



**marin
transit**



MARIN COUNTY TRANSIT DISTRICT

San Rafael, California

A Component Unit of the County of Marin, California

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2025

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**MARIN COUNTY TRANSIT DISTRICT
SAN RAFAEL, CALIFORNIA
(A Component Unit of the County of Marin, California)**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025



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MARIN COUNTY TRANSIT DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2025

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December 1, 2025

711 Grand Ave, #110

San Rafael, CA 94901

ph: 415.226.0855

marintransit.org

Dear Board Members and Residents of the County of Marin, California:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Marin County Transit District (the District) for the fiscal year ended June 30, 2025.

Board of Directors

Eric Lucan

President

Supervisor District 5

Mary Sackett

Vice President

Supervisor District 1

Fred Casissa

Second Vice President

Town of Corte Madera

Brian Colbert

Director

Supervisor District 2

Stephanie

Moulton-Peters

Director

Supervisor District 3

Dennis Rodoni

Director

Supervisor District 4

Maribeth Bushey

Director

City of San Rafael

Maika Llorens Gulati

Alternate

City of San Rafael

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 end June 30, 2025.

The District's Management team 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:

- (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.

Maze & Associates Accounting Corporation has issued an unmodified ("clean") opinion on the District's financial statements for the fiscal year ended June 30, 2025. 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.



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, the District owns limited 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 Porter, Bauer's Intelligent Transportation, and Transdev Services, Inc, for fixed route, supplemental 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. Historically, Marin Transit was a "pass through" agency for fixed route services, providing funds for local services managed by Golden Gate Transit. With the 2003 service restructuring, Marin Transit took on increased responsibility for the planning, scheduling, 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. In November 2018, Measure A was reauthorized as Measure AA for a 30-year extension.

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, 2025, the District has 18.7 authorized full time equivalent employees.

The COVID-19 pandemic, starting in March 2020, disrupted transit service operations and reduced ridership demand on both fixed route and demand response services. As the County and our District recover from the pandemic, Marin Transit's fixed route ridership has returned faster than the District's ADA paratransit ridership and faster than other Bay Area regional transit operators that have more commute dependent ridership.

SERVICES

FIXED ROUTE



Marin Transit operates public transit service on 19 routes within Marin County. Over 3.1 million trips were made on the local fixed route network in fiscal year 2025 which is an increase from the 2.6 million trips made in the prior fiscal year. This is the first year local fixed route trips surpassed ridership levels seen prior to the COVID-19 pandemic.

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 four fixed route typologies: Local, Community, Supplemental, and Rural. Below is a summary of each typology.

Local

Description: Services that operate along the major corridors and serve the larger destinations within the County. These services provide the core of the transit system and connect with the other typologies, as well as regional services, at key transfer locations. Along Highway 101, Local service complements the Golden Gate Transit regional services that continue to San Francisco and Sonoma Counties.

- Operational Focus: Capacity, frequency, and speed.
- Routes: 17, 22, 23, 35, 36, 49, 71
- Typical Vehicle: 30', 35' or 40' heavy duty

Community

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 Local services for travel outside the community.

- Operational Focus: Accessibility.
- Routes: 29, 57, 219, 228, 233, 245
- Typical Vehicle: 24' cutaways or 30' heavy duty

Supplemental

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: 613, 619, 625, 654
- 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
- Typical Vehicle: 24' cutaways or 30' or 35' heavy duty

OTHER SERVICES

In addition to fixed route bus service, Marin Transit operate several other transportation services throughout the County.

Muir Woods Shuttle

In close consultation with the National Parks Service, Marin Transit operates the Muir Woods Shuttle, which provides service between the Larkspur Ferry Terminal and the Muir Woods National Monument on most weekends and provides service to the woods from the Sausalito Ferry Terminal on weekdays during the summer.

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. This yellow bus school service was suspended in March 2020 due to the COVID-19 pandemic and re-started in fiscal year 2022. Marin Transit handles all logistics of the program including contract management, website development, pass sales and production and customer service. Marin Transit staff provide planning and management support to a Joint Powers Authority for Reed Union School District and administers a yellow bus grant program with Measure AA funds.

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 variety of programs provide mobility options to these users and all services are coordinated by a team of Travel Navigators. These programs include local paratransit, volunteer driver, and subsidized taxi (Catch-A-Ride). 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 entered a period of uncertainty with the onset of the COVID-19 pandemic and has shown a return to the strong economy that existed before the pandemic. The County's unemployment increased during the pandemic from a low of 2.4% to a high of 6.1% in fiscal year 2021 and dropped again to 3.0% in fiscal year 2022. In the fiscal year ended 2025, the County's unemployment rate was 4.2%. The Contractors for the District continue to have increasing difficulties hiring and retaining drivers and other front-line staff. These challenges have continued to increase following the pandemic causing missed service, difficulties in adding service and increasing costs for our contractors.

A significant portion of the District's operating funds are derived from sales tax revenues. The COVID-19 pandemic did not negatively impact Marin County's total sales tax receipts but has impacted the timing. In fiscal year 2020, many businesses chose to defer sales tax payments. Fiscal year 2020 sales tax decreased 5.6% and fiscal years 2021 and 2022 sales tax increased 12.8% and 12.7% respectively. More recent sales tax numbers may indicate slowing in growth. Fiscal year ended 2025 sales tax increased by 3.3% after a 1.3% decrease in fiscal year 2024. This equates to a 6.2% increase per year in sales tax over a five-year period, which is better than the standard 2.2% per year growth projections used 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 2020-2029 SRTP was adopted by the Board of Directors (the Board) on February 3, 2020. The District completed a partial update on December 5, 2022 and will do a full update in 2026.

Operating Plan

In Fiscal Year ended 2025, there was a 9% increase in fixed route ridership compared to fiscal year ended 2024. The increase in fixed route ridership brought Marin Transit up to 100% of pre-COVID levels. In response to a 9% increase in Marin Access and ADA paratransit services demand in fiscal year 2023, Marin Transit implemented changes to the Marin Access programs to stabilize mandated ADA paratransit service, reduce service duplication, and concentrate resources on the populations most in need. After one full year of these changes, Marin Access ridership increased 16% in fiscal year ended 2025 with increases primarily in Catch A Ride and regional paratransit. Marin Transit is budgeting for a similar level of fixed route service in fiscal year 2026 and planning for a continued recovery of paratransit transit demand.

Marin Transit does not directly operate any of its services and instead provides them through contracts with multiple service providers. The District began a new service contract for paratransit service and other Marin Access programs on February 1, 2022. Marin Transit started a new contract with Golden Gate Bridge Highway and Transportation District (GGBHTD) effective October 1, 2022, competitively bid new contracts for yellow school bus service and the Muir Woods Shuttles. Marin Transit signed a new four year base contract with Marin Airporter effective July 1, 2025 for the operation and maintenance of fixed route service.



Marin Transit continues to be in a strong financial position. Recent years of strong economic growth enabled the District to make decisions to fully fund the District's emergency and contingency reserves, and the 2018 passage of the Measure AA transportation sales tax extension continues to provide baseline funding for the District. The District's long term financial stability is less certain and there are increasing challenges due to the tight labor market and lack of ownership of sufficient fixed route parking and maintenance facilities.

Capital Plan

The District's Capital Improvement and Funding Plan includes all expenses related to purchasing and maintaining the transit system's capital assets. 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
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. Replacing and maintaining vehicles are almost 80% of these expenses.

Discretionary grant funding and capital reserve funds are needed to fund facility projects to ensure stable operations and allow for future expansion. The District purchased a bus parking facility in fiscal year 2019/2020, a paratransit maintenance facility in FY2020/21, and a future parking facility adjacent to the paratransit maintenance facility in FY2022/23. The District needs to find a permanent location for electric bus maintenance and parking. The District received a federal grant of \$31.5 million towards the purchase of an electric fixed route bus charging and maintenance facility. In fiscal year ended 2025, the District added \$1.7 million to the capital reserve and has a total capital reserve balance of \$21.7 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 contingency 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.

The District added \$2.9 million to reserves in fiscal year 2025. Consistent with the fiscal year 2025 budget, the District added \$1.2 million to the operations reserves (Emergency and Contingency) to maintain the equivalent of six months operating expenses and the Capital Reserve increased by \$1.7 million.

AWARDS AND ACKNOWLEDGEMENTS

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 Annual Comprehensive Financial Reports (ACFR) for the fiscal year ended June 30, 2024 . The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state or local government financial reports. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. 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 ACFR 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 Maze & Associates Accounting Corporation for their timely audit and expertise on the preparation of this ACFR. Finally, we would like to thank the Board for its commitment and support in the development of a strong financial system.

Respectfully Submitted,

A handwritten signature in black ink that reads "Nancy E. Whelan".

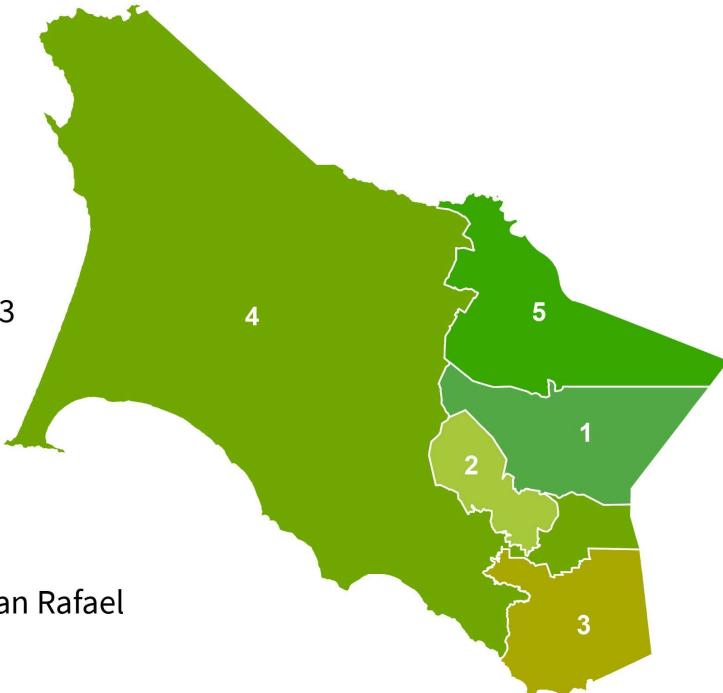
Nancy Whelan
General Manager

A handwritten signature in black ink that reads "Lauren Gradia".

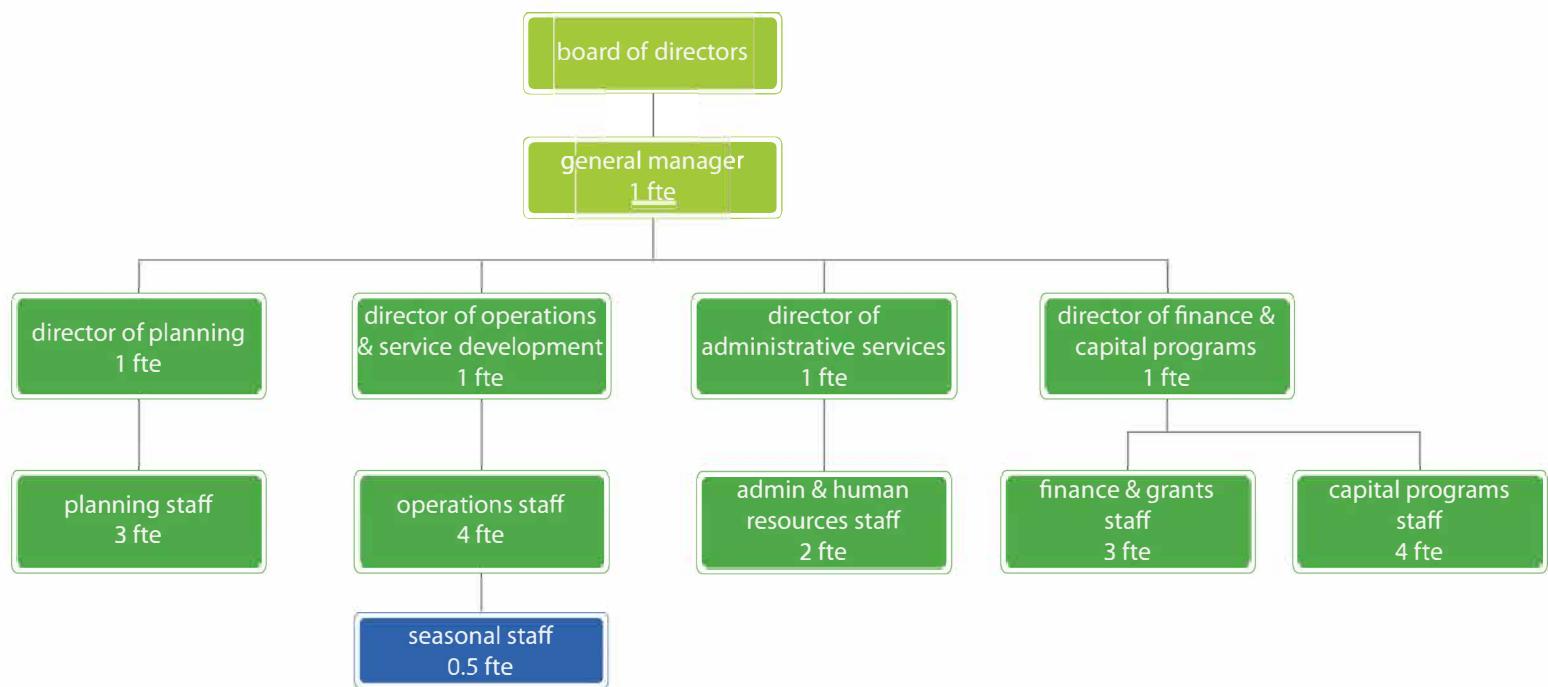
Lauren Gradia
Director of Finance and Capital Programs

MARIN COUNTY TRANSIT DISTRICT
INTRODUCTORY SECTION
PRINCIPAL OFFICIALS

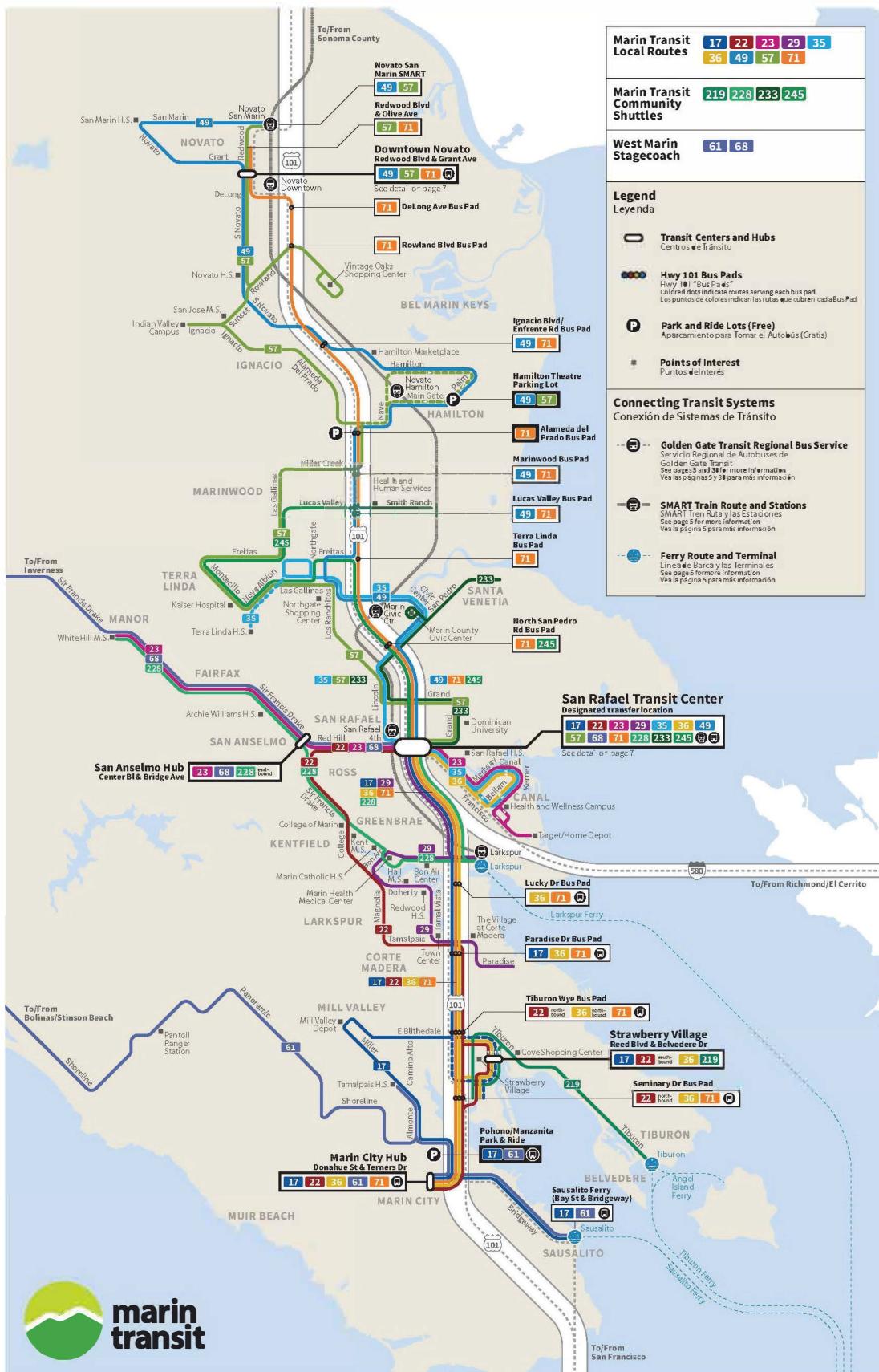
Mary Sackett District 1
Brian Colbert District 2
Stephanie Moulton-Peters District 3
Dennis Rodoni District 4
Eric Lucan District 5
Maribeth Bushey City of San Rafael
Fred Casissa Town of Corte Madera
Maika Llorens Gulati (alt) City of San Rafael



Board Member	District or City	Current Term Ends
Mary Sackett	Marin County, District 1	January 1, 2026
Brian Colbert	Marin County, District 2	January 1, 2029
Stephanie Moulton-Peters	Marin County, District 3	January 1, 2029
Dennis Rodoni	Marin County, District 4	January 1, 2029
Eric Lucan	Marin County, District 5	January 1, 2026
Maribeth Bushey	City of San Rafael	January 1, 2027
Fred Casissa	Town of Corte Madera	January 1, 2026
Maika Llorens Gulati	City of San Rafael	January 1, 2027



MARIN COUNTY TRANSIT DISTRICT INTRODUCTORY SECTION SERVICE AREA MAP





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Marin County Transit District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Monill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary fund of the Marin County Transit District (District), a component unit of the County of Marin, California, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary fund of the District as of June 30, 2025, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Report on Summarized Comparative Information

We have previously audited the District's June 30, 2024, financial statements, and we expressed unmodified opinions on the respective financial statements of the business type activities and the fiduciary fund in our report dated November 6, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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. The 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2025, 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.

Maze + Associates

Pleasant Hill, California
November 12, 2025

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MARIN COUNTY TRANSIT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024

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, 2025 and June 30, 2024. 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 v to xii of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities at June 30, 2025 and 2024, by \$107,357,484 and \$87,315,430 (net position), respectively. Of this amount, \$62,968,482 and \$45,876,537, respectively, is net investment in capital assets, and \$44,389,002 and \$41,438,893, respectively, is unrestricted.
- The District's total net position increased for the fiscal year ended June 30, 2025, by \$20,042,054 compared to the fiscal year ended June 30, 2024. The District's total net position increased for the fiscal year ended June 30, 2024, by \$2,379,477 compared to the fiscal year ended June 30, 2023. The increases are due to increased investment in capital assets.
- The District claimed \$19,143,966 in fiscal year 2025 from the Transportation Authority of Marin as part of a voter approved sales tax. The District claimed \$19,594,997 in fiscal year 2024 from the Transportation Authority of Marin as part of a voter approved sales tax.
- The District's emergency reserve and contingency reserve are fully-funded, with a total value equivalent to six months operating funds. The District's capital reserve increased by \$1,774,960, for a total capital reserve of \$21,743,946.

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 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 13-16 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 17-40 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 and deferred outflows of resources exceeded liabilities by \$107,357,484 and \$87,315,430 at June 30, 2025 and 2024, 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, 2025, 2024, and 2023, is shown below. The focus is on Net Position (Note 1, Section M):

	June 30, 2025	June 30, 2024	2025-2024 Increase (Decrease)	June 30, 2023	2024-2023 Increase (Decrease)
Cash	\$30,921,886	\$36,308,055	(\$5,386,169)	\$35,886,151	\$421,904
Receivables	21,097,946	12,187,005	\$8,910,941	6,777,673	5,409,332
Prepaid expenses	490,803	238,191	\$252,612	66,648	171,543
Net pension asset	-	-	-	-	-
Capital assets, net	63,320,769	46,410,070	\$16,910,699	49,381,974	(2,971,904)
Total Assets	115,831,374	95,143,321	\$20,688,053	92,112,446	3,030,875
Deferred Outflows of Resources	23,337	54,879	(\$31,542)	105,659	(50,780)
Current liabilities	8,245,210	7,345,255	\$899,955	6,551,688	793,567
Noncurrent liabilities	234,641	506,975	(\$272,334)	730,464	(223,489)
Total Liabilities	8,479,851	7,852,230	\$627,621	7,282,152	570,078
Deferred Inflows of Resources	17,376	30,540	(\$13,164)	-	30,540
Unrestricted net position	44,389,002	41,438,893	\$2,950,109	36,261,158	5,192,125
Net investment in capital assets	62,968,482	45,876,537	\$17,091,945	48,674,795	(2,812,648)
Total Net Position	\$107,357,484	\$87,315,430	\$20,042,054	\$84,935,953	\$2,379,478

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, 2025, 2024, and 2023.

	June 30, 2025	June 30, 2024	2025-2024 Increase (Decrease)	June 30, 2023	2024-2023 Increase (Decrease)
Operating Revenues					
Transit fares	\$3,083,093	\$3,164,763	(\$81,670)	\$2,986,759	\$179,004
Contractual compensation	1,451,418	1,479,825	(28,407)	1,220,388	259,437
Special fares and school bus revenue	183,663	344,611	(160,948)	334,991	9,620
Total Operating Revenues	4,718,174	4,989,199	(271,025)	4,542,138	447,061
Operating Expenses					
Purchased transportation services	34,301,756	32,436,525	1,865,231	29,353,390	3,083,135
Depreciation and amortization	5,792,357	5,119,722	672,635	4,774,382	345,340
Salaries and benefits	3,489,616	3,255,548	234,068	2,970,674	284,874
Fuel	2,560,052	2,948,794	(388,742)	2,902,027	46,767
Professional services	335,614	665,125	(329,511)	602,754	62,371
General and administrative	479,590	727,186	(247,596)	466,522	260,664
Lease and rentals	24,362	27,130	(2,768)	26,210	920
Maintenance and facility costs	783,853	649,144	134,709	711,664	(62,520)
Total Operating Expense	47,767,200	45,829,174	1,938,026	41,807,623	4,021,551
Operating Loss	(43,049,026)	(40,839,975)	(2,209,051)	(37,265,485)	(3,574,490)
Nonoperating Revenues (Expenses)					
Intergovernmental revenue	37,137,856	34,841,998	2,295,858	31,490,602	3,351,396
Property tax	6,233,967	5,993,956	240,011	5,705,817	288,139
Advertising and rentals	621,540	48,325	573,215	320,422	(272,097)
Gain on disposal of capital assets	(314,396)	(80,996)	(233,400)	30,870	(111,866)
Other revenues (expenses)	197,589	150,192	47,397	(229,468)	(379,660)
Interest expense	(9,472)	(13,191)	3,719	(16,753)	(3,562)
Total Nonoperating Revenues (Expenses)	43,867,084	40,940,284	2,926,800	37,301,490	3,638,794
Income Before Capital Contributions	818,058	100,309	717,749	36,005	64,304
Capital Contributions (Grants)					
Intergovernmental revenue	19,223,996	2,279,168	16,944,828	2,941,356	(662,188)
Other revenue	-	-	-	-	-
Total Capital Contributions (Grants)	19,223,996	2,279,168	16,944,828	2,941,356	(662,188)
Change in net position	20,042,054	2,379,477	17,662,577	2,977,361	(1,299,184)
Net Position at Beginning of Year	87,315,430	84,935,953	2,379,477	81,958,592	2,977,361
Net Position at End of Year	\$107,357,484	\$87,315,430	\$20,042,054	\$84,935,953	\$2,379,477

Revenues

Operating revenues slightly decreased to \$4.7 million in the fiscal year ended June 30, 2025, as compared to the fiscal year ended June 30, 2024. The decrease reflects a change in some special college pass funds from fare revenue to payments for service. Marin Transit fixed route ridership continues to be strong and increased 10% in fiscal year ended June 30, 2025.

The District's nonoperating revenues grew by \$2.9 million for the fiscal year ended June 30, 2025 compared to fiscal year ended June 30, 2024. The increase was primarily due to additional revenue claimed on a reimbursement basis for increased expenses in FY2024/25 since there were no additional federal relief funds available for operations.

The majority of the District's 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 fiscal year ended June 30, 2025, the District's capital contributions increased \$16.9 million due to the purchase of land.

Expenses

Operating expenses increased in both fiscal year ended June 30, 2025 and fiscal year ended June 30, 2024. In fiscal year ended June 30, 2025 the increases were in Purchase transportation services due to new contracts with increased hourly rates. Salary and benefit costs in fiscal year ended June 30, 2025 increased due to increased benefit costs and a lower vacancy rate for positions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Summary of Capital Assets (net of depreciation)

	Balance at June 30, 2025	Balance at June 30, 2024	Balance at June 30, 2023
Nondepreciable:			
Land	\$20,648,211	\$6,717,174	\$6,717,174
Work in progress	3,365,219	1,219,737	2,928,305
Total Nondepreciable	24,013,430	7,936,911	9,645,479
Capital Assets Being Depreciated			
Revenue Vehicles	23,135,466	21,495,668	21,495,666
Facilities and stops	6,697,212	6,882,413	6,882,415
Communication and data equipment	730,873	440,386	730,836
Fare revenue collection equipment	-	657	2,235
Furniture and fixtures	73,993	92,350	92,351
Administrative buildings	5,535,661	6,057,148	3,552,643
Maintenance buildings	2,787,017	2,967,671	3,053,727
Non-revenue vehicles	16,304	25,609	65,608
Total capital assets, being depreciated	38,976,526	37,961,902	39,044,794
Right-to-use Leased Assets Amortized			
Office Space	902,219	902,219	691,701
Total Right-to-use Leased Assets Amortized	330,813	511,257	691,701
Capital Assets, Net	\$63,320,769	\$46,410,070	\$49,381,974

The District's investment in capital assets amounts to \$63,320,769 and \$46,410,070 as of June 30, 2025 and 2024, 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 increased in fiscal year 2025 by 36.4% after decreasing 6% in fiscal year 2024.

The most significant additions to the District's capital assets in the year ended June 30, 2025 were the purchase of a grant funded property for a fixed route maintenance facility. The most significant additions to the District's capital assets in the year ended June 30, 2024 were the purchase of ten paratransit vehicles. More detail on capital costs for fiscal years ended June 30, 2025 and June 30, 2024, is included on page 39 of this report.

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.

NONCURRENT LIABILITIES

At June 30, 2025, the District's long-term liability balance was \$234,641 compared to \$506,975 at June 30, 2024. This is primarily due to the contract lease for the District's administrative offices signed on April 3, 2023. Other obligations include accrued vacation pay and sick leave. More detailed information is presented in Note 4 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

FY2024/25 fixed route ridership continued to increase above pre-COVID levels. Operations expenses were 3% higher than in FY2023/24 which is a modest increase after three years of 11-15% growth in expenses driven primarily by contract operation expenses. Contract operations expenses (purchased transportation) continue to be the majority of expenses at 80% of total operations costs in fiscal year ended 2025.

Marin Transit continues to be in a strong short term position with a fully funded, six month, operations reserve and a capital reserve for upcoming projects. Unfortunately, the adopted FY2025/26 budget relies heavily on carryforward funds that were accumulated due to the temporary availability of federal funds in prior years. Revenue growth from sales tax and diesel tax have slowed and there is increasing concern that revenue growth will not keep up with projected cost increases.

Marin Transit is currently updating the District's Short Range Transit Plan (SRTP) with proposed adoption in 2026. The SRTP provides the framework for service and capital planning for the next ten years and the last full SRTP update was adopted on December 5, 2022. This plan includes 10 year financial projections and the current development process will consider plans for structural changes like service level reductions and fare increases to ensure the District's long term fiscal sustainability.

The District is engaged in critical facility projects that both provide the infrastructure for the mandated shift to zero emission buses and can bring increased competition for future service operations contracts. The District purchased a grant funded property in San Rafael as an opportunity to develop a fixed route maintenance facility. This adds to the Rush Landing bus parking facility, in Novato, purchased FY2019/20, a paratransit maintenance facility, in San Rafael, purchased in FY2021/22 and a small parcel adjacent to the paratransit maintenance facility purchased in FY2022/23. The District is working on the Environmental clearance for the development of electric vehicle charging and a fixed route maintenance facility funded with a federal Section 5339 Bus and Bus Facilities grant.



The District continues to evaluate all services provided with an emphasis on improving the efficiency and convenience of the transit system for riders. Staff provides regular quarterly financial updates to the Board of Directors to monitor the District's financial position. The District continues to provide the highest levels of local bus service possible while ensuring financial stability.

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,



Nancy Whelan
General Manager

BASIC FINANCIAL STATEMENTS

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MARIN COUNTY TRANSIT DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025
WITH SUMMARIZED TOTALS AS OF JUNE 30, 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash and investments (Note 2)	\$30,921,886	\$36,308,055
Accounts receivables:		
State grants	85,117	310,375
Transportation Authority of Marin	5,875,450	5,333,270
Federal grants	11,507,001	5,616,662
Golden Gate Bridge Highway and Transit District	814,226	461,613
County of Marin	1,833,596	85,727
Other receivables	982,526	379,358
Prepaid expenses	<u>490,803</u>	<u>238,191</u>
Total current assets	<u>52,510,605</u>	<u>48,733,251</u>
Noncurrent Assets		
Capital Assets (Note 3):		
Non depreciable	24,013,430	7,936,911
Depreciable assets, net	38,976,526	37,961,902
Right-to-use leased assets, net	<u>330,813</u>	<u>511,257</u>
Total capital assets	<u>63,320,769</u>	<u>46,410,070</u>
Total noncurrent assets	<u>63,320,769</u>	<u>46,410,070</u>
Total Assets	<u>115,831,374</u>	<u>95,143,321</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow Pension related (Note 7)	<u>23,337</u>	<u>54,879</u>
Total Deferred Outflows of Resources	<u>23,337</u>	<u>54,879</u>
Total Assets and Deferred Outflows of Resources	<u>115,854,711</u>	<u>95,198,200</u>
LIABILITIES		
Current Liabilities		
Account payable	4,760,067	4,328,969
Accrued payroll and benefits	155,517	119,044
Unearned revenue	2,957,866	2,630,589
Compensated absences - current portion (Note 4)	182,755	85,407
Lease liability - current portion (Note 4)	<u>189,005</u>	<u>181,246</u>
Total current liabilities	<u>8,245,210</u>	<u>7,345,255</u>
Noncurrent Liabilities		
Compensated absences (Note 4)	1,434	65,977
Lease liability (Note 4)	163,282	352,287
Net pension liability (Note 7)	<u>69,925</u>	<u>88,711</u>
Total noncurrent liabilities	<u>234,641</u>	<u>506,975</u>
Total Liabilities	<u>8,479,851</u>	<u>7,852,230</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred outflow Pension related (Note 7)	<u>17,376</u>	<u>30,540</u>
Total Deferred Inflows of Resources	<u>17,376</u>	<u>30,540</u>
NET POSITION		
Net investment in capital assets	62,968,482	45,876,537
Unrestricted (Note 1M)	<u>44,389,002</u>	<u>41,438,893</u>
Total Net Position	<u>\$107,357,484</u>	<u>\$87,315,430</u>

See accompanying notes to basic financial statements

MARIN COUNTY TRANSIT DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2024

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Transit fares	\$3,083,093	\$3,164,763
Contractual compensation	1,451,418	1,479,825
Special fares	167,204	330,501
School bus services revenues	16,459	14,110
	<u>4,718,174</u>	<u>4,989,199</u>
OPERATING EXPENSES		
Purchased transportation services	34,301,756	32,705,677
Depreciation and amortization (Note 3)	5,792,357	5,119,722
Salaries and benefits	3,489,616	3,255,548
Fuel	2,560,052	2,948,794
Professional services	335,614	665,125
General and administrative	479,590	458,034
Utilities	284,350	194,418
Marketing	163,005	105,570
Lease and rentals	24,362	27,130
Other services	34,463	33,742
Casualty and liability costs	131,132	128,991
Maintenance costs	156,637	166,482
Capital costs	14,266	19,941
	<u>47,767,200</u>	<u>45,829,174</u>
OPERATING LOSSES		
	<u>(43,049,026)</u>	<u>(40,839,975)</u>
NON-OPERATING REVENUES (EXPENSES)		
Intergovernmental revenue (Note 5)	37,137,856	34,841,998
Property tax revenue	6,233,967	5,993,956
Advertising and other	621,540	48,324
Rental income	1	1
Interest income	976,956	922,091
Interest expense	(9,472)	(13,191)
Gain on disposal of capital assets	(314,396)	(80,996)
Pass through of Measure AA funds	(779,367)	(771,899)
	<u>43,867,084</u>	<u>40,940,284</u>
Capital contributions (grants) (Note 5):		
Intergovernmental revenue	19,223,996	2,279,168
Total capital contributions (grants)	19,223,996	2,279,168
Net non-operating revenues and contributions	63,091,080	43,219,452
Change in net position	20,042,054	2,379,477
NET POSITION,		
Beginning of Year	87,315,430	84,935,953
End of Year	<u>\$107,357,484</u>	<u>\$87,315,430</u>

See accompanying notes to basic financial statements

**MARIN COUNTY TRANSIT DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	(\$5,316,878)	(\$467,515)
Cash receipts from contracts	1,451,418	1,479,825
Cash paid to suppliers for purchased transportation service	(34,123,270)	(33,248,887)
Cash paid to suppliers for goods and services	(4,183,471)	(5,017,379)
Cash paid to employees for services	(3,420,746)	(3,222,128)
Advertising and other	<u>621,540</u>	<u>48,324</u>
Net Cash Used by Operating Activities	<u>(44,971,407)</u>	<u>(40,427,760)</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES		
Property taxes received	6,233,967	5,993,957
Intergovernmental revenues received	<u>36,358,489</u>	<u>34,070,099</u>
Net Cash Provided by Noncapital Financing Activities	<u>42,592,456</u>	<u>40,064,056</u>
CASH FLOWS FORM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of capital assets	(314,396)	46,918
Acquisition of capital assets	(23,052,043)	(2,283,171)
Payment of lease liability	167,741	(166,207)
Payment of interest expense	(9,472)	(13,191)
Capital contribution revenues received	<u>19,223,996</u>	<u>2,279,168</u>
Net Cash (Used) Provided by Capital and Related Financing Activities	<u>(3,984,174)</u>	<u>(136,483)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	<u>976,956</u>	<u>922,091</u>
Net Cash Provided by Investing Activities	<u>976,956</u>	<u>922,091</u>
Net Increase in Cash, Cash Equivalents, and Investments	<u>(5,386,169)</u>	<u>421,904</u>
CASH AND INVESTMENTS AT BEGINNING OF YEAR	<u>36,308,055</u>	<u>35,886,151</u>
CASH AND INVESTMENTS AT END OF YEAR	<u>\$30,921,886</u>	<u>\$36,308,055</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating losses	(\$43,049,026)	(\$40,839,975)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	5,792,357	5,119,722
Advertising and other	621,540	48,324
(Increase) Decrease in accounts receivable	(8,910,911)	(5,409,332)
Decrease (Increase) in prepaid expenses	(252,612)	(171,543)
Decrease (Increase) in net pension liability (asset)	(408)	14,390
Increase (Decrease) in accounts payable	431,098	(640,819)
Increase (Decrease) in accrued payroll and benefits	36,473	(5,381)
(Decrease) Increase in unearned revenue	327,277	1,432,443
Increase (Decrease) compensated absences	<u>32,805</u>	<u>24,411</u>
Net cash provided (used) by operating activities	<u>(\$44,971,407)</u>	<u>(\$40,427,760)</u>

See accompanying notes to basic financial statements

MARIN COUNTY TRANSIT DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - RETIREMENT PLAN
JUNE 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Contributions receivable	\$15,743	\$8,038
Investments		
Fixed income	13,877	3,086
Target date funds	2,697,138	2,244,048
Bond funds	216,649	143,704
Stock mutual funds	236,047	170,092
Total Investments	<u>3,179,454</u>	<u>2,568,968</u>
TOTAL ASSETS	<u>3,179,454</u>	<u>2,568,968</u>
TOTAL NET POSITION RESTRICTED FOR RETIREMENT BENEFITS	<u><u>\$3,179,454</u></u>	<u><u>\$2,568,968</u></u>

MARIN COUNTY TRANSIT DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - RETIREMENT PLAN
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ADDITIONS		
Contributions - employer	\$355,772	\$303,697
Increase in investments	302,197	296,210
Dividends	23,576	34,710
Capital Gains	21,476	13,213
TOTAL ADDITIONS	<u>703,021</u>	<u>647,830</u>
DEDUCTIONS		
Administrative expenses	(13,649)	(11,485)
Withdrawals	<u>(78,886)</u>	<u>(321,775)</u>
TOTAL DEDUCTIONS	<u>(92,535)</u>	<u>(333,260)</u>
NET INCREASE IN NET POSITION	<u>610,486</u>	<u>314,570</u>
NET POSITION RESTRICTED FOR RETIREMENT BENEFITS -BEGINNING OF YEAR	<u><u>2,568,968</u></u>	<u><u>2,254,398</u></u>
NET POSITION RESTRICTED FOR RETIREMENT BENEFITS -END OF YEAR	<u><u>\$3,179,454</u></u>	<u><u>\$2,568,968</u></u>

See accompanying notes to basic financial statements

MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

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, 2014 through June, 30, 2020, that contained options to extend the contract for two additional one-year periods. As of June 30, 2022 both option years had been executed and an additional amendment was signed extending the agreement through December 31, 2022 while a new contract was negotiated. A new fixed route transit service contract was signed for the period October 1, 2022 through June 30, 2026 with the option 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 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. This inter-agency agreement uses a different financial structure than the prior agreement which simplifies the payment process between the two Districts, but also has financial and contractual implications. The new operations agreement with Golden Gate, reduces the District's share of advertising and eliminates direct payments for customer service and maintenance of the San Rafael Transit Center.

Under the terms of the yearly agreements in place for the fiscal years ended June 30, 2025 and 2024, Golden Gate operated six local fixed routes. The total cost of local bus transit service under these agreements during the fiscal years ended June 30, 2025 and 2024, was \$12,974,144 and \$12,959,870, respectively. Related fare revenue, advertising revenue, and other revenue earned for the fiscal years ended June 30, 2025 and 2024, was \$2,795,672 and \$2,801,457, respectively. Golden Gate was compensated for operating costs based on revenue hours incurred multiplied by a rate per hour specified. The District also pays for customer service, operation of the San Rafael Transit Center, fuel and electrical power costs and a contribution to capital assets purchased before the agreement.

**MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024**

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 Transdev Transportation Inc., to provide the actual services, with the understanding that the District would be adequately compensated by Golden Gate. The new operations agreement with Golden Gate, effective October 2023 lowered Golden Gate's obligation to fund local paratransit.

Marin Airporter: Marin Airporter operates Local Fixed Route service and Community Shuttle Service. 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. An amendment was signed in April 2023 to extend the current contract an additional two years and increase service hours effective July 1, 2023.

Transdev Transportation, Inc.: The District signed a new competitive bid contract with Transdev Transportation, Inc (Transdev) on September 13, 2021. Paratransit service and associated Marin Access programs transitioned to Transdev on February 1, 2022. The Transdev contract is 3 years and 5 months with 3 one-year options. Transdev operates services out of a District owned maintenance facility (3000 Kerner) and parks vehicles at locations owned by Golden Gate. Paratransit services consist of demand responsive services for the disabled, which meets the requirements of the ADA and other federal provisions. Under the contract, Transdev provides the paratransit services and collects all the fare revenues. Transdev bills the District monthly for the net cost of services on an agreed-upon monthly fixed fee plus an hourly rate. 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.

Bauer's Intelligent Transportation: The District signed a new competitive bid contract with Bauer's Intelligent Transportation on February 5, 2024 to operate the seasonal Muir Woods Shuttle Service providing service to and from the Muir Woods National Park. The National Park Service pays for 50% of the Muir Woods Shuttle program. In addition, The District awarded a new competitive bid contract to Bauer's Intelligent Transportation on August 10, 2023. This three-year contract, with two options years, is for a six-yellow bus service to the Ross Valley School District. Fare revenue on this service is collected through District pass sales and is deposited into the District's account.

**MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Town of Coret Madera, 300 Tamalpais, Corte Madera, CA 94925 or www.meraonline.org/contact.

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., revenues) and decreases (i.e., expenses) in net position.

**MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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.

In addition to the District's enterprise activities, the District maintains a fiduciary fund to account for the assets held in a trustee capacity. Fiduciary funds are also accounted for using the economic resources measurement focus and accrual basis of accounting. The District reports the Retirement Plan Fiduciary fund is an irrevocable trust fund used to account for assets held by the District as Trustee for Retirement Plan.

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.

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, 2025 and 2024, consisted mainly of prepaid software maintenance costs.

**MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Statement of Activities and Changes in Net Position.

H. Unearned Revenue

Unearned revenue at June 30, 2025, was primarily Low Carbon Transit Operations Program (LCTOP) funds for EV vehicle and infrastructure improvements for future periods. Unearned revenue at June 30, 2024, was primarily other State funding from State of Good Repair program (Note 9) for upcoming replacement of 40 ft transit buses and funds from yellow bus pass sales for service in fiscal year ending June 30, 2025.

I. Compensated Absences

At June 30, 2025 and 2024, 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.

**MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 Statement of Net Position refers mainly to unsecured property taxes.

K. *Measure AA (Previously Measure A)*

The County's voters passed a $\frac{1}{2}$ 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 was available for Local Transit service.

The County's voters reauthorized and extended the $\frac{1}{2}$ 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 $\frac{1}{2}$ percent (45.5%) available for Local Transit service. The Transportation Authority of Marin (TAM) is the transportation sales tax authority in the County. TAM makes Measure AA funding available to the District based on projections, and adjusts future year balances to account for actual receipts. The District requests Measure AA funds on a reimbursement basis and does not carry an unspent balance of these funds.

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.

MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2025</u>	<u>June 30, 2024</u>
Emergency Reserve	\$7,548,352	\$7,156,636
Contingency Reserve	15,096,704	14,313,271
Capital Reserve	21,743,946	19,968,986
	<u>\$44,389,002</u>	<u>\$41,438,893</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.

MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. *Leases*

The District is a lessee for an office lease. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in its financial statement. At the commencement of a lease, District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. The District also established a threshold for leases that have an annual exchange value of greater than \$100,000 or a total contract value of \$500,000 or be part of an asset group of similar assets that when combined exceed one or both of these thresholds. There was only one lease subject to GASB 87 in 2025.

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

P. *Subscription Based Information Technology Arrangements*

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The District established a materiality threshold and the arrangement must have an annual exchange value greater than \$100,000 or a total contract value greater than \$500,000 or be part of an asset group of similar assets that when combined exceed one or both thresholds. The District has determined that there are no subscriptions that meet these requirements as of June 30, 2025.

Q. *New Accounting Pronouncements*

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement is effective for reporting periods beginning after December 15, 2023, or the fiscal year 2024-25. The implementation of this Statement did not have a material effect on the financial statements.

MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. New Accounting Pronouncements (Continued)

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement is effective for reporting periods beginning after June 15, 2024, or the fiscal year 2024-25. The implementation of this Statement did not have a material effect on the financial statements.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement is effective for reporting periods beginning after June 15, 2025, or the fiscal year 2025-26.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information concerning two types of capital assets: (1) capital assets associated with leases and other intangible assets and (2) capital assets held for sale. This Statement is effective for reporting periods beginning after June 15, 2025, or the fiscal year 2025-26.

R. Prior-Period Comparative Financial Information

The basic financial statements include certain prior-year summarized comparative information in total, but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash, cash equivalents, and investments as of June 30, 2025 and 2024, consist of the following:

	<u>2025</u>	<u>2024</u>
Cash on hand	\$21	\$23
Bank deposits	5,813,084	11,799,154
County of Marin investment pool	<u>25,108,781</u>	<u>24,508,878</u>
Total Cash, Cash Equivalents, and Investments	<u>\$30,921,886</u>	<u>\$36,308,055</u>

MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

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, 2025 and 2024, the weighted average maturity of the investments contained in the County's investment pool was approximately 323 and 252, 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, 2025 and 2024, the carrying amount of the District's deposits was \$5,813,084 and \$11,799,154, respectively, and the balance in the financial institutions was \$5,956,493 and \$11,961,303, respectively. Of the balances in financial institutions, \$250,000 at June 30, 2025 and 2024, 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.

MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

NOTE 3 – CAPITAL ASSETS

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

	Balance June 30, 2024	Additions / Adjustments	Retirements	Transfers	Balance June 30, 2025
Nondepreciable:					
Land	\$6,717,174	\$13,931,037			\$20,648,211
Work in progress	1,219,737	2,189,676		(\$44,194)	3,365,219
Total capital assets, not being depreciated	7,936,911	16,120,713		(44,194)	24,013,430
Capital assets, being depreciated:					
Revenue Vehicles	42,032,508	6,228,420	(\$2,623,675)	40,936	45,678,189
Facilities and stops	9,250,742	123,914		3,258	9,377,914
Communication and data equipment	1,931,433	577,862	(57,897)		2,451,398
Fare revenue collection equipment	434,929		(12,940)		421,989
Furniture and fixtures	235,205				235,205
Administrative buildings	7,142,322				7,142,322
Maintenance buildings	3,260,444	1,134			3,261,578
Non-revenue vehicles	433,964				433,964
Total capital assets, being depreciated	64,721,547	6,931,330	(2,694,512)	44,194	69,002,559
Less accumulated depreciation for:					
Revenue Vehicles	(20,536,840)	(4,280,571)	2,274,688		(22,542,723)
Facilities and stops	(2,368,329)	(312,373)			(2,680,702)
Communication and data equipment	(1,491,047)	(287,375)	57,897		(1,720,525)
Fare revenue collection equipment	(434,272)	(657)	12,940		(421,989)
Furniture and fixtures	(142,855)	(18,357)			(161,212)
Administrative buildings	(1,085,174)	(521,487)			(1,606,661)
Maintenance buildings	(292,773)	(181,788)			(474,561)
Non-revenue vehicles	(408,355)	(9,305)			(417,660)
Total accumulated depreciation	(26,759,645)	(5,611,913)	2,345,525		(30,026,033)
Total capital assets, being depreciated, net	37,961,902	1,319,417	(348,987)	44,194	38,976,526
Right-to-use leased assets, amortizable:					
Office Space	902,219				902,219
Total right-to-use leased assets, being amortizable	902,219				902,219
Less accumulated amortization:					
Office space	(390,962)	(180,444)			(571,406)
Total Right to Use Lease Assets, Amortizable net	511,257	(180,444)			330,813
Total Capital Assets Net	\$46,410,070	\$17,259,686	(\$348,987)		\$63,320,769

Depreciation and amortization expense for the fiscal year ended June 30, 2025, was \$5,792,357.

MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

NOTE 3 – CAPITAL ASSETS (Continued)

	Balance June 30, 2023	Additions / Adjustments	Retirements	Transfers	Balance June 30, 2024
Nondepreciable:					
Land	\$6,717,174				\$6,717,174
Work in progress	<u>2,928,305</u>	\$783,751		(\$2,492,319)	<u>1,219,737</u>
Total capital assets, not being depreciated	<u>9,645,479</u>	783,751		(2,492,319)	<u>7,936,911</u>
Capital assets, being depreciated:					
Revenue Vehicles	44,936,890	1,053,462	(\$3,969,595)	11,751	42,032,508
Facilities and stops	9,310,585		(59,843)		9,250,742
Communication and data equipment	2,080,425		(148,992)		1,931,433
Fare revenue collection equipment	434,929				434,929
Furniture and fixtures	235,205				235,205
Administrative buildings	4,305,455	356,299		2,480,568	7,142,322
Maintenance buildings	3,170,785	89,659			3,260,444
Non-revenue vehicles	<u>433,964</u>				<u>433,964</u>
Total capital assets, being depreciated	<u>64,908,238</u>	1,499,420	(4,178,430)	2,492,319	<u>64,721,547</u>
Less accumulated depreciation for:					
Revenue Vehicles	(20,576,685)	(3,804,819)	3,844,664		(20,536,840)
Facilities and stops	(2,111,058)	(306,692)	49,421		(2,368,329)
Communication and data equipment	(1,349,589)	(290,450)	148,992		(1,491,047)
Fare revenue collection equipment	(432,694)	(1,578)			(434,272)
Furniture and fixtures	(124,498)	(18,357)			(142,855)
Administrative buildings	(752,812)	(332,362)			(1,085,174)
Maintenance buildings	(117,058)	(175,715)			(292,773)
Non-revenue vehicles	<u>(399,050)</u>	(9,305)			<u>(408,355)</u>
Total accumulated depreciation	<u>(25,863,444)</u>	(4,939,278)	4,043,077		<u>(26,759,645)</u>
Total capital assets, being depreciated, net	<u>39,044,794</u>	(3,439,858)	(135,353)	2,492,319	<u>37,961,902</u>
Right-to-use leased assets, amortizable:					
Office Space	902,219				902,219
Total right-to-use leased assets, being amortizable	<u>902,219</u>				<u>902,219</u>
Less accumulated amortization:					
Office space	(210,518)	(180,444)			(390,962)
Total Right to Use Lease Assets, Amortizable net	<u>691,701</u>	(180,444)			<u>511,257</u>
Total Capital Assets Net	<u>\$49,381,974</u>	(\$2,836,551)	(\$135,353)		<u>\$46,410,070</u>

Depreciation and amortization expense for the fiscal year ended June 30, 2024, was \$5,119,722.

MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

NOTE 4 – LONG-TERM LIABILITY

Long-term liability activity was as follows for the fiscal years ended June 30, 2025, and 2024:

	Balance at July 1, 2024	Additions	Reductions	Balance at June 20, 2025	Due Within One Year
Lease liability	\$533,533		(\$181,246)	\$352,287	\$189,005
Compensated absences	151,384	\$32,805 *		184,189	182,755
	<u>\$684,917</u>	<u>\$32,805</u>	<u>(\$181,246)</u>	<u>\$536,476</u>	<u>\$371,760</u>

*The change in the compensated absences liability is presented as a net change.

	Balance at July 1, 2023	Additions	Reductions	Balance at June 20, 2024	Due Within One Year
Lease liability	\$707,179		(\$173,646)	\$533,533	\$181,246
Compensated absences	126,973	\$24,411 *		151,384	85,407
	<u>\$834,152</u>	<u>\$24,411</u>	<u>(\$173,646)</u>	<u>\$684,917</u>	<u>\$266,653</u>

*The change in the compensated absences liability is presented as a net change.

Lease liability

On April 4, 2023, the District entered into a contract lease for approximately 6,465 rentable square feet at 711 Grand Avenue for the location of Marin Transit's administrative offices. The term is for five years commencing May 1, 2023, and expiring April 30, 2027. The base rent is \$15,193 per month with a 2.1% annual escalation, due the first day of each month commencing May 1, 2023. In accordance with GASB Statement No. 87, the District recognized a right-to-use leased asset of \$902,219 and with related accumulated amortization \$571,406 and \$390,962 as of June 30, 2025, and 2024, respectively.

At June 30, 2025, future minimum payments on the lease liabilities were as follows:

June 30,	Principal	Interest	Total
2026	\$189,005	\$5,591	\$194,596
2027	163,282	1,576	164,858
	<u>\$352,287</u>	<u>\$7,167</u>	<u>\$359,454</u>

MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

NOTE 5 – INTERGOVERNMENTAL REVENUE

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

	2025		
	Nonoperating	Capital	Total
Federal revenue:			
FTA			
Section 5307 (ADA Set-Aside)	\$1,222,432		\$1,222,432
Section 5307 (Preventative Maintenance)			
Section 5307 (Vehicle/Equipment purchase)		\$6,266,198	6,266,198
Section 5310 (Mobility Management)	709,515		709,515
Section 5311 grant (Stagecoach operating)	278,045		278,045
Section 5339 Discretionary		10,877,146	10,877,146
United States Department of the Interior			
National Park Service	619,854		619,854
National Park Service - Fare Revenue			
Total federal revenue	<u>2,829,846</u>	<u>17,143,344</u>	<u>19,973,190</u>
State revenue:			
TDA	10,548,070		10,548,070
State Transit Assistance (STA)			
STA (Operations - Revenue Based)	2,500,000		2,500,000
STA (Operations - Population Based)	2,075,081		2,075,081
State of Good Repair (SGR)		796,779	796,779
State Renewable Energy Credits	22,556		22,556
Home Owner Property Tax Relief	18,146		18,146
Low Carbon Transit Operations Program (LCTOP)		38,205	38,205
California Department of Transportation (Caltrans)	191		191
Total state revenue	<u>15,164,044</u>	<u>834,984</u>	<u>15,999,028</u>
Local revenue:			
Measure A			
Strategy 1.1 (Local)	61,038		61,038
Strategy 1.2 (Rural)	4,944		4,944
Strategy 1.3 (Special)	14,848		14,848
Strategy 1.4 (Capital)		9,903	9,903
Measure AA			
Category 4.1 Bus Transit Service	13,167,374		13,167,374
Category 4.2 Rural/Recreational Bus Services	817,835		817,835
Category 4.3 Transit Services for Special Needs	2,726,988		2,726,988
Category 4.4 Bus Services to Schools	1,454,495		1,454,495
Category 4.5 Bus Transit Facilities	14,265	1,235,765	1,250,030
Measure B			
Total local revenue	<u>19,143,966</u>	<u>1,245,668</u>	<u>20,389,634</u>
Total intergovernmental revenue	<u><u>\$37,137,856</u></u>	<u><u>\$19,223,996</u></u>	<u><u>\$56,361,852</u></u>

MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

NOTE 5 – INTERGOVERNMENTAL REVENUE (Continued)

	2024		
	Nonoperating	Capital	Total
Federal revenue:			
FTA			
Section 5307 (ADA Set-Aside)	\$1,065,277		\$1,065,277
Section 5307 (Preventative Maintenance)	284,002		284,002
Section 5307 (Vehicle/Equipment purchase)		\$1,154,717	1,154,717
Section 5307 (ARPA)	201,250		201,250
Section 5310 (Mobility Management)	413		413
Section 5311 grant (Stagecoach operating)		103,534	103,534
Section 5311 (ARPA)			
United States Department of the Interior			
National Park Service	548,596		548,596
National Park Service - Fare Revenue	2,715		2,715
Total federal revenue	2,102,253	1,258,251	3,360,504
State revenue:			
TDA	7,881,923		7,881,923
State Transit Assistance (STA)			
STA (Operations - Revenue Based)	2,500,000		2,500,000
STA (Operations - Population Based)	2,736,693		2,736,693
STA (Operations - Population Based - Clipper)		9,997	9,997
State Renewable Energy Credits	7,579		7,579
Home Owner Property Tax Relief	18,361		18,361
Low Carbon Transit Operations Program (LCTOP)		11,110	11,110
California Department of Transportation (Caltrans)	192		192
Total state revenue	13,144,748	21,107	13,165,855
Local revenue:			
Measure A			
Strategy 1.1 (Local)	712,000		712,000
Strategy 1.2 (Rural)	57,672		57,672
Strategy 1.3 (Special)	173,194		173,194
Strategy 1.4 (Capital)		115,522	115,522
Measure AA			
Category 4.1 Bus Transit Service	12,637,595		12,637,595
Category 4.2 Rural/Recreational Bus Services	926,812		926,812
Category 4.3 Transit Services for Special Needs	2,839,506		2,839,506
Category 4.4 Bus Services to Schools	1,360,084		1,360,084
Category 4.5 Bus Transit Facilities	103,459	884,288	987,747
Measure B	793,675		793,675
Total local revenue	19,603,997	999,810	20,603,807
Total intergovernmental revenue	\$34,850,998	\$2,279,168	\$37,130,166

**MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024**

NOTE 6 – RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS

The District contributes to the Marin County Transit District Governmental 401(a) single employer defined contribution pension plan (the 401(a) 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 401(a) Plan are established and may be amended by the District's Board. For each employee in the 401(a) Plan at the end of the 401(a) 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 401(a) Plan. For the fiscal years ended June 30, 2025, and 2024, the District recognized pension expense of \$355,772 and \$303,697, 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 401(a) Plan administrative expenses and any remaining forfeitures are used to reduce the required future employer contribution. There were no forfeitures for the fiscal years ended June 30, 2025 and 2024.

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 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 OPEB benefits for its employees used by the District. Refer to Note 7 for the pension plan for LGS contract employees.

NOTE 7 – PENSION PLAN

A. General Information about the Pension Plan

Plan Description and Benefits Provided

The Marin County Transit District Service Credit Retirement Plan (the Plan) is a closed single employer pension plan sponsored by the District for the benefit of leased employees who provided services to the District. The Plan covers employees that worked between November 2006 and October 2013. The Plan also does not issue a stand-alone financial report.

MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

NOTE 7 – PENSION PLAN (Continued)

A. General Information about the Pension Plan (Continued)

The Plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

	All Members
Benefit Formula	2% @ 55
Benefit Vesting Schedule	5 years service
Benefit Payments	monthly for life
Retirement Age	50
Monthly Benefits, as a Percentage of Eligible Compensation	1.426% - 2.418%
Required Employee Contribution Rates	N/A
Required Employer Contribution Rates	N/A

Employees Covered by Benefit Terms

At June 30, 2025, the following employees were covered by the benefit terms.

	<u>2025</u>
Retirees and Beneficiaries Currently Receiving Benefits	4
Vested Inactives Entitled to Deferred Annuity Benefits	1
Non-Vested Inactives who may Become Entitled to Deferred Annuity Benefits	1
Active Employees	<u> </u>
Total	<u>5</u>

Contributions

Employer contributions to the Plan are actuarially determined using the Entry-Age Normal Actuarial Cost Method (level % of pay). Under this method, any unfunded liability is amortized on an open basis in level dollar installments over 15 years beginning on July 1, 2020.

MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

NOTE 7 – PENSION PLAN (Continued)

B. Net Pension (Asset) Liability

The total pension liability was determined by a roll forward of results from an actuarial valuation as of June 30, 2025, using the following actuarial assumptions:

Valuation Date	June 30, 2024
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal (level % of pay)
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.50%
Payroll Growth	Rates from the 2021 CalPERS Experience
Pre-Retirement Mortality	None
Post-Retirement Mortality	Rates from the 2021 CalPERS Experience Study, PA Misc, Healthy Retiree Mortality

Rates from the 2021 CALPERS Experience Study, Public Agency Miscellaneous, that vary by entry age and service. 2.80% Wage inflation was added to the following sample rates:

Service	Rate
0	6.2%
3	3.8%
5	2.8%
10	1.3%
15	1.0%
20	0.8%
25	0.7%
30	0.5%

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumed asset allocation and best estimates of arithmetic real rates of return for each major asset class included in the Plan's asset allocation as of June 30, 2025, are summarized in the following table:

MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

NOTE 7 – PENSION PLAN (Continued)

B. Net Pension (Asset) Liability (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash/Short Bond	10%	0.91%
Core Bond	10%	2.32%
High Yield Bond	10%	3.77%
Large Cap Equity	20%	4.35%
Small/Mid Cap Equity	25%	4.88%
International Equity	15%	4.90%
Specialty - Energy	10%	2.39%
Total	<u><u>100%</u></u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.00 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the current actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

C. Changes in the Net Pension (Asset) Liability

The changes in the net pension (asset) liability for the Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balance at July 1, 2024	<u><u>\$459,428</u></u>	<u><u>\$370,717</u></u>	<u><u>\$88,711</u></u>
Changes on the Year:			
Employer Contributions		37,814	(37,814)
Interest on the Total Pension Liability	27,566		27,566
Changes in Assumptions			
Difference between expected and actual			
Other Liability Experience (Gain)/Loss			
Administrative Expenses		(7,750)	7,750
Net Investment Income		16,288	(16,288)
Net Changes	<u><u>27,566</u></u>	<u><u>46,352</u></u>	<u><u>(18,786)</u></u>
Balance at June 30, 2025	<u><u>\$486,994</u></u>	<u><u>\$417,069</u></u>	<u><u>\$69,925</u></u>

MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

NOTE 7 – PENSION PLAN (Continued)

C. Changes in the Net Pension (Asset) Liability (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension (Asset) Liability to Changes in the Discount Rate

The following presents the net pension (asset) liability of the Plan, calculated using the discount rate of 6.00 percent, as well as the net pension (asset) liability calculated using a discount rate that is 1.0 percentage point lower (5.00%), and 1.0 percentage point higher (7.00%) than the current rate:

	1% Decrease 5.00%	Current Rate 6.00%	1% Increase 7.00%
Net Pension Liability	\$186,327	\$69,925	(\$19,826)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separate financial report.

D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the District recognized pension expense of \$37,406 At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Actual and Expected Experience	\$9,144	\$17,376
Changes in Assumptions	6,648	
Net Difference between Projected and Actual		
Earnings on Plan Investments	7,545	
 Total	 \$23,337	 \$17,376

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

Measurement Period Ended June 30

2026	\$12,264
2027	(6,289)
2028	(1,382)
2029	1,368
 Total	 \$5,961

MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Commitments

The District has the following commitments as of June 30:

Contractor	Purpose	2025	2024
A-Z Bus Sales	Purchase EV Vans	\$248,820	
Bauer's Intelligent Transportation	Muir Woods Shuttle Operations	648,834	\$892,056
Bauer's Intelligent Transportation	Ross Valley Yellow Bus Program	847,089	2,400,000
Bender Rosenthal	Real Estate Appraisal Services	45,000	50,000
BKF Engineers	Design, Engineering & PS&E for 3010/3020 Kerner Blvd	80,576	89,349
Blink Tag	Website Support	140,000	210,000
Brave New Day	On Call Graphics	68,854	100,000
Carpi & Clay	Federal Advocacy Services Agreement	47,500	110,000
CBRE Valuation & Advisory Services	Real Estate Appraisal Services	47,500	50,000
Clean Solutions Services, Inc.	Bus Stop Maintenance	170,944	362,000
Coastside Concrete	Construction of Countywide Bus Stop Improvements	1,333,130	
Consolidated Printers, Inc.	Riders Guide Printing and Distribution	53,913	75,600
Eugene Burger Management Corporation	Facility Management	57,583	72,300
Equans	CAD/AVL System	937,154	
Fehr & Peers	On Call Graphics	75,000	75,000
FirstNet	On Board Data Services Plan	60,305	92,088
Ghilotti Bros. Inc	3010/3020 Kerner Construction Base Contract	2,931,580	
Gillig	Purchase 4 - 35ft Hybrid buses and 3 - 40ft Hybrid buses		6,326,742
Golden Gate Bridge, Highway & Transportation District	Local fixed route service	12,220,500	13,859,962
Kimley-Horn and Associates Inc.	On Call Planning Consulting Services	503,323	163,612
Lyft	CAR Voucher Agreement		59,206
Marin Airporter	Shuttle and fixed route services	73,306,374	14,628,373
Mark Thomas	General Engineering Services	1,215,795	469,084
North Bay Taxi	Taxi Voucher Program and Catch-A-Ride Pilot Agreement		338,000
Optibus	FY25 Fixed Route Scheduling Software - Amend. 1 and 2	312,363	
Paragon Partners Consultants, Inc.	Relocation & Specialty Appraisal Services	100,000	300,000
Park Engineering, Inc.	Property Management Services for Rush Landing, Kerner	131,193	145,310
San Rafael City Schools	Measure AA School Funding		381,866
Miller Creek	Measure AA School Funding		47,926
RCN Technologies	Cradlepoint Routers Purchase and Installation	11,925	227,951
Resource Environmental, Inc.	Demolition contract for 3010/3020 Kerner		156,000
Roebbelin Contracting Inc.	Construction Management - 3010 Kerner Improvements	128,293	280,370
Sausalito Marin City Schools	Measure AA School Funding		39,742
Sonic	Phone and Internet Services	58,072	
Tiburon Peninsula Traffic Relief JPA	Measure AA School Funding		309,833
Tolar Manufacturing Company, Inc.	Purchase Eight Bus Shelters		75,273
Transdev Services, Inc.	Marin Access Service Operations	5,856,895	5,689,679
TransTrack Solutions	Data Management Platform	82,509	77,530
TripSpark/Trapeze	Maintenance & Hosting Services for Demand Response	102,036	97,178
Uber Technologies Inc	CAR Voucher Agreement		71,000
Verizon	On Board Data Services Plan	69,066	92,088
W.W. Williams NW	Mid-Life Battery Refurbishment	618,142	
		<u>\$102,510,268</u>	<u>\$48,415,118</u>

**MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024**

NOTE 8 – COMMITMENTS AND CONTINGENCIES (Continued)

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 STAFF GRANTS

Low Carbon Transit Operations Program (LCTOP)

The LCTOP was established by the California Legislature in 2014 by Senate Bill (SB) 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.

During the year ended June 30, 2023, District received the grant amount of \$677,208 for the EV vehicle and charging infrastructure. During the years ended June 30, 2025 and 2024, the District earned interest of \$36,067 and \$36,348, respectively, on deposits on unspent LCTOP funds. During the years ended June 30, 2025, and 2024, the District disbursed \$9,374 and \$5,567, respectively.

MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

NOTE 9 – OTHER STAFF GRANTS (Continued)

Cumulative receipts and disbursements for the years ended June 30, are as follows:

Project Name	Funding Year	Grant Amount	Accumulated Allocations Received	Accumulated Interest Received	Accumulated Amounts Expended	Unexpended at June 30, 2025
Four 30ft Hybrids	FY25	\$269,455	\$214,101	\$2,061		\$216,162
35ft Vehicle Replacements	FY24	272,152	272,152	5,709	(\$277,861)	
35ft Vehicle Replacements	FY23	252,014	252,014	16,167	(268,181)	
35ft Vehicle Replacements	FY22	243,345	243,345	17,389	(260,734)	
Total State of Good Repair		<u>\$1,036,966</u>	<u>\$981,612</u>	<u>\$41,326</u>	<u>(\$806,776)</u>	<u>\$216,162</u>

Project Name	Funding Year	Grant Amount	Accumulated Allocations Received	Accumulated Interest Received	Accumulated Amounts Expended	Unexpended at June 30, 2024
35ft Vehicle Replacements	FY24	\$261,606	\$200,547	\$2,077		\$202,624
35ft Vehicle Replacements	FY23	252,014	252,014	11,505		263,519
35ft Vehicle Replacements	FY22	243,345	243,345	12,985	(\$9,997)	246,333
Total State of Good Repair		<u>\$756,965</u>	<u>\$695,906</u>	<u>\$26,567</u>	<u>(\$9,997)</u>	<u>\$712,476</u>

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 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, 2025 and 2024. 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.

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.

MARIN COUNTY TRANSIT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

NOTE 12 – RELATED PARTY TRANSACTIONS

The District's Board includes members of the governing bodies of the County and 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.

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:

	2025	2024
Revenues from related parties:		
Golden Gate:		
Fares	\$1,295,930	\$1,273,308
Paratransit contribution	650,257	668,028
Regional Paratransit Payment	784,101	800,005
Advertising	48,324	48,324
Other revenues	17,060	11,792
Total revenues from related parties	<u>\$2,795,672</u>	<u>\$2,801,457</u>
Expenses to related parties:		
Golden Gate - transit contract		
Local transit service operations	\$12,959,878	\$12,939,929
Vehicle repairs		
Capital costs	14,266	19,941
County of Marin - fuel	757,786	851,678
County of Marin - other expenses	56,389	45,929
Marin Emergency Radio Authority - emergency radio system	34,463	33,742
Metropolitan Transportation Commission - clipper	23,146	32,487
Total expenses to related parties	<u>\$13,845,928</u>	<u>\$13,923,706</u>
Golden Gate:		
Transit contract	\$1,896,243	\$1,933,035
County of Marin - miscellaneous	136,186	237,143
Metropolitan Transportation Commission - Clipper	2,142	9,968
Other Government Agencies		400
Total accounts payable to related parties	<u>\$2,034,571</u>	<u>\$2,180,546</u>

REQUIRED SUPPLEMENTARY INFORMATION

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MARIN COUNTY TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED
RATIOS
FOR THE LAST 10 YEARS ENDED JUNE 30, 2025*

	Measurement Period 2024/25	Measurement Period 2023/24	Measurement Period 2022/23	Measurement Period 2021/22	Measurement Period 2020/21
Total Pension Liability					
Interest on Total Pension Liability	\$27,566	\$28,479	\$26,867	\$19,718	\$18,515
Changes in Benefits Terms					67,432
Differences between Expected and Actual Experience		(43,704)		72,196	
Changes in Assumptions				52,512	
Net change in Total Pension Liability	27,566	(15,225)	26,867	144,426	85,947
Total Pension Liability - Beginning	459,428	474,653	447,786	303,360	217,413
Total Pension Liability - Ending (a)	\$486,994	\$459,428	\$474,653	\$447,786	\$303,360
Plan Fiduciary Net Position					
Contributions -Employer	\$37,814	\$26,011	\$36,925		\$10,333
Contributions - Employee					
Net investment income				(\$38,312)	9,590
Administrative Expenses	(7,750)	(7,750)	(7,750)	(7,750)	(10,333)
Investment Experience (Loss)/Gain	16,288	33,444	20,492		81,140
Net Change in Plan Fiduciary Net Position	46,352	51,705	49,667	(46,062)	90,730
Plan Fiduciary Net Position - Beginning	370,717	319,012	269,345	315,407	224,677
Plan Fiduciary Net Position - Ending (b)	\$417,069	\$370,717	\$319,012	\$269,345	\$315,407
Net Pension (Asset) Liability - Ending [(a) - (b)]	\$69,925	\$88,711	\$155,641	\$178,441	(\$12,047)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.64%	80.69%	67.21%	60.15%	103.97%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension (Asset) Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

* Fiscal year 2021 was the 1st year of implementation

**MARIN COUNTY TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FOR THE LAST 10 YEARS ENDED JUNE 30, 2025**

Notes to Schedule:

Valuation Date **June 30, 2024**

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal (level % of pay)
Asset Valuation Method	Fair Value
Amortization Method and Period	Open, level dollar, 15 years starting 7/1/20

Investment Rate of Return	6%
Salary Scale	2.8% wage inflation, plus rates varying by entry age

Pre-Retirement Mortality	None assumed.
Post-Retirement Mortality	Rates from the 2021 CALPERS Experience Study, PA Misc., Healthy Retiree and Beneficiary Mortality Tables

SUPPLEMENTARY INFORMATION

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MARIN COUNTY TRANSIT DISTRICT
BUDGETARY COMPARISON SCHEDULE - OPERATIONS
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Fare Revenue	\$3,434,005	\$3,434,005	\$3,241,874	(\$192,131)
Advertising & Other Revenue	50,000	50,000	48,324	(1,676)
Fee for Service	1,521,924	1,521,924	1,641,092	119,168
Interest	800,700	800,700	976,962	176,262
Measure A	80,832	80,832	80,830	(2)
Measure AA	18,561,868	18,561,868	18,166,692	(395,176)
Measure B	913,000	913,000	882,180	(30,820)
Property Taxes	6,166,642	6,166,642	6,159,394	(7,248)
Redevelopment Area (RDA) Fees	84,000	84,000	74,573	(9,427)
State Transit Assistance (STA)	5,784,253	5,784,253	4,583,504	(1,200,749)
Transit Development Act (TDA)	11,412,830	11,412,830	10,548,070	(864,760)
Other State	22,300	22,300	40,893	18,593
FTA Funds	1,773,055	1,773,055	2,209,993	436,938
National Park Service	658,047	658,047	619,854	(38,193)
Cost Center Revenue Transfers	(1,980,054)	(5,476,706)	(3,482,759)	1,993,947
Total revenues	49,283,402	45,786,750	45,791,476	4,726
EXPENDITURES				
Salaries and Benefits	3,833,506	3,833,506	3,800,227	(33,279)
Consultant Services	692,088	692,088	313,857	(378,231)
Professional Service-Legal	154,500	154,500	35,347	(119,153)
Security and Maintenance	260,783	260,783	190,723	(70,060)
Mobility Management Support Programs	63,506	63,506	6,269	(57,237)
Grants to External Agencies	768,388	768,388	779,367	10,979
Office Supplies	405,102	405,102	378,951	(26,151)
General Insurance	162,000	162,000	143,028	(18,972)
Contract Service Operation	35,065,755	35,065,755	34,295,488	(770,267)
Membership & Prof Development	91,000	91,000	78,928	(12,072)
Mileage and Travel	26,500	26,500	15,749	(10,751)
Marketing	169,486	169,486	163,006	(6,480)
Communication	268,649	268,649	249,985	(18,664)
Fuel	3,563,954	3,563,954	2,550,108	(1,013,846)
Utilities	70,072	70,072	71,758	1,686
Vehicle Leases	27,944	27,944	24,362	(3,582)
Office - Rental and Overhead	192,000	192,000	189,916	(2,084)
Cost Center Transfers	(525,121)	(525,121)	(356,791)	168,330
Total expenditures	45,290,112	45,290,112	42,930,278	(2,359,834)
Excess (Deficiency) of revenues over (under) expenditures	\$3,993,290	\$496,638	\$2,861,198	\$2,364,560

MARIN COUNTY TRANSIT DISTRICT
BUDGETARY COMPARISON SCHEDULE - CAPITAL PROGRAM
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local Government Payments			\$400,000	\$400,000
Measure A sales tax - capitalized	\$9,904	\$9,904	9,903	(1)
Measure AA sales tax	20,000	20,000	14,265	(5,735)
Measure AA sales tax - capitalized	1,188,871	1,959,371	1,235,765	(723,606)
State Transit Assistance - SGA		786,232	796,779	10,547
State- Low Carbon Transit Operations Program	1,462,728	1,438,442	38,205	(1,400,237)
Fed-FTA 5307 Urbanized Area Formula	4,866,010	9,641,182	6,266,198	(3,374,984)
Fed-FTA 5339 Discretionary	213,541	15,010,375	10,877,146	(4,133,229)
Sale of Assets			38,401	38,401
Property Tax Transfer	1,990,054	5,486,706	3,482,759	(2,003,947)
Total revenues	9,751,108	34,352,212	23,159,421	(11,192,791)
EXPENDITURES				
<i>Vehicles</i>				
10 2017 Hybrid Battery Refresh	761,431	761,431	3,816	757,615
7 35 ft Hybrids		6,383,038	6,137,554	245,484
Purchase 4 30ft and 5 40ft Replacements	5,000	5,000	1,468	3,532
Paratransit Electric Vehicles	667,913	667,346	9,373	657,973
Twelve Paratransit Vehicles Replacements	5,000	5,000		5,000
<i>Facilities and Stops</i>				
Novato Bus Stops	55,143	93,656	93,654	2
ADA Bus Stop Improvements	1,461,679	1,441,985	93,566	1,348,419
Capital Corridor Improvements	800,000	806,755	149,533	657,222
<i>Facility</i>				
Fixed Route Facility	355,902	20,096,458	14,623,237	5,473,221
Kerner Parking Facility Improvements	3,164,040	3,064,044	958,197	2,105,847
Kerner Driver Break Room	650,000	650,000		650,000
<i>Technology Projects</i>				
On Board Vehicle Equipment FTA 5307 2024	1,250,000	1,250,000	835,477	414,523
<i>Ongoing Capital Expenses</i>				
Golden Gate capital costs	20,000	20,000	14,265	5,735
Infrastructure support	400,000	400,000	35,204	364,796
Major vehicle repairs	200,000	200,000	114,774	85,226
Total expenditures	9,796,108	35,844,713	23,070,118	12,774,595
Deficiency of revenues (under) expenditures	(\$45,000)	(\$1,492,501)	\$89,303	(\$23,967,386)

MARIN COUNTY TRANSIT DISTRICT
BUDGETARY COMPARISON SCHEDULE - RECONCILIATION TO
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

Excess of revenues over expenditures - budgetary basis (operations)	\$2,861,198
Deficiency of revenues under expenditures - budgetary basis (capital program)	89,303
Amounts not budgeted:	
Capital asset additions	20,357,534
Depreciation and amortization expense	(3,266,387)
Lease addition	
Lease liability addition to budget	
Defined Benefit Plan	<u>406</u>
Increase in net position	<u><u>\$20,042,054</u></u>

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STATISTICAL SECTION

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STATISTICAL SECTION

This section of the Marin County Transit District's (the District) Annual Comprehensive 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>
<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.....	55-57
<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	58-63
<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	64-65
<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.....	66-67
<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.....	68-72

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net investment in capital assets	\$ 19,166,232	\$ 20,849,921	\$ 29,085,919	\$ 28,758,459	\$ 40,142,892	\$ 40,895,229	\$ 46,378,836	\$ 48,674,795	\$ 45,876,537	\$ 62,968,482
Restricted net position	307,027	31,624	-	-	-	-	-	-	-	-
Unrestricted net position	<u>15,421,852</u>	<u>19,402,481</u>	<u>23,136,349</u>	<u>27,234,152</u>	<u>32,012,829</u>	<u>36,786,818</u>	<u>35,579,756</u>	<u>36,261,158</u>	<u>41,438,893</u>	<u>44,389,002</u>
Total net position	<u><u>\$ 34,895,111</u></u>	<u><u>\$ 40,284,026</u></u>	<u><u>\$ 52,222,268</u></u>	<u><u>\$ 55,992,611</u></u>	<u><u>\$ 72,155,721</u></u>	<u><u>\$ 77,682,047</u></u>	<u><u>\$ 81,958,592</u></u>	<u><u>\$ 84,935,953</u></u>	<u><u>\$ 87,315,430</u></u>	<u><u>\$ 107,357,484</u></u>

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPERATING REVENUES										
Transit fares	\$ 3,586,587	\$ 3,528,289	\$ 3,570,143	\$ 3,303,234	\$ 2,664,354	\$ 1,456,012	\$ 2,494,806	\$ 2,986,759	\$ 3,164,763	\$ 3,083,093
Contractual compensation	2,028,796	1,765,230	1,830,716	1,834,761	1,778,963	1,291,815	1,607,414	1,220,388	1,479,825	1,451,418
Special fares	250,798	269,244	265,509	279,819	225,860	193,008	258,493	291,465	330,501	167,204
School bus revenues	130,000	145,000	145,000	145,000	151,010	-	46,112	43,526	14,110	16,459
Advertising ¹	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING REVENUES	5,996,181	5,707,763	5,811,368	5,562,814	4,820,187	2,940,835	4,406,825	4,542,138	4,989,199	4,718,174
OPERATING EXPENSES										
Purchased transportation services	20,461,632	21,422,651	22,698,220	24,245,772	24,614,822	23,220,993	24,818,237	29,353,390	32,705,677	34,301,756
Depreciation and amortization	1,753,960	2,387,889	2,908,165	3,549,062	4,119,852	4,479,124	4,784,362	5,119,722	5,792,357	
Salaries and benefits	1,631,669	1,973,470	1,881,194	2,099,316	2,420,797	2,435,258	2,527,315	2,970,674	3,255,548	3,489,616
Fuel	1,619,444	1,818,940	2,161,545	2,521,502	2,112,076	1,891,121	2,997,169	2,902,027	2,948,794	2,560,052
Professional services	1,003,065	1,177,446	1,440,732	1,340,332	1,322,263	1,571,188	1,696,700	602,754	665,125	335,614
General and administrative	179,181	199,985	244,554	223,930	314,814	345,271	411,724	461,010	458,034	479,590
Utilities	106,949	116,578	98,832	64,639	149,744	193,029	205,875	215,512	194,418	284,350
Marketing	127,154	114,823	150,501	116,677	126,142	96,231	56,052	127,998	105,570	163,005
Leases and rentals	94,469	96,668	47,873	126,723	137,817	140,532	143,874	26,210	27,130	24,362
Other services	61,792	51,035	26,214	50,069	48,090	23,115	51,120	26,935	33,742	34,463
Casualty and liability costs	29,580	18,083	31,526	31,798	48,404	66,488	79,764	96,077	128,991	131,132
Maintenance costs	15,961	10,448	19,195	5,575	14,578	39,422	167,280	233,618	166,482	156,637
Capital costs	109,393	9,085	98,034	17,893	(3,557)	16,696	20,455	17,036	19,941	14,266
Contract labor ²	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES	27,194,249	29,397,101	31,806,585	34,393,288	35,455,842	34,518,468	37,959,927	41,807,623	45,829,174	47,767,200
OPERATING LOSS	\$ (21,198,068)	\$ (23,689,338)	\$ (25,995,217)	\$ (28,830,474)	\$ (30,635,655)	\$ (31,577,633)	\$ (33,553,102)	\$ (37,265,485)	\$ (40,839,975)	\$ (43,049,026)

(Continued)

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
NONOPERATING REVENUES (EXPENSES)										
Intergovernmental revenue	\$ 19,069,595	\$ 20,529,158	\$ 22,142,502	\$ 24,340,749	\$ 25,660,130	\$ 26,403,660	\$ 26,855,061	\$ 31,490,602	\$ 34,841,998	\$ 37,137,856
Property tax revenue	3,848,219	4,111,657	4,321,194	4,561,268	4,803,083	5,025,293	5,382,566	5,705,817	5,993,956	6,233,967
Advertising ¹	229,202	245,018	280,788	240,960	237,238	201,573	232,513	227,233	48,324	621,540
Rental income	157,712	152,772	158,256	172,018	282,930	337,195	320,663	93,189	1	-
Interest income	14,044	51,968	118,552	198,695	353,736	125,929	14,463	285,138	922,091	976,956
Miscellaneous income	-	-	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	(1,552)	(16,753)	(13,191)
Other revenues/gain (loss) on disposal of capital assets	88,571	1,102	2,093	-	-	110,250	32,281	30,870	(80,996)	(314,396)
Pass through of Measure A to Golden Gate	<u>(\$5,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>(232,085)</u>	<u>(59,1935)</u>	<u>(514,606)</u>	<u>(771,899)</u>	<u>(779,367)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	23,322,343	25,006,675	26,938,385	29,428,690	31,252,117	31,871,815	32,244,060	37,301,490	40,940,284	43,867,084
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS										
CAPITAL CONTRIBUTIONS	2,124,275	1,317,337	943,168	598,216	616,462	294,182	(1,309,042)	36,005	100,309	818,058
Intergovernmental revenue	12,220,751	4,038,739	10,979,056	3,126,499	15,495,044	5,225,566	5,563,381	2,941,356	2,279,168	19,223,996
Other revenue	<u>7,711</u>	<u>32,839</u>	<u>16,018</u>	<u>45,628</u>	<u>51,604</u>	<u>6,578</u>	<u>22,206</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CAPITAL CONTRIBUTIONS	12,228,462	4,071,578	10,995,074	3,172,127	15,546,648	5,232,144	5,585,587	2,941,356	2,279,168	19,223,996
CHANGE IN NET POSITION										
Net position at beginning of year	14,382,737	5,388,915	11,938,242	3,770,343	16,163,110	5,526,326	4,276,545	2,977,361	2,379,477	20,042,054
Prior period adjustment	<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>	<u>72,155,721</u>	<u>77,682,047</u>	<u>81,958,592</u>	<u>84,935,953</u>	<u>87,315,430</u>
Net position at beginning of year, as restated	<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>	<u>72,155,721</u>	<u>77,682,047</u>	<u>81,958,592</u>	<u>84,935,953</u>	<u>87,315,430</u>
NET POSITION AT END OF YEAR	\$ 34,895,111	\$ 40,284,026	\$ 52,222,268	\$ 55,992,611	\$ 72,155,721	\$ 77,682,047	\$ 81,958,592	\$ 84,935,953	\$ 87,315,430	\$ 107,357,484

¹ Advertising revenue re-classified from Operating to Nonoperating Revenue beginning FY13.

² Labeled "Staff Compensation" from FY09 to FY12.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fare revenue ¹	\$ 3,837,385	\$ 3,797,533	\$ 4,044,536	\$ 4,024,376	\$ 3,233,297	\$ 1,654,777	\$ 2,931,085	\$ 3,359,930	\$ 3,489,555	\$ 3,241,874
Passengers ²	3,332,265	3,216,894	3,293,385	3,263,451	2,643,771	1,485,512	2,427,606	2,841,652	3,054,393	3,361,170
Average fare per passenger	\$ 1.15	\$ 1.18	\$ 1.23	\$ 1.23	\$ 1.22	\$ 1.11	\$ 1.21	\$ 1.18	\$ 1.14	\$ 0.96

¹ Source: Marin Transit Budgetary Comparison Schedule - Operations

² Sources: Marin Transit Short Range Transit Plans, Monthly Monitoring & Performance Statistic Reports

MARIN COUNTY TRANSIT DISTRICT
 STATISTICAL SECTION
 REVENUE CAPACITY
 FARE STRUCTURE
 AS OF JUNE 30, 2025

Category	Cash Price	Clipper	Annual Pass ¹	1-Day Pass	31-Day Pass
Adult	\$2.00	\$1.80	-	\$5.00	\$40.00
Youth (5-18)	\$1.00	\$1.00	\$325.00 ¹	\$2.50	\$40.00
Children Under 5			Free when accompanied by an adult		
Seniors (65+)	\$1.00	\$1.00	-	\$2.50	\$20.00
Persons with Disabilities	\$1.00	\$1.00	-	\$2.50	\$20.00
ADA Mandated Service ²	\$4.00	-	-	-	-
ADA Non-Mandated Service ³	\$4.00	-	-	-	-

¹ Free to low income youth.

² Americans with Disabilities Act (ADA) Regulations permit fares for ADA Mandated trips to be as high as \$4.00.

³ ADA Regulations set no maximum for Non-Mandated ADA trips.

Muir Woods Fare Category ¹	Current Fare
Adult	\$2.75
Youth (16-18)	\$3.75
Youth (under 16)	Free
Senior/Disabled (without NPS Pass)	\$3.75

¹ National Park Service (NPS) pays additional \$1.50 per passenger

Source: www.marintransit.org

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 ²
Local Measure A half cent sales tax revenue	\$ 25,702,937	\$ 25,755,761	\$ 27,507,852	\$ 28,976,081	\$ 27,345,662	\$ 30,832,521	\$ 34,754,393	\$ 35,086,472	\$ 34,619,868	\$ 34,619,868
Annual growth	1.7%	0.2%	6.8%	5.3%	5.6%	12.8%	12.7%	1.0%	-1.3%	0.0%
Sales tax revenue available to Marin Transit ¹	\$ 13,117,917	\$ 13,144,538	\$ 13,215,609	\$ 14,163,872	\$ 12,195,090	\$ 15,766,869	\$ 15,856,840	\$ 16,987,656	\$ 17,665,337	\$ 17,475,401
Percent of Measure A revenue	51%	51%	48%	49%	45%	48%	46%	48%	51%	50%
Annual growth	1.9%	0.2%	0.5%	7.2%	-13.9%	29.3%	0.6%	7.1%	4.0%	-1.1%
Sales tax reserve funds	\$ -	\$ -	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

¹ 55% of Sales Tax Receipts after administrative reductions

² 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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Property tax and development fee revenue	\$ 3,855,930	\$ 4,144,496	\$ 4,337,212	\$ 4,606,896	\$ 4,810,992	\$ 5,031,871	\$ 5,404,772	\$ 5,705,817	\$ 5,993,956	\$ 6,233,967
Expended on operations	3,848,219	4,111,657	4,321,194	4,561,268	4,803,083	5,025,293	5,382,566	5,705,817	5,993,956	6,233,967
Expended on capital	1,556,521	32,839	16,018	45,628	7,009	6,578	22,206	-	-	-
Annual growth	6.8%	7.5%	4.6%	6.2%	4.4%	4.6%	7.4%	5.6%	5.0%	4.0%

Source: MCTD Audited Financial Statements

MARIN COUNTY TRANSIT DISTRICT
STATISTICAL SECTION

REVENUE CAPACITY
ASSESSED VALUATION OF TAXABLE PROPERTY IN MARIN COUNTY
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Secured ¹	\$ 66,718,112	\$ 70,952,207	\$ 74,715,394	\$ 78,744,004	\$ 82,751,301	\$ 86,556,017	\$ 90,041,721	\$ 95,865,532	\$ 101,819,488	*
Unsecured ²	1,556,521	1,566,336	1,610,799	1,790,104	2,029,049	2,301,065	2,317,828	2,416,430	2,616,798	*
Exempt ³	2,067,204	2,079,024	2,157,806	2,336,693	2,619,669	2,883,830	2,990,976	3,054,567	3,221,127	*
Total Taxable Assessed Value	<u>\$ 66,207,429</u>	<u>\$ 70,439,519</u>	<u>\$ 74,168,387</u>	<u>\$ 74,168,387</u>	<u>\$ 87,400,019</u>	<u>\$ 82,160,681</u>	<u>\$ 89,368,573</u>	<u>\$ 95,227,395</u>	<u>\$ 101,215,160</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	7.1%	6.4%	5.3%	5.5%	5.3%	4.6%	8.8%	6.6%	6.3%	*

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

² Unsecured property is generally personal property including machinery, equipment, office tools, and supplies.

³ 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 IN MARIN COUNTY
LAST TEN FISCAL YEARS
(RATE PER \$100 OF ASSESSED VALUE)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
County Direct Rate	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	*
Local Special Districts	0.8200%	0.9221%	0.9041%	1.1128%	1.0045%	0.9722%	1.0163%	1.0260%	1.0400%	*
Schools	0.8114%	0.8506%	0.8381%	0.9108%	0.8414%	0.8291%	0.7552%	0.7643%	0.8100%	*
Cities	0.2510%	0.2394%	0.2353%	0.2357%	0.2252%	0.2165%	0.2225%	0.1994%	0.1901%	*
Total Direct and Overlapping ²	2.8824%	3.0121%	2.9775%	3.2593%	3.0711%	3.0178%	2.9940%	2.9897%	3.0401%	*

¹ 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.

² 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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
N/A	N/A	N/A	N/A	\$ <u> </u>									

MARIN COUNTY TRANSIT DISTRICT
 STATISTICAL SECTION
 OTHER LONG TERM LIABILITIES
 LAST TEN FISCAL YEARS
 IN THOUSANDS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Compensated Absences	\$ 74,848	\$ 99,699	\$ 99,327	\$ 106,886	\$ 135,846	\$ 133,280	\$ 103,416	\$ 126,973	\$ 151,384	\$ 352,287
Lease Liabilities ¹	-	-	-	-	-	-	\$ 873,386	\$ 707,179	\$ 533,533	\$ 184,189
Claims and Judgments	-	-	-	-	-	-	-	-	-	-

Source: MCTD Note 4 of the Financial Statements

¹ GASB Statement 87 was effective beginning after June 2021

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Population ¹	261,054	260,651	260,955	259,666	259,085	257,332	259,162	256,018	254,407	*	*
Personal income (in thousands) ¹	\$ 29,227,230	\$ 30,222,883	\$ 32,502,500	\$ 34,866,708	\$ 36,684,680	\$ 37,461,199	\$ 42,936,183	\$ 43,824,350	\$ 45,939,619	*	*
Per capita personal income ¹	\$ 109,076	\$ 115,952	\$ 124,552	\$ 134,275	\$ 141,735	\$ 145,575	\$ 164,118	\$ 171,177	\$ 180,575	*	*
School enrollment ²	33,207	33,638	33,633	33,741	33,441	33,516	31,939	\$ 30,811	30,483	30,255	30,077
Unemployment rate ³	3.9%	3.4%	3.16%	2.62%	2.42%	4.91%	6.40%	3.54%	2.97%	3.78%	4.01%

Sources

¹ US Department of Commerce, Bureau of Economic Analysis - www.bea.gov
² California Department of Education, Educational Demographics Office - www.ed-data.org/county/Marin, census day enrollment
³ Employment Development Department, Labor Market Information - www.labormarketinfo.edd.ca.gov
* Unavailable

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

Employer	Employees	2024		2015		Percentage of Total County Employment	Percentage of Total County Employment
		Employer	Employees	Employer	Employees		
Kaiser Permanente	5,012	3.98%	County of Marin		2,125	1.55%	
BioMarin Pharmaceutical	3,401	2.70%	San Quentin State Prison		1,705	1.24%	
County of Marin	2,506	1.99%	Marin General Hospital		1,575	1.15%	
Marin Health Medical Center	1,900	1.51%	Kaiser Permanente Medical Center		1,378	1.01%	
Corrections Department	1,233	0.98%	Autodesk, Inc		850	0.62%	
YMCA San Francisco	1,096	0.87%	BioMarin Pharmaceutical		834	0.61%	
RH (Restoration Hardware)	1,048	0.83%	Novato Unified School District		763	0.56%	
Bay Equity	1,012	0.80%	Fireman's Fund Insurance Co.		721	0.53%	
Glassdoor Inc.	860	0.68%	Lucasfilm Ltd.		610	0.45%	
College of Marin	508	0.40%	Bradley Real Estate		422	0.31%	
Total	<u><u>18,576</u></u>	<u><u>14.74%</u></u>			<u><u>10,983</u></u>	<u><u>8.03%</u></u>	
Total County Employment	<u><u>126,800</u></u>				<u><u>137,000</u></u>		

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

Sources:

County of Marin ACFR

**MARIN COUNTY TRANSIT DISTRICT
STATISTICAL SECTION
OPERATING INFORMATION
DISTRICT PROFILE
AS OF JUNE 30, 2025**

Date the District was Formed	1964
Form of Governance	Board of Directors, with General Manager
Total Employees	19
Service Area	All of Marin County
Area of District (in square miles)	Approximately 520
Population of Service Area ¹	262,321
Local Financial Support	Measure A Sales Tax Revenue
Number of Fixed Route Bus Routes	20
Revenue Service Hours	205,478
Average Passenger Trips per Revenue Hour	15.4
Number of Vehicles in Service	77
Bus Stops	550+

¹ As of 2020 US Census Bureau

Source: MCTD Finance Department, FY2023 System Performance Report

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Federal Revenue										
Federal Transit Administration	\$ 901,433	\$ 1,065,347	\$ 1,151,839	\$ 1,421,148	\$ 3,475,476	\$ 9,207,534	\$ 8,115,859	\$ 5,421,507	\$ 1,550,942	\$ 2,209,993
United States Department of the Interior - National Park Service	150,865	89,009	154,736	323,371	370,245	14,177	290,671	521,982	548,596	619,854
United States Department of the Interior - NPS Fare Reimbursement	-	-	187,050	406,475	113,828	2,302	71,414	205,830	2,715	-
Total Federal Revenue	1,052,298	1,154,356	1,493,625	2,150,994	3,959,549	9,224,013	8,477,944	6,149,319	2,102,253	2,829,847
State Revenue										
Transportation Development Act State Transit Assistance	4,562,778	4,440,516	4,614,306	5,109,399	5,225,171	3,817,097	6,565,228	10,909,658	7,881,923	10,548,070
State Renewable Energy Credits	1,316,134	1,576,690	1,285,220	1,909,202	2,047,902	1,680,205	2,600,376	3,021,034	5,236,693	4,583,504
Public Transportation Modernization, Improvement, and Service Enhancement Account	-	-	-	-	-	-	14,010	13,528	6,915	7,579
State Renewable Energy Credits	19,138	18,953	18,940	18,779	18,719	18,541	18,412	18,298	18,561	22,556
Home Owner Property Tax Relief	-	-	-	-	-	-	-	-	-	-
Low Carbon Transit Operations Program	275,413	-	128,676	335,795	-	-	-	-	-	18,146
Caltrans	283	320	334	284	239	217	216	206	192	191
Total State Revenue	6,173,746	6,036,479	6,047,476	7,373,459	7,292,031	5,530,070	9,197,760	13,956,111	13,144,748	15,172,467
Local Revenue										
Measure A	10,998,120	12,542,551	13,541,585	13,739,881	1,953,742	1,106,168	-	1,180,615	942,866	80,830
Measure A Interest	85,000	85,000	85,000	85,000	-	-	-	-	-	-
Measure AA	-	-	-	-	11,212,364	9,529,277	8,263,882	9,502,745	17,858,556	18,180,957
Measure B	730,335	627,198	974,816	991,415	956,702	910,679	808,354	825,310	793,675	882,180
Metropolitan Transportation Commission	-	-	-	-	-	-	-	-	-	-
Golden Gate Bridge Highway and Transportation District	-	-	-	-	-	30,000	-	-	-	-
County of Marin	-	-	-	-	-	170,742	3,453	107,121	-	-
Miscellaneous	30,096	83,574	-	-	-	-	-	-	-	-
Total Local Revenue	11,843,551	13,338,323	14,601,401	14,816,296	14,408,550	11,549,577	9,179,357	11,508,670	19,594,997	19,143,967
Total Intergovernmental Revenue	\$ 19,069,595	\$ 20,529,158	\$ 22,142,502	\$ 24,340,749	\$ 25,660,130	\$ 26,303,660	\$ 26,855,061	\$ 31,614,100	\$ 34,841,998	\$ 37,146,281

Source: MCTD Audited Financial Statements

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Number of buses owned	90	95	105	109	122	113	114	118	102	118
Cost of assets:										
Land	\$ 1,746,405	\$ 3,610,173	\$ 748,556	\$ 1,454,572	\$ 1,550,836	\$ 1,550,836	\$ 3,027,167	\$ 6,717,174	\$ 6,717,174	\$ 20,648,211
Work in progress										3,365,219
Revenue vehicles	17,466,010	19,108,821	26,957,885	29,173,879	38,400,723	40,972,893	40,767,669	44,936,890	42,032,508	45,678,189
Facilities and stops	2,913,267	70,439,519	8,471,174	8,533,219	9,425,818	9,310,585	9,310,585	9,250,742	9,377,914	
Communication and data equipment	1,251,626	1,634,293	1,821,367	1,881,522	1,875,943	1,522,292	1,728,266	2,080,425	1,931,433	2,451,398
Fare revenue collection equipment	412,356	459,532	464,862	464,862	434,929	434,929	434,929	434,929	421,989	
Furniture and fixtures	88,351		88,351	123,907	123,907	123,907	232,770	235,205	235,205	
Administrative Buildings										
Maintenance Buildings	-	-	-	-	-	-	4,045,565	4,305,455	7,142,322	7,142,322
Non-revenue vehicles	6,300	6,300	403,044	403,044	396,744	396,744	1,945,690	3,170,785	3,260,444	3,261,578
Right-to-use leased asset										
Total cost of assets	23,884,315	95,346,989	38,955,239	42,085,005	56,403,051	58,974,013	68,935,057	75,455,936	73,560,677	93,918,208
Less: accumulated depreciation and amortization	4,718,083	7,001,075	9,869,320	13,326,546	16,260,159	18,076,784	21,672,517	26,073,962	27,150,607	30,597,439
Net capital assets	\$ 19,166,232	\$ 88,345,914	\$ 29,085,919	\$ 28,758,459	\$ 40,142,892	\$ 40,895,229	\$ 47,262,540	\$ 49,381,974	\$ 46,410,070	\$ 63,320,769

Source: MCTD Audited Financial Statements

MARIN COUNTY TRANSIT DISTRICT
STATISTICAL SECTION
OPERATING INFORMATION
SUMMARY OF SERVICE PROVIDER CONTRACTS
AS OF JUNE 30, 2024

Contract Type	Services Provided	Contractor	Current Term
Intergovernmental agreement	Local Fixed Route	Golden Gate Bridge Highway and Transportation District	October 1, 2022 — June 30, 2026
Competitively bid	Community Shuttles and Fixed Route Service	Marin Airporter	July 1, 2018 — June 30, 2025
Competitively bid	Local Paratransit, Marin Access Shuttles, and Volunteer Driver Program	Transdev	February 1, 2022 — June 30, 2026
Competitively bid	Yellow Bus Service	Bauer's Intelligent Transportation	August 1, 2023 — June 30, 2026
Competitively bid	Muir Woods Shuttle	Bauer's Intelligent Transportation	Feb 5, 2024 — March 15, 2026
Competitively bid	Catch-A-Ride Program	North Bay Taxi	July 1, 2023 — June 30, 2025
Competitively bid	Catch-A-Ride Program	Uber	May 31, 2023 — June 30, 2025
Competitively bid	Catch-A-Ride Program	Lyft	June 17, 2024 — June 17, 2025

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Motorbus:										
Vehicles Operated in Annual Maximum Service (VOMS)	53	55	54	54	54	56	59	59	50	55
Vehicles Available for Annual Maximum Service	82	74	71	71	71	75	77	83	70	68
Total Actual Vehicle Revenue Miles	2,166,258	2,307,555	2,300,458	2,317,639	2,272,524	2,792,082	2,912,236	2,642,108	2,512,741	2,502,024
Total Actual Vehicle Revenue Hours	156,803	178,049	180,238	180,036	175,859	203,747	189,985	182,308	181,316	181,352
Unlinked Passenger Trips	3,031,450	2,926	3,001,619	2,978,991	2,423,027	1,429,586	2,294,429	2,648,326	2,823,735	3,116,155
Passenger Miles Traveled (PMT)	12,312,979	11,970,345	12,281,711	12,189,124	9,914,289	8,048,569	12,671,390	11,440,768	12,198,535	13,496,751
Days Operated	366	365	365	365	366	365	365	365	366	365
Demand Response:										
Vehicles Operated in Annual Maximum Service (VOMS)	27	26	31	33	31	18	21	19	22	22
Vehicles Available for Annual Maximum Service	34	46	39	42	39	37	35	31	32	29
Total Actual Vehicle Revenue Miles	688,072	617,199	704,224	753,794	599,879	298,590	428,922	375,035	354,096	410,169
Total Actual Vehicle Revenue Hours	44,764	42,806	47,569	55,083	42,439	22,829	25,972	21,800	23,885	24,126
Unlinked Passenger Trips	98,483	93,410	98,068	108,076	86,049	31,166	51,300	46,102	44,100	44,319
ADA Unlinked Passenger Trips (UPT)	98,236	93,174	97,832	106,918	85,409	25,880	42,843	39,079	43,126	43,059
Passenger Miles Traveled (PMT)	811,798	757,048	772,059	717,078	592,626	210,912	375,530	367,021	327,246	335,428
Days Operated	366	365	365	365	366	365	365	365	366	365

Note: FY2015 was the first year the District reported its own information in the National Transit Database (NTD). Information will be added prospectively until ten years is available

Source: *National Transit Database Reports*

OTHER REPORTS

Transportation Development Act Compliance

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**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING,
ON COMPLIANCE WITH THE TRANSPORTATION
DEVELOPMENT ACT 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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Marin County Transit District (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated November 12, 2025.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. Our procedures included the applicable audit procedures contained in §6667 of Title 21 of California Code of Regulations and tests of compliance with the applicable provisions of the Transportation Development Act and the allocation instructions. 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*.

We have also issued a separate Memorandum on Internal Control dated November 12, 2025 which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

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

This report is intended solely for the information and use of the Metropolitan Transportation Commission, management, Board of Directors, others within the District, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

Maze + Associates

Pleasant Hill, California
November 12, 2025