



# Annual Comprehensive Financial Report



Sonoma-Marin Area Rail Transit District  
Petaluma, California  
For Fiscal Year Ended June 30, 2022

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**SONOMA-MARIN AREA RAIL  
TRANSIT DISTRICT  
PETALUMA, CALIFORNIA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2022**

**PREPARED BY THE FINANCE DEPARTMENT**

# Sonoma-Marin Area Rail Transit District

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June 30, 2022

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**David Rabbitt, Chair**  
Sonoma County Board of Supervisors

**Barbara Pahre, Vice Chair**  
Golden Gate Bridge,  
Highway/Transportation District

**Judy Arnold**  
Marin County Board of Supervisors

**Melanie Bagby**  
Sonoma County Mayors' and  
Councilmembers Association

**Kate Colin**  
Transportation Authority of Marin

**Damon Connolly**  
Marin County Board of Supervisors

**Chris Coursey**  
Sonoma County Board of Supervisors

**Debora Fudge**  
*Sonoma County Mayors' and  
Councilmembers Association*

**Patty Garbarino**  
Golden Gate Bridge,  
Highway/Transportation District

**Dan Hillmer**  
Marin County Council of Mayors and  
Councilmembers

**Eric Lucan**  
Transportation Authority of Marin

**Chris Rogers**  
Sonoma County Mayors' and  
Councilmembers Association

**Eddy Cumins**  
General Manager

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November 28, 2022

State law requires that the Sonoma-Marin Area Rail Transit District (SMART) "cause a post audit of the financial transactions and records of the district to be made at least annually by a certified public accountant." Pursuant to that requirement, the Annual Comprehensive Financial Report of the District for the fiscal year end June 30, 2022, is hereby issued.

The report consists of management's representation concerning the finances of SMART. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of SMART's financial statements in conformity with generally accepted accounting principles (GAAP). The cost of internal controls should not outweigh the benefits, SMART's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As the General Manager, I assert that, to the best of my knowledge and belief, this financial report is complete and reliable in all material respects.

SMART's financial statements have been audited by Eide Bailly, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of SMART for the fiscal year ending June 30, 2022, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that SMART's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP.

The report consists of three sections:

- The Introduction section includes this letter of transmittal, SMART's organization chart and officials, a map of the SMART system and certificate of achievement.
- The Financial section includes the report of the independent auditors, the Management's Discussion and Analysis (MD&A), SMART's basic financial statements and the accompanying notes to the financial statements. Required supplementary information other than the MD&A is also included in the financial section.
- The Statistical section includes selected financial and demographic information, on a multi-year basis.

The independent audit of the financial statements of SMART was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the financial statement 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. SMART's MD&A can be found immediately following the report of the independent auditors.

#### **SONOMA-MARIN AREA RAIL TRANSIT DISTRICT (SMART)**

The Sonoma Marin Area Rail Transit (SMART) District was established by the California Legislature through the enactment of AB 2224 in 2002. The SMART District includes both Sonoma and Marin Counties and was created for the purpose of providing unified and comprehensive structure for the ownership and governance of passenger and freight rail system within Sonoma and Marin Counties and to provide passenger and freight train service along the existing publicly owned railroad right-of-way.

SMART passenger rail service began in August of 2017 with two-way passenger train service on 43 miles to 10 stations between Downtown San Rafael in Marin County and Airport Boulevard in Sonoma County. In late 2019, two new stations were completed in Downtown Novato and Larkspur near the regional Ferry to San Francisco. These two stations in Marin County brought rail service to its current total of 45 miles with 12 passenger stations. SMART also manages approximately 12 miles of an ancillary bicycle/pedestrian pathway on its right of way connecting to the SMART's stations where cyclists can find secure parking at the station or on-board the train for their bikes.

Train service is provided in state-of-the-art diesel multiple unit (DMU) rail vehicles utilizing one of the first Positive Train Control systems for passenger rail.

### Freight

SMART owns the railroad from a place called “Brazos Junction” in American Canyon (East of the Napa River) west to the Ignacio Wye (Highway 101 and 37) in Novato and from there north to the Mendocino-Sonoma County Line.

On February 2, 2021, SMART filed a “Verified Notice of Exemption” with the Surface Transportation Board (STB) to exempt from regulation under U.S.C. Section 10902 SMART’s acquisition of railroad, right-of-way and a freight rail operating easement from North Coast Railroad Authority and SMART’s operation of the line. On February 12, 2021, the Notice of Exemption was approved by the STB. On March 26, a quit claim deed was executed that transferred the line of railroad and right-of-way between the Sonoma – Mendocino County border milepost 89 and Healdsburg at milepost 62.2 and the freight rail operating easement between Healdsburg milepost 62.2 and Brazos Junction at milepost SP 63.4.

On February 22, 2021, the freight operator, NWPCo, petitioned the STB for Discontinuance of Service Exemption (requesting authority to cease being the freight operator). On June 11, 2021, the STB approved NWPCo’s petition for discontinuance of service and authorized SMART to assume freight operations and common carrier duties over the rail line which became final on July 11, 2021. NWPCo. provided interim service until SMART assumed full operational responsibility on March 1, 2022.

### **GOVERNANCE**

SMART is governed by a 12-member Board of Directors, made up of two Supervisors from each County, three City Council members from each County and two representatives from the Golden Gate Bridge, Highway and Transportation District. The Board has the authority under State law to own, operate, manage, and maintain a rail system within the territory of the SMART District.

SMART is primarily funded by a one-quarter of one cent sales tax approved by voters in the SMART District in 2008, a District which encompasses the two Counties of Sonoma and Marin.

### **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered in the broader perspective of the specific environment within which SMART operates.

SMART’s passenger service and pathways currently operate in Marin and Sonoma Counties. These two counties are home to a mix of tourism, recreation, agriculture, and industry. The major population centers of Marin and Sonoma are located along the Highway 101 corridor and the parallel SMART rail line.

SMART's finances have relied on the strength of its voter-approved sales tax revenue which was approved in 2008 and in Fiscal Year 2022 provided more than 43% of SMART's annual revenues. Sales tax revenue is directly linked to local employment rates and median incomes. The district is home to a wealthy taxpayer base. The per capita income in Marin County is \$147,031 and Sonoma County is \$72,100. In addition, the most recent unemployment data shows Marin County's and Sonoma County's unemployment rate at 2.4% and 2.8% respectfully compared to the State of California at 3.9%. SMART also receives significant funding from the State of California for its transit services ultimately derived from State fuel and sales taxes.

Since the start of SMART service five years ago, there have been over twelve federal disaster declarations in Sonoma County, including three catastrophic wildfires, two floods, extended Public Safety Power Shut-offs from the public power utility company, and, starting in March of 2020, the COVID-19 pandemic. SMART has experienced service disruption in several of these events, including evacuation of SMART's rolling stock and temporary closure of the northernmost stations, along with service reductions due to COVID-19. The true impact of these events, however, has been to the people SMART serves. These events have caused significant loss of housing stock, massive evacuation efforts, and unprecedented disruption in the daily rhythm of people's lives. It remains to be seen what the ultimate impact will be to work and school commute patterns, including the impact of regional relocation of workers from elsewhere in the Bay Area to Sonoma County during the COVID-19 pandemic.

Although COVID-19 has been devastating from a ridership and fare collection perspective, the North Bay area has done considerably better than other parts of California and in particular San Francisco. As was mentioned previously sales and use tax, which is our largest funding source, has recovered much faster than expected in Fiscal Year 2022 and exceeded our forecasts for the year.

In addition to the expedited recovery of sales tax, SMART has received over \$24 million in federal COVID relief funding since January of 2020. In Fiscal Year 2022, SMART applied for and received an additional \$7.47 million in discretionary federal COVID relief funds which will be expended in Fiscal Year 2023. The federal funding received has allowed SMART to avoid layoffs, restore service, and decrease fares to encourage riders to return to transit.

## **FINANCIAL PLANNING**

Every 5 years, SMART completes a Strategic Plan identifying future operational needs and capital plans. In the first half of Fiscal Year 2019-20, SMART completed a Strategic Plan that identified a future revenue and expenditure imbalance that could be addressed by debt refinancing or service reductions. The Board approved a plan to extend SMART's 20-year sales tax to provide for significant reductions in annual debt costs that would have addressed the imbalance. However, that measure failed to obtain the required 67% in the March 2020 election.



In response to this, SMART issued taxable refunding bonds in October of 2020 which reduced the average annual debts service payment by approximately \$3 million annually.

In April of 2021, the Board of Director's adopted the first Capital Plan. This plan forecasts revenues and expenditures related to capital expenditures for the period July 1, 2021 – June 30, 2029. In addition, the Metropolitan Transportation Commission (MTC) requires each transit operator receiving federal funds to prepare, adopt, and submit a Short-Range Transit Plan. The plan is required to clearly describe the basis for SMART's capital and operating budgets and provides MTC and the public with information on projects and programs of regional significance. The plan was submitted to MTC in November of 2021.

## **FINANCIAL INFORMATION**

SMART's management is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft, or misuse and that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. SMART has designed its internal control structure to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the costs of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgment by management.

Single Audit: As a recipient of federal assistance, SMART is responsible for ensuring that an adequate internal control structure is instituted to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As part of SMART's single audit, tests are made to determine the adequacy of the internal control structure related to federal financial assistance programs, as well as to evaluate SMART's compliance. SMART's single audit for the fiscal year ended June 30, 2022, found no instance of material weakness in the internal control structures or significant violations of applicable law and regulations.

Independent Audit: SMART's enabling legislation requires an annual audit by an independent certified public accountant. The accounting firm of Eide Bailly, LLP, is performing the audit. This audit is also designed to meet the requirements of the Federal Single Audit 2 CFR 200.501, Uniform Grant Guidance and related 2 CFR 200, Uniform Grant Guidance – Uniform Administrative Requirements, Cost Principles, and Audit Requirements. The auditor's report on the financial statements and schedules are included in the Financial Section of this report.

Investment Policy: SMART's investment policy is intended to outline the guidelines and practices to be used in effectively managing SMART's available cash and investment portfolio. In accordance with California Government Code Section 53600.5, and in order of importance, the Chief Financial Officer of SMART is required to adhere to the following three criteria: (1) Safety of Principal (2) Liquidity (3) Return on Investment.

Risk Management: SMART purchases insurance in its efforts to protect assets and control and prevent losses. Commercial insurance policies provide coverage including Railroad Protective and Railroad Liability, Auto, General Liability, Property, Worker's Compensation, Crime, Public Officials Liability & Employment Practices, and Deadly Weapons Response Program.

## **AWARDS**

The Government Finance Officers Associations (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to SMART for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This is the ninth consecutive year that SMART has been awarded this prestigious award.

To receive the Certificate of Achievement for Excellence in Financial Reporting, SMART must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, the contents of which must conform to program standards. This report must also satisfy both GAAP and applicable legal requirements.

The Certificate of Achievement is valid for one year only. It is my belief that the current Annual Comprehensive Financial Report meets the program's requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

## **CONCLUSION**

The financial statements presented here show the magnitude of the public assets that have resulted from the voters' approval of the SMART sales tax measure in 2008. Measure Q revenues have made possible not only the construction of a world-class transit system, but also the ongoing operation and maintenance of that system in the future. Certainly, the challenges of the COVID pandemic have had an impact on SMART and our customers but with continued leadership from the Board, ongoing vigilance on maintaining necessary reserves, and planning for future financial challenges, SMART's current and future operations will remain on solid footing.

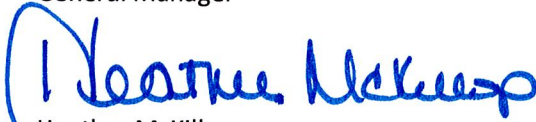
## ACKNOWLEDGEMENTS

Timely preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the Finance Department led by Heather McKillop, Chief Financial Officer. Special thanks goes to Kathy Holt, SMART's Accounting Manager. I extend my sincere appreciation to each of them for their contributions. Moreover, I thank the Board of Directors for its continued support and leadership.

Sincerely,



Eddy Cumins  
General Manager



Heather McKillop  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Sonoma-Marin Area Rail Transit District  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

# Sonoma-Marin Area Rail Transit District

Principal Officials

June 30, 2022

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## Sonoma Marin Area Rail Transit District Fiscal Year 2021-22 Principal Officials

### Board of Directors

David Rabbitt – Chair Sonoma County Board of Supervisors	Barbara Pahre – Vice Chair Golden Gate Bridge District
Judy Arnold Marin County Board of Supervisors	Melanie Bagby Sonoma County Mayors and Councilmembers Association
Kate Colin Transportation Authority of Marin	Damon Connolly Marin County Board of Supervisors
Debora Fudge Sonoma County Mayors and Councilmembers Association	Patty Garbarino Golden Gate Bridge District
Chris Coursey Sonoma County Board of Supervisors	Daniel Hillmer Marin County Council of Mayors and Councilmembers
Eric Lucan Transportation Authority of Marin	Chris Rogers Sonoma County Mayors and Councilmembers Association

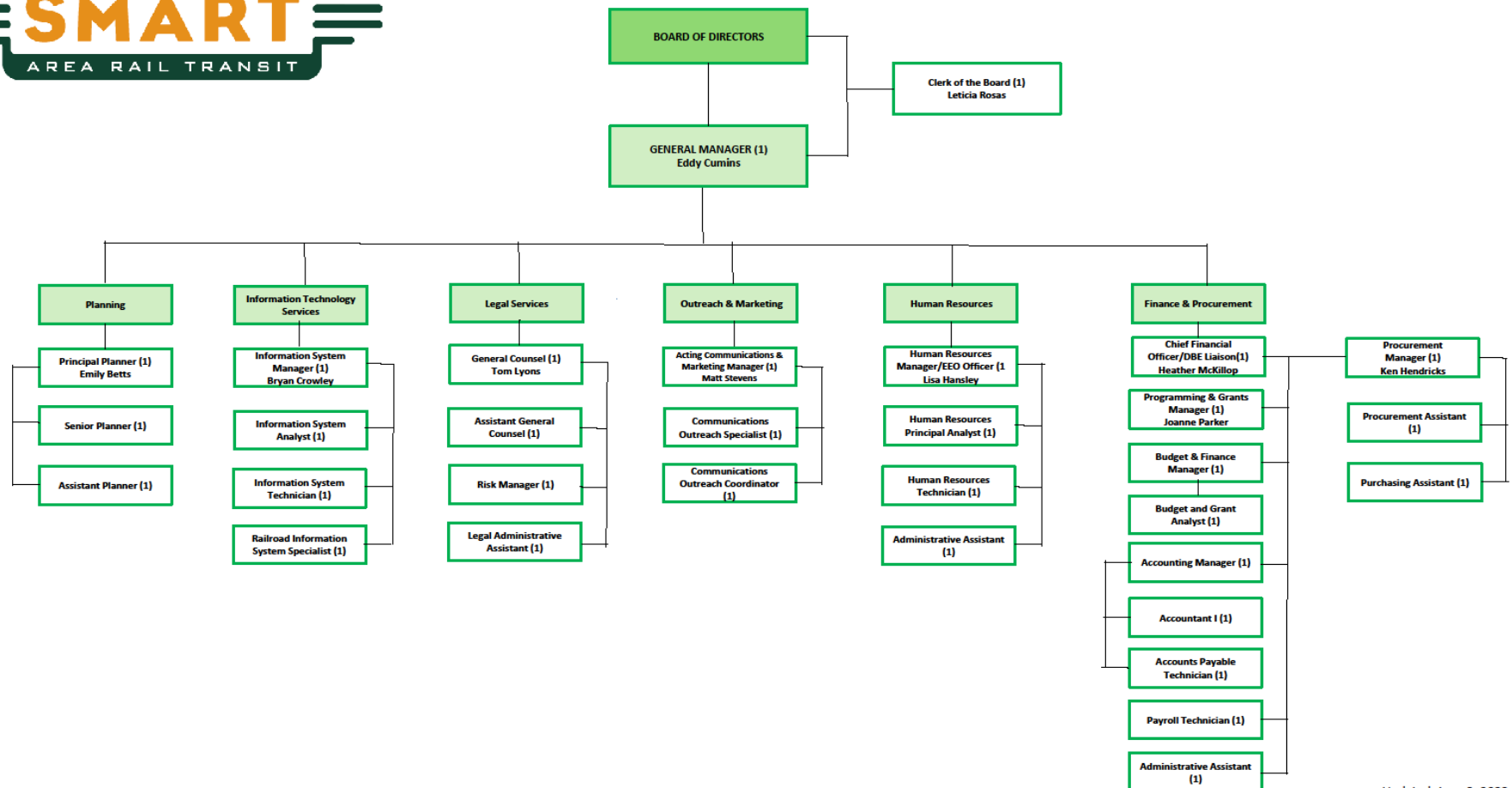
### Organizational Structure

The Board appoints a General Manager for the District. In addition, the Chief Financial Officer, General Counsel, and Chief Engineer are appointed by the Board.

General Manager – Eddy Cumins	Chief Financial Officer – Heather McKillop
General Counsel – Tom Lyons	Chief Engineer – Bill Gamlen



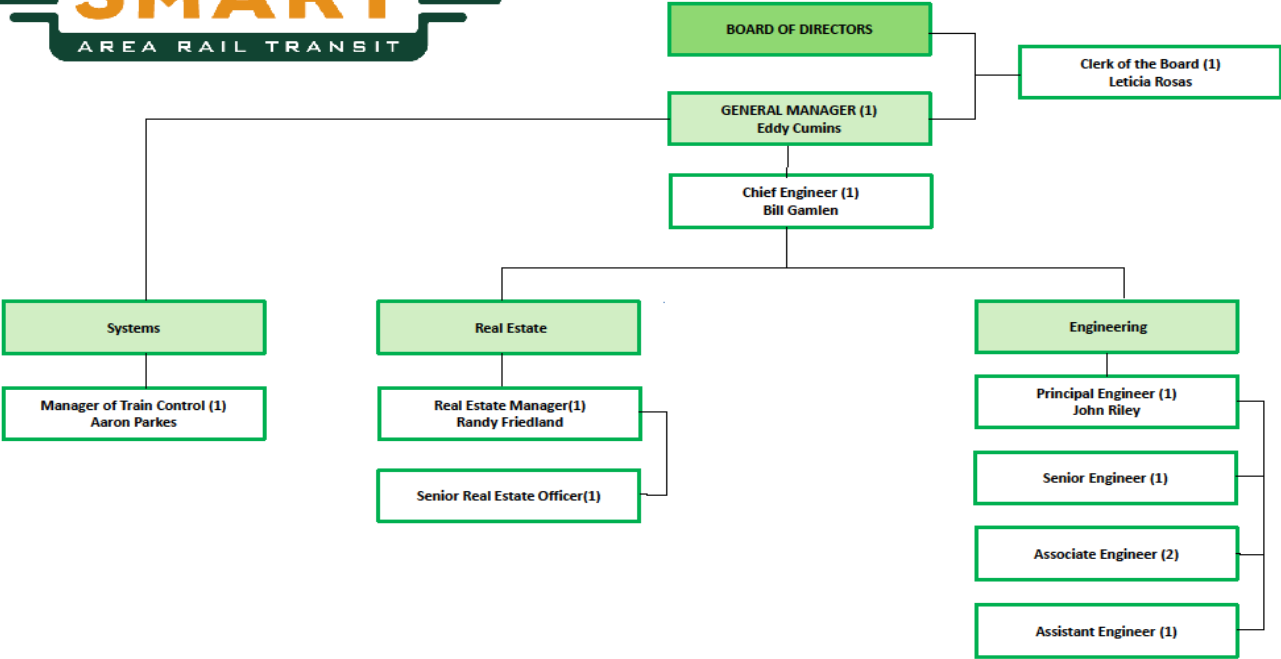
# ADMINISTRATION/FINANCE ORGANIZATION CHART



Updated: June 3, 2022

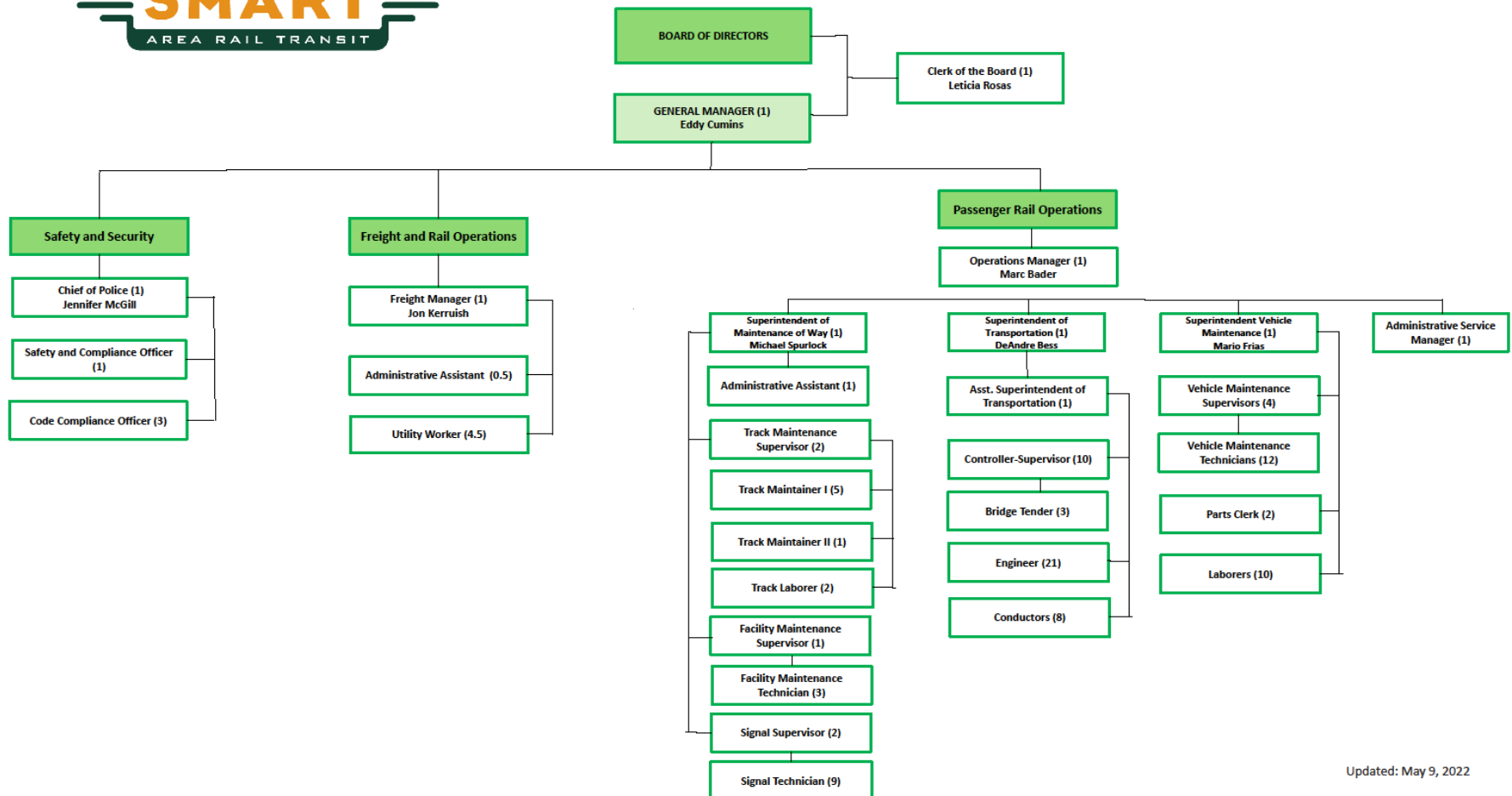


CAPITAL ORGANIZATION CHART





## OPERATIONS ORGANIZATION CHART



Updated: May 9, 2022





Sonoma-Marín Area Rail Transit District

Maps  
June 30, 2022



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## Independent Auditor's Report

To the Governing Board of the  
Sonoma-Marín Area Rail Transit District  
Petaluma, California

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the passenger and freight enterprise funds of the Sonoma-Marín Area Rail Transit District (District), as of and for the year ended June 30, 2022, 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 passenger and freight enterprise funds of the District as of June 30, 2022, and the respective changes in financial position and cash flows 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (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 requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Adoption of New Accounting Standard*

As discussed in Notes 1 and 5 to the financial statements, the District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made as of July 1, 2021. Our opinions are not modified with respect to this matter.

### ***Responsibility of Management for the Financial Statements***

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

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

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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 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 28, 2022, 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Menlo Park, California  
November 28, 2022

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Management's Discussion and Analysis  
June 30, 2022

# Sonoma-Marín Area Rail Transit District



## Management's Discussion and Analysis

As management of the Sonoma-Marín Area Rail Transit District (SMART or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2022. We encourage readers to combine the information presented here with the District's basic financial statements and the accompanying notes to the basic financial statements.

## Financial Highlights

During Fiscal Year 2022, SMART started to emerge from the COVID-19 pandemic. Although the Delta and Omicron variants took a toll on ridership during the winter of 2021/2022, SMART saw recovery in both ridership and funding.

### Ridership

SMART modified service in March of 2020 due to the pandemic, with weekend service annulled and weekday service reduced to 16 trips per day. In May 2021, SMART added back 10 weekday trips, resulting in 26 weekday trips. Saturday service was restored the last two weekends in May 2021 with 3 morning and 3 afternoon round trips. On May 1, 2022, SMART began Sunday service with 12 trips per day and added 10 additional weekday trips on June 12, 2022, for a total of 36 trips per weekday. Fiscal Year 2022 ridership was 354,291 nearly triple Fiscal Year's 2021 ridership of 122,849.

### Revenues

Fare revenues are directly tied to ridership. As ridership took a deep dive in Fiscal Year 21, so did fare revenues. In May of 2021, SMART decreased all fares by approximately 40%. Even with these reductions in fare prices, SMART saw a noticeable increase in fare revenues in Fiscal Year 2022. Fare revenues for Fiscal Year 2022, were \$1,283,112 which was an 82% increase over Fiscal Year 2021.

In addition, to fare revenues, SMART saw a significant increase in sales tax collections. Sales tax was \$5,072,420 more in Fiscal Year 2022 for a total of \$49,074,830. This is a 12% increase over the Fiscal Year 2021 sales tax collections.

SMART also continued to receive Federal assistance related to COVID. In Fiscal Year 2022, SMART received \$7.3 million which allowed us to continue to add service back to meet or exceed pre-pandemic levels and keep fares down.

### Freight

California S.B. 1029 authorized SMART to operate freight service by rail. It also provided funding in the amount of \$4 million for the acquisition of freight rights and equipment from the Northwestern Pacific Railroad Company (NWPCo.). In July 2021, SMART officially became the freight common carrier for the rail line that runs from Novato (MP B25.6) to just east of the Napa River (MP B49.80) and from Larkspur (MP 15) to the Sonoma/ Mendocino County line (MP 89). NWPCo. continued to operate the line and collect the associated revenues until March 1, 2022 when final close took place. SMART hired a 3<sup>rd</sup> party operator to operate freight services on behalf of SMART until SMART could onboard the necessary employees to run the freight operations in-house. On July 1, 2022, SMART took over operations internally.

### Financial Statistics

- Revenues rebounded significantly in Fiscal Year 2022 with sales tax collections 12% higher than Fiscal Year 2021 and fare revenue 82% higher than the previous year. In addition, SMART received an additional \$7.3 million in federal COVID relief operating assistance.
- Operating expenses were \$27.6 million in Fiscal Year 2021 and were the same in Fiscal Year 2022, \$27.6 million.
- Assets increased \$14.5 million which was due to the assumption of freight operations and the receipt of land, freight rights, and other assets.
- Assets of the District exceeded its liabilities at the close of the year ended June 30, 2022, by \$557 million (net position). Of this amount, \$107.1 million is unrestricted.
- The District's net position increased \$30.8 million during the year ended June 30, 2022, due mainly to the freight assets acquired as part of the assumption of common carrier responsibilities in the corridor and higher than anticipated revenues.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements which are comprised of financial statements and the notes to the basic financial statements. The District provides its financial information utilizing enterprise fund reporting. This type of fund reporting is used for funds whose activities are financed with bonds secured solely by a pledge of net revenues from fees or charges of the activity and for which fees are designed to recover costs, as a matter of policy. These requirements apply to the District.

### **Basic Financial Statements**

The financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflow of resources, with the difference between the four 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 statement of revenues, expenses, and changes in net position presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected rental revenue and earned but unused vacation leave).

### **Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes can be found on pages 19-43 of this report.

### **Analysis of the Financial Statements**

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 over time as a useful indicator of a government's financial position. The District's net position was \$556.7 million on June 30, 2022.

The largest portion of the District's net position (79.4%) reflects its investment in capital assets (e.g., land, stations, track and crossings, pathway, bridges and tunnels) net of capital related debt. The District uses these capital assets to provide passenger rail services to its customers and a pathway for the general public; consequently, these assets are not available for future spending.

Sonoma-Marin Area Rail Transit District  
Management's Discussion and Analysis  
Statement of Net Position  
For the Year Ended June 30, 2022

	Business-Type Activities			
	2022	Restated 2021	Inc/(Dec) \$	Inc/(Dec) %
Assets				
Current and other assets	\$ 123,633,266	\$ 106,309,602	\$ 17,323,664	16.3%
Capital assets	549,080,781	555,057,679	(5,976,898)	-1.1%
Net pension asset	275,621	-	275,621	100.0%
Lease receivable	1,971,683	-	1,971,683	100.0%
Total assets	674,961,351	661,367,281	13,594,070	2.1%
Total deferred outflows of resources	4,209,286	3,312,099	897,187	27.1%
Liabilities				
Long-term liabilities outstanding	96,113,293	25,894,109	70,219,184	271.2%
Other liabilities	22,820,804	112,665,099	(89,844,295)	-79.7%
Total liabilities	118,934,097	138,559,208	(19,625,111)	191.4%
Total deferred inflows of resources	3,501,720	189,390	3,312,330	1748.9%
Net Position				
Net investment in capital assets	442,201,252	433,487,686	8,713,566	2.0%
Restricted	7,440,671	5,178,367	2,262,304	43.7%
Unrestricted	107,092,897	87,264,729	19,828,168	22.7%
Total net position	<u>\$ 556,734,820</u>	<u>\$ 525,930,782</u>	<u>\$ 30,804,038</u>	<u>5.9%</u>

The District's net position increased \$30.8 million during the year ended June 30, 2022, due mainly to the freight assets acquired as part of the assumption of common carrier responsibilities in the corridor and higher than anticipated revenues.

Sonoma-Marin Area Rail Transit District  
Management's Discussion and Analysis  
Statement of Revenues, Expenses and Changes in Net Position  
For the Year Ended June 30, 2022

	Business-type activities			
	2022	2021	Inc/(Dec) \$	Inc/(Dec) %
Operating Revenues				
Passenger fares	\$ 1,283,112	\$ 706,938	\$ 576,174	82%
Other operating revenue	1,444,441	564,668	879,773	156%
Total Operating Revenue	2,727,553	1,271,606	1,455,947	114%
Operating Expenses				
Salaries and employee benefits	17,437,640	18,354,310	(916,670)	-5%
Depreciation and amortization	20,877,284	22,697,348	(1,820,064)	-8%
Other operating expense	10,151,605	9,217,983	933,622	10%
Total Operating Expenses	48,466,529	50,269,641	(1,803,112)	-4%
Operating Loss	(45,738,976)	(48,998,035)	3,259,059	-7%
Nonoperating Revenues (Expenses)				
Sales and use taxes	49,074,830	44,002,410	5,072,420	12%
State and federal operating assistance	17,184,007	16,301,842	882,165	5%
Other nonoperating revenues and expenses	(3,751,530)	(1,830,431)	(1,921,099)	105%
Total Nonoperating Revenues (Expenses)	62,507,307	58,473,821	4,033,486	7%
Total Capital Contributions	2,743,571	18,746,419	(16,002,848)	-85%
Total Special Items	11,292,136	-	11,292,136	-
Change In Net Position	30,804,038	28,222,205	2,581,833	9%
Net Position - Beginning	525,930,782	497,708,577	28,222,205	6%
Net Position - Ending	\$ 556,734,820	\$ 525,930,782	\$ 30,804,038	6%

Sonoma-Marín Area Rail Transit District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2022

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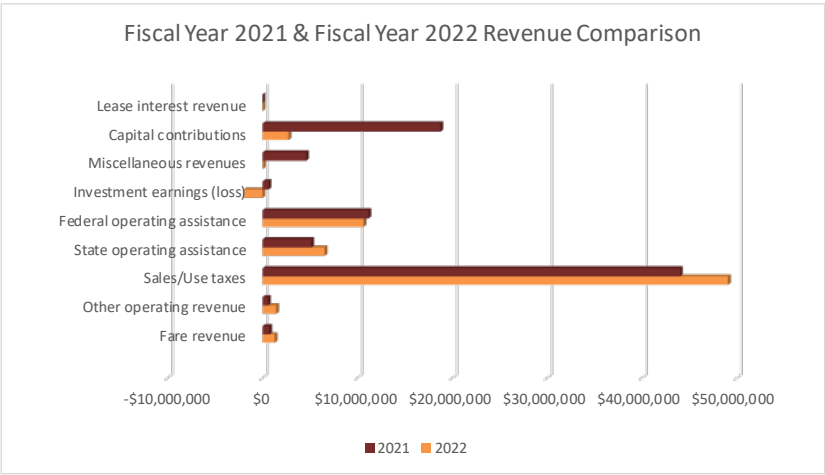
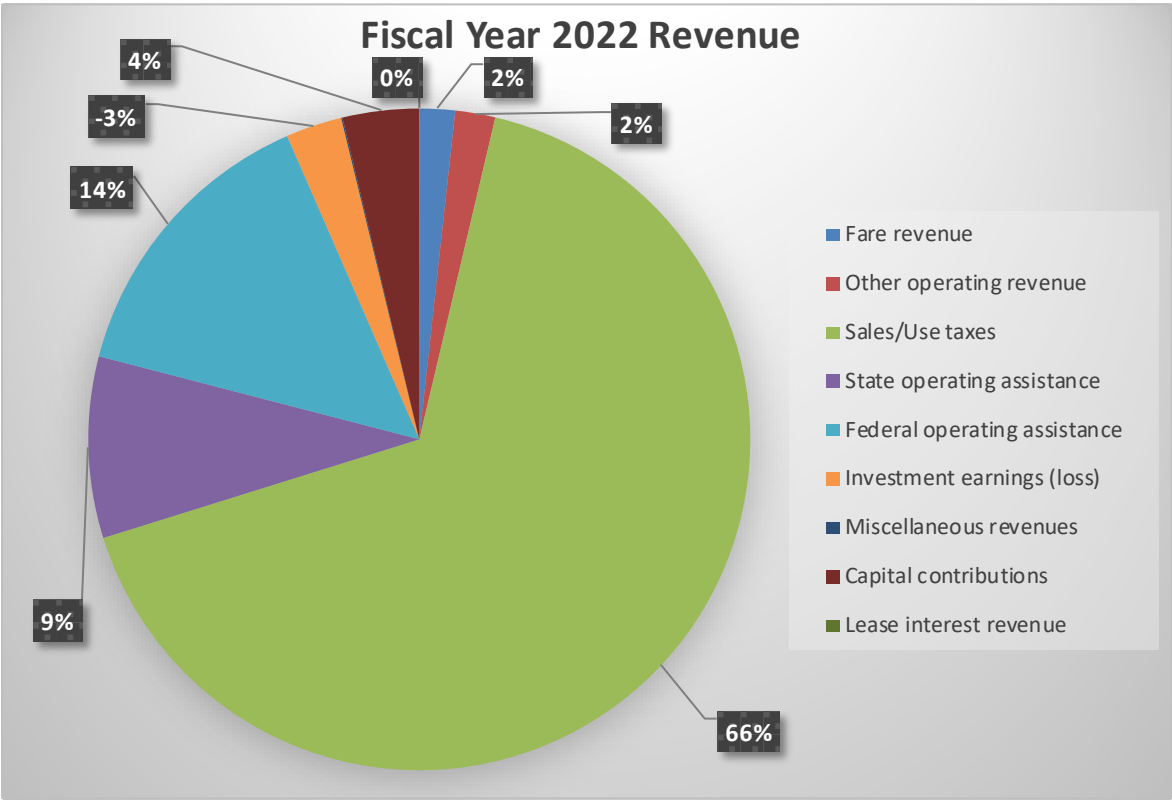
## Fiscal Year 2022 Revenues

The District revenues are categorized as either operating or non-operating.

- Operating revenues of \$2,727,553 consisting of fare, advertising, parking, and other revenues are directly generated by operations and ownership of property within the District. This figure is \$1,455,947 higher than Fiscal Year 2021 as ridership has started to come back after stay-at-home orders were lifted and people started to return to work and leisure activities, and the operations of freight.
- Non-operating revenues (less expenses) of \$62,507,307 are comprised of sales tax, state and federal operating assistance, and miscellaneous revenue.
  - Sales tax, the District's single largest ongoing source of revenue, rebounded in Fiscal Year 2022 by 12% or \$5 million (net of fees) over the previous year.
  - The District received \$7.3 million in American Rescue Plan Act federal operating assistance in Fiscal Year 2022 which is designed to offset revenue losses and support operations through the duration of the COVID-19 impacts.
- Capital contributions of \$2,743,571 are \$16,002,848 lower than the year ended June 30, 2021.

Category	2022	2021	Inc/(Dec) \$	Inc/(Dec) %
Fare revenue	\$ 1,283,112	\$ 706,938	\$ 576,174	81.5%
Other operating revenue	1,444,441	564,668	879,773	155.8%
Sales/Use taxes	49,074,830	44,002,410	5,072,420	11.5%
State operating assistance	6,537,550	5,140,237	1,397,313	27.2%
Federal operating assistance	10,646,457	11,161,605	(515,148)	-4.6%
Investment earnings (loss)	(2,023,805)	628,728	(2,652,533)	-421.9%
Miscellaneous revenues	46,229	4,588,714	(4,542,485)	-99.0%
Capital contributions	2,743,571	18,746,419	(16,002,848)	-85.4%
Lease interest revenue	10,461	-	10,461	-
Total revenues	<u>\$ 69,762,846</u>	<u>\$ 85,539,719</u>	<u>\$ (15,776,873)</u>	<u>-18.4%</u>

Sonoma-Marin Area Rail Transit District  
 Management's Discussion and Analysis  
 For the Year Ended June 30, 2022



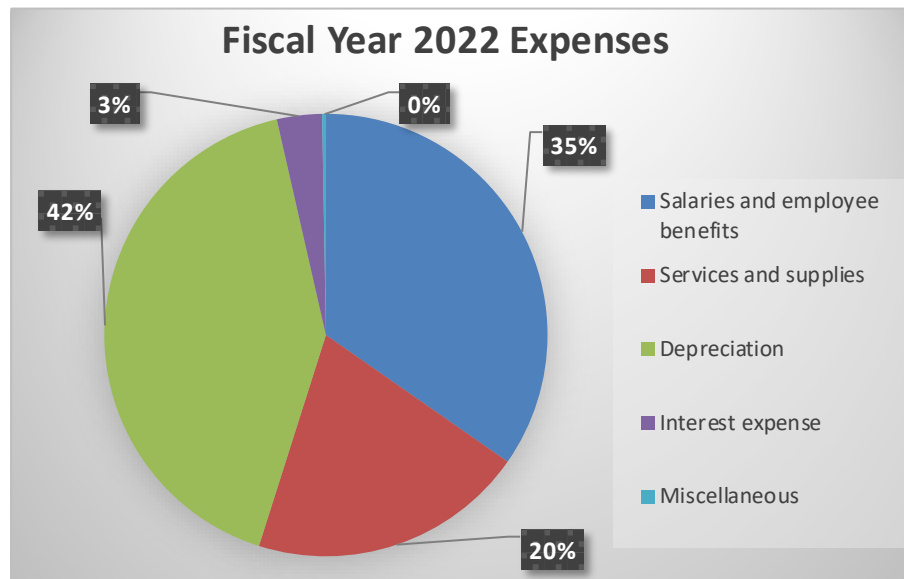
Sonoma-Marín Area Rail Transit District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2022

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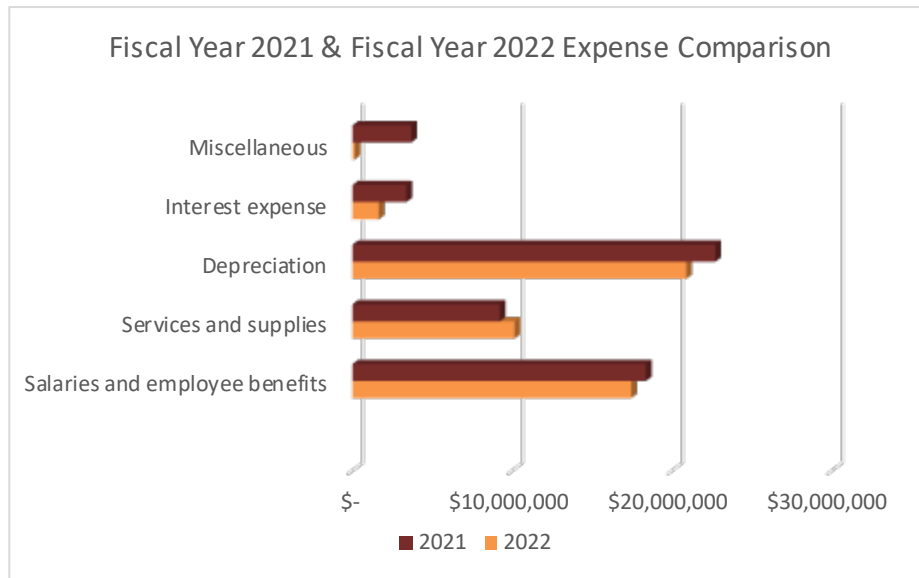
### Fiscal Year 2022 Expenses

- The District had operating expenses of \$27,581,833, tied to salaries, benefits, services, and supplies. Of this amount, \$729,903 was related to freight.
- Salaries and benefits decreased over the year ended June 30, 2021, by \$916,670 due to vacancy savings and improvements in the CalPERS fiduciary net position from investment gains.
- Services and supplies increased by \$926,210 due to increases in service levels and the addition of freight.

	2022	2021	Inc/(Dec) \$	Inc/(Dec) %
Salaries and employee benefits	\$ 17,437,640	\$ 18,354,310	\$ (916,670)	-5.0%
Services and supplies	10,144,193	9,217,983	926,210	10.0%
Depreciation	20,877,284	22,697,348	(1,820,064)	-8.0%
Interest expense	1,653,081	3,374,308	(1,721,227)	-51.0%
Miscellaneous	138,746	3,673,565	(3,534,819)	-96.2%
Total expenses	<u>\$ 50,250,944</u>	<u>\$ 57,317,514</u>	<u>\$ (7,066,570)</u>	<u>-12.3%</u>







### Capital Assets

The District's capital assets, as of June 30, 2022, are \$549,080,781 (net of accumulated depreciation and amortization) which is a decrease of \$5,976,898 over June 30, 2021.

Land increased by \$7,292,136 and intangible assets increased by \$4,000,000. This increase was a result of SMART assuming freight common carrier responsibilities in Fiscal Year 2022. As a result, SMART acquired land, other capital assets, and freight rights.

Sonoma-Marin Area Rail Transit District  
Management's Discussion and Analysis  
Capital Assets  
For the Year Ended June 30, 2022

	2022	2021 (restated)	Inc/(Dec) \$	Inc/(Dec) %
<b>Capital Assets</b>				
Land	\$ 50,618,387	\$ 43,326,251	\$ 7,292,136	17%
Intangible assets	4,019,770	19,770	4,000,000	100%
Construction in progress	29,523,391	25,987,692	3,535,699	14%
Total nondepreciable capital assets	84,161,548	69,333,713	14,827,835	21%
Infrastructure	386,714,037	403,796,309	(17,082,272)	-4%
Buildings and improvements	19,716,094	20,339,471	(623,377)	-3%
Equipment and vehicles	6,105,554	6,638,312	(532,758)	-8%
Revenue vehicles	51,776,630	53,818,421	(2,041,791)	-4%
Intangible assets	103,638	196,550	(92,912)	-47%
Right-to-use lease	503,280	934,903	(431,623)	-46%
Total net depreciable capital assets	464,919,233	485,723,966	(20,804,733)	-4%
Total capital assets, net of depreciation	<u>\$ 549,080,781</u>	<u>\$ 555,057,679</u>	<u>\$ (5,976,898)</u>	<u>-1%</u>

Additional information on the District's capital assets can be found in Note 3 of the notes to the basic financial statements.

### Debt

The District had \$106,325,000 in bonds outstanding June 30, 2022, compared to \$119,605,000 on June 30, 2021. Additional information on the District's long-term debt can be found in Note 4.

### Economy

The District operations rely directly on the strength of its designated Measure Q sales and use tax receipts which provide more than 40% of its total revenues on an ongoing basis. The strength of this revenue source is dependent on the economic health of the two counties of the District, particularly employment rates and job growth. Both counties have seen continued growth in sales tax receipts after the initial dip in revenues in Fiscal Year 2021. In Fiscal Year 2022, sales tax receipts were up 12% or over \$5 million. Increases in sales tax are expected to continue to occur only on a slower basis over the next several years.

**Subsequent Events**

See Note 11 to the financial statements about the CalPERS discount rate and investment losses.

**Request for Additional Information**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Sonoma-Marín Area Rail Transit District, Chief Financial Officer, 5401 Old Redwood Highway, Suite 200, Petaluma, CA 94954.

Sonoma-Marin Area Rail Transit District  
Statement of Net Position  
For the Year Ended June 30, 2022

	Passenger	Freight	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalent	\$ 93,377,608	\$ 1,753,208	\$ 95,130,816
Restricted cash, cash equivalents, and investments	5,221,473	-	5,221,473
Sales tax receivables	8,865,079	-	8,865,079
Due from other governments	7,719,147	-	7,719,147
Lease receivables	69,441	92,451	161,892
Other receivables	1,558,648	293,718	1,852,366
Inventory	2,380,165	-	2,380,165
Prepaid Expenses	2,271,756	30,572	2,302,328
<b>Total current assets</b>	<b>121,463,317</b>	<b>2,169,949</b>	<b>123,633,266</b>
<b>Noncurrent Assets</b>			
Lease receivables	1,650,359	321,324	1,971,683
Net pension asset	275,621	-	275,621
Capital assets not depreciated	72,869,412	11,292,136	84,161,548
Capital assets, net of accumulated depreciation	464,415,953	-	464,415,953
Right of use assets, net of accumulated amortization	503,280	-	503,280
<b>Total noncurrent assets</b>	<b>539,714,625</b>	<b>11,613,460</b>	<b>551,328,085</b>
<b>Total assets</b>	<b>661,177,942</b>	<b>13,783,409</b>	<b>674,961,351</b>
<b>Deferred Outflows of Resources</b>			
Pension related	2,502,596	-	2,502,596
OPEB related	1,706,690	-	1,706,690
<b>Total deferred outflows of resources</b>	<b>4,209,286</b>	<b>-</b>	<b>4,209,286</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	3,611,205	370,797	3,982,002
Accrued liabilities	1,345,954	14,623	1,360,577
Bonds payable - current	14,015,000	-	14,015,000
Interest payable	527,064	-	527,064
Unearned revenue	9,410	923,912	933,322
Compensated absences	1,561,423	-	1,561,423
Leases payable	441,416	-	441,416
<b>Total current liabilities</b>	<b>21,511,472</b>	<b>1,309,332</b>	<b>22,820,804</b>
<b>Noncurrent Liabilities</b>			
Compensated absences	60,520	-	60,520
Bonds payable	92,310,000	-	92,310,000
Leases payable	75,307	-	75,307
Other noncurrent liabilities	133,782	-	133,782
Net OPEB liability	3,533,684	-	3,533,684
<b>Total noncurrent liabilities</b>	<b>96,113,293</b>	<b>-</b>	<b>96,113,293</b>
<b>Total liabilities</b>	<b>117,624,765</b>	<b>1,309,332</b>	<b>118,934,097</b>
<b>Deferred Inflows of Resources</b>			
Lease related	1,705,455	412,606	2,118,061
OPEB related	1,351,704	-	1,351,704
Pension related	31,955	-	31,955
<b>Total deferred inflows of resources</b>	<b>3,089,114</b>	<b>412,606</b>	<b>3,501,720</b>
<b>Net Position</b>			
Net investment in capital assets	430,909,116	11,292,136	442,201,252
Restricted for			
Debt service	4,694,409	-	4,694,409
Pensions	2,746,262	-	2,746,262
Unrestricted	106,323,562	769,335	107,092,897
<b>Total net position</b>	<b>\$ 544,673,349</b>	<b>\$ 12,061,471</b>	<b>\$ 556,734,820</b>

See Notes to Financial Statements

Sonoma-Marin Area Rail Transit District  
Statement of Revenue, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2022

	Passenger	Freight	Total
Operating Revenues			
Charges for services			
Passenger fares	\$ 1,283,112	\$ -	\$ 1,283,112
Rent income	500,309	157,044	657,353
Other services	312,965	178,690	491,655
Freight movement	-	295,433	295,433
Total Operating Revenues	<u>2,096,386</u>	<u>631,167</u>	<u>2,727,553</u>
Operating Expenses			
Salaries and employee benefits	17,395,212	42,428	17,437,640
Services and supplies	9,456,719	687,474	10,144,193
Depreciation and amortization	20,877,284	-	20,877,284
Miscellaneous	7,412	-	7,412
Total Operating Expenses	<u>47,736,627</u>	<u>729,902</u>	<u>48,466,529</u>
Operating Loss	<u>(45,640,241)</u>	<u>(98,735)</u>	<u>(45,738,976)</u>
Nonoperating Revenues (Expenses)			
Sales and use taxes	49,074,830	-	49,074,830
State operating assistance	5,657,989	879,561	6,537,550
Federal operating assistance	10,646,457	-	10,646,457
Rent expense	(91,608)	(11,968)	(103,576)
Investment earnings (loss)	(2,023,805)	-	(2,023,805)
Miscellaneous revenues (expenses)	46,229	-	46,229
Capital expense passed through to other agencies	(27,758)	-	(27,758)
Interest income	9,984	477	10,461
Interest expense	(1,653,081)	-	(1,653,081)
Total Nonoperating Revenues (Expenses)	<u>61,639,237</u>	<u>868,070</u>	<u>62,507,307</u>
Income Before Capital Contributions	15,998,996	769,335	16,768,331
Capital Contributions			
State of California	2,102,453	-	2,102,453
State of Good Repair	309,308	-	309,308
Sonoma County Transportation Authority - Measure M	8,768	-	8,768
Federal	104,623	-	104,623
Other governmental agencies	218,419	-	218,419
Total Capital Contributions	<u>2,743,571</u>	<u>-</u>	<u>2,743,571</u>
Change In Net Position Before Special Item	<u>18,742,567</u>	<u>769,335</u>	<u>19,511,902</u>
Special Item	<u>-</u>	<u>11,292,136</u>	<u>11,292,136</u>
Net Position-Beginning, Restated	<u>525,930,782</u>	<u>-</u>	<u>525,930,782</u>
Net Position-Ending	<u><u>\$ 544,673,349</u></u>	<u><u>\$ 12,061,471</u></u>	<u><u>\$ 556,734,820</u></u>

Sonoma-Marin Area Rail Transit District  
Statement of Cash Flows  
For the Year Ended June 30, 2022

	Passenger	Freight	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 1,283,112	\$ 180,405	\$ 1,463,517
Receipts from others	310,274	-	310,274
Cash received as lessor	485,964	155,875	641,839
Payments to suppliers for goods and services	(9,389,762)	(435,466)	(9,825,228)
Cash payments to employees for services	(18,944,517)	(42,428)	(18,986,945)
Net Cash Used For Operating Activities	<u>(26,254,929)</u>	<u>(141,614)</u>	<u>(26,396,543)</u>
Cash Flows from Noncapital Financing Activities			
Sales tax received	48,905,789	-	48,905,789
State operating assistance	5,427,129	-	5,427,129
Federal operating assistance	19,841,710	-	19,841,710
Cash paid on projects on behalf of other governments	(27,758)	-	(27,758)
Cash receipts for third party infrastructure	45,738	-	45,738
Net Cash Provided by Noncapital and Financing Activities	<u>74,192,608</u>	<u>-</u>	<u>74,192,608</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	(3,917,327)	(4,000,000)	(7,917,327)
Capital grants received restricted for capital purposes	2,743,571	-	2,743,571
Cash paid as lessee	(78,165)	(11,968)	(90,133)
Principal payments on long-term debt	(13,280,000)	-	(13,280,000)
Interest paid on capital debt	(1,678,269)	-	(1,678,269)
Net Cash Used for Capital and Related Financing Activities	<u>(16,210,190)</u>	<u>(4,011,968)</u>	<u>(20,222,158)</u>
Cash Flows from Investing Activities			
Investment income (loss)	(2,094,426)	477	(2,093,949)
Net Cash (Used For) Provided by Investing Activities	<u>(2,094,426)</u>	<u>477</u>	<u>(2,093,949)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	29,633,063	(4,153,105)	25,479,958
Cash And Cash Equivalents - Beginning	<u>68,966,018</u>	<u>5,906,313</u>	<u>(4,153,105)</u>
Cash And Cash Equivalents - Ending	<u>98,599,081</u>	<u>1,753,208</u>	<u>21,326,853</u>
Reconciliation to the Statement of Net Position			
Cash and cash equivalents	93,377,608	1,753,208	95,130,816
Restricted Cash, Cash Equivalents, and Investments with Trustee	<u>5,221,473</u>	<u>-</u>	<u>5,221,473</u>
Total cash and cash equivalents	<u>\$ 98,599,081</u>	<u>\$ 1,753,208</u>	<u>\$ 100,352,289</u>

Sonoma-Marin Area Rail Transit District  
Statement of Cash Flows  
For the Year Ended June 30, 2022

Reconciliation of the Operating Loss to Net Cash			
Used for operating activities	Passenger	Freight	Total
Operating loss	\$ (45,640,241)	\$ (98,735)	\$ (45,738,976)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation and amortization	20,877,284	-	20,877,284
Changes in operating assets, liabilities, deferred inflows of resources, and deferred outflows of resources			
(Increase) decrease in prepaid expenses	(188,386)	(30,572)	(218,958)
(Increase) decrease in lease receivables and related deferred inflow of resources	(14,345)	(1,169)	(15,514)
(Increase) decrease in accounts receivable	(6,434)	(293,718)	(300,152)
Increase (decrease) in accounts payable and other accrued liabilities	1,088,965	282,580	1,371,545
Increase (decrease) in compensated absences	45,000	-	45,000
Increase (decrease) in net post-employment benefits obligation	(386,857)	-	(386,857)
Increase (decrease) in net pension liability and related deferred outflow/inflow of resources	(2,029,915)	-	(2,029,915)
Net cash used by operating activities	<u>\$ (26,254,929)</u>	<u>\$ (141,614)</u>	<u>\$ (26,396,543)</u>
Schedule of Non-Cash Investing, Capital, and Financing Activities			
	Passenger	Freight	Total
Contributions of capital assets	\$ 3,535,699	\$ -	\$ 3,535,699
Assets received as a transfer of operations	\$ -	\$ 7,292,136	\$ 7,292,136
Unrealized loss on investments	\$ (2,452,040)	\$ -	\$ (2,452,040)

**Note 1 - Summary of Significant Accounting Policies****A. Reporting entity**

The Sonoma-Marín Area Rail Transit District (District) was formed in January 2003 by provisions of the Sonoma-Marín Area Rail Transit District Act, as successor to the Sonoma-Marín Area Rail Transit Commission and the Northwestern Pacific Railroad Authority in the California Counties of Sonoma and Marin. Its purpose, as defined by the State, is to provide for a unified, comprehensive institutional structure for the ownership and governance of a passenger rail system within the Counties of Sonoma and Marin that shall operate in concert with existing freight service that operates upon the same rail line and serves the Counties of Humboldt, Marin, Mendocino, Napa and Sonoma. The District also owns and is constructing additional portions of a multiuse non-motorized pathway within its right-of-way. The District is governed by a 12-member Board of Directors consisting of two supervisors each from the counties of Marin and Sonoma, two members from the Golden Gate Bridge, Highway and Transportation District, and six members representing jurisdictions within the District.

**B. Fund Accounting**

The District uses proprietary (enterprise) funds to account for its activities. An enterprise fund may be used to report any activity for which a fee is charged to external users for goods or services. Enterprise funds are required for any activity whose principal external revenue sources meet any of the following criteria: (1) issued debt is backed solely by fees and charges, (2) the cost of providing services for any activity (including capital costs such as depreciation or debt service) must be legally recovered through fees or charges, or (3) if the government's policy is to establish activity fees or charges designed to recover the cost of providing services.

Proprietary funds distinguish operating from nonoperating revenues and expenses. 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 for services for transit fares and freight operations. Operating expenses for the District include operating and maintaining passenger railway and administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**C. Basis of Presentation**

The District's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the District are included on the statement of net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Sales taxes are recorded when earned and reported as non-operating revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.



**D. Cash Equivalents**

The District considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The District's cash and investments in the Sonoma County Treasury Pool (Treasury Pool) are, in substance, demand deposits and are considered cash equivalents.

**E. Investments**

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

**F. Restricted Cash and Investments with Trustee**

Assets whose use is restricted to specific purposes by bond indenture or otherwise are segregated on the statement of net position. These assets are primarily restricted for direct project-related expenses and debt service purposes. Bond interest and redemption represent funds accumulated for debt service payments due in the next twelve months and reserve funds set aside to make up potential future deficiencies. Restricted accounts consisting of highly liquid investments with a maturity of three months or less when purchased are classified as cash equivalents.

**G. Receivables**

Receivables consist of amounts owed to SMART by other governmental agencies and the public. Amounts due from other governments are considered fully collectible. Accounts receivable from the public include reimbursements from other entities for services provided or for use of SMART owned assets. An allowance for doubtful accounts receivable is established when, based upon a review of outstanding accounts and the failure of all collection efforts, management determines that collection may not occur.

**H. Capital Assets**

Capital assets are tangible and intangible assets which include land, facilities, infrastructure, equipment, leases as lessee, easements, and construction in progress (CIP). It is the District's policy to capitalize qualifying assets with a cost of \$5,000 or more and a useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Betterments and major improvements that significantly increase value, change capacity, or extend the useful life are capitalized. Donated capital assets are recorded based on their market value at the date of acquisition.

Capital assets are depreciated using the straight-line method over their useful lives. The useful life for revenue and non-revenue vehicles is determined based on the Federal Transit Administration's Default Useful Life Benchmark. SMART uses the IRS Publication 946 for all other class lives. Land, CIP, and intangible assets with an indefinite useful life are not depreciated.

**I. Compensated Absences**

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay reported in the basic financial statements is accrued when earned. Twenty-five percent of sick leave is payable on termination and is accrued as it is earned.

Employee compensated absences liabilities as of June 30, 2022 are as follows:

<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2022</u>	<u>Due in One Year</u>
<u>\$ 1,576,943</u>	<u>\$ 1,082,459</u>	<u>\$ (1,037,459)</u>	<u>\$ 1,621,943</u>	<u>\$ 1,561,423</u>

**J. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance, including, but not limited to, comprehensive railroad liability and other relevant liability policies, automobile, employment and workers compensation policies. In addition, the District has policies and procedures that ensure appropriate insurance coverage and risk procedures for third-party service providers doing work on behalf of the agency. The District did not settle any claims that exceeded the District's insurance coverage during the past three years, nor did it reduce its insurance coverage from the prior year.

**K. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**L. Deferred Inflow/Outflow of Resources**

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

In addition to liabilities, the statement of financial position includes a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category; deferred amounts related to leases, pension and OPEB.

**M. Net Position**

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

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances of bonds, notes, lease liabilities and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

*Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

*Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**N. Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**O. Change in Accounting Principles**

**GASB Statement Number 87** – As of July 1, 2021, the District adopted GASB Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

**P. Leases**

**As Lessee:** The District is a lessee for a noncancellable building 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, the 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.

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.

- The District uses its estimated bond borrowing rate as the discount rate for leases with adjustment for the applicable lease terms.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

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

**As Lessor:** The District is a lessor for 10 noncancellable land leases and infrastructure related sites. Accordingly, the District recognizes a lease receivable and a deferred inflow of resources.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The District uses the U.S. Treasury state and local government securities (SLGS) rates as the discount rate for leases with adjustment for applicable lease terms.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

## **Note 2 - Cash and Investments**

Cash and investments are carried at fair value and are categorized as follows on June 30, 2022:

	Available for Operations	Held by Trustee	Total
Sonoma County Treasury Pool	\$ 64,709,711	\$ 5,221,473	\$ 69,931,184
Deposits with financial institutions	30,421,105	-	30,421,105
Total cash and investments	<u>\$ 95,130,816</u>	<u>\$ 5,221,473</u>	<u>\$ 100,352,289</u>

### **A. Investments Authorized by the District's Investment Policy**

Investments are guided by the District investment policy adopted each year with the budget. The policy outlines the guidelines and practices to be used in effectively managing the District's available cash and investment portfolio. District funds that are not required for immediate cash requirements are to be invested in compliance with the California Code Section 53600, et seq. In accordance with California Government Code Section 53600.5, and in order of importance, the Chief Financial Officer is required to adhere to the following three criteria: (a) Safety of Principal (b) Liquidity (c) Return on Investment.

The District's investments beyond those needed for near-term requirements are invested with the Sonoma County Treasury Pool which adheres to California Government Code.

**B. Investments Authorized by Debt Agreements**

The District must maintain required amounts of cash and investments with fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds. The California Government Code requires these funds to be invested per the District's Policy, bond indentures or State Statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Remaining Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio
Local Agency Bonds	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
State Obligations: CA and Others	5 Years	None	None
CA Local Agency Obligations	5 Years	None	None
U.S. Agency Obligations	5 Years	None	None
Bankers' Acceptances	180 days	None	40%
Commercial Paper: Non-pooled Funds (Under \$100k)	270 days	AAA	25%
Commercial Paper: Non-pooled Funds (Over \$100k)	270 days	AAA	40%
Commercial Paper: Pooled Funds	270 days	AAA	40%
Negotiable Certificates of Deposit	5 Years	None	30%
Non-negotiable Certificates of Deposit	5 Years	None	None
Placement Service Deposits	5 Years	None	50%
Placement Service Certificates of Deposit	5 Years	None	50%
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and	92 days	None	20%
Medium-term Notes	5 years	A	30%
Mutual Funds and Money Market Mutual Funds	N/A	Multiple	20%
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-through and Asset Backed Securities	5 years	AA	20%
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	Multiple	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years	AA	30%
Public Bank Obligations	5 years	None	None

**C. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates may adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County of Sonoma Treasury Investment Pool. The sensitivity of the fair values of the District's investments to market interest rate fluctuation is measured as the weighted average maturity of the investment portfolio, which was 651 days on June 30, 2022.

**D. 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 Treasury Pool does not have a rating provided by a nationally recognized statistical rating organization.

**E. Custodial Credit Risk**

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

As of June 30, 2022, \$31,548,899 of depository balances were exposed to custodial credit risk because they were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

**F. Fair Value Hierarchy**

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

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



## Sonoma-Marin Area Rail Transit District

Notes to Financial Statements  
For the Year Ended June 30, 2022

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- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.
- Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the Commission's own data.

Deposits and withdrawals in the Sonoma County Treasury Investment Pool are made on the basis of \$1 and not fair value. Accordingly, the District's proportionate share of investments on June 30, 2022 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

# Sonoma-Marin Area Rail Transit District

## Notes to the Financial Statements

For the Year Ended June 30, 2022

### Note 3 - Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

Passenger Fund	Restated Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022
Capital assets not being depreciated				
Land	\$ 43,326,251	\$ -	\$ -	\$ 43,326,251
Intangible assets	19,770	-	-	19,770
Construction in progress	25,987,692	3,535,699	-	29,523,391
Total capital assets not being depreciated	69,333,713	3,535,699	-	72,869,412
Capital assets being depreciated				
Infrastructure	498,807,467	-	-	498,807,467
Buildings and improvements	24,868,302	-	-	24,868,302
Equipment and vehicles	10,211,671	72,552	-	10,284,223
Revenue vehicles	61,253,699	-	-	61,253,699
Intangible assets	387,672	-	-	387,672
Right-to-use lease - Building	934,903	-	-	934,903
Total capital assets being depreciated	596,463,714	72,552	-	596,536,266
Total capital assets	665,797,427	3,608,251	-	669,405,678
Accumulated depreciation and amortization				
Infrastructure	(95,011,158)	(17,082,272)		(112,093,430)
Buildings and improvements	(4,528,831)	(623,377)		(5,152,208)
Equipment and vehicles	(3,573,359)	(605,310)		(4,178,669)
Revenue vehicles	(7,435,278)	(2,041,791)	-	(9,477,069)
Intangible assets	(191,122)	(92,912)	-	(284,034)
Right-to-use lease - Building	-	(431,623)	-	(431,623)
Total accumulated depreciation and amortization	(110,739,748)	(20,877,285)	-	(131,617,033)
Capital assets, net	\$ 555,057,679	\$ (17,269,034)	\$ -	\$ 537,788,645
Freight Fund	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022
Capital assets not being depreciated				
Land	\$ -	\$ 7,292,136	\$ -	\$ 7,292,136
Intangible assets	-	4,000,000	-	4,000,000
Total capital assets not being depreciated	-	11,292,136	-	11,292,136
Capital assets, net	\$ -	\$ 11,292,136	\$ -	\$ 11,292,136

#### Note 4 - Long Term Debt

##### A. Composition and Changes

Long-term debt activity for the year ended June 30, 2022 was as follows:

	Original Borrowing	Restated Balance July 1, 2021	Additions	Reductions	June 30, 2022	Due in One Year
Long-Term Liabilities						
Measure Q Sales Tax Revenue Refunding Bonds (Green Bonds) Series 2020A 0.45-2.09%, due 3/1/2029	\$ 122,970,000	\$ 119,605,000	\$ -	\$ 13,280,000	\$ 106,325,000	\$ 14,015,000
Leases	934,903	934,903	-	418,180	516,723	441,416
Total	<u>\$ 123,904,903</u>	<u>\$ 120,539,903</u>	<u>\$ -</u>	<u>\$ 13,698,180</u>	<u>\$ 106,841,723</u>	<u>\$ 14,456,416</u>

##### B. Description of District's Long-Term Debt Issues

**Measure Q Sales Tax Revenue Refunding Bonds (Green Bonds) Series 2020A** – In October 2020, the District issued \$122,970,000 in variable rate Measure Q Sales Tax Revenue Refunding Bonds (Green Bonds) Series 2020A. Although the Initial Series 2020A Bonds have a maturity date of March 1, 2029, they had certain provisions that allowed the District to remarket them. The Bonds will bear interest between 0.449%-2.088%% and mature by March 1, 2029.

The bonds are direct obligations and pledge the full faith and credit of the District. The total projected Measure Q Sales Tax revenue, as projected in the 2022 Capital Improvement Plan, is expected to approximate \$384 million over the eight-year life of the tax, which is sufficient to repay the estimated debt service, including interest. The Measure Q Sales Tax revenue recognized during the fiscal year ended June 30, 2022 was \$49,074,830 whereas debt service on the Measure Q bonds was \$14,936,756 for the fiscal year ended June 30, 2022.

Sonoma-Marín Area Rail Transit District  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

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The following table presents the District's aggregate annual amount of principal and interest payments required to amortize the outstanding debt as of June 30, 2022:

For The Year Ending June 30	Principal	Interest
2023	\$ 14,015,000	\$ 1,581,193
2024	14,765,000	1,479,444
2025	15,580,000	1,324,116
2026	15,860,000	1,136,844
2027	16,105,000	893,869
2028-2030	30,000,000	899,212
	<u>\$ 106,325,000</u>	<u>\$ 7,314,678</u>

Sales tax revenues are 100% pledged to pay the scheduled principal and interest payments. If an event of default shall occur and be continuing, the District shall immediately transfer to the Trustee all revenue held by it and the Trustee shall apply all revenue and any other funds then held or thereafter received by the Trustee under any of the provisions of the indenture to protect the interests of the Holders of the Bonds.

## Note 5 - Lease

The District has several leasing arrangements, summarized below.

### A. Lessee Activities

The District has accrued liabilities for one building lease. The discount rate used in the calculation of the lease liability was 3.23%. The remaining liability for the lease is \$516,723 as of June 30, 2022. Right to use assets, net of amortization, for the lease is \$503,280 as of June 30, 2022. The District is required to make monthly principal and interest payments of \$35,893. Interest expense recognized on these leases was \$21,513 for the fiscal year ended June 30, 2022. Principal payments of \$418,180 were recognized in the years ended June 30, 2022. Final payment on these leases is expected in fiscal year 2024.

The District's schedule of future payments included in the measurement of the lease liability are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total
2023	\$ 441,416	\$ 10,221	\$ 451,637
2024	75,307	304	75,611
	<u>\$ 516,723</u>	<u>\$ 10,525</u>	<u>\$ 527,248</u>

**B. Lessor Activities**

The District has accrued a receivable for ten land and infrastructure leases. The remaining receivable for these leases was \$2,133,575 for the year ended June 30, 2022. Deferred inflows related to these leases were \$2,118,061 as of June 30, 2022. Interest revenue recognized on these leases was \$10,461 for the year ended June 30, 2022. Principal receipts of \$60,045 were recognized as revenue during the fiscal year. Final receipt is expected in fiscal year 2047.

**Note 6 - Pension Plans**

**A. General Information about the Pension Plans**

***Plan Description***

All full-time and certain other qualifying employees are eligible to participate in the District's employee pension plan, a cost-sharing multiple employer defined benefit pension plan administered by California's Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by state statute and District resolution. CalPERS acts as a common investment and administrative agent for its participating member employers. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information which can be found on the CalPERS website.

# Sonoma-Marin Area Rail Transit District

## Notes to the Financial Statements

For the Year Ended June 30, 2022

### **Benefits Provided**

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

The Plans' provisions and benefits in effect on June 30, 2022, are summarized as follows:

	Miscellaneous		
	Tier I	Tier II	PEPRA
Hire date	Prior to September 1, 2011	On or after September 1, 2011	On or after January 1, 2013
Benefit formula	2% at 55	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	55	62
Monthly benefits as a percentage of eligible compensation	1.426%-2.418%	1.426%-2.418%	1.000% - 2.500%
Required employee contribution rate	6.91%	6.92%	6.75%
Required employer contribution rate	10.34%	8.65%	7.59%
Safety			
PEPRA			
Hire date	On or after January 1, 2013		
Benefit formula	2.7% at 57		
Benefit vesting schedule	5 years of service		
Benefit payments	Monthly for life		
Retirement age	57		
Monthly benefits as a percentage of eligible compensation	2.000%-2.700%		
Required employee contribution rate	13.00%		
Required employer contribution rate	13.13%		

# Sonoma-Marin Area Rail Transit District

Notes to the Financial Statements

For the Year Ended June 30, 2022

## Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1, following notice of a change in the rate. Funding contributions for Plans are determined annually on an actuarial basis, as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2022, the employer contributions were \$1,085,805 for the miscellaneous plan and \$16,551 for the safety plan.

## B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension

As of June 30, 2022, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Miscellaneous	\$ (257,780)	\$ 2,446,440	\$ 28,907	\$ 909,270
Safety	(17,841)	56,156	3,048	17,304
Total	<u>\$ (275,621)</u>	<u>\$ 2,502,596</u>	<u>\$ 31,955</u>	<u>\$ 926,574</u>

The District's net pension asset is measured as the proportionate share of the collective Plan's net pension liability. The net pension liability of the plan is measured as of June 30, 2021, and the total pension liability for the plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to the June 30, 2021 measurement date using standard update procedures. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan, relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability as of June 30, 2021, and 2022 was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2020 measurement date	0.034930%	0.000160%
Proportion - June 30, 2021 measurement date	<u>-0.013580%</u>	<u>-0.000510%</u>
Increase (decrease) in proportion	<u>-0.048510%</u>	<u>-0.000670%</u>

Sonoma-Marin Area Rail Transit District  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

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For the year ended June 30, 2022, the District recognized a pension expense of \$909,270. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the Miscellaneous Plan from the following sources:

	<u>Miscellaneous</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
District contributions subsequent to measurement date	\$ 1,085,805	\$ -
Changes in proportion and differences between District contributions and proportionate share of contributions	1,135,607	-
Net differences between projected and actual earnings on pension plan investments	225,028	-
Differences between expected and actual experience	<u>-</u>	<u>28,907</u>
Total	<u>\$ 2,446,440</u>	<u>\$ 28,907</u>

On June 30, 2022, the District reported \$1,085,805 as deferred outflows of resources related to contributions paid subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	<u>Miscellaneous</u>
<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2023	\$ 623,432
2024	433,464
2025	212,646
2026	<u>62,186</u>
Total	<u>\$ 1,331,728</u>



Sonoma-Marín Area Rail Transit District  
Notes to the Financial Statements  
For the Year Ended June 30, 2022

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On June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the safety plan from the following sources:

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
District contributions subsequent to measurement date	\$ 16,551	\$ -
Changes in proportion and differences between District contributions and proportionate share of contributions	28,986	-
Net differences between projected and actual earnings on pension plan investments	10,619	-
Differences between expected and actual experience	-	3,048
	<u>56,156</u>	<u>3,048</u>
Total	<u>\$ 56,156</u>	<u>\$ 3,048</u>

On June 30, 2022, the District reported \$16,551 as deferred outflows of resources related to contributions paid subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	Safety
Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	\$ 17,214
2024	11,365
2025	5,056
2026	2,922
	<u>36,557</u>
Total	<u>\$ 36,557</u>

**Actuarial Assumptions** – The total pension liabilities was determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation date	June 30, 2020	June 30, 2020
Measurement date	June 30, 2021	June 30, 2021
Actuarial cost method	Entry age normal	Entry age normal
Discount rate	7.15%	7.15%
Investment rate of return	7.15%	7.15%
Consumer price inflation	2.50%	2.50%
Wage growth	2.75%	2.75%
Mortality Rate <sup>1</sup>	Derived using CalPERS' Membership Data for all Funds	

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15% discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15% is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

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

# Sonoma-Marin Area Rail Transit District

Notes to the Financial Statements

For the Year Ended June 30, 2022

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations, as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation:

Asset Class	Assumed Asset Allocation	Real Return Years 1-10 <sup>(a)</sup>	Real Return Years 11+ <sup>(b)</sup>
Global equity	50%	4.80%	5.98%
Global Fixed income	28%	1.00%	2.62%
Inflation assets	0%	0.77%	1.81%
Private equity	8%	6.30%	7.23%
Real assets	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
Total	100%		

<sup>(a)</sup> An expected inflation of 2.00% used for this period.

<sup>(b)</sup> An expected inflation of 2.92% used for this period.

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

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

Discount Rate	Miscellaneous Net Pension Liability (Asset)	Safety Net Pension Liability (Asset)
1% decrease (6.15%)	\$ 1,679,111	\$ 12,148
Current discount rate (7.15%)	(257,780)	(17,841)
1% increase (8.15%)	(1,858,980)	(42,474)

***Pension Plan Fiduciary Net Position*** – CalPERS issues a separate comprehensive annual financial report, copies of which may be obtained from the CalPERS Executive Offices, Lincoln Plaza East, 400 Q Street, Sacramento, California 95814.

**Note 7 - Other Post-Employment Health Care Benefits (OPEB)**

For the fiscal year ended June 30, 2022, the District reported total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense as follows:

OPEB Plan	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Health Plan	\$ 3,533,684	\$ 1,706,690	\$ (1,351,704)	\$ 386,857

**A. General Information about the District's Other Post Employment Benefit (OPEB) Plan**

By the District Board of Directors resolution, the District will provide certain health care benefits for retired employees under third-party insurance plans. The District's Post Employment Benefit Plan is a single-employer defined benefit plan. Employees become eligible to retire and receive healthcare benefits upon reaching retirement age with at least 5 years of service or being converted to disability, retiring directly from the District, and continue participating in Public Employees' Medical and Hospital Care Act (PEMHCA) after retirement. The PEMHCA minimum benefit was \$143 per month in 2021 and is \$149 per month in 2022. As of June 30, 2022, there were three retirees receiving OPEB benefits. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Employees Covered by Benefit Terms** – Membership in the plan consisted of the following at the measurement date of June 30, 2021:

Active employees	119
Inactive employees or beneficiaries currently receiving benefits payments	3
Total	122

**B. Total OPEB Liability**

**Actuarial Methods and Assumptions** – The District's total OPEB liability was measured as of June 30, 2021 and the total OPEB liability was determined by an actuarial valuation dated June 30, 2021 to determine the \$3,533,684 total OPEB liability as of June 30, 2021, based on the following actuarial methods and assumptions:

Inflation	2.75 percent
Salary increases	3.00 percent, average, including inflation
Discount rate	1.92 percent
Investment rate of return	1.92 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	5.00 percent for 2021

**C. Changes in Total OPEB Liability**

The changes in the total OPEB liability follows:

	Total OPEB Liability
Balance, June 30, 2021	\$ 4,487,421
Service cost	794,213
Interest	109,811
Difference between expected and actual experience	(1,290,966)
Changes of assumptions and other inputs	760,464
Benefit changes	(1,316,588)
Benefit payments	(10,671)
Net change	(953,737)
Balance, June 30, 2022	\$ 3,533,684

**D. Sensitivity of the Total OPEB Liability to Change in the Discount Rate and Healthcare Cost**

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

Discount Rate	Total OPEB Liability
1% decrease (0.92%)	\$ 4,731,125
Current discount rate (1.92%)	3,533,684
1% increase (2.92%)	2,676,032

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend that is one percentage point lower or one percentage point higher than the current rate:

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (3% to 4%)	\$ 2,615,602
Current healthcare cost trend rate (4% to 5%)	3,533,684
1% increase (5% to 6%)	4,690,875

**E. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2022, the District recognized OPEB expense of \$386,857. On June 30, 2022, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 3,672	\$ -
Differences between expected and actual experience	193,065	1,196,042
Changes of assumptions	1,509,953	155,662
	<u>1,706,690</u>	<u>1,351,704</u>
Total	<u>\$ 1,706,690</u>	<u>\$ 1,351,704</u>

Reported as deferred outflows of resources related to contributions subsequent to the measurement date is \$3,672, which will be recognized as a reduction of the OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	\$ 40,050
2024	40,050
2025	40,050
2026	40,050
2027	40,050
Thereafter	151,064
Total	<u>\$ 351,314</u>

**Note 8 - Commitments**

**A. Purchase Commitments**

At June 30, 2022, the District had outstanding purchase and contract commitments of \$3.6 million for passenger and \$0.2 million for freight.

## Note 9 - Restatement of Prior Year Net Position

As of July 1, 2021, the District adopted GASB Statement No. 87, *Leases* (GASB 87). As a result of the implementation of GASB 87, the District changed its accounting for leases by recognizing a right-to-use lease asset, lease revenue receivable and the related lease financing liability and deferred inflows from leases. The following tables described the effects of the implementation on beginning net position:

	Passenger	Freight
Net position, previously reported as of July 1, 2021	\$ 525,930,782	\$ -
Recognition of a right-to-use lease asset	934,903	-
Recognition of lease receivables	1,756,164	437,456
Recognition of a lease liability	(934,903)	-
Recognition of deferred inflows from leases	(1,756,164)	(437,456)
Net position, restated as of July 1, 2021	<u>\$ 525,930,782</u>	<u>\$ -</u>

## Note 10 - Transfer of Operations

California S.B. 1029 authorized SMART to operate freight service by rail. It also provided funding in the amount of \$4 million for the acquisition of freight rights and equipment from the Northwestern Pacific Railroad Company (NWPCo.) and North Cost Railroad Authority (NCRA). NWPCo. acquired freight rights through a long-term operating agreement with the NCRA.

In July 2021, SMART officially became the freight common carrier for the rail line the runs from Novato (MP B25.6) to just east of the Napa River (MP B49.80) and from Larkspur (MP 15) to the Sonoma/Mendocino County line (MP 89). NWPCo. continued to operate the line and collect the associated revenues until March 1, 2022 when final close took place. SMART received land from North Cost Railroad Authority (NCRA) who owned the land from MP 62.2 to MP 89 in Sonoma County and freight rights from NWPCo. as part of this transfer as follows:

<u>Transferred Assets</u>	<u>Carrying Value</u>
Land	\$ 7,292,136
Freight rights	<u>4,000,000</u>
Toal capital assets	<u>\$ 11,292,136</u>

## **Note 11 - Subsequent Events**

### **Pension investments**

In July of 2022, CalPERS announced a net investment return of negative 6.1% for the fiscal year ending 2021-22. This, along with the change in the discount rate to 6.8%, will negatively impact the net pension liability in future reporting periods. As the investment pool experienced gains in the fiscal year 2021, resulting in a drastically reduced liability in the fiscal year 2022, the District expects the inverse to be true in the fiscal year 2023 as all gains were lost in the fiscal year 2022.

### **Changes in interest rates**

As of September 30, 2022, the market value of the District's June 30, 2022 Sonoma County Treasury Pool investment portfolio is 94.77 percent of the book value, or \$3.5 million unrealized market loss. Interest rates are expected to increase further, and it is expected as of the report date that the market value will likely decline further. The District's practice is to buy and hold investments until maturity; this minimizes the risk of loss for investment principal due to lower market values.





Required Supplementary Information  
June 30, 2022

## Sonoma-Marín Area Rail Transit District

Sonoma-Marin Area Rail Transit District  
Schedule of the District's Proportionate Share of the Net Pension Liability – Pension Plan

	2022	2021	2020	2019	2018	2017	2016	2015
CalPERS (Miscellaneous Plan)								
Proportion of the net pension liability (asset)	-0.0136%	0.0349%	0.0281%	0.0231%	0.0238%	0.0214%	0.0281%	0.0102%
Proportionate share of the net pension liability (asset)	\$ (257,780)	\$ 1,473,514	\$ 1,126,646	\$ 870,893	\$ 936,778	\$ 742,146	\$ 585,152	\$ 633,530
Total	<u>\$ (257,780)</u>	<u>\$ 1,473,514</u>	<u>\$ 1,126,646</u>	<u>\$ 870,893</u>	<u>\$ 936,778</u>	<u>\$ 742,146</u>	<u>\$ 585,152</u>	<u>\$ 633,530</u>
Covered payroll	<u>\$ 12,561,577</u>	<u>\$ 13,265,008</u>	<u>\$ 12,916,529</u>	<u>\$ 11,175,297</u>	<u>\$ 9,930,773</u>	<u>\$ 6,017,592</u>	<u>\$ 3,572,374</u>	<u>3,073,231</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-2.05%	11.11%	8.72%	7.79%	9.43%	12.33%	16.38%	20.61%
Plan fiduciary net position as a percentage of the total pension liability	86%	74%	75%	75%	73%	74%	78%	20%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS (Safety Plan)								
Proportion of the net pension liability (asset)	-0.0051%	0.0349%	0.2813%	0.0000%				
Proportionate share of the net pension liability (asset)	\$ (17,841)	\$ 10,982	\$ 4,177	\$ 709				
Covered payroll	\$ 122,516	\$ 211,670	\$ 195,041	180,138				
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-14.56%	5.19%	2.14%	0.39%				
Plan fiduciary net position as a percentage of the total pension liability	86%	74%	75%	75%				
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018				

Note :

- 1 In the future, as data becomes available, ten years of information will be presented.
- 2 Significant changes in assumptions: The discount rate was changed from 7.65% in fiscal year 2017 to 7.15%.

Sonoma-Marín Area Rail Transit District  
Schedule of Contributions – Pension Plan

	2022	2021	2020	2019	2018	2017	2016	2015
CalPERS - Miscellaneous Plan								
Contractually required contribution	\$ 1,085,805	\$ 1,016,119	\$ 976,474	\$ 910,518	\$ 747,878	\$ 699,783	\$ 409,897	\$ 347,672
Less contributions in relation to the contractually required contribution	<u>1,085,805</u>	<u>1,016,119</u>	<u>976,474</u>	<u>910,518</u>	<u>747,878</u>	<u>699,783</u>	<u>477,840</u>	<u>347,672</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (67,943)</u>	<u>\$ -</u>
Covered payroll	<u>\$ 12,545,318</u>	<u>\$ 12,561,577</u>	<u>\$ 13,265,008</u>	<u>\$ 12,916,529</u>	<u>\$ 11,175,297</u>	<u>\$ 9,930,773</u>	<u>\$ 6,017,592</u>	<u>\$ 3,572,374</u>
Contributions as a percentage of covered payroll	<u>8.66%</u>	<u>8.09%</u>	<u>7.36%</u>	<u>7.05%</u>	<u>6.69%</u>	<u>7.05%</u>	<u>6.81%</u>	<u>9.73%</u>
CalPERS - Safety Plan								
Contractually required contribution	\$ 16,551	\$ 16,454	\$ 27,589	\$ 23,680				
Less contributions in relation to the contractually required contribution	<u>16,551</u>	<u>16,454</u>	<u>27,589</u>	<u>23,680</u>				
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Covered payroll	<u>\$ 130,891</u>	<u>\$ 122,516</u>	<u>\$ 211,670</u>	<u>\$ 195,041</u>				
Contributions as a percentage of covered payroll	<u>12.645%</u>	<u>13.430%</u>	<u>13.034%</u>	<u>12.141%</u>				

*Note :* In the future, as data becomes available, ten years of information will be presented.

Sonoma-Marín Area Rail Transit District  
Schedule of Changes in the Total OPEB Liability and Related Ratios

Fiscal year	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 794,213	\$ 638,813	\$ 444,687	\$ 438,273	\$ 478,730
Interest	109,811	96,162	72,116	54,494	36,782
Changes of benefit terms	(1,316,588)	-	-	-	-
Difference between expected and actual experience	(1,290,966)	-	260,415	-	-
Changes of assumptions	760,464	682,576	308,419	(26,755)	(241,085)
Benefit payments	(10,671)	(4,806)	(6,257)	(2,891)	(3,801)
Net change in total OPEB liability	(953,737)	1,412,745	1,079,380	463,121	270,626
Total OPEB Liability - Beginning	4,487,421	3,074,676	1,995,296	1,532,175	1,261,549
Total OPEB Liability - Ending	<u>\$ 3,533,684</u>	<u>\$ 4,487,421</u>	<u>\$ 3,074,676</u>	<u>\$ 1,995,296</u>	<u>\$ 1,532,175</u>
Covered-employee Payroll	<u>\$ 12,684,093</u>	<u>\$ 13,476,678</u>	<u>\$ 18,840,794</u>	<u>\$ 11,175,297</u>	<u>\$ 9,930,773</u>
Total OPEB Liability as a Percentage of Covered Payroll	<u>28%</u>	<u>33%</u>	<u>16%</u>	<u>18%</u>	<u>15%</u>
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

<sup>1</sup> No assets are accumulated in a trust that meets the criteria of paragraph 4 of Statement 75.

*Note:* In the future, as data becomes available, ten years of information will be presented.



Statistical Section  
June 30, 2022

## Sonoma-Marín Area Rail Transit District

This part of the District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

***Financial Trends***

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

- Table 1- Net Position by Component
- Table 2- Changes in Net Position
- Table 3- Non-Capital Expenditures by Category

***Revenue Capacity***

These schedules contain information to help the reader assess the District's most significant revenue source, capital grants and contributions. Also included in this section is current information on the District's ongoing significant source of revenues, the sales tax.

- Table 4- General Revenue by Source
- Table 5- Revenue Base and Revenue Rate
- Table 6- Overlapping Governments and Sales Tax Rates
- Table 7- Principal Revenue Payers

***Debt Capacity***

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

- Table 8- Debt Service Coverage Ratios
- Table 9- Ratios of Outstanding Debt

***Demographic and Economic Information***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

- Table 10- Demographic and Economic Statistics
- Table 11- Principal Employers

***Operating Information***

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

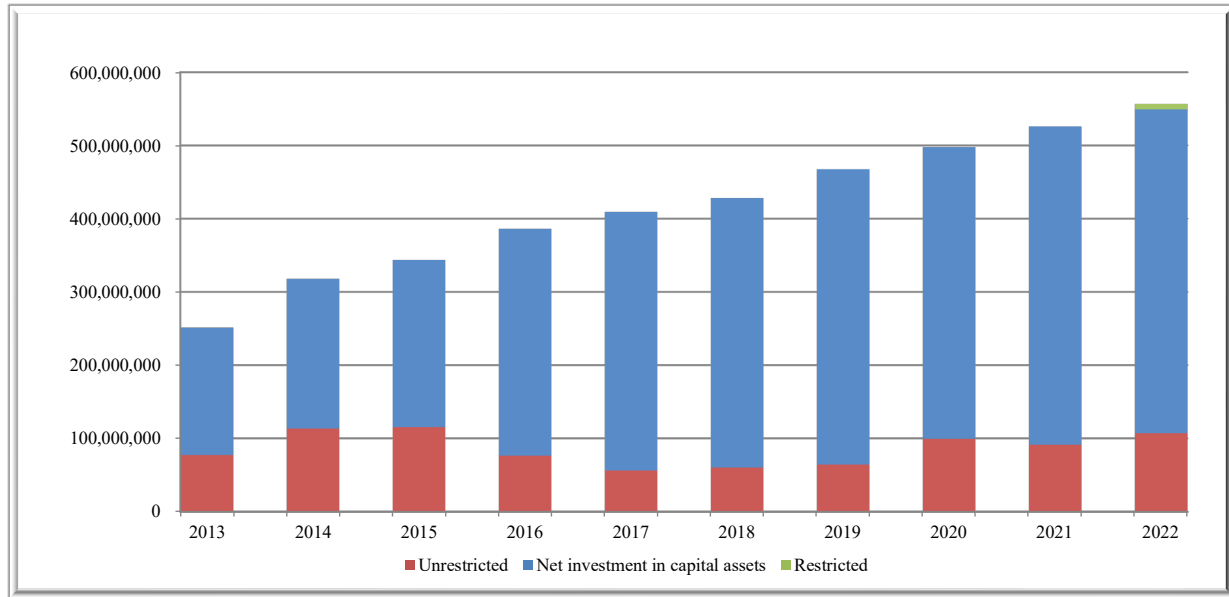
- Table 12- Operating Information
- Table 13- Employees – Full-Time Equivalent

***Sources***

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

Sonoma-Marín Area Rail Transit District  
Net Position by Component  
Last Ten Years

**Table 1**  
**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**  
**NET POSITION BY COMPONENT**



	2013	2014	2015	2016	2017
Net investment in capital assets	\$173,996,072	\$204,389,312	\$228,244,612	\$309,724,259	\$353,088,871
Restricted	\$0	\$0	\$0	\$0	\$0
Unrestricted	77,347,530	113,506,183	115,465,740	76,452,056	56,226,336
<b>Total net position</b>	<b>\$251,343,602</b>	<b>\$317,895,495</b>	<b>\$343,710,352</b>	<b>\$386,176,315</b>	<b>\$409,315,207</b>

	2018	2019	2020	2021	2022
Net investment in capital assets	\$367,957,650	\$403,239,649	\$398,251,858	\$434,505,310	\$442,201,252
Restricted	0	0	0	0	7,440,671
Unrestricted	60,223,084	64,324,957	99,456,719	91,425,472	107,092,897
<b>Total net position</b>	<b>\$428,180,734</b>	<b>\$467,564,606</b>	<b>\$497,708,577</b>	<b>\$525,930,782</b>	<b>\$556,734,820</b>

Sonoma-Marín Area Rail Transit District  
Changes in Net Position  
Last Ten Fiscal Years

**Table 2**  
**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**

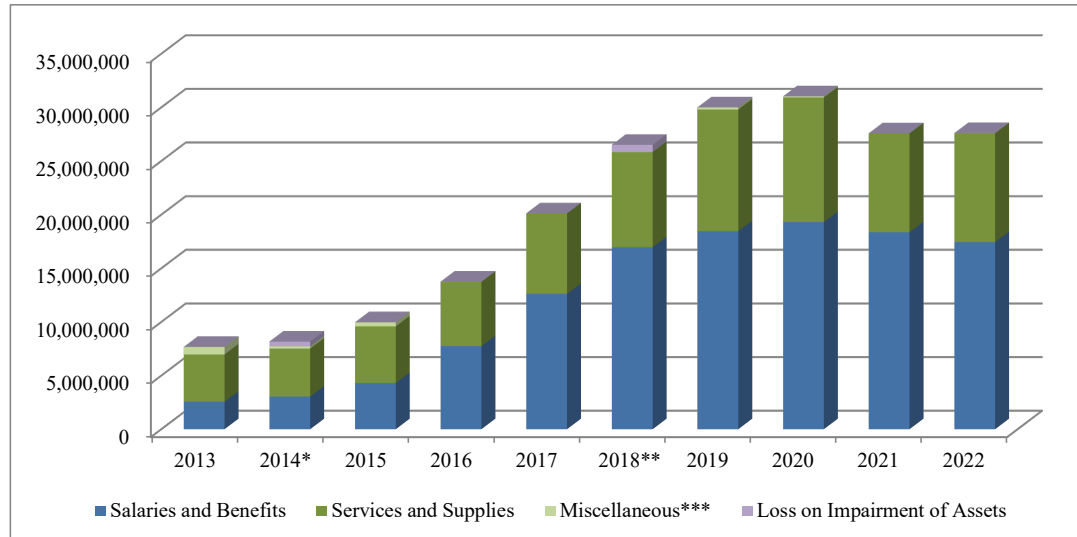
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Operating revenues:</b>										
Charges for services	\$ 597,880	\$ 840,586	\$ 640,249	\$ 529,191	\$ 588,402	\$ 4,025,111	\$ 5,036,875	\$ 3,965,115	\$ 1,271,606	\$ 2,727,553
Total operating revenues	597,880	840,586	640,249	529,191	588,402	4,025,111	5,036,875	3,965,115	1,271,606	2,727,553
<b>Operating expenses:</b>										
Salaries and employee benefits	2,683,628	3,041,027	4,303,358	7,736,893	12,610,874	16,950,114	18,453,125	19,295,606	18,354,310	17,437,640
Services and supplies	4,772,700	4,466,562	5,275,106	5,998,630	7,498,986	8,877,465	11,336,573	11,624,479	9,217,567	10,144,193
Depreciation and amortization	4,527,575	4,473,500	4,575,530	4,610,295	4,716,779	17,800,126	19,033,577	22,150,111	22,697,348	20,877,284
Loss on impairment of assets	-	433,295	-	-	-	671,378	-	-	-	-
Miscellaneous expense	700,783	215,922	380,000	7,541	212	954	203,883	100,000	416	7,412
Total operating expenses	12,684,686	12,630,306	14,533,994	18,353,359	24,826,851	44,300,037	49,027,158	53,170,196	50,269,641	48,466,529
Operating income/(loss)	(12,086,806)	(11,789,720)	(13,893,745)	(17,824,168)	(24,238,449)	(40,274,926)	(43,990,283)	(49,205,081)	(48,998,035)	(45,738,976)
<b>Nonoperating revenues (expenses):</b>										
Sales and use taxes	30,435,753	32,473,329	33,845,426	34,776,012	36,061,895	37,135,476	41,241,140	38,978,630	44,002,410	49,074,830
Federal, state, and other operating assistance	-	-	-	-	-	3,701,366	5,000,756	15,574,795	16,301,842	17,184,007
Rent expense	-	-	-	-	-	-	-	-	-	(103,576)
Investment earnings (loss)	1,495,066	1,182,159	1,384,557	585,178	366,748	724,313	1,974,246	338,227	628,728	(2,023,805)
Miscellaneous revenues	62,178	65,638	49,351	2,264,334	438,639	2,236,508	4,174,454	1,438,087	4,588,714	46,229
Capital expense passed through to other agencies	-	-	(1,557,743)	(295,894)	(62,636)	(3,778,891)	(770,156)	(918,506)	(3,673,565)	(27,758)
Interest income	-	-	-	-	-	-	-	-	-	10,461
Interest expense	(5,328,770)	(4,420,558)	(2,761,502)	(805,558)	(1,164,558)	(5,819,778)	(5,591,608)	(5,273,801)	(3,374,308)	(1,653,081)
Total nonoperating revenues (expenses)	26,664,227	29,300,568	30,960,089	36,524,072	35,640,088	34,198,994	46,028,832	50,137,432	58,473,821	62,507,307
Income (loss) before capital contributions	14,577,421	17,510,848	17,066,344	18,699,904	11,401,639	(6,075,932)	2,038,549	932,351	9,475,786	16,768,331
<b>Capital contributions</b>										
State of California	24,130,596	4,295,318	3,381	284,094	458,549	837,950	2,883,980	20,311,493	11,592,461	6,411,761
Metropolitan Transportation Commission	4,541,421	35,500,504	7,119,973	2,683,108	5,007,846	9,939,309	4,388,830	224,051	-	-
Sonoma County Transportation Authority	5,758,121	5,136,487	35,358	47,780	33,440	356,219	55,249	22,632	109,468	8,768
Federal	6,021,838	2,562,581	500,595	3,779,595	2,750,431	9,450,100	21,270,383	2,609,220	2,500,000	104,623
Donated asset	-	-	-	16,222,106	1,116,726	-	-	1,327,565	-	-
Other governmental agencies	666,592	1,543,983	1,534,698	749,376	3,036,898	4,357,881	8,746,881	4,716,659	4,544,490	218,419
Total capital contributions	41,118,568	49,038,873	9,194,005	23,766,059	12,403,890	24,941,459	37,345,323	29,211,620	18,746,419	6,743,571
Special Item	-	-	-	-	-	-	-	-	-	11,292,136
Change in net position	\$ 55,695,989	\$ 66,549,721	\$ 26,260,349	\$ 42,465,963	\$ 23,805,529	\$ 18,865,527	\$ 39,383,872	\$ 30,143,971	\$ 28,222,205	\$ 34,804,038

Source: SMART annual financial statements.



Sonoma-Marín Area Rail Transit District  
Non-Capital Expense by Category  
Last Ten Fiscal Years

**Table 3**  
**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**  
**NON-CAPITAL EXPENSE BY CATEGORY**  
**Last Ten Fiscal Years**



Fiscal Year Ended June 30	Salaries and Benefits	Services and Supplies	Miscellaneous***	Loss on Impairment of Assets	Total
2013	2,558,849	4,406,463	700,783	-	7,666,095
2014*	3,041,027	4,466,562	215,922	433,295	8,156,806
2015	4,303,358	5,275,106	380,000	-	9,958,464
2016	7,736,893	5,998,630	7,541	-	13,743,064
2017	12,610,874	7,498,986	212	-	20,110,072
2018**	16,950,114	8,877,475	954	671,378	26,499,921
2019	18,453,125	11,336,573	203,883	-	29,993,581
2020	19,295,606	11,624,479	100,000	-	31,020,085
2021	18,354,310	9,217,567	416	-	27,572,293
2022	\$ 17,437,640	\$ 10,144,193	\$ 7,412	\$ -	\$ 27,589,245

Source: Sonoma-Marín Area Rail Transit District Financial Statements

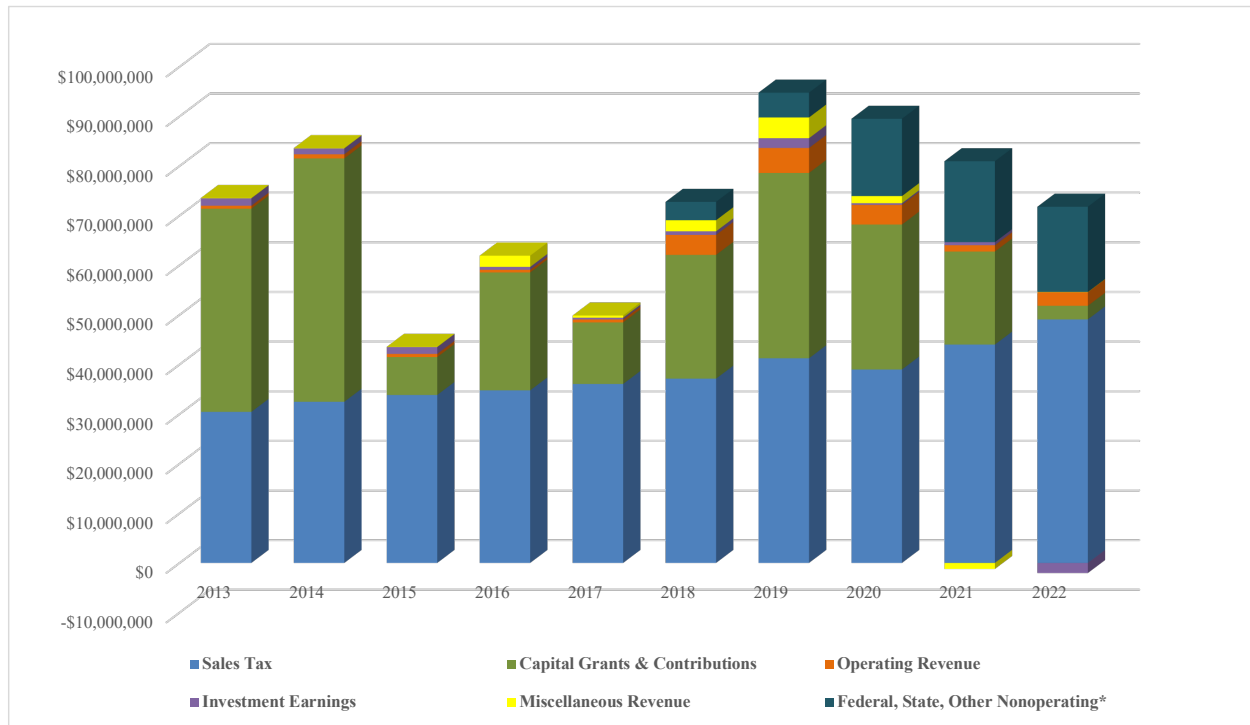
\*2014 is the first year that the District presented financial reports in an enterprise format

\*\*2018 is the first year of Operations; Other Charges Net of Non-cash adjustments

\*\*\* Miscellaneous adjusted for non-cash transactions beginning 2018

Sonoma-Marín Area Rail Transit District  
General Revenue by Source  
Last Ten Fiscal Years

**Table 4**  
**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**  
**GENERAL REVENUE BY SOURCE**  
**Last Ten Fiscal Years**



Fiscal Year	Sales Tax	Capital Grants & Contributions	Operating Revenue	Federal, State, Other Nonoperating*	Investment Earnings	Miscellaneous Revenue	Total
2013	30,435,753	40,952,030	597,880		1,495,066	62,178	73,542,907
2014	32,473,329	49,038,873	840,586		1,182,159	65,638	83,600,585
2015	33,845,426	7,636,262	640,249		1,384,557	49,351	43,555,845
2016	34,776,012	23,766,059	529,191		585,178	2,264,334	61,920,774
2017	36,061,895	12,403,890	588,402		366,748	438,639	49,859,574
2018	37,135,476	24,941,459	4,025,111	3,701,366	724,313	2,236,508	72,764,233
2019	41,241,140	37,345,323	5,036,875	5,000,756	1,974,246	4,174,454	94,772,794
2020	38,978,630	29,211,620	3,965,115	15,574,795	338,227	1,438,087	89,506,474
2021	44,002,410	18,746,419	1,271,606	16,301,842	628,728	(1,190,816)	79,760,189
2022	\$ 49,074,830	\$ 2,743,571	\$ 2,727,553	\$ 17,184,007	\$ (2,013,344)	\$ 46,229	\$ 69,762,846

Source: Sonoma-Marín Area Rail Transit District Financial Reports

\*Transit Operation began Fiscal Year 2018

# Sonoma-Marin Area Rail Transit District

Revenue Base and Revenue Rate

Last Ten Fiscal Years

**Table 5**  
**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**  
**REVENUE BASE AND REVENUE RATE**  
**Last Ten Fiscal Years**

Fiscal Year	SMART Sales Tax Rate	Total Sales Tax Revenue	Marin County Total Taxable Sales (In Thousands)	Sonoma County Total Taxable Sales (In Thousands)	SMART District Total Taxable Sales (In Thousands)
2013	0.25%	\$ 30,435,753	\$ 4,500,247	\$ 7,711,052	\$ 12,211,299
2014	0.25%	32,473,329	4,769,878	8,264,339	13,034,217
2015	0.25%	33,845,426	4,957,364	8,626,295	13,583,659
2016	0.25%	34,776,012	5,091,014	8,843,184	13,934,198
2017	0.25%	36,061,895	5,004,443	9,154,084	14,158,526
2018	0.25%	37,135,476	5,343,038	9,444,873	14,787,910
2019	0.25%	41,241,140	5,454,389	9,966,334	15,420,723
2020	0.25%	38,978,630	5,148,864	9,113,111	14,261,975
2021	0.25%	44,002,410	5,894,353	10,771,239	16,665,592
2022	0.25%	49,074,830	6,437,421	11,924,130	18,361,551

Source: California Department of Tax and Fee Administration

Sonoma-Marin Area Rail Transit District  
Overlapping Governments and Sales Tax Rates  
Last Ten Fiscal Years\*

**Table 6**  
**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**  
**OVERLAPPING GOVERNMENTS AND SALES TAX RATES**  
**Last Ten Fiscal Years\***

<b>Marin County</b>					
<b>Fiscal Year</b>	<b>State(a)</b>	<b>City</b>	<b>County(b)</b>	<b>SMART(d)</b>	<b>Total</b>
2013	7.50%	0 to 0.50%	0.50%	0.25%	8% to 9%
2014	7.50%	0 to 0.50%	0.75%	0.25%	8.5% to 9%
2015	7.50%	0 to 0.50%	0.75%	0.25%	8.5% to 9%
2016	7.50%	0 to 0.50%	0.75%	0.25%	8.5% to 9%
2017	7.25%	0 to 0.75%	0.75%	0.25%	8.25% to 9%
2018	7.25%	0 to 0.75%	0.75%	0.25%	8.25% to 9%
2019	7.25%	0 to 0.75%	0.75%	0.25%	8.25% to 9%
2020	7.25%	0 to 0.75%	0.75%	0.25%	8.25% to 9%
2021	7.25%	0 to 0.75%	0.75%	0.25%	8.25% to 9%
2022	7.25%	0 to 0.75%	0.75%	0.25%	8.25% to 9%

<b>Sonoma County</b>					
<b>Fiscal Year</b>	<b>State(a)</b>	<b>City</b>	<b>County( c)</b>	<b>SMART(d)</b>	<b>Total</b>
2013	7.50%	0 to 0.50%	0.50%	0.25%	8.25% to 8.75%
2014	7.50%	0 to 0.75%	0.50%	0.25%	8.25% to 9%
2015	7.50%	0 to 0.75%	0.50%	0.25%	8.25% to 9%
2016	7.50%	0 to 0.75%	0.50%	0.25%	8.25% to 9%
2017	7.25%	0 to 1.00%	0.625%	0.25%	8.125% to 9.125%
2018	7.25%	0 to 1.00%	0.625%	0.25%	8.125% to 9.125%
2019	7.25%	0 to 1.00%	0.625%	0.25%	8.125% to 9.125%
2020	7.25%	0 to 1.00%	0.750%	0.25%	8.25% to 9.25%
2021	7.25%	0 to 1.00%	1.000%	0.25%	8.50% to 9.50%
2022	7.25%	0 to 1.00%	1.000%	0.25%	8.50% to 9.50%

***The cities within each county sales tax varies and they are combined to create this chart.***

(a) Statewide sales and use tax rate increased 0.25% on January 1, 2013, and decreased by 0.25% on January 1, 2017

(b) Marin Parks/Open Space/Farmland Preservation Transactions and Use Tax (0.25%, effective 04-01-13, ended 3-31-22), Marin Parks, Open Space, and Sustainable Agriculture Transactions and Use Tax (0.25%, went into effect 10-01-22) and Transportation Authority of Marin County (0.50%, effective 04-01-05)

(c) Sonoma County Transportation Authority (0.25%, 04-01-05), Sonoma County Agricultural Preservation & Open Space District Transactions and Use Tax (0.25%, 04-01-11), Sonoma County Library Maintenance, Restoration, Enhancement Act (0.125%, 4-1-17), Sonoma County Parks and Safety Transactions (0.25%, 04-01-19)

(d) SMART sales tax effective April 1, 2009

Source: California State Board of Equalization, California City & County Sales & Use Tax Rates

[District Taxes, Rates, and Effective Dates (CDTFA-105)]

<https://www.cdtfa.ca.gov/taxes-and-fees/rates.aspx>

<https://www.cdtfa.ca.gov/formspubs/cdtfa105.pdf>

# Sonoma-Marin Area Rail Transit District

Principal Revenue Payers  
Current Year and Nine Years Ago

**Table 7**  
**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**  
**PRINCIPAL REVENUE PAYERS**

<b>Fiscal Year 2022**</b>		
<b>Principal Revenue Payers: Sales Tax Generators</b>	<b>Percentage</b>	<b>Total Receipts</b>
General Retail	29.5%	\$ 14,485,472
Auto and Other Transportation	20.3%	\$ 9,956,356
Food & Beverage Products	18.1%	\$ 8,894,311
Business to Business	14.0%	\$ 6,850,122
Construction Related	13.0%	\$ 6,361,664
Miscellaneous	5.1%	\$ 2,526,905
Totals	100.0%	\$ 49,074,830
<b>Fiscal Year 2011*</b>		
<b>Principal Revenue Payers: Sales Tax Generators</b>	<b>Percentage</b>	<b>Total Receipts</b>
General Retail	30.5%	\$ 7,978,547
Auto and Other Transportation	21.4%	\$ 5,597,576
Food & Beverage Products	19.0%	\$ 4,972,020
Business to Business	15.9%	\$ 4,156,846
Construction Related	10.7%	\$ 2,796,876
Miscellaneous	2.5%	\$ 654,932
Totals	100%	\$ 26,156,797

\*First available year of SMART sales tax payer analysis

\*\*Based on data from MuniServices, Categorizations and Totals May Differ from State published/Audited

**Table 8**  
**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**  
**DEBT SERVICE COVERAGE RATIOS**

**LAST TEN YEARS**

<b>Fiscal Year Ending</b>	<b>Interest</b>	<b>Principal</b>	<b>Total</b>	<b>Sales Tax Revenue Actual</b>	<b>Coverage Ratio</b>
6/30/2013	\$ 7,047,458	\$ -	\$ 7,047,458	\$ 30,435,753	4.32
6/30/2014	8,456,950	-	8,456,950	32,473,329	3.84
6/30/2015	8,456,950	-	8,456,950	33,845,426	4.00
6/30/2016	8,456,950	4,540,000	12,996,950	34,776,012	2.68
6/30/2017	8,275,350	5,325,000	13,600,350	36,061,895	2.65
6/30/2018	8,009,100	6,195,000	14,204,100	37,135,476	2.61
6/30/2019	7,730,850	8,365,000	16,095,850	41,241,140	2.56
6/30/2020	7,312,600	9,435,000	16,747,600	38,978,630	2.33
6/30/2021	3,987,001	3,365,000	7,352,001	44,002,410	5.99
6/30/2022	1,656,756	13,280,000	14,936,756	49,074,830	3.29

Sonoma-Marín Area Rail Transit District  
Ratios of Outstanding Debt (Unaudited)  
Last Ten Fiscal Years

**Table 9**  
**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**  
**RATIOS OF OUTSTANDING DEBT (Unaudited)**

**TOTAL DEBT TO INCOME RATIO**  
**SMART District: Sonoma and Marin Counties Combined**

Fiscal Year	Total Outstanding Debt	Personal Income	Population	Ratio of Debt to Personal Income	Total Debt Per Capita
2013*	190,145,000				
2014	192,365,524	53,487,101,000	759,238	0.37%	\$ 253
2015	190,096,688	57,742,796,000	762,362	0.34%	\$ 249
2016	183,318,018	59,833,017,000	763,882	0.31%	\$ 240
2017	175,819,899	62,676,073,000	762,971	0.28%	\$ 229
2018	167,528,327	67,113,317,000	759,608	0.26%	\$ 216
2019	157,163,502	69,657,112,000	763,554	0.23%	\$ 206
2020	145,846,953	70,353,683,000	753,162	0.21%	\$ 194
2021	119,605,000	73,816,208,000	746,093	0.16%	\$ 160
2022**	106,841,723	74,554,370,080	754,162	0.14%	\$ 142

**TOTAL DEBT SERVICE TO NON-CAPITAL EXPENSES**

Fiscal Year	Total Debt Service	Non-Capital Expenditures	Ratio Debt Service to Non-
2013*	7,047,458	14,713,553	48%
2014	8,456,950	16,613,756	51%
2015	8,456,950	18,415,414	46%
2016	12,996,950	26,740,014	49%
2017	13,600,350	33,710,422	40%
2018	14,204,100	40,704,021	35%
2019	16,095,850	46,089,431	35%
2020	16,747,600	47,767,685	35%
2021***	7,352,001	34,924,294	21%
2022	14,936,756	42,526,001	35%

\*Fiscal Year 2013 is the first full year SMART had outstanding debt service payments on Series 2011A bonds

\*\*2022 Personal income amount estimated assuming 1% increase from prior year. Total Outstanding Debt includes Leases Payable.

\*\*\* SMART's 2011A bonds were refunded in October 2020 with the Series 2020A bonds part of debt service is from 2011A bonds

Sources: Bureau of Economic Analysis, US Dept of Commerce; Series 2011A Bond; Table 3

**Table 10**  
**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS (Unaudited)**  
**Last Ten Fiscal Years**

<b>Marin County</b>				
Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2012	256,072	\$ 23,918,732	\$ 93,407	6.3%
2013	258,453	\$ 25,093,401	\$ 97,124	5.0%
2014	260,435	\$ 27,176,774	\$ 104,319	4.3%
2015	261,016	\$ 29,227,230	\$ 114,455	3.6%
2016	260,633	\$ 30,222,883	\$ 117,552	3.4%
2017	259,725	\$ 32,867,529	\$ 124,552	2.9%
2018	259,666	\$ 33,196,204	\$ 134,275	2.3%
2019	258,826	\$ 36,684,680	\$ 138,903	2.3%
2020*	262,321	\$ 38,187,380	\$ 145,575	10.2%
2021**	260,206	\$ 38,569,254	\$ 147,031	4.5%

<b>Sonoma County</b>				
Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2012	490,071	\$ 23,548,182	\$ 47,879	8.6%
2013	494,243	\$ 24,905,827	\$ 50,312	6.7%
2014	498,803	\$ 25,224,331	\$ 50,533	5.6%
2015	501,346	\$ 27,284,819	\$ 55,445	4.5%
2016	503,249	\$ 28,457,348	\$ 57,264	4.1%
2017	503,246	\$ 30,343,873	\$ 60,286	3.4%
2018	499,942	\$ 30,647,311	\$ 64,501	2.7%
2019	494,336	\$ 32,972,432	\$ 64,869	2.7%
2020*	488,863	\$ 34,897,974	\$ 71,386	11.4%
2021**	485,887	\$ 35,246,954	\$ 72,100	5.5%

\*2020 Most recent complete data available

\*\*2021 Personal Income and Per Capita Personal Income estimated based on one percent increase from previous year

Sources:

Population: U.S. Census Bureau, census.gov, as of July 1, 2021

Personal Income: US Department of Commerce, Bureau of Economic Analysis www.bea.gov, released 11/16/21

Unemployment: EDD, Labor Market Information - www.labormarketinfo.edd.ca.gov, using June 1st data

<https://www.bea.gov/data/income-saving/personal-income-county-metro-and-other-areas>

<https://www.labormarketinfo.edd.ca.gov/file/lfhist/20aacou.pdf>



**Table 11**  
**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**  
**MAJOR EMPLOYERS (UNAUDITED)**  
**Current Year**

<b>Marin County 2022</b>		
<b>Employer</b>	<b>Number of Employees</b>	<b>Percent of Total Employment*</b>
Kaiser Permanente San Rafael Medical Center**	2,339	1.84%
County of Marin	2,093	1.65%
BioMarin Pharmaceutical	1,658	1.31%
San Quentin State Prison	1,547	1.22%
Marin Health Medical Center**	1,081	0.85%
Novato Unified School District	800	0.63%
San Rafael City Schools	594	0.47%
Autodesk	578	0.46%
Marin Community Clinics	576	0.45%
Dominican University of California	432	0.34%
Novato Community Hospital**	375	0.30%
W. Bradley Electric, Inc.	323	0.25%
<b>Sonoma County 2022</b>		
<b>Employer</b>	<b>Number of Employees</b>	<b>Percent of Total Employment*</b>
County of Sonoma	3,783	1.57%
Kaiser Permanente	3,130	1.30%
Graton Resort and Casino	1,965	0.82%
Santa Rosa School District	1,344	0.56%
Keysight Technologies	1,727	0.72%
Providence - Sonoma County**	1,476	0.61%
Sutter Santa Rosa Regional Hospital**	1,200	0.50%
Safeway, Inc**	1,200	0.50%
Jackson Family Wines	1,082	0.45%
City of Santa Rosa**	1,091	0.45%
Oliver's Market	976	0.40%
Santa Rosa Junior College	716	0.30%

**Sources:**

North Bay Business Journal  
County of Marin  
San Quentin State Prison  
Novato Unified School District  
BioMarin Pharmaceutical  
County of Sonoma  
Graton Resort & Casino  
City of Santa Rosa  
Santa Rosa School District  
Employment Development Department, State of California  
Santa Rosa Junior College  
Marin County Office of Education  
Autodesk

\*Percent of Total Employment reflects June 2022 employed, using California EDD data

\*\*Utilized 2021 data, 2022 data not available

Sonoma-Marín Area Rail Transit District  
Operating Information (Unaudited)  
Current Year

**Table 12**  
**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**  
**Operating Information (Unaudited)**

<b>Start of Operations</b>	August 2017	<b>Rail Stations in Service</b>	12
<b>Form of Governance</b>	Board of Directors with General Manager	<b>Park and Ride Lots (SMART)</b>	6
<b>Service Area</b>	Sonoma and Marin Counties, California	<b>Rail Vehicles in Service</b>	18
<b>Miles of Commuter Rail in Operation</b>	45		

**OPERATING STATISTICS**

Fiscal Year	Ridership	Fare Revenue	Average Fare	Revenue Vehicle Hours	Revenue Vehicle Service Miles
2021-22***	354,291	1,261,038	\$3.56	23,174	679,245
2020-21**	122,855	\$706,938	\$5.75	24,496	404,011
2019-20	567,103	\$3,090,458	\$5.45	28,993	821,415
2018-19*	716,847	\$4,094,540	\$5.71	32,560	923,002
2017-18	636,029	\$3,315,274	\$5.21	43,959	766,833

**FARE INFORMATION\*\*\***

Daily Fares By Zone	1 Zone	2 Zones	3 Zones	4 Zones	5 Zones	Daily Max
Adult Fare	\$1.50	\$3.00	\$4.50	\$6.00	\$7.50	\$15.00
Seniors, youth, and disabled	\$0.75	\$1.50	\$2.25	\$3.00	\$3.75	\$7.50
Passes	Adult	Discount				
31-Day Pass	\$135	\$67.50				

\*2018-19 is the first full year of service

\*\*Fares changed May 2021

\*\*\*2021-22 ridership and related data subject to change through NTD review

Sonoma-Marin Area Rail Transit District  
Employees-Full-Time Equivalent (Unaudited)  
Last Ten Fiscal Years

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**Table 13**  
**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT**  
**Employees- Full-Time Equivalent (Unaudited)**

Division	Fiscal Year Ended June 30									
	2013*	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Legal	0.0	0.8	1.0	1.3	2.8	3.0	3.0	3.0	3.0	3.0
Capital Projects	11.8	13.8	13.9	13.2	8.1	6.0	11.0	11.0	7.0	9.0
Administration	5.6	8.0	8.4	9.0	13.3	15.0	18.0	20.0	16.0	15.0
Finance	5.8	5.8	5.8	6.1	6.2	7.0	8.0	7.0	7.0	7.0
Operations	1.0	1.3	4.7	36.9	79.4	86.0	99.5	102.0	96.5	103.5
Safety &	0.0	0.0	0.8	1.0	2.0	3.0	4.5	5.0	5.0	5.0
Freight	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
<b>Total</b>	<b>25.2</b>	<b>30.7</b>	<b>35.6</b>	<b>68.6</b>	<b>112.8</b>	<b>121.0</b>	<b>145.0</b>	<b>149.0</b>	<b>135.5</b>	<b>144.5</b>

\* FY2013 was the first year SMART prepared Statistical Charts, no data available for prior years