the basic financial statements. This report also contains supplementary information intended to furnish additional detail to support to the basic financial statements.

**Government-Wide Financial Statements**

The District is a single-purpose entity that is required to account for its activity as a proprietary fund type under governmental accounting standards. Accordingly, the District presents only government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, similar to a private-sector business.

The statements of net position present information on all of the District's assets and liabilities, with the difference between assets and liabilities reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.



The statements of activities and changes in net position present information showing how the District's net position changed during the fiscal year. All changes in net position are recognized on the date the underlying event that gives rise to the change occurs, regardless of the timing of the related cash flows.

The basic financial statements can be found on pages 10-13 of this report.

#### Notes to the Basic Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide statements. The notes to the basic financial statements can be found on pages 14-29 of this report.

### OVERALL FINANCIAL ANALYSIS

The financial statements provide both short-term and long-term information about the District's overall financial condition. This analysis addresses the financial statements of the District as a whole.

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of the District, assets exceeded liabilities by \$55,992,611 and \$52,222,268 at June 30, 2019 and 2018, respectively.

### STATEMENTS OF NET POSITION

As stated earlier, increases or decreases in net position over time may serve as a useful indicator of the District's financial position. A summary of the Statements of Net Position during the fiscal years ended June 30, 2019, 2018, and 2017, is shown below. The focus is on Net Position (Note 1):

|                                  | June 30, 2019        | June 30, 2018        | 2019 - 2018<br>Increase<br>(Decrease) | June 30, 2017        | 2018 - 2017<br>Increase<br>(Decrease) |
|----------------------------------|----------------------|----------------------|---------------------------------------|----------------------|---------------------------------------|
| Cash                             | \$ 22,486,562        | \$ 16,670,506        | \$ 5,816,056                          | \$ 15,068,929        | \$ 1,601,577                          |
| Receivables                      | 9,716,309            | 8,685,524            | 1,030,785                             | 8,059,567            | 625,957                               |
| Prepaid expenses                 | 14,192               | 40,442               | (26,250)                              | 148,269              | (107,827)                             |
| Restricted cash and receivables  | -                    | -                    | -                                     | 31,624               | (31,624)                              |
| Capital assets                   | 28,758,459           | 29,085,919           | (327,460)                             | 20,849,921           | 8,235,998                             |
| <b>Total Assets</b>              | <b>60,975,522</b>    | <b>54,482,391</b>    | <b>6,493,131</b>                      | <b>44,158,310</b>    | <b>10,324,081</b>                     |
| Current liabilities              | 4,953,820            | 2,221,028            | 2,732,792                             | 3,847,040            | (1,626,012)                           |
| Noncurrent liabilities           | 29,091               | 39,095               | (10,004)                              | 27,244               | 11,851                                |
| <b>Total Liabilities</b>         | <b>4,982,911</b>     | <b>2,260,123</b>     | <b>2,722,788</b>                      | <b>3,874,284</b>     | <b>(1,614,161)</b>                    |
| Net investment in capital assets | 28,758,459           | 29,085,919           | (327,460)                             | 20,849,921           | 8,235,998                             |
| Restricted net position          | -                    | -                    | -                                     | 31,624               | (31,624)                              |
| Unrestricted net position        | 27,234,152           | 23,136,349           | 4,097,803                             | 19,402,481           | 3,733,868                             |
| <b>Total Net Position</b>        | <b>\$ 55,992,611</b> | <b>\$ 52,222,268</b> | <b>\$ 3,770,343</b>                   | <b>\$ 40,284,026</b> | <b>\$ 11,938,242</b>                  |

A substantial portion of the District's total net position reflects its investment in capital assets. These capital assets are used to provide bus services to Marin County residents and visitors. Consequently, these assets are not available for future spending. An additional portion of the District's net position represents resources that are subject to external restrictions imposed by grantors, contributors, or laws or regulations of other governments or constraints imposed by laws through constitutional provisions or enabling legislation, that restrict the use of net position. The remainder of the District's net position is unrestricted, and represents the District's reserve account. This reserve continues to meet the requirements of the Board of Directors adopted reserve policy.

## STATEMENTS OF ACTIVITIES AND CHANGES IN NET POSITION

The Statements of Activities and Changes in Net Position provide information regarding the District's revenues and expenses. The table below reflects a summary of the District's Statements of Activities and Changes in Net Position during the fiscal years ended June 30, 2019, 2018, and 2017.

|  | June 30, 2019 | June 30, 2018 | 2019-2018<br>Increase<br>(Decrease) | June 30, 2017 | 2018-2017<br>Increase<br>(Decrease) |
|--|---------------|---------------|-------------------------------------|---------------|-------------------------------------|
| Operating revenues                     |               |               |                                     |               |                                     |
| Transit fares                          | \$ 3,303,234  | \$ 3,570,143  | \$ (266,909)                        | \$ 3,528,289  | \$ 41,854                           |
| Contractual compensation               | 1,834,761     | 1,830,716     | 4,045                               | 1,765,230     | 65,486                              |
| Special fares and school bus revenue   | 424,819       | 410,509       | 14,310                              | 414,244       | (3,735)                             |
| Total operating revenues               | 5,562,814     | 5,811,368     | (248,554)                           | 5,707,763     | 103,605                             |
| Operating expenses                     |               |               |                                     |               |                                     |
| Purchased transportation services      | 24,245,772    | 22,698,220    | 1,547,552                           | 21,422,651    | 1,275,569                           |
| Depreciation                           | 3,549,062     | 2,908,165     | 640,897                             | 2,387,889     | 520,276                             |
| Salary and benefits                    | 2,099,316     | 1,881,194     | 218,122                             | 1,973,470     | (92,276)                            |
| Fuel                                   | 2,521,502     | 2,161,545     | 359,957                             | 1,818,940     | 342,605                             |
| Professional services                  | 1,340,332     | 1,440,732     | (100,400)                           | 1,177,446     | 263,286                             |
| General and administrative             | 422,474       | 416,675       | 5,799                               | 383,926       | 32,749                              |
| Leases and rentals                     | 126,723       | 98,832        | 27,891                              | 96,668        | 2,164                               |
| Maintenance and facility costs         | 88,107        | 201,222       | (113,115)                           | 136,111       | 65,111                              |
| Total operating expenses               | 34,393,288    | 31,806,585    | 2,586,703                           | 29,397,101    | 2,409,484                           |
| Operating Loss                         | (28,830,474)  | (25,995,217)  | (2,835,257)                         | (23,689,338)  | (2,305,879)                         |
| Nonoperating revenues (expenses)       |               |               |                                     |               |                                     |
| Intergovernmental                      | 24,340,749    | 22,142,502    | 2,198,247                           | 20,529,158    | 1,613,344                           |
| Property taxes                         | 4,561,268     | 4,321,194     | 240,074                             | 4,111,657     | 209,537                             |
| Advertising and rentals                | 412,978       | 439,044       | (26,066)                            | 397,790       | 41,254                              |
| Gain on disposal of capital assets     | -             | 2,093         | (2,093)                             | 1,102         | 991                                 |
| Other revenues (expenses)              | 113,695       | 33,552        | 80,143                              | (33,032)      | 66,584                              |
| Total nonoperating revenues (expenses) | 29,428,690    | 26,938,385    | 2,490,305                           | 25,006,675    | 1,931,710                           |
| Income Before Capital Contributions    | 598,216       | 943,168       | (344,952)                           | 1,317,337     | (374,169)                           |
| Capital contributions (grants)         |               |               |                                     |               |                                     |
| Intergovernmental                      | 3,126,499     | 10,979,056    | (7,852,557)                         | 4,038,739     | 6,940,317                           |
| Other revenue                          | 45,628        | 16,018        | 29,610                              | 32,839        | (16,821)                            |
| Total capital contributions (grants)   | 3,172,127     | 10,995,074    | (7,822,947)                         | 4,071,578     | 6,923,496                           |
| Change in Net Position                 | 3,770,343     | 11,938,242    | (8,167,899)                         | 5,388,915     | 6,549,327                           |
| Net Position at Beginning of Year      | 52,222,268    | 40,284,026    | 11,938,242                          | 34,895,111    | 5,388,915                           |
| Net Position at End of Year            | \$ 55,992,611 | \$ 52,222,268 | \$ 3,770,343                        | \$ 40,284,026 | \$ 11,938,242                       |

## Revenues

Operating revenues decreased to \$5.6 million in the fiscal year ended June 30, 2019, as compared to \$5.8 million in the fiscal year ended June 30, 2018. This decrease was due to modest decreases in designated fare revenue due to Muir Woods fare revenue collection being classified as Intergovernmental Revenue since it is collected through the National Parks Service.

The District has seen growth in nonoperating revenues for the fiscal years ended June 30, 2019 and June 30, 2018. The increase in the fiscal year ended June 30, 2018, is primarily due to claiming \$1.2 million of additional local Measure A sales tax funding for service expansions that started in June 2016. The increase in the fiscal year ended June 30, 2019, is primarily due to claiming \$2.2 million of additional State funding including Transportation Development Act (TDA), State Transit Assistance (STA), and Low Carbon Transit Operations Program (LCTOP) funds.

The majority of construction and vehicle acquisitions are funded with capital contributions from other governmental units such as federal, state, and local agencies. Therefore, capital contribution revenue is tied to the District's capital purchases, which naturally fluctuate over time. In the fiscal year ended June 30, 2018, the District procured and received a large number of vehicles, resulting in large spikes in capital contributions.

## Expenses

Operating expenses increased in fiscal year ended June 30, 2019, due to increased purchased transportation costs from increased contract rates, increased fuel expense from price increases, and increased depreciation due to the purchase of additional vehicles in the prior year. During the fiscal year ended June 30, 2018, operating expenses increased due to increased purchased transportation costs from increased contract rates, increased fuel expense from price increases, and increased paratransit service demand.

In the fiscal year ended June 30, 2019, Marin Transit spent more staff time on capital projects resulting in lower salary and benefit costs for operations.

In the fiscal year ended June 30, 2018, Marin Transit spent more staff time on capital projects resulting in lower salary and benefit costs for operations.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

Summary of Capital Assets (net of depreciation)

|                                   | <u>Balance at<br/>June 30, 2019</u> | <u>Balance at<br/>June 30, 2018</u> | <u>Balance at<br/>June 30, 2017</u> | <u>Balance at<br/>June 30, 2016</u> |
|-----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Nondepreciable                    |                                     |                                     |                                     |                                     |
| Work in progress                  | \$ 1,454,572                        | \$ 748,556                          | \$ 3,610,173                        | \$ 1,746,405                        |
| Capital assets being depreciated  |                                     |                                     |                                     |                                     |
| Revenue Vehicles                  | 18,792,651                          | 19,429,714                          | 13,922,452                          | 14,256,941                          |
| Facilities and stops              | 7,713,719                           | 7,917,689                           | 2,649,945                           | 2,725,709                           |
| Communication and data equipment  | 417,171                             | 498,678                             | 522,064                             | 286,197                             |
| Fare revenue collection equipment | 64,108                              | 105,619                             | 134,881                             | 137,372                             |
| Furniture and fixtures            | 36,965                              | 7,204                               | 10,406                              | -                                   |
| Non revenue vehicles              | <u>279,273</u>                      | <u>378,459</u>                      | <u>-</u>                            | <u>13,608</u>                       |
| Capital assets, net               | <u>\$ 28,758,459</u>                | <u>\$ 29,085,919</u>                | <u>\$ 20,849,921</u>                | <u>\$ 19,166,232</u>                |

The District's investment in capital assets amounts to \$28,758,459 and \$29,085,919 and as of June 30, 2019 and June 30, 2018, respectively (net of accumulated depreciation). This investment in capital assets includes vehicles, facilities and stops, communication and data equipment, fare revenue collection equipment, and furniture and fixtures. Net assets decreased in fiscal year 2019 by 1% after increasing approximately 39% in fiscal year 2018.

The most significant additions to the District's capital costs in the year ended June 30, 2019, were a 40ft electric bus, five additional buses and shuttle replacements, and work completed on bus stop improvements. More detail on capital costs for fiscal year ended June 30, 2019 is included on page 21 of this report. The most significant additions to the District's capital costs in the year ending June 30, 2018 were ten 40ft-hybrid transit vehicles and a new transit facility in downtown Novato.

### **Debt Administration**

Pursuant to the enabling legislation (Marin County Transit District Act of 1964, § 70225), the District has the authority to issue debt. Currently, the District has no outstanding debt.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Steady economic growth combined with significant new service contracts have improved Marin Transit's financial outlook, and allowed Marin Transit to expand fixed route transit service hours by 19% in June 2016. The associated increase in expenses was anticipated and within the District's available intergovernmental revenue. The District is now monitoring and adjusting service changes implemented in June 2016.

Marin County voters passed Measure AA on November 6, 2018, to reauthorize and extend the local transportation sales tax for an additional 30 years. The new measure continues to prioritize local transit and the expenditure plan specifies that that 55 percent of allocated sales tax revenues will go to local transit. This extension provides stability for Marin Transit's future intergovernmental revenues. Voters also rejected a ballot measure that would have rolled back the prior year increase in the State gas taxes. Marin Transit will continue to receive increased levels of State Transit Assistance funds for operations.

Marin Transit will continue to operate a similar level of service in the fiscal year ending June 30, 2020. Marin Transit's contract service operations expenses are 76% of operations costs. Marin Transit will continue operations with existing service contracts which include costs escalations of 2.5% to 3.5%.

The District does not own its own transit vehicle parking and maintenance facility. Marin Transit has identified this an ongoing challenge for contract operations and a risk for future operations contracts. To reduce this risk and challenge, Marin Transit has been working to purchase a facility and has established a capital reserve and received a \$4.4 million discretionary grant for this purpose. Marin County has limited land suitable for a facility and without additional transit vehicle parking, increasing bus service levels will be constrained and it will be difficult to invest in electric bus charging infrastructure. Marin Transit has two capital projects to purchase parking and maintenance facilities.

The District continues to maintain fully funded reserves, and has increased transit service to ensure the District continues to provide the highest levels of local bus service possible while ensuring financial stability.

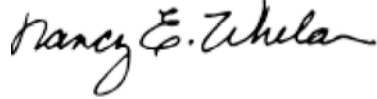
The District is updating the adopted Short Range Transit Plan (SRTP). The 2020-2029 SRTP will continue to provide a framework for service and capital planning for the next ten years. Financial projections are updated and a financially constrained plan and priorities for services and projects are established for potential future new revenues. The SRTP financial plan guides financial decision-making for the agency and is the basis for analyzing longer range financial impacts of changes in costs and revenues. The SRTP is updated every two to four years. As outlined in the District's SRTP, the District will continue to evaluate all services provided with an emphasis on continuing to improve the efficiency and convenience of the transit system for riders.

## REQUESTS FOR INFORMATION

This financial report is designed to provide our residents, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to our office at 711 Grand Avenue, Suite 110, San Rafael, California 94901.

Respectfully submitted,

A handwritten signature in black ink that reads "Nancy E. Whelan". The signature is written in a cursive style with a large, stylized 'N' and 'W'.

Nancy Whelan  
General Manager

**BASIC FINANCIAL STATEMENTS**

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**MARIN COUNTY TRANSIT DISTRICT  
STATEMENTS OF NET POSITION  
JUNE 30, 2019 AND 2018**

|   | 2019                 | 2018                 |
|---|----------------------|----------------------|
| <b>ASSETS</b>                                   |                      |                      |
| <b>CURRENT ASSETS:</b>                          |                      |                      |
| Cash, cash equivalents, and investments         | \$ 22,486,562        | \$ 16,670,506        |
| Accounts receivable:                            |                      |                      |
| State grants                                    | 169,771              | 269,039              |
| Transportation Authority of Marin               | 5,741,679            | 6,685,049            |
| Federal grants                                  | 2,021,827            | 883,454              |
| Golden Gate Bridge Highway and Transit District | 1,317,965            | 662,302              |
| Other receivables                               | 465,067              | 185,680              |
| Prepaid expenses                                | 14,192               | 40,442               |
| <b>Total Current Assets</b>                     | <b>32,217,063</b>    | <b>25,396,472</b>    |
| <b>NONCURRENT ASSETS:</b>                       |                      |                      |
| Capital assets:                                 |                      |                      |
| Not depreciated                                 | 1,454,572            | 748,556              |
| Depreciated, net                                | 27,303,887           | 28,337,363           |
| <b>Total capital assets</b>                     | <b>28,758,459</b>    | <b>29,085,919</b>    |
| <b>Total Noncurrent Assets</b>                  | <b>28,758,459</b>    | <b>29,085,919</b>    |
| <b>Total Assets</b>                             | <b>\$ 60,975,522</b> | <b>\$ 54,482,391</b> |
| <b>LIABILITIES AND NET POSITION</b>             |                      |                      |
| <b>CURRENT LIABILITIES:</b>                     |                      |                      |
| Accounts payable                                | \$ 4,224,507         | \$ 2,062,500         |
| Accrued payroll and benefits                    | 87,041               | 83,029               |
| Unearned revenue                                | 564,477              | 15,267               |
| Compensated absences - current portion          | 77,795               | 60,232               |
| <b>Total Current Liabilities</b>                | <b>4,953,820</b>     | <b>2,221,028</b>     |
| <b>NONCURRENT LIABILITIES:</b>                  |                      |                      |
| Compensated absences - noncurrent portion       | 29,091               | 39,095               |
| <b>Total Noncurrent Liabilities</b>             | <b>29,091</b>        | <b>39,095</b>        |
| <b>Total Liabilities</b>                        | <b>4,982,911</b>     | <b>2,260,123</b>     |
| <b>NET POSITION</b>                             |                      |                      |
| <b>NET POSITION:</b>                            |                      |                      |
| Net investment in capital assets                | 28,758,459           | 29,085,919           |
| Unrestricted                                    | 27,234,152           | 23,136,349           |
| <b>Total Net Position</b>                       | <b>\$ 55,992,611</b> | <b>\$ 52,222,268</b> |

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



**MARIN COUNTY TRANSIT DISTRICT  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

|  | 2019  | 2018                 |
|--|---|----------------------|
| <b>OPERATING REVENUES:</b>                     |   |                      |
| Transit fares                                  | \$ 3,303,234                                  | \$ 3,570,143         |
| Contractual compensation                       | 1,834,761                                     | 1,830,716            |
| Special fares                                  | 279,819                                       | 265,509              |
| School bus services revenues                   | 145,000                                       | 145,000              |
|  | <b>Total Operating Revenues</b>               | <b>5,811,368</b>     |
|  | 5,562,814                                     | 5,811,368            |
| <b>OPERATING EXPENSES:</b>                     |   |                      |
| Purchased transportation services              | 24,245,772                                    | 22,698,220           |
| Depreciation                                   | 3,549,062                                     | 2,908,165            |
| Salaries and benefits                          | 2,099,316                                     | 1,881,194            |
| Fuel   | 2,521,502                                     | 2,161,545            |
| Professional services                          | 1,340,332                                     | 1,440,732            |
| General and administrative                     | 223,930                                       | 244,554              |
| Utilities                                      | 64,639  | 150,501              |
| Marketing                                      | 116,677                                       | 98,034               |
| Leases and rentals                             | 126,723                                       | 98,832               |
| Other services                                 | 50,069  | 47,873               |
| Casualty and liability costs                   | 31,798  | 26,214               |
| Maintenance costs                              | 5,575   | 31,526               |
| Capital costs                                  | 17,893  | 19,195               |
|  | <b>Total Operating Expenses</b>               | <b>31,806,585</b>    |
|  | 34,393,288                                    | 31,806,585           |
| <b>OPERATING LOSS</b>                          | <b>(28,830,474)</b>                           | <b>(25,995,217)</b>  |
|  | (28,830,474)                                  | (25,995,217)         |
| <b>NONOPERATING REVENUES (EXPENSES):</b>       |   |                      |
| Intergovernmental revenue                      | 24,340,749                                    | 22,142,502           |
| Property tax revenue                           | 4,561,268                                     | 4,321,194            |
| Advertising                                    | 240,960                                       | 280,788              |
| Rental income                                  | 172,018                                       | 158,256              |
| Interest income                                | 198,695                                       | 118,552              |
| Gain on disposal of capital assets             | -   | 2,093                |
| Pass through of Measure A funds to Golden Gate | (85,000)                                      | (85,000)             |
|  | <b>Total nonoperating revenues (expenses)</b> | <b>26,938,385</b>    |
|  | 29,428,690                                    | 26,938,385           |
| <b>CAPITAL CONTRIBUTIONS:</b>                  |   |                      |
| Intergovernmental revenue                      | 3,126,499                                     | 10,979,056           |
| Other revenue                                  | 45,628  | 16,018               |
|  | <b>Total capital contributions</b>            | <b>10,995,074</b>    |
|  | 3,172,127                                     | 10,995,074           |
| <b>Change in Net Position</b>                  | <b>3,770,343</b>                              | <b>11,938,242</b>    |
| <b>NET POSITION:</b>                           |   |                      |
| Beginning of year                              | 52,222,268                                    | 40,284,026           |
| End of year                                    | <b>\$ 55,992,611</b>                          | <b>\$ 52,222,268</b> |

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

**MARIN COUNTY TRANSIT DISTRICT  
STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

|  | 2019                 | 2018                 |
|--|----------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                     |                      |                      |
| Cash received from customers                                     | \$ 3,997,876         | \$ 3,744,035         |
| Cash receipts from contracts                                     | 1,834,761            | 1,830,716            |
| Cash receipts from rent and leases                               | 172,018              | 158,256              |
| Cash paid for purchased transportation service                   | (24,234,201)         | (22,695,330)         |
| Cash paid to suppliers for goods and services                    | (4,499,138)          | (4,319,006)          |
| Cash received from (paid to) employees for services              | 88,941               | (1,661,951)          |
| <b>Net Cash Used by Operating Activities</b>                     | <b>(22,639,743)</b>  | <b>(22,943,280)</b>  |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>          |                      |                      |
| Property taxes received  | 4,561,268            | 3,695,237            |
| Other noncapital revenues received (paid)                        | (510,438)            | 280,788              |
| Intergovernmental revenues received                              | 24,255,749           | 20,565,652           |
| <b>Net Cash Provided by Noncapital Financing Activities</b>      | <b>28,306,579</b>    | <b>24,541,677</b>    |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b> |                      |                      |
| Proceeds from sale of capital assets                             | -                    | 2,093                |
| Acquisition of capital assets                                    | (3,221,602)          | (11,144,163)         |
| Capital contribution revenues received                           | 3,172,127            | 10,995,074           |
| <b>Net Cash Used by Capital and Related Financing Activities</b> | <b>(49,475)</b>      | <b>(146,996)</b>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                     |                      |                      |
| Interest income received   | 198,695              | 118,552              |
| <b>Net Cash Provided by Investing Activities</b>                 | <b>198,695</b>       | <b>118,552</b>       |
| <b>Net Increase in Cash, Cash Equivalents, and Investments</b>   | <b>5,816,056</b>     | <b>1,569,953</b>     |
| <b>CASH, CASH EQUIVALENTS, AND INVESTMENTS:</b>                  |                      |                      |
| Beginning balance  | 16,670,506           | 15,100,553           |
| Ending balance   | <b>\$ 22,486,562</b> | <b>\$ 16,670,506</b> |

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

**MARIN COUNTY TRANSIT DISTRICT  
STATEMENT OF CASH FLOWS (Continued)  
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

|   | 2019                   | 2018                   |
|---|------------------------|------------------------|
| <b>RECONCILIATION OF OPERATING LOSS TO<br/>NET CASH USED BY OPERATING ACTIVITIES:</b>     |                        |                        |
| Operating loss  | \$ (28,830,474)        | \$ (25,995,217)        |
| Adjustments to reconcile operating loss from to net cash<br>used by operating activities: |                        |                        |
| Depreciation  | 3,549,062              | 2,908,165              |
| Rent and lease receipts   | 172,018                | 158,256                |
| Increase in accounts receivable   | (279,387)              | -                      |
| Decrease in prepaid expenses  | 26,250                 | 107,827                |
| Increase in accounts payable  | 2,162,007              | 111,416                |
| Increase in accrued payroll and benefits  | 4,012                  | 3,262                  |
| Increase in due to other governments  | -                      | -                      |
| Increase (decrease) in unearned revenue   | 549,210                | (236,617)              |
| Increase (decrease) in compensated absences   | 7,559                  | (372)                  |
|   | <b>\$ (22,639,743)</b> | <b>\$ (22,943,280)</b> |

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

**MARIN COUNTY TRANSIT DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Marin County Transit District (the District) are in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the significant accounting policies:

**A. *Reporting Entity***

The District is a special district created by the authority of the Marin County Transit District Act of 1964. The District’s purpose is to develop, finance, organize, and provide local Marin County transit service. Revenues are derived principally from property taxes, aid from other governmental entities, transportation contract revenue, and transit fare revenue.

The District is governed by a seven-member Board of Directors (the Board) comprised of the members of the Board of Supervisors of the County of Marin (the County) and two members chosen from city council persons or mayors of cities within the county. The District is a component unit of the County because the County controls the District’s Board and may impose its will on the District.

The District contracts with five transit providers to operate transit services in Marin County:

Golden Gate Bridge Highway and Transportation District (Golden Gate): Since 1971, the District has contracted with Golden Gate to provide local transit services. In May of 2015, the District and Golden Gate entered into an agreement for transit services for the period July 1, 2015, through June 30, 2020, that contains options to extend the contract for two additional one-year periods. The contract specifies a rate per revenue hour and range of minimum and maximum revenue hours to be incurred each fiscal year for the term of the agreement and the two option years. The contract provides for a 2.7% increase in the rate per revenue hour annually. Fuel, capital costs, customer service, as well as San Rafael Transit Center security, maintenance, and utilities are separately compensated under the agreement in addition to the rate per revenue hour. The District sets the fare structure and rates, and establishes the service levels and the frequency of local transit services. Golden Gate collects passenger fares for the District’s routes and the District’s portion of State funding and applies them toward the District’s obligation to Golden Gate.

Under the terms of the yearly agreements in place for the fiscal years ended June 30, 2019 and 2018, Golden Gate operated seven local fixed routes. The total cost of local bus transit service under these agreements during the fiscal years ended June 30, 2019 and 2018, was \$10,760,016 and \$9,434,193, respectively. Related fare, revenue, advertising revenue, and other revenue earned for the fiscal years ended June 30, 2019 and 2018, was \$2,914,393 and \$2,980,425, respectively. Golden Gate was compensated for operating costs based on revenue hours incurred multiplied by a rate per hour specified in the contract as well as the District’s share of capital costs of Golden Gate buses used. The agreement allowed the District the option of assuming ownership of revenue vehicles purchased with the District’s capital contribution to Golden Gate. Ownership of all seventeen buses for which this provision applied was assumed during the fiscal year ended June 30, 2016. The remaining capital costs paid by the District to Golden Gate are related to the use of Golden Gate assets, including vehicles, facilities, and other assets, for which ownership may not be assumed by the District.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**A. Reporting Entity** (Continued)

Under the local paratransit agreement, the District contracts for local and inter-county (regional) paratransit service on behalf of Golden Gate. With the implementation of the Americans with Disabilities Act (ADA), Golden Gate was required to provide complementary local and inter-county paratransit services. Golden Gate contracted with the District to be the primary public entity responsible to provide these inter-county paratransit services. The District, in turn, contracted with Marin Senior Coordinating Council to provide the actual services, with the understanding that the District would be adequately compensated by Golden Gate.

Marin Senior Coordinating Council, Inc.: The District has contracted with Marin Senior Coordinating Council, Inc., (MSCC, also known as “Whistlestop”) since 2009 to provide local paratransit services. The contract was competitively bid, with a most recent contract start date of January 1, 2016. The contract has a 4 ½ year term with two one-year options. Paratransit services consist of demand responsive services for the disabled, which meets the requirements of the ADA and other federal provisions. Under the contract, MSCC provides the paratransit services and collects all the fare revenues. MSCC bills the District monthly for the net cost of services on an agreed-upon hourly basis. The District receives reimbursement from Golden Gate for the actual cost of the inter-county (regional) portion of this service and a portion of the local paratransit services.

MV Transportation, Inc.: MV Transportation, Inc., operates turn-key service on the Muir Woods Shuttle, Local Fixed Route Service, and Rural Service. This includes two rural routes established by the District and paid for in part by Federal Section 5311 Rural funding. This three-year contract, with two option years, was awarded in 2018 through a competitive bid process. Fare revenue on the service is collected through the District's GFI fare box system and is deposited directly into the District's account. The National Park Service pays for 50% of the Muir Woods Shuttle program.

Marin Airporter: Marin Airporter operates Local Fixed Route service and Community. Marin Airporter has operated the Community Shuttle Service since 2006. The current three-year contract with two option years was awarded in 2018 through a competitive bid process. Fare revenue on this service is collected through the District's GFI fare box system and is deposited directly into the District's account.

Michael's Transportation Services: Michael's Transportation Services provides a six-yellow bus service to the Ross Valley School District. The current three-year contract, with two option years, was awarded in 2018 through a competitive bid process. Fare revenue on this service is collected through District pass sales and deposited into the District's account.

**B. Joint Ventures**

The District participates in two joint ventures. One joint venture is for risk management as disclosed in Note 10. The second joint venture is the Marin Emergency Radio Authority (the Authority). The Authority is responsible for acquiring, constructing, improving, and operating a countywide emergency radio system. During the fiscal year ended June 30, 1999, the Authority issued Revenue Bonds to be used for the acquisition of the radio system. The District is responsible for a 1.18% share of the annual contributions to the Authority for operations, which also covers debt payments. The amount of the contribution is disclosed in Note 12. The District is not directly responsible for liabilities of the Authority and only has a residual equity interest in the Authority that would result in the District's proportional share of residual assets being distributed to the District, if any, if the members vote to terminate the Authority. The Authority issues separate financial statements, which are available at: Marin Emergency Radio Authority, c/o Novato Fire Protection District, 95 Rowland Way, Novato, California 94945 or [www.meraonline.org/contact](http://www.meraonline.org/contact).

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**C. Basis of Presentation**

The basic financial statements of the District have been prepared in conformity with GAAP as applied to government units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District applies all applicable GASB pronouncements in its accounting and financial reporting. The more significant of the District's accounting policies are described below.

The District's resources are allocated to and accounted for in these financial statements as an enterprise fund type of the proprietary fund group. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position for the enterprise fund represents the amount available for future operations.

**D. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the Statement on Net Position. Net position is segregated into the net investment in capital assets, amounts restricted, and amounts unrestricted. Enterprise fund operating statements present increases (i.e., revenue) and decreases (i.e., expenses) in net position.

The District uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received they are recorded as unearned revenues until earned. Transportation Development Act (TDA) revenues are recorded when all eligibility requirements have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are charges to customers for transportation services, contractual compensation, and advertising. Operating expenses include the cost of purchased transportation services, contract labor, fuel, depreciation, professional services, leases and rentals, general and administrative, direct labor, marketing, utilities, and other operating expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**E. Cash and Cash Equivalents**

The District defines cash and cash equivalents as cash on hand, demand deposits, and short-term investments, including the investment in the County investment pool. For the purposes of reporting cash flows, the District considers all cash and highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Additionally, one contractor who provides transportation services offsets certain types of revenues and expenses against monthly transportation service charges. Only the actual cash transactions are shown on the statement of cash flows.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**F. Prepaid Expenses**

Prepaid expenses are costs paid as of the Statement of Net Position date that are related to future accounting periods. Prepaid expenses at June 30, 2019 and 2018, consisted mainly of prepaid software maintenance costs.

**G. Capital Assets**

Capital assets are valued at historical cost. Donated capital assets are reported at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The District’s policy defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Provision is made for depreciation on the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

|                                       |              |
|---------------------------------------|--------------|
| Revenue vehicles                      | 3 – 12 years |
| Facilities and stops                  | 5- 30 years  |
| Communication and data equipment      | 3 – 5 years  |
| Fare revenue and collection equipment | 5 years      |
| Furniture and fixtures                | 8 years      |
| Non-revenue vehicles                  | 2 years      |

Maintenance and repairs are expensed as operating expenses when incurred. Betterments that increase the useful lives or capacity of existing capital assets are capitalized when incurred. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the capital asset accounts in the fiscal year of sale or retirement and the resulting gain or loss is included in nonoperating revenues (expenses).

Occasionally the District reimburses other organizations for the purchases of vehicles, facilities, and other assets. For the reimbursements in which the District does not own the assets, the transaction is recorded as capital costs within operating expenses on the Statements of Activities and Changes in Net Position.

**H. Unearned Revenue**

Unearned revenue at June 30, 2019, was State Transit Assistance funds from the State of Good Repair program for the purchase of 30ft narrow bodied vehicles for the rural and seasonal service, and fare revenue collected for yellow bus passes for school year 2019-2020. Unearned revenue at June 30, 2018, was Measure A funds expended on pre-paid software maintenance and fare revenue collected for yellow bus passes for school year 2018-2019.

**I. Compensated Absences**

At June 30, 2019 and 2018, the District’s employment policy allows employees to accumulate earned, but unused vacation leave time. Vacation accrues at a rate of 80 hours per year until the third consecutive year of employment when an additional 40 hours are earned. Administrative leave and sick leave is provided to employees, but is not payable at separation or retirement and is not accrued as part of compensated absences. The current portion of the long-term liability is estimated based on historical trends.

**J. Property Taxes**

The County levies taxes and places liens on real property as of January 1 on behalf of the District. Property taxes are due the following November 1 and March 1 and become delinquent December 10 and April 10 for the first and second installments, respectively. Unsecured property taxes are levied throughout the fiscal year.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**J. Property Taxes** (Continued)

In 1993, the District entered into an agreement (commonly known as the Teeter Plan) with the County. The Teeter Plan calls for the County to advance the District its share of the annual gross levy of secured property taxes and special assessments. In consideration, the District gives the County its rights to penalties and interest on delinquent secured property tax receivables and actual proceeds collected. The other receivables line on the Statements of Net Position refers mainly to unsecured property taxes.

**K. Measure A**

The County's voters passed a ½ cent sales tax measure (Measure A) in 2004 to provide local funding and investment for transportation infrastructure and programs. The tax went into effect on April 1, 2005, and lasts for a period of 20 years. Under the sales tax expenditure plan, fifty-five percent (55%) of Measure A is available for Local Transit service. The Transportation Authority of Marin (TAM) is the transportation sales tax authority in the County. TAM makes Measure A funding available to the District based on projections, and adjusts future year balances to account for actual receipts. The District requests Measure A funds on a reimbursement basis and does not carry an unspent balance of these funds.

The County's voters reauthorized and extended the ½ cent sales tax measure for 30 years in November 2018. The tax (Measure AA) went into effect March 1, 2019, with a period of 30 years and replaces Measure A. Under the updated sales tax expenditure plan, fifty-five percent (55%) of Measure AA is available for Transit with forty-five and ½ percent (45.5%) available for Local Transit service. TAM will continue to be the sales tax authority in the County and make Measure AA funding available to the District based on projections, and adjusts future years balances to account for actual receipts. While Measure AA funds were collected by TAM in fiscal year ending June 30, 2019, District expenditures of Measure AA will begin in the fiscal year ending June 30, 2020.

**L. Measure B**

In 2010, the County's voters approved Measure B, the Vehicle Registration Fee Initiative that collects \$10 annually for each vehicle registered in the County for the purpose of improving transportation within the County. The TAM board adopted the Measure B Expenditure Plan on July 28, 2011, and is effective for 10 years. The Measure B Expenditure Plan designates 35% of the funds generated to be used to fund senior and disabled transportation services in the County, and the District is the designated agency to manage this component. The District requests Measure B funds on a reimbursement basis and does not carry an unspent balance of these funds.

**M. Net Position**

Net position is categorized as net investment in capital assets, restricted, and unrestricted as follows:

Net Investment in Capital Assets – The net investment in capital assets groups all capital assets into one category of net position, which is reduced by accumulated depreciation.

Restricted Net Position – Restricted net position represents amounts that are legally restricted for specific uses. The amount reported as restricted for capital additions represents a gain on sale of Federal Transit Administration (FTA) funded buses that must be used for future bus acquisitions.

Unrestricted Net Position – Unrestricted net position represents amounts not restricted for any other project.



**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**M. Net Position** (Continued)

The District's Board approved a reserve policy for unrestricted net position allowing for a minimum of two months and maximum of six months of operating expenses to be reserved. An emergency reserve of two months of operating expenses and contingency reserve of more than two months but less than four months of operating expenses were approved under the policy. The emergency reserve is available for one-time, unanticipated expenditures or to offset unanticipated revenue fluctuations. The contingency reserve is available to maintain current transit service levels during revenue declines or slower than anticipated revenue growth. During the fiscal year ended June 30, 2018, a capital reserve was approved by the Board. Reserves were as follows at June 30:

|                     | <u>June 30, 2019</u> | <u>June 30, 2018</u> |
|---------------------|----------------------|----------------------|
| Emergency reserve   | \$ 5,411,838         | \$ 4,992,037         |
| Contingency reserve | 10,823,677           | 9,984,074            |
| Capital reserve     | <u>10,998,637</u>    | <u>8,160,238</u>     |
|                     | <u>\$ 27,234,152</u> | <u>\$ 23,136,349</u> |

**N. Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**O. Reclassifications**

Certain amounts in 2018 have been reclassified to conform to the 2019 financial statement presentation. The reclassifications had no effect on total net position or change in net position.

**NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS**

Cash, cash equivalents, and investments as of June 30, 2019 and 2018, consist of the following:

|   | <u>2019</u>          | <u>2018</u>          |
|---|----------------------|----------------------|
| Cash on hand                                  | \$ 23                | \$ 25                |
| Bank deposits                                 | 5,900,738            | 1,310,043            |
| County of Marin investment pool               | <u>16,585,801</u>    | <u>15,360,438</u>    |
| Total Cash, Cash Equivalents, and Investments | <u>\$ 22,486,562</u> | <u>\$ 16,670,506</u> |

**NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS** (Continued)Investment in the County of Marin Investment Pool

The District's Financial Management Policies indicate the District will invest excess funds in the County's investment pool. The County's investment pool is monitored and reviewed by a Treasury Oversight Committee (Committee). The Committee and County Board of Supervisors review and approve the County's investment policy yearly. The County's investment pool is not registered by the Securities and Exchange Commission. Interest earned on the pool is allocated to participants quarterly using the average daily cash balance of each fund. Investments held in the County's investment pool are available on demand to the District and are stated at amortized cost, which approximates fair value. The investment in the County pool is withdrawn on the amortized cost basis, which is different than the fair value of the District's investment in the pool. More information about the County's investment pool can be found in the notes to the County's basic financial statements at <https://www.marincounty.org>.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will 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. As of June 30, 2019 and 2018, the weighted average maturity of the investments contained in the County's investment pool was approximately 218 and 211 days, respectively.

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's investment pool has maintained the highest rating of AAA by Fitch Ratings, a nationally recognized statistical rating organization, since 1994.

Custodial credit risk

Custodial risk is the risk that the government will not be able to recover its deposits or the value of its investments that are in the possession of an outside party. Custodial credit risk does not apply to a local government's indirect deposits or investment in securities through the use of government investment pools (such as the County's investment pool). At June 30, 2019 and 2018, the carrying amount of the District's deposits was \$5,900,738 and \$1,310,043 and the balance in the financial institutions was \$5,910,116 and \$1,377,465, respectively. Of the balances in financial institutions, \$250,000 at June 30, 2019 and 2018, was covered by federal depository insurance and the remaining amount was secured by a pledge of securities by the financial institution, but not in the name of the District.

**NOTE 3 – CAPITAL ASSETS**

Capital asset activity was as follows for the fiscal years ended June 30:

|  | Balance<br>July 1, 2018 | Additions    | Deletions | Transfers   | Balance<br>June 30, 2019 |
|--|-------------------------|--------------|-----------|-------------|--------------------------|
| Nondepreciable:                              |                         |              |           |             |                          |
| Work in progress                             | \$ 748,556              | \$ 800,495   | \$ -      | \$ (94,479) | \$ 1,454,572             |
| Capital Assets, Being Depreciated:           |                         |              |           |             |                          |
| Revenue vehicles                             | 26,957,883              | 2,250,499    | (67,654)  | 33,151      | 29,173,879               |
| Facilities and stops                         | 8,471,175               | 112,044      | -         | -           | 8,583,219                |
| Communication and data equipment             | 1,821,367               | 37,098       | (24,181)  | 47,238      | 1,881,522                |
| Fare revenue collection equipment            | 464,862                 | -            | -         | -           | 464,862                  |
| Furniture and fixtures                       | 88,351                  | 21,466       | -         | 14,090      | 123,907                  |
| Non-revenue vehicles                         | 403,044                 | -            | -         | -           | 403,044                  |
| Total Capital Assets, Being Depreciated      | 38,206,682              | 2,421,107    | (91,835)  | 94,479      | 40,630,433               |
| Less Accumulated Depreciation:               |                         |              |           |             |                          |
| Revenue vehicles                             | (7,528,169)             | (2,920,713)  | 67,654    | -           | (10,381,228)             |
| Facilities and stops                         | (553,486)               | (316,014)    | -         | -           | (869,500)                |
| Communication and data equipment             | (1,322,689)             | (165,843)    | 24,181    | -           | (1,464,351)              |
| Fare revenue collection equipment            | (359,243)               | (41,511)     | -         | -           | (400,754)                |
| Furniture and fixtures                       | (81,147)                | (5,795)      | -         | -           | (86,942)                 |
| Non-revenue vehicles                         | (24,585)                | (99,186)     | -         | -           | (123,771)                |
| Total Accumulated Depreciation               | (9,869,319)             | (3,549,062)  | 91,835    | -           | (13,326,546)             |
| Total Capital Assets, Being Depreciated, Net | 28,337,363              | (1,127,955)  | -         | 94,479      | 27,303,887               |
| Total Capital Assets, Net                    | \$ 29,085,919           | \$ (327,460) | \$ -      | \$ -        | \$ 28,758,459            |

Depreciation expense for the fiscal year ended June 30, 2019, was \$3,549,062.

|  | Balance<br>July 1, 2017 | Additions    | Deletions | Transfers      | Balance<br>June 30, 2018 |
|--|-------------------------|--------------|-----------|----------------|--------------------------|
| Nondepreciable:                              |                         |              |           |                |                          |
| Work in progress                             | \$ 3,610,173            | \$ 558,648   | \$ -      | \$ (3,420,265) | \$ 748,556               |
| Capital Assets, Being Depreciated:           |                         |              |           |                |                          |
| Revenue vehicles                             | 19,108,821              | 7,862,632    | (30,766)  | 17,196         | 26,957,883               |
| Facilities and stops                         | 2,943,526               | 2,189,163    | -         | 3,338,486      | 8,471,175                |
| Communication and data equipment             | 1,634,293               | 146,966      | -         | 40,108         | 1,821,367                |
| Fare revenue collection equipment            | 459,532                 | 14,485       | (9,155)   | -              | 464,862                  |
| Furniture and fixtures                       | 88,351                  | -            | -         | -              | 88,351                   |
| Non-revenue vehicles                         | 6,300                   | 372,269      | -         | 24,475         | 403,044                  |
| Total Capital Assets, Being Depreciated      | 24,240,823              | 10,585,515   | (39,921)  | 3,420,265      | 38,206,682               |
| Less Accumulated Depreciation:               |                         |              |           |                |                          |
| Revenue vehicles                             | (5,186,369)             | (2,372,566)  | 30,766    | -              | (7,528,169)              |
| Facilities and stops                         | (293,581)               | (259,905)    | -         | -              | (553,486)                |
| Communication and data equipment             | (1,112,229)             | (210,460)    | -         | -              | (1,322,689)              |
| Fare revenue collection equipment            | (324,651)               | (43,747)     | 9,155     | -              | (359,243)                |
| Furniture and fixtures                       | (77,945)                | (3,202)      | -         | -              | (81,147)                 |
| Non-revenue vehicles                         | (6,300)                 | (18,285)     | -         | -              | (24,585)                 |
| Total Accumulated Depreciation               | (7,001,075)             | (2,908,165)  | 39,921    | -              | (9,869,319)              |
| Total Capital Assets, Being Depreciated, Net | 17,239,748              | 7,677,350    | -         | 3,420,265      | 28,337,363               |
| Total Capital Assets, Net                    | \$ 20,849,921           | \$ 8,235,998 | \$ -      | \$ -           | \$ 29,085,919            |

Depreciation expense for the fiscal year ended June 30, 2018, was \$2,908,165.

**NOTE 4 – COMPENSATED ABSENCES**

Compensated absences activity was as follows for the fiscal years ended June 30, 2019 and 2018:

|                      | <u>Balance at<br/>July 1, 2018</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance at<br/>June 30, 2019</u> | <u>Due Within<br/>One Year</u> |
|----------------------|------------------------------------|------------------|-------------------|-------------------------------------|--------------------------------|
| Compensated absences | \$ 99,327                          | \$ 104,537       | \$ (96,978)       | \$ 106,886                          | \$ 77,795                      |
|                      |                                    |                  |                   |                                     |                                |
|                      | <u>Balance at<br/>July 1, 2017</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance at<br/>June 30, 2018</u> | <u>Due Within<br/>One Year</u> |
| Compensated absences | \$ 99,699                          | \$ 83,216        | \$ (83,588)       | \$ 99,327                           | \$ 60,232                      |

**NOTE 5 – INTERGOVERNMENTAL REVENUE**

The following is the detail of intergovernmental revenues for the fiscal years ended June 30:

|   | 2019                 |                     |                      |
|---|----------------------|---------------------|----------------------|
|   | Non-Operating        | Capital             | Total                |
| Federal revenue:  |                      |                     |                      |
| FTA   |                      |                     |                      |
| Section 5307 (ADA Set-Aside)  | \$ 715,573           | \$ -                | \$ 715,573           |
| Section 5307 (Vehicle/Equipment purchase)   | -                    | 1,031,967           | 1,031,967            |
| Section 5309 (State of Good Repair)   | -                    | 418,378             | 418,378              |
| Section 5310 (On-Demand Pilot)  | 350,000              | -                   | 350,000              |
| Section 5310 (Mobility Management)  | 136,487              | -                   | 136,487              |
| Section 5311 grant (Stagecoach operating)   | 215,088              | -                   | 215,088              |
| Section 5316 Job Access and Reverse Commute (JARC) (Mobility Tech)                          | 4,000                | 56,938              | 60,938               |
| Section 5320 (Transit in the Parks)   | -                    | 56,856              | 56,856               |
| United States Department of the Interior  |                      |                     |                      |
| National Park Service   | 323,371              | -                   | 323,371              |
| National Park Service - Fare Revenue  | 406,475              | -                   | 406,475              |
| <b>Total federal revenue</b>  | <b>2,150,994</b>     | <b>1,564,139</b>    | <b>3,715,133</b>     |
| State revenue:  |                      |                     |                      |
| TDA   | 5,109,399            | -                   | 5,109,399            |
| State Transit Assistance (STA)  |                      |                     |                      |
| STA (Operations - Revenue Based)  | 598,064              | 780,911             | 1,378,975            |
| STA (Operations - Population Based)   | 1,140,266            | -                   | 1,140,266            |
| Paratransit   | 103,372              | -                   | 103,372              |
| State of Good Repair (SGR)  | -                    | 104,643             | 104,643              |
| Bay Area Air Quality Funds  | 67,500               | -                   | 67,500               |
| State Transportation Improvement Program (STIP)   | -                    | -                   | -                    |
| Active Transportation Program   | -                    | -                   | -                    |
| Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) | -                    | 112,092             | 112,092              |
| Home Owner Property Tax Relief  | 18,779               | -                   | 18,779               |
| Low Carbon Transit Operations Program (LCTOP)   | 335,795              | -                   | 335,795              |
| California Department of Transportation (Caltrans)  | 284                  | -                   | 284                  |
| <b>Total state revenue</b>  | <b>7,373,459</b>     | <b>997,646</b>      | <b>8,371,105</b>     |
| Local revenue:  |                      |                     |                      |
| Measure A   |                      |                     |                      |
| Strategy 1.1 (Local)  | 10,083,682           | -                   | 10,083,682           |
| Strategy 1.2 (Rural)  | 990,000              | -                   | 990,000              |
| Strategy 1.3 (Special)  | 2,386,318            | -                   | 2,386,318            |
| Strategy 1.4 (Capital)  | 279,881              | 507,514             | 787,395              |
| Interest  | 85,000               | -                   | 85,000               |
| Measure B   | 991,415              | (17,800)            | 973,615              |
| Measure B (TAM)   | -                    | 75,000              | 75,000               |
| <b>Total local revenue</b>  | <b>14,816,296</b>    | <b>564,714</b>      | <b>15,381,010</b>    |
| <b>Total intergovernmental revenue</b>  | <b>\$ 24,340,749</b> | <b>\$ 3,126,499</b> | <b>\$ 27,467,248</b> |

**NOTE 5 – INTERGOVERNMENTAL REVENUE (Continued)**

|   | 2018                 |                      |                      |
|---|----------------------|----------------------|----------------------|
|   | Non-Operating        | Capital              | Total                |
| Federal revenue:  |                      |                      |                      |
| FTA   |                      |                      |                      |
| Section 5303 (State Planning)   | \$ 20,000            | \$ -                 | \$ 20,000            |
| Section 5307 (ADA Set-Aside)  | 701,236              | -                    | 701,236              |
| Section 5307 (Vehicle/Equipment purchase)   | -                    | 6,391,631            | 6,391,631            |
| Section 5307 (Lifeline Operations)  | 222,210              | -                    | 222,210              |
| Section 5307 (STIP)   | -                    | 69,699               | 69,699               |
| Section 5309 (State of Good Repair)   | -                    | 86,702               | 86,702               |
| Section 5311 grant (Stagecoach operating)   | 207,225              | -                    | 207,225              |
| Section 5311 grant (Rural Transportation Assistance Program (RTAP) scholarship)             | 1,168                | -                    | 1,168                |
| Section 5316 JARC (Mobility Tech)   | -                    | 178,706              | 178,706              |
| Section 5320 (Transit in the Parks)   | -                    | 330,181              | 330,181              |
| United States Department of the Interior  |                      |                      |                      |
| National Park Service   | 154,736              | -                    | 154,736              |
| National Park Service - Fare Revenue  | 187,050              | -                    | 187,050              |
|   | <u>1,493,625</u>     | <u>7,056,919</u>     | <u>8,550,544</u>     |
| Total federal revenue   |                      |                      |                      |
| State revenue:  |                      |                      |                      |
| TDA   | 4,614,306            | -                    | 4,614,306            |
| STA   |                      |                      |                      |
| STA (Operations - Revenue Based)  | 900,000              | -                    | 900,000              |
| STA (Operations - Population Based)   | 324,816              | -                    | 324,816              |
| Paratransit   | 60,404               | -                    | 60,404               |
| Active Transportation Program   | -                    | 259,693              | 259,693              |
| Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) | -                    | 177,963              | 177,963              |
| Home Owner Property Tax Relief  | 18,940               | -                    | 18,940               |
| LCTOP   | 128,676              | -                    | 128,676              |
| Caltrans  | 334                  | -                    | 334                  |
|   | <u>6,047,476</u>     | <u>437,656</u>       | <u>6,485,132</u>     |
| Total state revenue   |                      |                      |                      |
| Local revenue:  |                      |                      |                      |
| Measure A   |                      |                      |                      |
| Strategy 1.1 (Local)  | 9,960,852            | -                    | 9,960,852            |
| Strategy 1.2 (Rural)  | 1,139,691            | -                    | 1,139,691            |
| Strategy 1.3 (Special)  | 2,154,534            | -                    | 2,154,534            |
| Strategy 1.4 (Capital)  | 286,508              | 2,053,481            | 2,339,989            |
| Reserve Fund  | -                    | 1,120,000            | 1,120,000            |
| Interest  | 85,000               | -                    | 85,000               |
| Measure B   | 974,816              | -                    | 974,816              |
| Miscellaneous   | -                    | 311,000              | 311,000              |
|   | <u>14,601,401</u>    | <u>3,484,481</u>     | <u>18,085,882</u>    |
| Total local revenue   |                      |                      |                      |
| Total intergovernmental revenue   | <u>\$ 22,142,502</u> | <u>\$ 10,979,056</u> | <u>\$ 33,121,558</u> |

**NOTE 6 – OPERATING LEASE**

The District leases its office space under a non-cancellable operating lease. In July 2012, the District entered into a three-year lease, with one three-year option to renew at market rates. In June 2015, the District exercised its option to renew the lease for three additional years to October 31, 2018. In March 2018, the District added 923 square feet of additional square footage and extended the lease term by five year from the date of delivery of the additional square footage. The additional square footage was delivered October 1, 2018, and the five-year lease extends to September 31, 2023. As of June 30, 2019, future minimum lease payments under the operating lease were as follows:

| Fiscal Year<br>Ending June 30:  |    |                |
|---------------------------------|----|----------------|
| 2020                            | \$ | 137,817        |
| 2021                            |    | 140,532        |
| 2022                            |    | 143,248        |
| 2023                            |    | 145,963        |
| 2024                            |    | 36,660         |
| Total minimum lease commitments | \$ | <u>604,220</u> |

Lease expense for the fiscal years ended June 30, 2019 and 2018, totaled \$126,723 and \$98,832, respectively.

**NOTE 7 – RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS**

The District contributes to the Marin County Transit District Governmental 401(a) single employer defined contribution pension plan (the Plan) for its employees who have attained twenty-one years of age and have more than 1,000 hours of service. The Plan is administered by the District.

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the District's Board. For each employee in the Plan at the end of the Plan year, the District is required to contribute 10% to 15% of annual salary, exclusive of overtime, to individual employee accounts. Employees are not permitted to make contributions to the Plan. For the fiscal years ended June 30, 2019 and 2018, the District recognized pension expense of \$217,914 and \$185,692, respectively.

Employees are fully vested in employer contributions after six months of service. Non-vested District contributions are forfeited upon termination. Such forfeitures are first used to pay Plan administrative expenses and any remaining forfeitures are used to reduce the required future employer contribution. There were forfeitures of \$0 during the fiscal year ended June 30, 2019, and forfeitures of \$2,151 during the fiscal year ended June 30, 2018.

The District provides a Section 457 deferred compensation plan (Section 457 Plan) to its employees. Employees are allowed to contribute to the Section 457 Plan, but the District does not contribute to the Section 457 Plan. The District does not currently provide other postemployment benefits (OPEB) to employees.

The District also contracted with the County and an independent entity called Local Government Services (LGS) for staffing until all contract employees were hired by the District during the fiscal year ended June 30, 2014. Pension and OPEB benefits were available to County and LGS contract employees. The District does not currently have a contract with the County that defines responsibility for any unfunded retirement and OPEB benefits for County employees used by the District that may be payable upon separation. However, all former County employees retired or left the County's and District's service and the District does not believe a separation liability is applicable to the District. The contract with LGS stated that LGS is responsible for retirement and OPEB benefits for its employees used by the District.

**NOTE 8 – COMMITMENTS AND CONTINGENCIES**Commitments

The District has the following commitments as of June 30:

| Contractor                        | Purpose                            | 2019          | 2018          |
|-----------------------------------|------------------------------------|---------------|---------------|
| Golden Gate                       | Local fixed route service          | \$ 6,416,966  | \$ 12,717,289 |
| Whistlestop                       | Paratransit service                | 5,421,442     | 11,252,374    |
| Gillig                            | Hybrid buses                       | 8,906,040     | -             |
| Marin Airporter                   | Shuttle and fixed route services   | 12,011,379    | 17,817,611    |
| MV Transportation, Inc.           | Rural and seasonal transit service | 6,315,828     | 9,381,767     |
| BYD                               | Electric buses                     | 684,294       | 1,368,590     |
| Michael's Transportation Services | Yellow bus service                 | 1,305,223     | 1,929,463     |
| Whistlestop                       | Travel Navigator, Volunteer Driver | 449,957       | 871,194       |
| Creative Bus Sales                | Paratransit and stage replacements | 1,656,421     | 1,178,000     |
| Syncromatics                      | Hardware replacement               | -             | 143,024       |
|                                   |                                    | \$ 43,167,550 | \$ 56,659,312 |

Contingencies

The District receives grants from federal and state agencies that are subject to compliance audits by the awarding agency. No such audits occurred during the fiscal year and the District's management does not believe that any such audits would result in material disallowed costs. However, it is possible that ineligible costs could be identified during any such audits in the future.

The District contracted with LGS (LGS, a Joint Powers Authority) for employees from May 1, 2010, through October 15, 2013. The contract required LGS to take responsibility for any pension benefits of LGS employees used by the District and LGS made contributions to the California Public Employees Retirement System (CalPERS) on their behalf. In June 2017, the District was made aware that CalPERS found that LGS incorrectly enrolled six of the individuals employed by LGS and used by the District into CalPERS membership. Due to this determination, it is unknown whether the employees will be allowed to retain CalPERS service credits and the status of previously made pension contributions/responsibility for any unfunded pension liability for the employees is in question. The District is working with LGS and CalPERS to explore options for retaining CalPERS service credits and other alternatives for the six current and/or former employees. The ultimate resolution of this matter is currently unknown.

The District is a party to claims arising in the normal course of business. The District's management and legal counsel are of the opinion that the ultimate liability, if any, arising from these claims will not have a material adverse impact of the financial position of the District.

Concentrations

A significant portion of the District's contracted transit services are provided by three transit contractors. A change in these relationships could have a significant impact on the District.

The District receives a substantial percentage of its revenue from sales tax, fuel tax, and property tax, including TDA, STA, and Measure A revenue. A significant change in these revenue sources could have a significant impact on the District's operations.



**NOTE 9 – OTHER STATE GRANTS**PTMISEA

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Of the \$19.25 billion of State general obligation bonds authorized, \$4 billion was set aside by the State as instructed by the statute as the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or for rolling stock procurement, rehabilitation, or replacement.

For the fiscal years ended June 30, 2019 and 2018, the District was awarded \$400,000 and \$2,421,363, respectively, from the State's PTMISEA account for the projects listed in the tables below. The tables below disclose the PTMISEA amounts received, expended, and unexpended for each approved project that was verified during the course of the audit as of June 30:

| <u>Project Name</u>           | <u>Grant Amount</u> | <u>Received through June 30, 2019</u> | <u>Expended through June 30, 2019</u> | <u>Unexpended at June 30, 2019</u> |
|-------------------------------|---------------------|---------------------------------------|---------------------------------------|------------------------------------|
| Local bus stop revitalization | \$ 400,000          | \$ 269,567                            | \$ 377,002                            | \$ 22,998                          |
| Total                         | <u>\$ 400,000</u>   | <u>\$ 269,567</u>                     | <u>\$ 377,002</u>                     | <u>\$ 22,998</u>                   |

| <u>Project Name</u>           | <u>Grant Amount</u> | <u>Received through June 30, 2018</u> | <u>Expended through June 30, 2018</u> | <u>Unexpended at June 30, 2018</u> |
|-------------------------------|---------------------|---------------------------------------|---------------------------------------|------------------------------------|
| Local bus stop revitalization | \$ 400,000          | \$ 254,437                            | \$ 264,910                            | \$ 135,090                         |
| Bus stop improvements         | 2,021,363           | 2,021,363                             | 2,021,363                             | -                                  |
| Total                         | <u>\$ 2,421,363</u> | <u>\$ 2,275,800</u>                   | <u>\$ 2,286,273</u>                   | <u>\$ 135,090</u>                  |

LCTOP

The LCTOP was established by the California Legislature in 2014 by Senate Bill 862. The LCTOP provides funds to transit agencies to reduce greenhouse gas emission and improve mobility through operating and capital grants. Projects approved for LCTOP will support bus or rail services, or expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance, and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions.

As of June 30, 2019, LCTOP funds of \$335,795 were allocated to the District. All this amount, was received for transit operations on Route 23 and was spent during the fiscal year ended June 30, 2019.

As of June 30, 2018, LCTOP funds of \$128,676 were allocated to the District. All this amount, was received for transit operations on Route 23 and was spent during the fiscal year ended June 30, 2018.

#### **NOTE 10 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; and natural disasters. The risk of loss is managed by requiring contract operators to indemnify and hold harmless the District as well as maintain minimum specified levels of coverage. Additional coverage is provided by the County for errors and omissions, injuries to employees, and natural disaster. The District's insurance coverage is carried through CSAC (California State Association of Counties) Excess Insurance Authority (CSAC) in pooled programs and through a commercial insurance carrier.

CSAC is a public entity risk pool currently operating as a common risk management and insurance program for counties located throughout California. The purpose of CSAC is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group. The District's general liability insurance limit through CSAC was \$25,000,000 with a \$25,000 deductible at both June 30, 2019 and 2018. The District's claims have not exceeded the maximum insurance coverage, and there have been no reductions in insurance limits during the past three fiscal years.

The District is not directly responsible for liabilities of CSAC and only has a residual equity interest in CSAC that would result in the District's proportional share of residual assets being distributed to the District or its proportional share of additional premiums being required to be paid to CSAC if assets are not adequate to satisfy liabilities, if any, if the members vote to terminate CSAC. The financial statements of CSAC are available at CSAC's office at: 75 Iron Point Circle, Folsom, California 95630 or at [www.csac-eia.org](http://www.csac-eia.org).

#### **NOTE 11 – TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS**

Transit operators are required to either meet a TDA funding limit of 50% of total expenses or maintain a minimum required fare revenue to operating expenses ratio in order to be eligible for TDA funding. The District's direct allocation of STA revenue meets the 50% expenditure limitation under TDA Section 99268, thereby making the District exempt from fare revenue ratio requirements.

#### **NOTE 12 – RELATED PARTY TRANSACTIONS**

The District's Board includes members of the governing bodies of the County, the City of Novato, the City of Mill Valley, and City of San Rafael (the Cities). The District has various transactions with the County, Cities, and other agencies that have City and County governing body representatives on their governing bodies.

Receivables from Golden Gate and TAM are listed on the face of the Statement of Net Position. TDA and STA revenues listed in Note 5 are received from Golden Gate as well as various FTA and state grants. Measure A and Measure B revenues listed in Note 5 are received from TAM.

**NOTE 12 – RELATED PARTY TRANSACTIONS** (Continued)

The following table represents revenues, expenses, accounts payable, and unearned revenue to related agencies not separately reported in the Statements of Net Position and Statements of Activities and Changes in Net Position or Note 5:

|   | <u>2019</u>          | <u>2018</u>          |
|---|----------------------|----------------------|
| Revenues from related parties:                                    |                      |                      |
| Golden Gate:  |                      |                      |
| Fares   | \$ 1,464,740         | \$ 1,511,170         |
| Paratransit contribution  | 1,059,560            | 1,044,481            |
| Advertising   | 212,791              | 250,152              |
| Other revenues  | <u>177,302</u>       | <u>174,622</u>       |
| Total revenues from related parties not separately reported       | <u>\$ 2,914,393</u>  | <u>\$ 2,980,425</u>  |
| Expenses to related parties:                                      |                      |                      |
| Golden Gate - transit contract                                    |                      |                      |
| Local transit service operations                                  | \$ 10,760,016        | \$ 10,554,872        |
| Vehicle repairs   | 198,061              | 130,266              |
| Capital costs   | 17,892               | 19,194               |
| County of Marin - fuel  | 1,309,318            | 890,683              |
| Marin Emergency Radio Authority - emergency radio system payments | 50,069               | 46,474               |
| County of Marin - other expenses                                  | 42,329               | 46,306               |
| Metropolitan Transportation Commission - clipper                  | <u>15,785</u>        | <u>16,595</u>        |
| Total expenses to related parties                                 | <u>\$ 12,393,470</u> | <u>\$ 11,704,390</u> |
| Accounts payable to related parties:                              |                      |                      |
| Golden Gate:  |                      |                      |
| Transit contract  | \$ 1,594,528         | \$ 737,398           |
| County of Marin - miscellaneous                                   | <u>246,143</u>       | <u>186,398</u>       |
| Total accounts payable to related parties                         | <u>\$ 1,840,671</u>  | <u>\$ 923,796</u>    |
| Unearned revenue from related parties:                            |                      |                      |
| TAM - Measure A   | <u>\$ -</u>          | <u>\$ 3,824</u>      |
| Total unearned revenue from related parties                       | <u>\$ -</u>          | <u>\$ 3,824</u>      |

**NOTE 13 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 22, 2019, the date these financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

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**MARIN COUNTY TRANSIT DISTRICT  
SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

**STATEMENTS OF FIDUCIARY NET POSITION – RETIREMENT PLAN**

|  | 2019         | 2018       |
|--|--------------|------------|
| <b>ASSETS</b>  |              |            |
| Cash   | \$ 26,352    | \$ 23,072  |
| Contributions receivable   | 8,476        | 13,456     |
| Investments  |              |            |
| Fixed income   | 66,272       | 51,271     |
| Target date funds  | 769,018      | 576,797    |
| Stock mutual funds   | 288,836      | 221,980    |
| Total Investments  | 1,158,954    | 850,048    |
| <b>TOTAL ASSETS</b>  | 1,158,954    | 886,576    |
| <b>TOTAL NET POSITION RESTRICTED FOR<br/>RETIREMENT BENEFITS</b> | \$ 1,158,954 | \$ 886,576 |

**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION – RETIREMENT PLAN**

|  | 2019         | 2018       |
|--|--------------|------------|
| <b>ADDITIONS</b>   |              |            |
| Contributions - employer   | \$ 217,914   | \$ 187,842 |
| Increase in investments*   | 54,463       | 55,411     |
| <b>TOTAL ADDITIONS</b>   | 272,377      | 243,253    |
| <b>DEDUCTIONS</b>  |              |            |
| Forfeitures  | -            | 2,151      |
| Withdrawals  | -            | 22,946     |
| <b>TOTAL DEDUCTIONS</b>  | -            | 25,097     |
| <b>NET INCREASE IN NET POSITION</b>                                      | 272,377      | 218,156    |
| Net position restricted for retirement benefits - beginning of year      | 886,576      | 668,420    |
| <b>NET POSITION RESTRICTED FOR<br/>RETIREMENT BENEFITS - END OF YEAR</b> | \$ 1,158,953 | \$ 886,576 |
| <b>Number of Participants in Retirement Plan:</b>                        |              |            |
| Active   | 15           | 17         |
| Retiree  | -            | 1          |
| Terminated   | 7            | 6          |

\* Includes plan administrative fee of 0.70% and 0.95% for mutual funds

**MARIN COUNTY TRANSIT DISTRICT  
BUDGETARY COMPARISON SCHEDULE – OPERATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

|   | Original<br>Budget  | Final<br>Budget     | Actual              | Variance with<br>Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
| <b>REVENUES</b>                                 |                     |                     |                     |                               |
| Fares   | \$ 4,227,620        | \$ 4,227,620        | \$ 4,024,378        | \$ (203,242)                  |
| Advertising and other revenues                  | 412,206             | 412,206             | 390,093             | (22,113)                      |
| Fees for service                                | 2,026,564           | 2,026,564           | 1,934,612           | (91,952)                      |
| Interest  | 70,250              | 70,250              | 198,693             | 128,443                       |
| Measure A                                       | 14,046,064          | 14,046,065          | 13,460,000          | (586,065)                     |
| Measure A interest                              | 85,000              | 85,000              | 85,000              | -                             |
| Measure B                                       | 1,120,000           | 1,120,000           | 991,415             | (128,585)                     |
| Property taxes                                  | 4,436,683           | 4,436,683           | 4,557,957           | 121,274                       |
| Redevelopment area (RDA) fees                   | 58,200              | 58,200              | 48,787              | (9,413)                       |
| State Transit Assistance (STA)                  | 1,841,702           | 1,841,702           | 1,841,702           | -                             |
| Transportation Development Act (TDA)            | 5,109,399           | 5,109,399           | 5,109,399           | -                             |
| Other state revenue                             | 354,524             | 354,524             | 354,858             | 334                           |
| Federal Transit Administration (FTA)<br>funds   | 1,351,823           | 1,351,823           | 1,417,148           | 65,325                        |
| National Park Service grant                     | 458,000             | 458,000             | 323,523             | (134,477)                     |
| Cost center transfers                           | (45,713)            | (39,360)            | (76,621)            | (37,261)                      |
| <b>Total revenues</b>                           | <b>35,552,322</b>   | <b>35,558,676</b>   | <b>34,660,944</b>   | <b>(897,732)</b>              |
| <b>EXPENDITURES</b>                             |                     |                     |                     |                               |
| Salaries and benefits                           | 2,556,016           | 2,556,016           | 2,375,473           | 180,543                       |
| Consultant services                             | 558,531             | 558,531             | 319,489             | 239,042                       |
| Professional services - legal                   | 150,000             | 150,000             | 74,552              | 75,448                        |
| Security and maintenance                        | 297,548             | 297,548             | 260,405             | 37,143                        |
| Customer service                                | 783,263             | 783,263             | 596,949             | 186,314                       |
| Indirect county overhead                        | 2,575               | 2,575               | -                   | 2,575                         |
| Mobility management support programs            | 24,835              | 24,835              | 7,344               | 17,491                        |
| Office supplies                                 | 217,536             | 223,888             | 155,769             | 68,119                        |
| General insurance                               | 29,870              | 29,870              | 31,798              | (1,928)                       |
| Contract service operation                      | 25,119,706          | 25,119,706          | 24,244,753          | 874,953                       |
| Membership and professional development         | 61,800              | 61,800              | 23,222              | 38,578                        |
| Mileage and travel                              | 23,690              | 23,690              | 12,643              | 11,047                        |
| Marketing                                       | 243,881             | 243,881             | 116,677             | 127,204                       |
| Communication                                   | 198,436             | 198,436             | 89,781              | 108,655                       |
| Fuel  | 2,431,546           | 2,431,546           | 2,521,502           | (89,956)                      |
| Miscellaneous services                          | -                   | -                   | -                   | -                             |
| Vehicle leases and vehicle parking              | 23,980              | 23,980              | 26,378              | (2,398)                       |
| Office - rental and overhead                    | 137,000             | 137,000             | 126,723             | 10,277                        |
| Partner agency pass through                     | 85,000              | 85,000              | 85,000              | -                             |
| Cost center transfers                           | (480,538)           | (480,538)           | (504,792)           | 24,254                        |
| <b>Total expenditures</b>                       | <b>32,464,675</b>   | <b>32,471,027</b>   | <b>30,563,666</b>   | <b>1,907,361</b>              |
| <b>Excess of revenues<br/>over expenditures</b> | <b>\$ 3,087,647</b> | <b>\$ 3,087,649</b> | <b>\$ 4,097,278</b> | <b>\$ 1,009,629</b>           |

**MARIN COUNTY TRANSIT DISTRICT  
BUDGETARY COMPARISON SCHEDULE – CAPITAL PROGRAM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

|  | Original<br>Budget    | Final<br>Budget       | Actual           | Variance with<br>Final Budget |
|--|-----------------------|-----------------------|------------------|-------------------------------|
| <b>REVENUES</b>  |                       |                       |                  |                               |
| Fees for service   | \$ -                  | \$ -                  | \$ -             | \$ -                          |
| Other local  | -                     | -                     | 22,885           | 22,885                        |
| Measure A sales tax  | 247,000               | 247,000               | 279,881          | 32,881                        |
| Measure A sales tax - capitalized                            | 3,750,685             | 3,406,990             | 507,514          | (2,899,476)                   |
| Measure B  | -                     | -                     | 57,200           | 57,200                        |
| STA  | 995,113               | 1,336,651             | 885,554          | (451,097)                     |
| Proposition 1B   | 108,270               | 270,112               | 179,592          | (90,520)                      |
| FTA 5309 State of Good Repair                                | 433,081               | 418,379               | 418,378          | (1)                           |
| FTA 5307 Urbanized Area Formula                              | 5,411,455             | 6,861,356             | 1,059,704        | (5,801,652)                   |
| FTA 5316 JARC  | 124,255               | 89,496                | 60,938           | (28,558)                      |
| FTA 5339 Discretionary                                       | -                     | -                     | -                | -                             |
| FTA 5320 Transit in the Parks                                | 217,729               | 228,495               | 29,119           | (199,376)                     |
| Golden Gate payment for local paratransit                    | -                     | -                     | 5,517            | 5,517                         |
| Golden Gate payment for regional paratransit                 | -                     | -                     | 4,784            | 4,784                         |
| Property tax transfer  | 45,712                | 31,622                | 76,621           | 44,999                        |
| <b>Total revenues</b>  | <b>11,333,300</b>     | <b>12,890,101</b>     | <b>3,587,687</b> | <b>(9,302,414)</b>            |
| <b>EXPENDITURES</b>  |                       |                       |                  |                               |
| <i>Vehicles</i>  |                       |                       |                  |                               |
| Purchase two electric vehicles (replacements)                | 163,633               | 1,598,378             | 738,133          | (860,245)                     |
| Hybrid mid life battery replacements                         | 400,000               | 400,000               | 196,687          | (203,313)                     |
| Purchase three paratransit vehicles (replacements)           | 5,000                 | 265,671               | 266,542          | 871                           |
| Purchase one shuttle vehicle                                 | 4,999                 | 130,000               | 104,643          | (25,357)                      |
| 2018 one shuttle (replacement)                               | 125,000               | 125,000               | 103,125          | (21,875)                      |
| Purchase two 35ft XHF vehicles                               | 920,000               | 925,000               | 780,911          | (144,089)                     |
| 2018 upgrade four rural vehicles to XHF (replacements)       | 1,600,000             | 1,600,000             | 5,403            | (1,594,597)                   |
| <i>Facilities and Stops</i>                                  |                       |                       |                  |                               |
| Bus stop improvements State of Good Repair (SGR)             | 691,796               | 683,419               | 549,841          | (133,578)                     |
| Bus stop assessment update                                   | 14,982                | 33,864                | 34,097           | 233                           |
| Muir Woods infrastructure improvements                       | 217,729               | 77,000                | 56,852           | (20,148)                      |
| San Rafael transit center relocation                         | 100,000               | 100,000               | -                | (100,000)                     |
| <i>Facility</i>  |                       |                       |                  |                               |
| Facility preliminary design and env                          | 18,398                | -                     | -                | -                             |
| Facility ROW purchase and capital improvements               | 5,500,000             | 5,439,192             | 151,350          | -                             |
| Yellow bus parking/facility                                  | 3,000,000             | 3,000,000             | -                | (3,000,000)                   |
| Office furniture   | 45,000                | 30,910                | 21,466           | (9,444)                       |
| <i>Technology Projects</i>                                   |                       |                       |                  |                               |
| AVL equipment replacement                                    | 180,000               | 180,000               | 169              | (179,831)                     |
| Clipper independence   | 300,000               | 300,000               | -                | (300,000)                     |
| Marin Emergency Radio Authority (MERA)                       | 29,000                | 29,000                | 27,325           | (1,675)                       |
| On board equipment - 2016                                    | 65,956                | 65,956                | 26,650           | -                             |
| Radio communication upgrade                                  | 121,695               | 121,695               | 5,320            | -                             |
| Scheduling software  | -                     | -                     | 3,824            | 3,824                         |
| Mobility technology backbone                                 | 155,319               | 155,319               | 76,172           | (79,147)                      |
| <i>Ongoing Capital Expenses</i>                              |                       |                       |                  |                               |
| Bus stop maintenance   | 100,000               | 100,000               | 94,112           | (5,888)                       |
| Golden Gate capital costs                                    | 18,000                | 18,000                | 17,892           | (108)                         |
| Infrastructure support                                       | 356,794               | 356,794               | 256,840          | (99,954)                      |
| Major vehicle repairs  | 200,000               | 200,000               | 69,808           | (130,192)                     |
| <b>Total expenditures</b>                                    | <b>14,333,300</b>     | <b>15,935,198</b>     | <b>3,587,162</b> | <b>(6,904,513)</b>            |
| Excess (Deficiency) of revenues<br>over (under) expenditures | <b>\$ (3,000,000)</b> | <b>\$ (3,045,097)</b> | <b>\$ 525</b>    | <b>\$ (2,397,901)</b>         |



**MARIN COUNTY TRANSIT DISTRICT  
BUDGETARY COMPARISON SCHEDULE –  
RECONCILIATION TO STATEMENT OF ACTIVITIES,  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

|  |                     |
|--|---------------------|
| Excess of revenues over expenditures - budgetary basis (operations)      | \$ 4,097,278        |
| Excess of revenues over expenditures - budgetary basis (capital program) | 525                 |
| Amounts not budgeted:  |                     |
| Capital asset additions  | 3,221,602           |
| Net book value of capital asset disposals                                | -                   |
| Depreciation expense   | <u>(3,549,062)</u>  |
| Increase in net position   | <u>\$ 3,770,343</u> |

**STATISTICAL SECTION**

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**STATISTICAL SECTION**

This section of the District’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 District’s overall health.

|  |              |
|--|--------------|
| Contents   | <u>Pages</u> |
| <br><u>Financial Trends</u>  |              |
| This segment contains trend information to help the reader understand how the District’s financial performance and well-being have changed over time.....  | 35-37        |
| <br><u>Revenue Capacity</u>  |              |
| This segment includes information to help the reader assess the District’s most significant own-source revenues: passenger fares and property taxes.....   | 38-43        |
| <br><u>Debt Capacity</u>   |              |
| This segment presents information intended to assist the reader in understanding and assessing the District’s current level of outstanding debt and its ability to issue additional debt in the future. ....                               | 44           |
| <br><u>Economic and Demographic Information</u>  |              |
| This segment depicts county-wide demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place. ....   | 45-46        |
| <br><u>Operating Information</u>   |              |
| These schedules contain information about the District’s operations and resources to help the reader understand how the District’s financial information relates to the services the District provides and the activities it performs..... | 47-51        |

**MARIN COUNTY TRANSIT DISTRICT  
STATISTICAL SECTION  
FINANCIAL TRENDS  
SCHEDULE OF NET POSITION  
LAST TEN FISCAL YEARS**

|                                  | <u>2010</u>          | <u>2011</u>         | <u>2012</u>         | <u>2013</u>          | <u>2014</u>          | <u>2015</u>          | <u>2016</u>          | <u>2017</u>          | <u>2018</u>          | <u>2019</u>          |
|----------------------------------|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Net investment in capital assets | \$ 2,520,630         | \$ 2,249,366        | \$ 3,595,152        | \$ 6,113,707         | \$ 7,201,252         | \$ 8,665,148         | \$ 19,166,232        | \$ 20,849,921        | \$ 29,085,919        | \$ 28,758,459        |
| Restricted net position          | -                    | -                   | -                   | -                    | -                    | -                    | 307,027              | 31,624               | -                    | -                    |
| Unrestricted net position        | <u>7,821,246</u>     | <u>7,376,283</u>    | <u>5,794,532</u>    | <u>7,341,199</u>     | <u>9,236,575</u>     | <u>11,847,226</u>    | <u>15,421,852</u>    | <u>19,402,481</u>    | <u>23,136,349</u>    | <u>27,234,152</u>    |
| Total net position               | <u>\$ 10,341,876</u> | <u>\$ 9,625,649</u> | <u>\$ 9,389,684</u> | <u>\$ 13,454,906</u> | <u>\$ 16,437,827</u> | <u>\$ 20,512,374</u> | <u>\$ 34,895,111</u> | <u>\$ 40,284,026</u> | <u>\$ 52,222,268</u> | <u>\$ 55,992,611</u> |

Source: MCTD Audited Financial Statements

**MARIN COUNTY TRANSIT DISTRICT  
STATISTICAL SECTION  
FINANCIAL TRENDS  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

|                                   | 2010                   | 2011                   | 2012                   | 2013                   | 2014                   | 2015                   | 2016                   | 2017                   | 2018                   | 2019                   |
|-----------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>OPERATING REVENUES</b>         |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Transit fares                     | \$ 3,643,582           | \$ 3,640,913           | \$ 3,610,175           | \$ 3,720,004           | \$ 3,731,205           | \$ 3,669,514           | \$ 3,586,587           | \$ 3,528,289           | \$ 3,570,143           | \$ 3,303,234           |
| Contractual compensation          | 1,590,378              | 1,760,645              | 1,779,524              | 1,734,847              | 1,906,714              | 1,950,099              | 2,028,796              | 1,765,230              | 1,830,716              | 1,834,761              |
| Special fares                     | -                      | -                      | -                      | -                      | 20,000                 | -                      | 250,798                | 269,244                | 265,509                | 279,819                |
| School bus revenues               | -                      | -                      | -                      | -                      | -                      | -                      | 130,000                | 145,000                | 145,000                | 145,000                |
| Advertising <sup>1</sup>          | 505,672                | 452,219                | 464,309                | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| Miscellaneous                     | -                      | 45,637                 | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| <b>TOTAL OPERATING REVENUES</b>   | <b>5,739,632</b>       | <b>5,899,414</b>       | <b>5,854,008</b>       | <b>5,454,851</b>       | <b>5,657,919</b>       | <b>5,619,613</b>       | <b>5,996,181</b>       | <b>5,707,763</b>       | <b>5,811,368</b>       | <b>5,562,814</b>       |
| <b>OPERATING EXPENSES</b>         |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Purchased transportation services | 21,871,971             | 20,826,032             | 21,839,008             | 20,517,322             | 21,720,736             | 21,888,029             | 20,461,632             | 21,422,651             | 22,698,220             | 24,245,772             |
| Depreciation                      | 496,948                | 511,521                | 651,343                | 715,867                | 937,139                | 917,002                | 1,753,960              | 2,387,889              | 2,908,165              | 3,549,062              |
| Salaries and benefits             | -                      | -                      | -                      | 143,364                | 964,311                | 1,327,913              | 1,631,669              | 1,973,470              | 1,881,194              | 2,099,316              |
| Fuel                              | 575,873                | 567,028                | 704,196                | 953,177                | 1,355,476              | 1,291,857              | 1,619,444              | 1,818,940              | 2,161,545              | 2,521,502              |
| Professional services             | 171,180                | 368,026                | 354,714                | 351,732                | 486,242                | 554,304                | 1,003,065              | 1,177,446              | 1,440,732              | 1,340,332              |
| General and administrative        | 420,216                | 262,693                | 285,601                | 188,549                | 165,775                | 129,360                | 179,181                | 199,985                | 244,554                | 223,930                |
| Utilities                         | -                      | 30,326                 | 30,703                 | 43,021                 | 73,940                 | 91,016                 | 106,949                | 116,578                | 98,832                 | 64,639                 |
| Marketing                         | 92,336                 | 91,248                 | 121,743                | 72,424                 | 136,455                | 114,660                | 127,154                | 114,823                | 150,501                | 116,677                |
| Leases and rentals                | -                      | 523,283                | 539,051                | 155,728                | 100,975                | 92,236                 | 94,469                 | 96,668                 | 47,873                 | 126,723                |
| Other services                    | -                      | 10,638                 | 26,626                 | 70,615                 | 66,750                 | 66,654                 | 61,792                 | 51,035                 | 26,214                 | 50,069                 |
| Casualty and liability costs      | -                      | 15,491                 | 17,819                 | 25,433                 | 25,738                 | 29,444                 | 29,580                 | 18,083                 | 31,526                 | 31,798                 |
| Maintenance costs                 | -                      | 33,979                 | 72,752                 | 734                    | 53,439                 | 89,988                 | 15,961                 | 10,448                 | 19,195                 | 5,575                  |
| Capital costs                     | -                      | 58,140                 | 2,250                  | 197,002                | 383,848                | 330,949                | 109,393                | 9,085                  | 98,034                 | 17,893                 |
| Contract labor <sup>2</sup>       | 1,014,604              | 1,013,098              | 1,358,638              | 1,324,074              | 469,169                | -                      | -                      | -                      | -                      | -                      |
| Interest expense                  | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| <b>TOTAL OPERATING EXPENSES</b>   | <b>24,643,128</b>      | <b>24,311,503</b>      | <b>26,004,444</b>      | <b>24,759,042</b>      | <b>26,939,993</b>      | <b>26,923,412</b>      | <b>27,194,249</b>      | <b>29,397,101</b>      | <b>31,806,585</b>      | <b>34,393,288</b>      |
| <b>OPERATING LOSS</b>             | <b>\$ (18,903,496)</b> | <b>\$ (18,412,089)</b> | <b>\$ (20,150,436)</b> | <b>\$ (19,304,191)</b> | <b>\$ (21,282,074)</b> | <b>\$ (21,303,799)</b> | <b>\$ (21,198,068)</b> | <b>\$ (23,689,338)</b> | <b>\$ (25,995,217)</b> | <b>\$ (28,830,474)</b> |

**MARIN COUNTY TRANSIT DISTRICT  
STATISTICAL SECTION  
FINANCIAL TRENDS  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET POSITION (Continued)  
LAST TEN FISCAL YEARS**

|   | 2010                 | 2011                | 2012                | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 |
|---|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>NONOPERATING REVENUES<br/>(EXPENSES)</b>                 |                      |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Intergovernmental revenue                                   | \$ 13,186,223        | \$ 14,289,797       | \$ 15,113,612       | \$ 16,623,069        | \$ 18,559,479        | \$ 19,097,503        | \$ 19,069,595        | \$ 20,529,158        | \$ 22,142,502        | \$ 24,340,749        |
| Property tax revenue  | 3,258,947            | 3,141,177           | 3,164,121           | 3,229,758            | 3,447,835            | 3,611,357            | 3,848,219            | 4,111,657            | 4,321,194            | 4,561,268            |
| Advertising <sup>1</sup>                                    | -                    | -                   | -                   | 334,864              | 344,516              | 283,443              | 229,202              | 245,018              | 280,788              | 240,960              |
| Rental income   | -                    | -                   | -                   | -                    | -                    | -                    | 157,712              | 152,772              | 158,256              | 172,018              |
| Interest income   | 70,762               | 23,628              | 6,472               | 2,575                | 5,399                | 9,816                | 14,044               | 51,968               | 118,552              | 198,695              |
| Miscellaneous income  | -                    | -                   | -                   | -                    | -                    | 2,134                | -                    | -                    | -                    | -                    |
| Marin Community Foundation                                  | -                    | -                   | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Other revenues/gain (loss) on<br>disposal of capital assets | -                    | -                   | 2,844               | (21,696)             | 30,171               | -                    | 88,571               | 1,102                | 2,093                | -                    |
| Pass through of Measure A to<br>Golden Gate                 | -                    | -                   | -                   | -                    | (85,000)             | -                    | (85,000)             | (85,000)             | (85,000)             | (85,000)             |
| <b>TOTAL NONOPERATING<br/>REVENUES (EXPENSES)</b>           | <b>16,515,932</b>    | <b>17,454,602</b>   | <b>18,287,049</b>   | <b>20,168,570</b>    | <b>22,302,400</b>    | <b>23,004,253</b>    | <b>23,322,343</b>    | <b>25,006,675</b>    | <b>26,938,385</b>    | <b>29,428,690</b>    |
| <b>INCOME (LOSS) BEFORE<br/>CAPITAL CONTRIBUTIONS</b>       | <b>(2,387,564)</b>   | <b>(956,487)</b>    | <b>(1,863,387)</b>  | <b>864,379</b>       | <b>1,020,326</b>     | <b>1,700,454</b>     | <b>2,124,275</b>     | <b>1,317,337</b>     | <b>943,168</b>       | <b>598,216</b>       |
| <b>CAPITAL CONTRIBUTIONS</b>                                |                      |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Intergovernmental revenue                                   | 1,550,020            | 240,260             | 1,627,422           | 3,200,843            | 1,962,595            | 2,374,093            | 12,250,751           | 4,038,739            | 10,979,056           | 3,126,499            |
| Other revenue   | -                    | -                   | -                   | -                    | -                    | -                    | 7,711                | 32,839               | 16,018               | 45,628               |
| <b>TOTAL CAPITAL<br/>CONTRIBUTIONS</b>                      | <b>1,550,020</b>     | <b>240,260</b>      | <b>1,627,422</b>    | <b>3,200,843</b>     | <b>1,962,595</b>     | <b>2,374,093</b>     | <b>12,258,462</b>    | <b>4,071,578</b>     | <b>10,995,074</b>    | <b>3,172,127</b>     |
| <b>CHANGE IN NET POSITION</b>                               | <b>(837,544)</b>     | <b>(716,227)</b>    | <b>(235,965)</b>    | <b>4,065,222</b>     | <b>2,982,921</b>     | <b>4,074,547</b>     | <b>14,382,737</b>    | <b>5,388,915</b>     | <b>11,938,242</b>    | <b>3,770,343</b>     |
| Net position at beginning of year                           | 11,179,420           | 10,341,876          | 9,625,649           | 9,389,684            | 13,454,906           | 16,437,827           | 20,512,374           | 34,895,111           | 40,284,026           | 52,222,268           |
| Prior period adjustment                                     | -                    | -                   | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Net position at beginning of year,<br>as restated           | 11,179,420           | 10,341,876          | 9,625,649           | 9,389,684            | 13,454,906           | 16,437,827           | 20,512,374           | 34,895,111           | 40,284,026           | 52,222,268           |
| <b>NET POSITION AT END<br/>OF YEAR</b>                      | <b>\$ 10,341,876</b> | <b>\$ 9,625,649</b> | <b>\$ 9,389,684</b> | <b>\$ 13,454,906</b> | <b>\$ 16,437,827</b> | <b>\$ 20,512,374</b> | <b>\$ 34,895,111</b> | <b>\$ 40,284,026</b> | <b>\$ 52,222,268</b> | <b>\$ 55,992,611</b> |

<sup>1</sup> Advertising revenue re-classified from Operating to Nonoperating revenue beginning FY 13.

<sup>2</sup> Labeled "Staff Compensation" from FY09 to FY12.

Source: MCTD Audited Financial Statements

**MARIN COUNTY TRANSIT DISTRICT  
STATISTICAL SECTION  
REVENUE CAPACITY  
PASSENGER AND FARE DATA  
LAST TEN FISCAL YEARS**

|                             | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Fare revenue <sup>1,3</sup> | \$ 3,643,582 | \$ 3,640,913 | \$ 3,610,175 | \$ 3,720,004 | \$ 3,751,205 | \$ 3,669,514 | \$ 3,837,385 | \$ 3,797,533 | \$ 4,044,536 | \$ 4,024,376 |
| Passengers <sup>2</sup>     | 3,299,287    | 3,382,802    | 3,426,845    | 3,432,469    | 3,546,112    | 3,464,628    | 3,332,265    | 3,216,894    | 3,293,385    | 3,263,451    |
| Average fare per passenger  | \$ 1.10      | \$ 1.08      | \$ 1.05      | \$ 1.08      | \$ 1.06      | \$ 1.06      | \$ 1.15      | \$ 1.18      | \$ 1.23      | \$ 1.23      |

<sup>1</sup> Source: Marin Transit Audited Financial Statements. Includes Fares and Special Fares

<sup>2</sup> Sources: Marin Transit Short Range Transit Plans, Monthly Monitoring & Performance Statistic Reports

<sup>3</sup> Includes National Park fare payments in 2018



**MARIN COUNTY TRANSIT DISTRICT  
STATISTICAL SECTION  
REVENUE CAPACITY  
FARE STRUCTURE  
AS OF JUNE 30, 2019**

| <u>Category</u>                       | <u>Cash Price</u> | <u>Clipper</u> | <u>6 Month Pass</u> <sup>1</sup>  | <u>1-Day Pass</u> | <u>7-Day Pass</u> | <u>31-Day Pass</u> |
|---------------------------------------|-------------------|----------------|-----------------------------------|-------------------|-------------------|--------------------|
| Adult                                 | \$2.00            | \$1.80         | -                                 | \$5.00            | \$20.00           | \$80.00            |
| Youth (5-18)                          | \$1.00            | \$1.00         | \$175.00 <sup>1</sup>             | \$2.50            | \$10.00           | \$40.00            |
| Children Under 5                      |                   |                | Free when accompanied by an adult |                   |                   |                    |
| Seniors (65+)                         | \$1.00            | \$1.00         | -                                 | \$2.50            | \$10.00           | \$25.00            |
| Persons with Disabilities             | \$1.00            | \$1.00         | -                                 | \$2.50            | \$10.00           | \$25.00            |
| ASA Mandated Service <sup>2</sup>     | \$2.00            | -              | -                                 | -                 | -                 | -                  |
| ADA Non-Mandated Service <sup>3</sup> | \$2.50            | -              | -                                 | -                 | -                 | -                  |

<sup>1</sup> Free to low income youth. \$325 for a year.

<sup>2</sup> ADA Regulations permit fares for ADA Mandated trips to be as high as \$4.00.

<sup>3</sup> ADA Regulations set no maximum for Non-Mandated ADA trips.

| <u>Muir Woods Fare Category</u> <sup>1</sup>                     | <u>Current Fare</u> |
|--|---------------------|
| Adult  | \$3.00              |
| Youth (16-18)  | \$3.00              |
| Youth (under 16)   | Free                |
| Senior/Disabled<br>(without NPS Pass)                            | \$3.00              |
| Senior/Disabled and up to three<br>party members (with NPS Pass) | Free                |

<sup>1</sup> NPS pays additional \$2 per passenger

Source: Marin Transit 2018-2027 Short Range Transit Plan

**MARIN COUNTY TRANSIT DISTRICT  
STATISTICAL SECTION  
REVENUE CAPACITY  
COUNTY SALES TAX REVENUE  
LAST TEN FISCAL YEARS**

|   | 2010          | 2011          | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018 <sup>2</sup> | 2019 <sup>2</sup> |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|-------------------|
| Local Measure A half cent sales tax revenue               | \$ 18,984,492 | \$ 20,259,801 | \$ 21,265,462 | \$ 23,619,507 | \$ 24,086,678 | \$ 25,265,790 | \$ 25,702,937 | \$ 25,755,761 | \$ 27,507,852     | \$ 22,547,104     |
| Local Measure AA half cent sales tax Annual growth        | -1.7%         | 6.7%          | 5.0%          | 11.1%         | 2.0%          | 4.9%          | 1.7%          | 0.2%          | 6.8%              | 6,446,499<br>5.4% |
| Sales tax revenue available to Marin Transit <sup>1</sup> | \$ 8,761,972  | \$ 10,043,678 | \$ 10,614,815 | \$ 11,944,532 | \$ 12,208,421 | \$ 12,874,175 | \$ 13,117,917 | \$ 13,144,538 | \$ 13,215,609     | \$ 14,016,164     |
| Percent of Measure A revenue                              | 46%           | 50%           | 50%           | 51%           | 51%           | 51%           | 51%           | 51%           | 50%               | 48%               |
| Annual growth   | -1.8%         | 14.6%         | 5.7%          | 12.5%         | 2.2%          | 5.5%          | 1.9%          | 0.2%          | 0.5%              | 6.1%              |
| Sales tax reserve funds                                   | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ 1,200,000      | \$ -              |

<sup>1</sup> 55% of Sales Tax Receipts after administrative reductions

<sup>2</sup> Preliminary numbers

Source: Transportation Authority of Marin (TAM) Annual Financial Report, TAM Measure A Programming Workbook

**MARIN COUNTY TRANSIT DISTRICT  
STATISTICAL SECTION  
REVENUE CAPACITY  
PROPERTY TAX REVENUE  
LAST TEN FISCAL YEARS**

|  | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Property tax and development fee revenue | \$ 3,258,947 | \$ 3,141,177 | \$ 3,164,121 | \$ 3,229,758 | \$ 3,447,835 | \$ 3,611,357 | \$ 3,855,930 | \$ 4,144,496 | \$ 4,337,212 | \$ 4,606,896 |
| Expended on operations                   | 3,258,947    | 3,141,177    | 3,164,121    | 3,229,758    | 3,447,835    | 3,611,357    | 3,848,219    | 4,111,657    | 4,321,194    | 4,561,268    |
| Expended on capital                      | -            | -            | -            | -            | -            | -            | 1,556,521    | 32,839       | 16,018       | 45,628       |
| Annual growth                            | 1.0%         | -3.6%        | 0.7%         | 2.1%         | 6.8%         | 4.7%         | 6.8%         | 7.5%         | 4.6%         | 6.2%         |

*Source: MCTD Audited Financial Statements, Budgetary Comparison Schedule*

**MARIN COUNTY TRANSIT DISTRICT  
STATISTICAL SECTION  
REVENUE CAPACITY  
ASSESSED VALUATION OF TAXABLE PROPERTY IN MARIN COUNTY  
LAST TEN FISCAL YEARS (IN THOUSANDS)**

|                              | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019        |
|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------|
| Secured <sup>1</sup>         | \$ 56,421,874        | \$ 55,762,678        | \$ 56,212,206        | \$ 56,725,179        | \$ 58,938,343        | \$ 62,341,701        | \$ 66,718,112        | \$ 70,952,207        | \$ 74,715,394        | *           |
| Unsecured <sup>2</sup>       | 1,488,475            | 1,467,396            | 1,462,190            | 1,470,366            | 1,480,668            | 1,530,991            | 1,556,521            | 1,566,336            | 1,610,799            | *           |
| Exempt <sup>3</sup>          | 1,825,610            | 1,850,867            | 1,906,079            | 1,958,091            | 2,013,902            | 2,037,580            | 2,067,204            | 2,079,024            | 2,157,806            | *           |
| Total Taxable Assessed Value | <u>\$ 56,084,739</u> | <u>\$ 55,379,207</u> | <u>\$ 55,768,317</u> | <u>\$ 56,237,454</u> | <u>\$ 58,405,109</u> | <u>\$ 61,835,112</u> | <u>\$ 66,207,429</u> | <u>\$ 70,439,519</u> | <u>\$ 74,168,387</u> | <u>\$ -</u> |
| Total Direct Tax Rate        | 1.00%                | 1.00%                | 1.00%                | 1.00%                | 1.00%                | 1.00%                | 1.00%                | 1.00%                | 1.00%                | *           |
| Growth Rate                  | 1.7%                 | -1.3%                | 0.7%                 | 0.8%                 | 3.9%                 | 5.9%                 | 7.1%                 | 6.4%                 | 5.3%                 | *           |

<sup>1</sup> Secured property is generally real property, defined as land, mines, minerals, timber, and improvements such as buildings, structures, crops, trees, and vines.

<sup>2</sup> Unsecured property is generally personal property including machinery, equipment, office tools, and supplies.

<sup>3</sup> Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain tax payers from the burden of paying property taxes.

\* Unavailable

Source: Department of Finance – County of Marin, California

**MARIN COUNTY TRANSIT DISTRICT  
STATISTICAL SECTION  
REVENUE CAPACITY  
DIRECT AND OVERLAPPING PROPERTY TAX RATES <sup>1</sup> IN MARIN COUNTY  
LAST TEN FISCAL YEARS (RATE PER \$100 OF ASSESSED VALUE)**

|  | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| County Direct Rate                           | 1.0000% | 1.0000% | 1.0000% | 1.0000% | 1.0000% | 1.0000% | 1.0000% | 1.0000% | 1.0000% | 1.0000% |
| Local Special Districts                      | 0.6741% | 0.7677% | 0.8093% | 0.7721% | 0.2876% | 0.8156% | 0.8200% | 0.9221% | 0.9041% | 1.1128% |
| Schools                                      | 0.6468% | 0.7423% | 0.7808% | 0.7884% | 0.7775% | 0.8000% | 0.8114% | 0.8506% | 0.8381% | 0.9108% |
| Cities                                       | 0.2757% | 0.2860% | 0.2523% | 0.2522% | 0.2601% | 0.2519% | 0.2510% | 0.2394% | 0.2353% | 0.2357% |
| Total Direct and<br>Overlapping <sup>2</sup> | 2.5966% | 2.7960% | 2.8424% | 2.8127% | 2.3252% | 2.8675% | 2.8824% | 3.0121% | 2.9775% | 3.2593% |

<sup>1</sup> On June 6, 1978, California voters approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the taxing power of California public agencies. Legislation enacted by the California Legislature to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that notwithstanding any other law, local agencies may not levy property tax except to pay debt service on indebtedness approved by votes prior to July 1, 1978, and that each County will levy the maximum tax permitted by Article XIII A of \$1 per \$100 of full cash value. Full cash value is equivalent to assessed value, pursuant to Senate Bill 1656, Statutes of 1978. The rates shown above are percentages of assessed value.

<sup>2</sup> These rates represent the maximum rate charged to taxpayers if all rates applied to them. In reality, the rates applicable to tax rate areas will vary at amounts lower than these totals.

\* Unavailable

Source: Department of Finance – County of Marin, California

**MARIN COUNTY TRANSIT DISTRICT  
 STATISTICAL SECTION  
 DEBT CAPACITY  
 OUTSTANDING DEBT BALANCES  
 LAST TEN FISCAL YEARS**

| <u>Lender</u> | <u>Original Loan Amount</u> | <u>Date of Loan</u> | <u>Purpose</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---------------|-----------------------------|---------------------|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| N/A           | N/A                         | N/A                 | N/A            | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

*Source: MCTD Audited Financial Statements*

**MARIN COUNTY TRANSIT DISTRICT  
STATISTICAL SECTION  
ECONOMIC AND DEMOGRAPHIC INFORMATION  
ECONOMIC AND DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS**

|   | 2010          | 2011          | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018   | 2019  |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------|-------|
| Population <sup>1</sup>                     | 252,946       | 255,457       | 256,064       | 258,506       | 260,516       | 261,054       | 260,651       | 260,955       | *      | *     |
| Personal income (in thousands) <sup>1</sup> | \$ 21,049,598 | \$ 23,009,440 | \$ 24,619,594 | \$ 25,045,431 | \$ 27,176,774 | \$ 29,227,230 | \$ 30,222,883 | \$ 32,502,500 | *      | *     |
| Per capita personal income <sup>1</sup>     | \$ 83,218     | \$ 90,072     | \$ 96,146     | \$ 96,885     | \$ 104,319    | \$ 111,959    | \$ 1,556,521  | \$ 124,552    | *      | *     |
| School enrollment <sup>2</sup>              | 30,140        | 30,574        | 31,107        | 31,868        | 32,793        | 33,207        | 33,638        | 33,633        | 33,741 | *     |
| Unemployment rate <sup>3</sup>              | 7.80%         | 7.50%         | 6.60%         | 5.50%         | 4.30%         | 3.60%         | 3.40%         | 3.00%         | 2.60%  | 2.40% |

\* Unavailable

**Sources:**

<sup>1</sup> US Department of Commerce, Bureau of Economic Analysis – [www.bea.gov](http://www.bea.gov)

<sup>2</sup> California Department of Education, Educational Demographics Office – [www.ed-data.org/county/Marin](http://www.ed-data.org/county/Marin)

<sup>3</sup> Employment Development Department, Labor Market Information – [www.labormarketinfo.edd.ca.gov](http://www.labormarketinfo.edd.ca.gov)

**MARIN COUNTY TRANSIT DISTRICT  
STATISTICAL SECTION  
ECONOMIC AND DEMOGRAPHIC INFORMATION  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

| 2019                             |                       |   | 2010                             |                       |   |
|----------------------------------|-----------------------|---|----------------------------------|-----------------------|---|
| Employer                         | Employees             | Percentage of<br>Total County<br>Employment | Employer                         | Employees             | Percentage of<br>Total County<br>Employment |
| County of Marin                  | 2,305                 | 1.68% *                                     | County of Marin                  | 2,215 *               | 1.74%                                       |
| Kaiser Permanente Medical Center | 2,014                 | 1.47%                                       | San Quentin State Prison         | 1,822 *               | 1.43%                                       |
| BioMarin                         | 1,700                 | 1.24% *                                     | Kaiser Permanente Medical Center | 1,456                 | 1.15%                                       |
| San Quentin State Prison         | 1,600                 | 1.17%                                       | Fireman's Fund Insurance Co.     | 1,125                 | 0.89%                                       |
| Marin Health Medical Center      | 1,279                 | 0.93% *                                     | Autodesk, Inc                    | 1,081                 | 0.85%                                       |
| Novato Unified School District   | 850                   | 0.62% *                                     | Marin General Hospital           | 881                   | 0.69%                                       |
| Glassdoor                        | 750                   | 0.55%                                       | Novato Unified School District   | 850                   | 0.67%                                       |
| San Rafael City Schools          | 700                   | 0.51%                                       | Safeway, Inc.                    | 611                   | 0.48%                                       |
| Office of Education              | 600                   | 0.44% *                                     | Macy's                           | 605                   | 0.48%                                       |
| Dominican University             | 421                   | 0.31%                                       | BioMarin                         | 557                   | 0.44%                                       |
| <b>Total</b>                     | <b><u>12,219</u></b>  | <b><u>8.92%</u></b>                         |                                  | <b><u>11,203</u></b>  | <b><u>8.81%</u></b>                         |
| <b>Total County Employment</b>   | <b><u>137,000</u></b> |   |                                  | <b><u>127,100</u></b> |   |

Note: When information is not available, periods that are available are provided as an alternative.

\*Based on 2016 data

*Sources:*

*Community Profile, County of Marin*

*Employment Development Department, Labor Market Information - [www.Labormarketinfo.edd.ca.gov](http://www.Labormarketinfo.edd.ca.gov)*

*North Bay Business Journal - Book of Lists 2018*



**MARIN COUNTY TRANSIT DISTRICT  
STATISTICAL SECTION  
OPERATING INFORMATION  
DISTRICT PROFILE  
AS OF JUNE 30, 2019**

|  |  |
|--|--|
| Date the District was Formed             | 1964                                     |
| Form of Governance                       | Board of Directors, with General Manager |
| Total Employees                          | 16.1                                     |
| Service Area                             | All of Marin County                      |
| Area of District (in square miles)       | Approximately 520                        |
| Population of Service Area <sup>1</sup>  | 260,955                                  |
| Local Financial Support                  | Measure A Sales Tax Revenue              |
| Number of Fixed Route Bus Routes         | 28                                       |
| Revenue Service Hours                    | 251,182                                  |
| Average Passenger Trips per Revenue Hour | 12.9                                     |
| Number of Vehicles in Service            | 113                                      |
| Bus Stops                                | 600+                                     |

<sup>1</sup>As of 2017

*Source: MCTD Finance Department, FY 2018 System Performance Report*

**MARIN COUNTY TRANSIT DISTRICT  
STATISTICAL SECTION  
OPERATING INFORMATION  
NON-OPERATING INTERGOVERNMENTAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS**

|   | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Federal Revenue</b>  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Federal Transit Administration<br>United States Department of the<br>Interior - National Park Service | \$ 1,020,762         | \$ 652,055           | \$ 741,773           | \$ 1,070,210         | \$ 1,375,087         | \$ 1,317,128         | \$ 901,433           | \$ 1,065,347         | \$ 1,151,839         | \$ 1,421,148         |
| United States Department of the<br>Interior - NPS Fare Reimbursement                                  | -                    | 133,852              | 152,465              | 126,276              | 159,028              | 168,665              | 150,865              | 89,009               | 154,736              | 323,371              |
|   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 187,050              | 406,475              |
| <b>Total Federal Revenue</b>  | <b>1,020,762</b>     | <b>785,907</b>       | <b>894,238</b>       | <b>1,196,486</b>     | <b>1,534,115</b>     | <b>1,485,793</b>     | <b>1,052,298</b>     | <b>1,154,356</b>     | <b>1,493,625</b>     | <b>2,150,994</b>     |
| <b>State Revenue</b>  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Transportation Development Act  | 3,236,081            | 3,293,393            | 3,451,219            | 3,591,333            | 4,015,345            | 4,542,050            | 4,562,778            | 4,440,516            | 4,614,306            | 5,109,399            |
| State Transit Assistance  | 184,275              | 1,324,574            | 1,390,390            | 1,602,754            | 1,360,737            | 1,310,912            | 1,316,134            | 1,576,690            | 1,285,220            | 1,909,202            |
| Public Transportation Modernization<br>Improvement and Service<br>Enhancement Account                 | 600,526              | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| State Transportation Improvement<br>Program (STIP)  | 60,259               | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Home Owner Property Tax Relief<br>Low Carbon Transit Operations<br>Program                            | 20,054               | 19,951               | 19,999               | 19,661               | 19,500               | 19,326               | 19,138               | 18,953               | 18,940               | 18,779               |
| Caltrans  | -                    | -                    | -                    | -                    | -                    | -                    | 275,413              | -                    | 128,676              | 335,795              |
|   | 263                  | 252                  | 207                  | 232                  | 253                  | 208                  | 283                  | 320                  | 334                  | 284                  |
| <b>Total State Revenue</b>  | <b>4,101,458</b>     | <b>4,638,170</b>     | <b>4,861,815</b>     | <b>5,213,980</b>     | <b>5,395,835</b>     | <b>5,872,496</b>     | <b>6,173,746</b>     | <b>6,036,479</b>     | <b>6,047,476</b>     | <b>7,373,459</b>     |
| <b>Local Revenue</b>  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Measure A   | 8,063,215            | 8,865,720            | 9,063,903            | 9,671,912            | 10,849,462           | 10,860,313           | 10,998,120           | 12,542,551           | 13,541,585           | 13,739,881           |
| Measure A Interest  | -                    | -                    | -                    | -                    | 85,000               | -                    | 85,000               | 85,000               | 85,000               | 85,000               |
| Measure B   | -                    | -                    | 276,677              | 534,025              | 671,308              | 863,617              | 730,335              | 627,198              | 974,816              | 991,415              |
| Metropolitan Transportation<br>Commission   | -                    | -                    | 13,334               | 6,666                | -                    | -                    | -                    | -                    | -                    | -                    |
| Golden Gate Bridge Highway and<br>Transportation District   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| County of Marin   | 788                  | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Miscellaneous   | -                    | -                    | 3,645                | -                    | 23,759               | 15,284               | 30,096               | 83,574               | -                    | -                    |
| <b>Total Local Revenue</b>  | <b>8,064,003</b>     | <b>8,865,720</b>     | <b>9,357,559</b>     | <b>10,212,603</b>    | <b>11,629,529</b>    | <b>11,739,214</b>    | <b>11,843,551</b>    | <b>13,338,323</b>    | <b>14,601,401</b>    | <b>14,816,296</b>    |
| <b>Total Intergovernmental Revenue</b>  | <b>\$ 13,186,223</b> | <b>\$ 14,289,797</b> | <b>\$ 15,113,612</b> | <b>\$ 16,623,069</b> | <b>\$ 18,559,479</b> | <b>\$ 19,097,503</b> | <b>\$ 19,069,595</b> | <b>\$ 20,529,158</b> | <b>\$ 22,142,502</b> | <b>\$ 24,340,749</b> |

Source: MCTD Audited Financial Statements

Source: MCTD Audited Financial Statements

**MARIN COUNTY TRANSIT DISTRICT  
STATISTICAL SECTION  
OPERATING INFORMATION  
SUMMARY OF SERVICE PROVIDER CONTRACTS  
AS OF JUNE 30, 2019**

| Contract Type               | Services Provided                          | Contractor                        | Current Term                    |
|-----------------------------|--|-----------------------------------|---------------------------------|
| Intergovernmental agreement | Local Fixed Route                          | Golden Gate Transit               | July 1, 2015 – June 30, 2020    |
| Competitively bid           | Community Shuttles and Fixed Route Service | Marin Airporter                   | July 1, 2018 – June 30, 2021    |
| Competitively bid           | Rural and Seasonal Services                | MV Transportation                 | July 1, 2018 – June 30, 2021    |
| Competitively bid           | Local Paratransit and Novato Dial-A-Ride   | Marin Senior Coordinating Council | January 1, 2016 – June 30, 2020 |
| Competitively bid           | Travel Navigator                           | Marin Senior Coordinating Council | July 1, 2016 – June 30, 2020    |
| Competitively bid           | Catch-A-Ride                               | MV Transportation                 | July 1, 2013 – June 30, 2020    |
| Competitively bid           | Volunteer Driver and Travel Navigators     | Marin Senior Coordinating Council | July 1, 2018 – June 30, 2019    |
| Competitively bid           | Volunteer Driver                           | West Marin Senior Services        | July 1, 2018 – June 30, 2019    |
| Competitively bid           | Yellow Bus Service                         | Michael's Transportation          | July 1, 2018 – June 30, 2021    |

*Source: Finance Department*

**MARIN COUNTY TRANSIT DISTRICT  
STATISTICAL SECTION  
OPERATING INFORMATION  
SUMMARY OF CAPITAL ASSETS  
LAST TEN FISCAL YEARS**

|                                   | 2010                | 2011                | 2012                | 2013                | 2014                | 2015                | 2016                 | 2017                 | 2018                 | 2019                 |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Number of buses owned             | 49                  | 50                  | 51                  | 55                  | 58                  | 66                  | 90                   | 95                   | 105                  | 109                  |
| Cost of assets:                   |                     |                     |                     |                     |                     |                     |                      |                      |                      |                      |
| Work in progress                  | \$ -                | \$ 196,851          | \$ 515,919          | \$ 701,902          | \$ 1,024,112        | \$ 2,176,497        | \$ 1,746,405         | \$ 3,610,173         | \$ 748,556           | \$ 1,454,572         |
| Revenue vehicles                  | 3,206,347           | 3,292,294           | 4,600,270           | 6,987,949           | 6,758,552           | 7,597,033           | 17,466,010           | 19,108,821           | 26,957,885           | 29,173,879           |
| Facilities and stops              | -                   | -                   | -                   | -                   | 1,495,243           | 1,553,706           | 2,913,267            | 70,439,519           | 8,471,174            | 8,583,219            |
| Communication and data equipment  | 674,407             | 631,867             | 680,264             | 984,560             | 1,065,948           | 1,251,626           | 1,251,626            | 1,634,293            | 1,821,367            | 1,881,522            |
| Fare revenue collection equipment | 193,708             | 193,708             | 193,708             | 257,913             | 266,465             | 412,356             | 412,356              | 459,532              | 464,862              | 464,862              |
| Furniture and fixtures            | 62,735              | 62,735              | 62,735              | 88,351              | 88,351              | 88,351              | 88,351               | 88,351               | 88,351               | 148,382              |
| Non-revenue vehicles              | -                   | -                   | -                   | 6,300               | 6,300               | 6,300               | 6,300                | 6,300                | 403,044              | 378,569              |
| Total cost of assets              | <u>4,137,197</u>    | <u>4,377,455</u>    | <u>6,052,896</u>    | <u>9,026,975</u>    | <u>10,704,971</u>   | <u>13,085,869</u>   | <u>23,884,315</u>    | <u>95,346,989</u>    | <u>38,955,239</u>    | <u>42,085,005</u>    |
| Less: accumulated depreciation    | <u>1,616,567</u>    | <u>2,128,089</u>    | <u>2,457,744</u>    | <u>2,913,268</u>    | <u>3,503,719</u>    | <u>4,420,721</u>    | <u>4,718,083</u>     | <u>7,001,075</u>     | <u>9,869,320</u>     | <u>13,326,546</u>    |
| Net capital assets                | <u>\$ 2,520,630</u> | <u>\$ 2,249,366</u> | <u>\$ 3,595,152</u> | <u>\$ 6,113,707</u> | <u>\$ 7,201,252</u> | <u>\$ 8,665,148</u> | <u>\$ 19,166,232</u> | <u>\$ 88,345,914</u> | <u>\$ 29,085,919</u> | <u>\$ 28,758,459</u> |

*Source: MCTD Audited Financial Statements*

**MARIN COUNTY TRANSIT DISTRICT  
STATISTICAL SECTION  
OPERATING INFORMATION  
VEHICLE OPERATING STATISTICS  
LAST FIVE FISCAL YEARS**

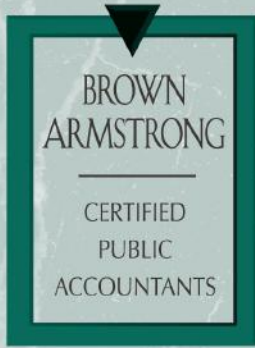
|  | 2015       | 2016       | 2017       | 2018       | 2019       |
|--|------------|------------|------------|------------|------------|
| <b>Motorbus:</b>                                   |            |            |            |            |            |
| Vehicles Operated in Annual Maximum Service (VOMS) | 69         | 53         | 55         | 54         | 54         |
| Vehicles Available for Annual Maximum Service      | 85         | 82         | 74         | 71         | 71         |
| Total Actual Vehicle Revenue Miles                 | 2,133,375  | 2,166,258  | 2,307,555  | 2,300,458  | 2,317,639  |
| Total Actual Vehicle Revenue Hours                 | 152,799    | 156,803    | 178,049    | 180,238    | 180,036    |
| Unlinked Passenger Trips                           | 3,252,116  | 3,031,450  | 2,926      | 3,001,619  | 2,978,991  |
| Passenger Miles Traveled (PMT)                     | 13,209,269 | 12,312,979 | 11,970,345 | 12,281,711 | 12,189,124 |
| Days Operated                                      | 365        | 366        | 365        | 365        | 365        |
| <b>Demand Response:</b>                            |            |            |            |            |            |
| Vehicles Operated in Annual Maximum Service (VOMS) | 38         | 27         | 26         | 31         | 33         |
| Vehicles Available for Annual Maximum Service      | 39         | 34         | 46         | 39         | 42         |
| Total Actual Vehicle Revenue Miles                 | 927,058    | 688,072    | 617,199    | 704,224    | 753,794    |
| Total Actual Vehicle Revenue Hours                 | 60,417     | 44,764     | 42,806     | 47,569     | 55,083     |
| Unlinked Passenger Trips                           | 137,131    | 98,483     | 93,410     | 98,068     | 108,076    |
| ADA Unlinked Passenger Trips (UPT)                 | 132,138    | 98,236     | 93,174     | 97,832     | 106,918    |
| Passenger Miles Traveled (PMT)                     | 1,039,975  | 811,798    | 757,048    | 772,059    | 717,078    |
| Days Operated                                      | 365        | 366        | 365        | 365        | 365        |

Note: Fiscal year 2015 was the first year the District reported its own information to the National Transit Database (NTD). Information will be added prospectively until ten years is available.

Source: National Transit Database Reports

**OTHER REPORTS**

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# BROWN ARMSTRONG

*Certified Public Accountants*

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

To the Board of Directors  
Marin County Transit District  
San Rafael, California

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We have audited, 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, the financial statements of the Marin County Transit District (the District), a component unit of the County of Marin, California, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 22, 2019.

### **Internal Control Over Financial Reporting**

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

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

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



## Compliance

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

## Purpose of this Report

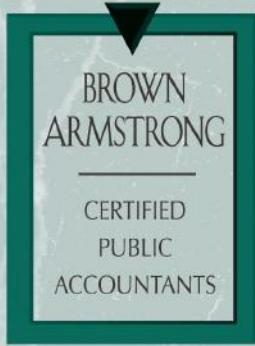
The purpose of this report is solely to describe the scope of our testing of the District's internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. Accordingly, this report is not suitable for any other purpose.

The report is intended for the information of management, the Board of Directors, the State Controller's Office, the U.S. Department of Transportation, and officials of applicable grantor agencies. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
November 22, 2019



# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

To the Board of Directors  
Marin County Transit District  
San Rafael, California

### Report on Compliance with Transportation Development Act Requirements

We have audited the Marin County Transit District's (the District), a component unit of the County of Marin, California, compliance with Transportation Development Act (TDA) requirements that funds allocated to and received by the District were expended in conformance with applicable statutes, rules, and regulations of the TDA and the allocation instructions and resolutions of the Metropolitan Transportation Commission as required by Section 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations during the fiscal year ended June 30, 2019.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the applicable statutes, rules, and regulations of the TDA.

### Auditor's Responsibility

Our responsibility is to express an opinion on each of the District's compliance requirements referred to in Section 6667, which requires that for a transit claimant, the independent auditor will perform at least the following tasks:

- (a) Determine whether the claimant was an entity eligible to receive the funds allocated to it,
- (b) Determine whether the claimant is maintaining its accounts and records on an enterprise fund basis and is otherwise in compliance with the uniform system of accounts and records adopted by the State Controller, pursuant to Public Utilities Code Section 99234,
- (c) Determine whether the funds received by the claimant pursuant to the TDA were expended in conformance with those sections of the TDA specifying the qualifying purposes, including Public Utilities Code Sections 99262 and 99263 for operators receiving funds under Article 4; Sections 99275, 99275.5, and 99277 for Article 4.5 claimants; and Section 99400(c), (d), and (e) for Article 8 claimants for service provided under contract and Section 99405(d) for transportation services provided by cities and counties with populations of less than 5,000,
- (d) Determine whether the funds received by the claimants pursuant to the TDA were expended in conformance with the applicable rules, regulations, and procedures of the transportation planning agency and in compliance with the allocation instructions and resolutions,
- (e) Determine whether interest earned on funds received by the claimant, pursuant to the TDA, were expended only for those purposes for which the funds were allocated in accordance with Public Utilities Code Sections 99234.1, 99301, 99301.5, and 99301.6,

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- (f) Verify the amount of the claimant's operating cost for the fiscal year, the amount of fare revenues required to meet the ratios specified in Sections 6633.2 and 6633.5, and the amount of the sum of fare revenues and local support required to meet the ratios specified in the Section 6633.2,
- (g) Verify the amount of the claimant's actual fare revenues for the fiscal year,
- (h) Verify the amount of the claimant's actual local support for the fiscal year,
- (i) Verify the amount the claimant was eligible to receive under the TDA during the fiscal year in accordance with Sections 6634 and 6649,
- (j) Verify, if applicable, the amount of the operator's expenditure limitation in accordance with Section 6633.1,
- (k) In the case of an operator, determine whether the operator's employee retirement system or private pension plan is in conformance with the provisions of Public Utilities Code Sections 99271, 99272, and 99273,
- (l) In the case of an operator, determine whether the operator has had a certification by the Department of the California Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required in Public Utilities Code Section 99251,
- (m) In the case of an operator, verify, if applicable, its State Transit Assistance eligibility pursuant to Public Utilities Code Section 99314.6 or 99314.7, and
- (n) In the case of a claimant for community transit services, determine whether it is in compliance with Public Utilities Code Sections 99155 and 99155.5.

### **Report on Public Transportation Modernization, Improvement, and Service Enhancement Account**

Also, as part of our audit, we performed tests of compliance to determine whether certain state funds, were received and expended in accordance with the applicable bond act and state accounting requirements.

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B). Of the \$19.925 billion of state general obligation bonds authorized, \$4 billion was set aside by the State as instructed by the statute as the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA).

Additionally, Section 8879.23 (h) directs that \$1 billion dollars be deposited in the Transit System Safety, Security, and Disaster Response Account. This section further directs that \$100 million dollars be made available upon appropriation by the legislature to entities for eligible transit system safety, security, and disaster response projects (Office of Homeland Security (OHS)). These funds are available to the California Department of Transportation for intercity rail projects and to transit operations in California for rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or for rolling stock procurement, rehabilitation, or replacement.

As of June 30, 2019, all Proposition 1B funds received and expended were verified in the course of our audit as follows:

|                                     | Proposition 1B Grant Fund |             | Total            |
|-------------------------------------|---------------------------|-------------|------------------|
|                                     | PTMISEA                   | LCTOP       |                  |
| Unexpended proceeds - July 1, 2018  | \$ 135,090                | \$ -        | \$ 135,090       |
| Proceeds received                   | -                         | 335,795     | 335,795          |
| Interest earned                     | -                         | 1,492       | 1,492            |
| Expenditures                        |                           |             |                  |
| Local bus stop revitalization       | -                         | 337,287     | 337,287          |
| Bus stop improvements               | 112,092                   | -           | 112,092          |
| Unexpended proceeds - June 30, 2019 | <u>\$ 22,998</u>          | <u>\$ -</u> | <u>\$ 22,998</u> |

**Opinion on Compliance**

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the District for the fiscal year ended June 30, 2019.

**Purpose of this Report**

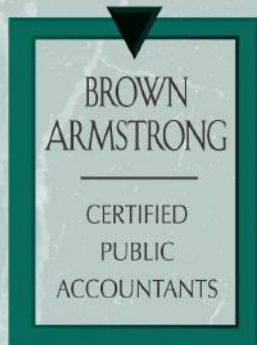
The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION



Bakersfield, California  
November 22, 2019

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# BROWN ARMSTRONG

*Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Marin County Transit District  
San Rafael, California

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### **Report on Compliance for Each Major Federal Program**

We have audited the Marin County Transit District's (the District), a component unit of the County of Marin, California, compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

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

### **Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2019.

## Report on Internal Control Over Compliance

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

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

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

### Purpose of Report

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

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
November 22, 2019

**MARIN COUNTY TRANSIT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**A. SUMMARY OF AUDITOR’S RESULTS**

Financial Statements

- |   |            |
|---|------------|
| 1. Type of auditor’s report issued  | Unmodified |
| 2. Internal controls over financial reporting:  | No         |
| a. Material weakness identified   | No         |
| b. Significant deficiencies identified not to be considered material weaknesses?                    | No         |
| 3. Noncompliance material to financial statements under <i>Government Auditing Standards</i> noted? | No         |

Federal Awards

- |   |            |
|---|------------|
| 1. Internal control over major programs:  |            |
| a. Material weaknesses identified?  | No         |
| b. Significant deficiencies identified not to be considered material weaknesses?                              | No         |
| 2. Type of auditor’s report issued on compliance for major programs:  | Unmodified |
| 3. Any audit findings disclosed that were are required to be reported in accordance with the Uniform Guidance | No         |

4. Identification of major programs:

| <u>CFDA Number</u> | <u>Name of Federal Program</u>   |
|--------------------|--|
| 20.500 and 20.507  | U.S. Department of Transportation,<br>Federal Transit Administration<br>Federal Transit Cluster: Federal Transit Capital<br>Investment Grants, 20.500,<br>Federal Transit Formula Grants, 20.507 |

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between Type A and Type B Programs? | \$750,000 |
| 6. Auditee qualified as a low-risk auditee under 2 CFR Section 200.516(a)   | Yes       |



**MARIN COUNTY TRANSIT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**B. CURRENT YEAR FINDINGS – FINANCIAL STATEMENTS**

None.

**C. CURRENT YEAR FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS PROGRAMS**

None.

**D. PRIOR YEAR FINDINGS – FINANCIAL STATEMENTS**

None

**E. PRIOR YEAR FINDINGS AND QUESTIONED COSTS – FEDERAL AWARD PROGRAMS**

None.

**MARIN COUNTY TRANSIT DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| Federal Grantor/Pass-Through Grantor, if Applicable/<br>Program Title/Grant or Pass-Through Number  | Federal<br>CFDA<br>Number | Pass-Through<br>Entity<br>Identifying<br>Number | Passed<br>Through to<br>Subrecipients | Expenditures |
|---|---------------------------|---|---------------------------------------|--------------|
| <b>U.S. Department of the Interior, National Park Service</b>   |                           |   |                                       |              |
| National Resource Stewardship - Direct Program<br>(Muir Woods Shuttle)  | 15.954                    | P12AC10481                                      | \$ -                                  | \$ -         |
| National Park Service Conservation, Protection, Outreach, and<br>Education - Direct Program<br>(Marin Headlands)  | 15.954                    | P18AC00483                                      | -                                     | 485,961      |
| Total U.S. Department of the Interior Direct Programs   |                           |   | -                                     | 485,961      |
| <b>U.S. Department of Transportation, Federal Transit Administration</b>  |                           |   |                                       |              |
| Federal Transit Cluster - 20.500 and 20.507   |                           |   |                                       |              |
| Passed-Through Golden Gate Bridge Highway and Transportation District<br>Federal Transit Capital Investment Grants<br>(State of Good Repair Bus Stop Improvement) |                           |   |                                       |              |
|   | 20.500                    | CA-04-0187                                      | -                                     | 418,379      |
| Federal Transit Formula Grants - Direct Program   |                           |   |                                       |              |
| (5307 - Equipment)  | 20.507                    | CA-2016-055                                     | -                                     | 183,275      |
| (5307 - Emergency Radio System)   | 20.507                    | CA-2016-055                                     | -                                     | 3,808        |
| (5307 - Electric Vehicles)  | 20.507                    | CA-2016-055                                     | -                                     | 537,769      |
| (5307 - Paratransit Vehicles)   | 20.507                    | CA-2017-069                                     | -                                     | 218,122      |
| (5307 - Replace 4 Rural Cutaway)  | 20.507                    | CA-2018-091                                     | -                                     | 4,430        |
| (5307 - Replace 1 Shuttle)  | 20.507                    | CA-2018-091                                     | -                                     | 84,563       |
| (5307 - Americans with Disabilities Act - Set-Aside)  | 20.507                    | CA-2018-091                                     | -                                     | 715,573      |
| Total Federal Transit Formula Grants  |                           |   | -                                     | 1,747,540    |
| Total Federal Transit Cluster - 20.500 and 20.507   |                           |   | -                                     | 2,165,919    |
| Passed-Through California State Transportation Agency, Department<br>of Transportation  |                           |   |                                       |              |
| Formula Grants for Rural Areas<br>(5311 - Stagecoach Rural Operating Service)   |                           |   |                                       |              |
|   | 20.509                    | Pending   | -                                     | 215,088      |
| Enhanced Mobility of Seniors and Individuals with Disabilities  |                           |   |                                       |              |
| (5310 - On Demand Pilot)  | 20.513                    | 64AO18-00785                                    | -                                     | 350,000      |
| (5310 - Mobility Management/Travel Navigators)  | 20.513                    | 64AM18-00756                                    | -                                     | 136,487      |
| Total Enhanced Mobility of Seniors and Individuals with Disabilities  |                           |   | -                                     | 486,487      |
| Total Passed-Through California State Transportation Agency, Department<br>of Transportation  |                           |   | -                                     | 701,575      |

The accompanying notes to the schedule of expenditures of  
federal awards are an integral part of this schedule.

**MARIN COUNTY TRANSIT DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| Federal Grantor/Pass-Through Grantor, if Applicable/<br>Program Title/Grant or Pass-Through Number                                  | Federal<br>CFDA<br>Number | Pass-Through<br>Entity<br>Identifying<br>Number | Passed<br>Through to<br>Subrecipients | Expenditures |
|---|---------------------------|---|---------------------------------------|--------------|
| Passed-Through the Metropolitan Transportation Commission<br>Job Access Reverse Commute Program<br>(Mobility Management Technology) | 20.516                    | CA-37-X164-00                                   | -                                     | 60,938       |
| Paul S. Sarbanes Transit in the Parks - Direct Program<br>(Muir Woods Vehicle/Infrastructure)                                       | 20.520                    | CA-20-X013-00                                   | -                                     | 56,856       |
| Total U.S. Department of Transportation, Federal Transit Administration   |                           |   | -                                     | 2,985,288    |
| <b>TOTAL FEDERAL AWARDS</b>   |                           |   | \$ -                                  | \$ 3,471,249 |

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule.

The accompanying notes to the schedule of expenditures of  
federal awards are an integral part of this schedule.

**MARIN COUNTY TRANSIT DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 – BASIS OF PRESENTATION**

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

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

Expenses reported on the Schedule are reported on the accrual basis of accounting. Such expenses are recognized following the cost principles contained in the Uniform Guidance and/or U.S. Office of Management and Budget (OMB) Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenses are not allowable or are limited as to reimbursement.

**NOTE 3 – INDIRECT COST ALLOCATION PLAN**

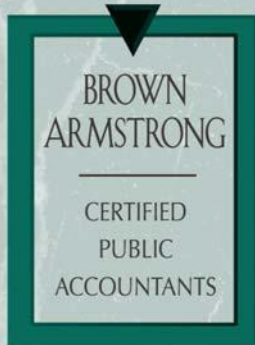
The District has an indirect cost allocation plan (ICAP) approved by the United States Department of Transportation, Federal Transit Administration (FTA) that is charged to programs where allowed under the related agreements. The ICAP during the fiscal year ended June 30, 2019, included an ICAP rate of 21.20% and a fringe benefit rate of 56.04% of total direct salaries and wages.

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

**NOTE 4 – SUBRECIPIENTS**

There were no subrecipients of the District's programs during the fiscal year ended June 30, 2019.

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# BROWN ARMSTRONG

*Certified Public Accountants*

To the Board of Directors  
Marin County Transit District  
San Rafael, California

We have audited the basic financial statements of Marin County Transit District (the District) for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 25, 2019. Professional standards also require that we communicate to you the following information related to our audit.

## **Significant Audit Matters**

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the District's basic financial statements was:

Management's estimate of the useful lives of capital assets for purpose of calculating annual depreciation expense. Estimated useful lives range from two to thirty years. We evaluated the key factors and assumptions used to develop the estimates of the useful lives of assets in determining that it is reasonable in relation to the basic financial statements taken as a whole.

Certain basic financial statement disclosures are particularly sensitive because of their significance to basic financial statement users. The most sensitive disclosure affecting the basic financial statements was:

The disclosure of capital assets as described above.

The basic financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements occurred during the course of our audit.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 22, 2019.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's basic financial statements, or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Expenditures of Federal Awards, Statement of Fiduciary Net Position – Retirement Plan, Statement of Changes in Fiduciary Net Position – Retirement Plan, Budgetary Comparison Schedule – Operations, Budgetary Comparison Schedule – Capital Program, and Budgetary Comparison Schedule – Reconciliation to Statement of Activities and Changes in Net Position, which accompany the basic financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the basic financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Restriction on Use**

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
November 22, 2019





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December 2, 2019

Honorable Board of Directors  
Marin County Transit District  
3501 Civic Center Drive  
San Rafael, CA 94903

**SUBJECT: Transition of Retirement Accounts to New Retirement Plan Provider**

Dear Board Members:

**board of directors**

damon connolly  
president  
supervisor district 1

dennis rodoni  
vice president  
supervisor district 4

kate colin  
2nd vice president  
city of san rafael

judy arnold  
director  
supervisor district 5

stephanie moulton-peters  
director  
city of mill valley

katie rice  
director  
supervisor district 2

kathrin sears  
director  
supervisor district 3

eric lucan  
alternate  
city of novato

**RECOMMENDATION:** Authorize General Manager to execute three contracts with Hub International, Principal Financial Services, and Carlson Quinn to transition defined contribution retirement savings accounts to a new provider and provide additional plan oversight.

**SUMMARY:** Marin Transit staff engaged Robert Devalle of Hub International, as an independent advisor to review Marin Transit's current 401(a) and 457(b) defined contribution retirement savings plans. Under this engagement, the advisor:

- Analyzed the existing fund lineup, asset class coverage, expenses, and performance to uncover any funds that might not be performing as expected;
- Provided benchmark information on the total cost of the plans and advisor compensation to compare them to others in the industry; and
- Discussed potential product enhancements.

Marin Transit also requested that Hub identify options for a plan administrator for the District's potential closed defined benefit plan.

Mr. Devalle found the current fund lineup provides standard options consistent with industry practices. The report also found plan fees including investment expenses are within the industry average, at the high end of the spectrum.

Current Retirement Plans

When transitioning to direct employment in 2011, Marin Transit established a 457(b) plan with the County of Marin's provider, Nationwide, under the National Association of Counties (NACo) deferred compensation program. Marin Transit also used Nationwide to establish the District's primary retirement plan, a defined contribution plan (401(a)). While Nationwide administers both plans, they are distinct plans under separate divisions of

Nationwide. Each plan has a different plan administrator and separate web portals for administration and employee access. Marin Transit has received some support from Nationwide for plan maintenance, and Marin Transit staff conducts a periodic review of plan fees and maintains investment options in alignment with the NACo selections.

### Proposed Retirement Plan Structure

Hub presented staff with an alternative structure for providing 401(a) and 457(b) plans that will offer employees similar investment options and features, while providing additional fiduciary support and oversight for Marin Transit's plan administrator with a lower fee structure. The new structure will also enable the District implement a closed defined benefit plan in accordance with the April 1, 2019 Board action **if** action is taken by CalPERS, Marin County and identified Local Government Service employees. The proposed alternative structure for the 401(a) and 457(b) plans is not dependent on future actions to establish a defined benefit plan.

The new plan structure will have three components. Hub International will provide support on investment selection, plan oversight, and quarterly fiduciary review in partnership with the Director of Finance. Principal Financial Services, Inc. will replace Nationwide and provide the recordkeeping platform including website access, education, and participant support. Quinn Carlson will be the third-party plan administrator and provide support to MCTD on plan documents and legal compliance. Marin Transit will continue to be the Plan Sponsor, and the Director of Finance will be the fiduciary.

Marin Transit will transition participant's 401(a) and 457(b) accounts from Nationwide to Principal in the first quarter of 2020.

**FISCAL IMPACT:** This action will not change Marin Transit's annual contributions to employee retirement accounts. The proposed fee agreement with Hub International is for \$1,250 per quarter or \$5,000 per year paid by Marin Transit and is less than two percent of Marin Transit's annual 401(a) contributions. If Marin Transit establishes the defined benefit plan, Marin Transit will pay an additional estimated \$7,190 per year plus investment expenses.

### **Estimated Annual Fees**

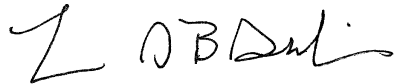
| <i>Service</i>  | <i>Company</i>           | <i>401(a)</i>          | <i>457</i>                         | <i>Defined Benefit<sup>1</sup></i> | <i>General</i>        |
|---|--------------------------|------------------------|------------------------------------|------------------------------------|-----------------------|
| <i>Oversight</i>                                      | <i>HUB International</i> | -                      | -                                  | -                                  | <i>\$5,000</i>        |
| <i>Recordkeeping</i>                                  | <i>Principal</i>         | <i>\$5,000</i>         | <i>\$2,325 +0.4%</i>               | <i>\$3,200</i>                     | -                     |
| <i>Investment Expenses</i>                            | <i>Principal</i>         | <i>0.33%</i>           | <i>0.20%</i>                       | <i>0.33%</i>                       | -                     |
| <i>Plan Administration</i>                            | <i>Carlson Quinn</i>     | <i>\$2,500</i>         | <i>fee for service</i>             | <i>\$3,000</i>                     | -                     |
| <i>Estimated Fees Paid By Participants</i>            |                          | <i>\$11,350</i>        | <i>\$4,875</i>                     | <i>\$0</i>                         | <i>\$0</i>            |
| <i>Estimated Fees Paid By Marin Transit</i>           |                          | -                      | <i>fee for service<sup>2</sup></i> | <i>\$7,190</i>                     | <i>\$5,000</i>        |
| <b><i>Estimated Total Based on Current Assets</i></b> |                          | <b><i>\$11,350</i></b> | <b><i>\$4,875+</i></b>             | <b><i>\$7,190</i></b>              | <b><i>\$5,000</i></b> |
| <b><i>Total As Percent of Assets</i></b>              |                          | <b><i>0.98%</i></b>    | <b><i>1.15%</i></b>                | <b><i>2.40%</i></b>                | <b><i>0.27%</i></b>   |

Note:

1. *Costs for Defined Benefit plan will only occur if the plan is funded*
2. *Estimated to be between \$0 and \$2,000 per year*

Plan participants will continue to pay for recordkeeping fees and investment expenses for the 401(a) and 457 plans. The plan participant fees may be as much as 30 percent less under the new structure.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "L Gradia". The signature is fluid and cursive, with a large initial "L" and a distinct "Gradia" at the end.

Lauren Gradia  
Director of Finance and Capital Programs