



**Measure M Special Revenue and
Debt Service Funds**

**Financial Statements
and Required Supplementary
Information**

For the Fiscal Year Ended June 30, 2022

**Sonoma County Transportation Authority
Measure M Special Revenue and Debt Service Funds
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Independent Auditor's Report

Board of Directors
Sonoma County Transportation Authority
Santa Rosa, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Measure M Special Revenue and Debt Service Funds (the "Measure M Funds") of the Sonoma County Transportation Authority ("SCTA"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Measure M Funds' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure M Special Revenue and Debt Service Funds, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Measure M Funds' ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report (continued)

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 Measure M Funds' 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 Measure M Funds' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Independent Auditor's Report (continued)

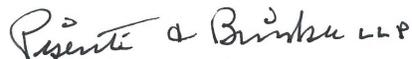
Required Supplementary Information (continued)

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

As discussed in Note A, the financial statements presented depict only the activities of the Measure M Special Revenue and Debt Service Funds of SCTA, and do not purport to, and do not present fairly the financial information for SCTA as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2022, on our consideration of the Measure M Fund'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 Measure M Fund'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 Measure M Fund's internal control over financial reporting and compliance.



Santa Rosa, California
November 18, 2022

Sonoma County Transportation Authority - Measure M Special Revenue and Debt Service Funds

Balance Sheets - by Activity

June 30, 2022

	Measure M Special Revenue Activities								Special Revenue Sub-Total	Debt Service		Total
	Local Streets Rehabilitation	Local Streets Projects	Highway 101	Transit	Passenger Rail	Bike/Pedestrian	Administration	Highway 101				
Assets												
Cash and investments	\$ 829,412	\$ 34,519,637	\$ 6,684,422	\$ 342,221	\$ 2,039,756	\$ 2,886,715	\$ 562,622	\$ 47,864,785	\$ -	\$ 47,864,785		
Sales tax receivable	1,162,970	1,162,970	1,268,441	581,485	290,743	232,594	58,149	4,757,352	1,057,500	5,814,852		
Prepaid items	-	-	-	-	-	-	14,253	14,253	-	14,253		
Due from other governments	-	-	-	-	-	200,552	-	200,552	-	200,552		
Advances to other funds - Measure M	-	5,765,000	-	-	-	-	-	5,765,000	-	5,765,000		
Advances to other funds - SCTA	-	279,705	-	-	-	-	-	279,705	-	279,705		
Restricted cash - debt service	-	-	-	-	-	-	-	-	3,420,159	3,420,159		
Total assets	\$ 1,992,382	\$ 41,727,312	\$ 7,952,863	\$ 923,706	\$ 2,330,499	\$ 3,319,861	\$ 635,024	\$ 58,881,647	\$ 4,477,659	\$ 63,359,306		
Liabilities and fund balance												
Liabilities												
Accounts payable	\$ 880,949	\$ 170,533	\$ 433,251	\$ 367,991	\$ -	\$ 42,413	\$ 2,309	\$ 1,897,446	\$ -	\$ 1,897,446		
Retention payable	-	122,723	-	-	-	-	-	122,723	-	122,723		
Advances from other funds	-	-	4,323,750	-	1,441,250	-	-	5,765,000	-	5,765,000		
Due to other governments	-	184,427	-	-	-	331,000	-	515,427	-	515,427		
Total liabilities	880,949	477,683	4,757,001	367,991	1,441,250	373,413	2,309	8,300,596	-	8,300,596		
Fund Balance												
Nonspendable	-	6,044,705	-	-	-	-	14,253	6,058,958	-	6,058,958		
Restricted - Measure M Debt Service	-	-	-	-	-	-	-	-	4,477,659	4,477,659		
Restricted - Measure M Programs	1,111,433	35,204,924	3,195,862	555,715	889,249	2,946,448	618,462	44,522,093	-	44,522,093		
Total fund balance	1,111,433	41,249,629	3,195,862	555,715	889,249	2,946,448	632,715	50,581,051	4,477,659	55,058,710		
Total liabilities and fund balance	\$ 1,992,382	\$ 41,727,312	\$ 7,952,863	\$ 923,706	\$ 2,330,499	\$ 3,319,861	\$ 635,024	\$ 58,881,647	\$ 4,477,659	\$ 63,359,306		

The notes to the basic financial statements are an integral part of these statements.

Sonoma County Transportation Authority - Measure M Special Revenue and Debt Service Funds

Statements of Revenues, Expenditures, and Changes in Fund Balances - by Activity

For the Fiscal Year Ended June 30, 2022

	Measure M Special Revenue Activities							Special Revenue Sub-Total	Debt Service	
	Local Streets Rehabilitation	Local Streets Projects	Highway 101	Transit	Passenger Rail	Bike/Pedestrian	Administration		Highway 101	Total
Revenues										
Measure M sales tax	\$ 6,369,774	\$ 6,369,774	\$ 6,395,611	\$ 3,184,887	\$ 1,592,444	\$ 1,273,955	\$ 318,489	\$ 25,504,934	\$ 6,343,938	\$ 31,848,872
Intergovernmental revenue	-	13,133	61,649	-	-	430,281	-	505,063	-	505,063
Investment income (loss)	(47,041)	(907,403)	(256,622)	(23,539)	(81,745)	(85,760)	(17,535)	(1,419,645)	(1,602)	(1,421,247)
Total revenue	6,322,733	5,475,504	6,200,638	3,161,348	1,510,699	1,618,476	300,954	24,590,352	6,342,336	30,932,688
Expenditures										
Current:										
Services and supplies	-	709,706	602,842	-	1,688	433,514	328,823	2,076,573	-	2,076,573
Contributions to other governments	6,341,138	927,391	4,836,509	3,170,545	-	1,488,481	-	16,764,064	-	16,764,064
Debt service:										
Interest	-	-	39,408	-	13,136	-	-	52,544	995,375	1,047,919
Principal	-	-	-	-	-	-	-	-	5,215,000	5,215,000
Total expenditures	6,341,138	1,637,097	5,478,759	3,170,545	14,824	1,921,995	328,823	18,893,181	6,210,375	25,103,556
Net change in fund balance	(18,405)	3,838,407	721,879	(9,197)	1,495,875	(303,519)	(27,869)	5,697,171	131,961	5,829,132
Fund Balance at June 30, 2021	1,129,838	37,411,222	2,473,983	564,912	(606,626)	3,249,967	660,584	44,883,880	4,345,698	49,229,578
Fund Balance at June 30, 2022	\$ 1,111,433	\$ 41,249,629	\$ 3,195,862	\$ 555,715	\$ 889,249	\$ 2,946,448	\$ 632,715	\$ 50,581,051	\$ 4,477,659	\$ 55,058,710

The notes to the basic financial statements are an integral part of these statements.

**Sonoma County Transportation Authority
Measure M Special Revenue and Debt Service Funds**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Note A. Reporting Entity

The Sonoma County Transportation Authority (SCTA) was created by the Sonoma County Board of Supervisors, under Resolution No. 90-1522 on August 7, 1990 in accordance with California Public Utilities Code Section 180000 et seq. SCTA's Board of Directors consists of one council member from each of the County's nine cities and three members of the Sonoma County Board of Supervisors.

SCTA was established to accomplish the stated purpose and goals of the Public Utilities Code Section 180000 et seq, also known as the "Local Transportation Authority and Improvement Act" (the Act).

The financial statements of SCTA's Measure M Special Revenue and Debt Service Funds (the Measure M Funds) present only the financial activities of the Measure M Funds and are not intended to fairly present the financial position and changes in financial position of SCTA in conformity with accounting principles generally accepted in the United States of America.

The Measure M Fund was created in November 2004 with the passage of the Traffic Relief Act for Sonoma County. Measure M is funded by a one quarter percent sales tax and its activities are accounted for in a special revenue and debt service fund of SCTA. Measure M creates a stable funding source for local transportation projects intended to make significant progress in widening Highway 101, maintaining local roads, improving local transit services, developing passenger rail service, providing safe bike and pedestrian routes, and making key local street improvements.

The Measure M sales tax expires in March 2025. In November 2020, voters approved the Go Sonoma Act, which extends the one quarter percent sales tax dedicated to transportation for an additional twenty years. The Go Sonoma Act includes a revised expenditure plan to be implemented with sales tax revenue from April 1, 2025 to March 31, 2045. SCTA will develop the first Strategic Plan for the Go Sonoma Act prior to December 31, 2023. Full details of the Go Sonoma Act can be found at <http://scta.ca.gov/gosonoma/>.

The Measure M 2019 Strategic Plan serves as the guiding policy and programming document for the implementation of Measure M projects. It covers a five year period and will be updated periodically in order to reflect the actual revenues received.

**Sonoma County Transportation Authority
Measure M Special Revenue and Debt Service Funds**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Note A. Reporting Entity (continued)

The Measure M 2019 Strategic Plan allocates Measure M Sales tax revenues as follows:

- Local Streets Rehabilitation – 20% to fix pot holes and maintain local streets.
- Local Streets Projects – 20% for key local road projects throughout Sonoma County (the County).
- Highway 101 – 40% to help fund Highway 101 widening throughout the County.
- Transit – 10% to improve local bus transit service.
- Passenger Rail – 5% will go to Sonoma-Marín Area Rail Transit (SMART) for the development of passenger rail service.
- Bike / Pedestrian – 4% will be used for bicycle and pedestrian routes.

Administrative expenses are limited to 1% of overall Measure M expenses.

Note B. Summary of Significant Accounting Policies

Measurement Focus and Basis of Accounting

The accompanying financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Sales tax revenue is recognized in the period that the exchange transaction occurs on which the tax is imposed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Note B. Summary of Significant Accounting Policies (continued)

Fund Balance

Governmental funds report fund balance as non-spendable, restricted, committed, assigned or unassigned based primarily on the extent to which Measure M Funds is bound to honor constraints on how specific amounts can be spent. The fund balance classifications are defined below.

- Nonspendable – amounts that are not in a spendable form or are to be maintained intact.
- Restricted – amounts that can be spent only for the specific purpose stipulated by external resource providers or through enabling legislation.
- Committed – amounts that can be used only for the specific purpose determined by a formal action of the entity's highest level of decision making authority.
- Assigned – amounts intended to be used by the government for specific purposes determined either by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned – the residual classification for the general fund and includes all amounts not contained in the other classifications. This amount is technically available for any purpose.

In general, when both restricted and unrestricted resources are available, restricted resources are used first. When expenditures are made of unrestricted resources, Measure M Funds first applies committed, then assigned, and then unassigned resources.

Cash and Investments

The Measure M Funds report cash and investments in the balance sheet by activity in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, “Accounting and Financial Reporting for Certain Investments and External Investment Pools” and GASB Statement No. 72, “Fair Value Measurement and Application”.

Restricted cash is held by a third party trustee and is restricted for debt service payments and Measure M expenditures pursuant to various bond covenants. Included in these amounts are proceeds from Sales Tax Revenue Bonds, Series 2015, to be used for Measure M activities and bond reserve requirements for the Series 2015 bonds, and sales tax revenues collected by the trustee for making the annual interest payments on the bonds.

**Sonoma County Transportation Authority
Measure M Special Revenue and Debt Service Funds**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Note B. Summary of Significant Accounting Policies (continued)

Sales Tax Revenue and Receivable

Sales tax receivable represents sales tax amounts allocated to SCTA through Measure M, but uncollected at year end. Due to the nature of the sales tax receivable, management does not consider any portion uncollectible.

Sales tax revenues are presented net of administrative assessments by the California Department of Tax and Fee Administration in the amount of \$520,150 for the year.

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 certain reported balances. Accordingly, actual results could differ from those estimates.

Note C. Cash and Investments

Investment in the Sonoma County Treasurer's Investment Pool

Cash and investments are comprised of cash pooled with the Sonoma County Treasury Pool (the Treasury Pool), an external investment pool. The Sonoma County Treasurer's office also acts as a disbursing agent for the Measure M Funds. The fair value of the Measure M Funds' investment in this pool is based upon the Measure M Funds' pro-rata share of the fair value provided by the Treasury Pool for the entire Treasury Pool portfolio (in relation to the amortized cost of that portfolio).

The balance available for withdrawal is based on accounting records maintained by the Treasury Pool, which are recorded on an amortized cost basis. Interest earned on investments pooled with the Treasury Pool is allocated quarterly to the appropriate fund based on its respective average daily balance for that quarter. The Treasury Oversight Committee of the Treasury Pool has oversight for all monies deposited into the Treasury Pool.

The Measure M Funds' pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority: safety of capital, liquidity, and maximum rate of return. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code 53601, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.

A copy of the Treasury Pool investment policy is available upon request from the Sonoma County Auditor-Controller-Treasurer-Tax Collector at 585 Fiscal Drive, Room 100, Santa Rosa, California 95403.

**Sonoma County Transportation Authority
Measure M Special Revenue and Debt Service Funds**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Note C. Cash and Investments (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Due to the highly liquid nature of the Measure M Funds' investment with the Treasury Pool, the Measure M Funds' exposure to interest rate risk is deemed by management to be insignificant.

The weighted average maturity of Treasury Pool investments at June 30, 2022 was 651 days.

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.

Custodial Credit Risk

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Treasury Pool.)

Concentration of Credit Risk

The investment policy of SCTA, which is responsible for the investment decisions of the Measure M Funds, contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no non-pooled investments in any one issuer that represent 5% or more of total Measure M Funds' investments.

Fair Value Measurements

Measure M categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Measure M has the following fair value measurements as of June 30, 2022:

- Investment in Money Market Mutual Funds of \$3,432,562 which are valued using quoted prices in active markets (Level 1).
- Investment in the Sonoma County Treasury Pool of \$47,852,383 which is valued using significant other observable inputs (Level 2).

**Sonoma County Transportation Authority
Measure M Special Revenue and Debt Service Funds**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Note D. Interfund Balances

Measure M entered into a cooperative funding agreement in order to provide inter-program loans from the Local Street Projects fund to the Passenger Rail and Highways 101 funds. The purpose of the inter-program loans was to defease the 2011 bonds in advance of receipt of the sales tax revenue allocation for Passenger Rail and Highway 101 as allowed by the Strategic Plan. Repayment began in the fiscal year ending June 30, 2022 and will continue until 2025. The interest rate will be based on the County's pooled investment rate of return.

Measure M entered into a cooperative funding agreement with SCTA in order to provide an interfund loan from the Local Street Projects fund to SCTA. The purpose of the interfund loan was to provide funding for election costs incurred by SCTA by placing the Go Sonoma Act on the ballot for the November 3, 2020 election in advance of the receipt of Go Sonoma Act sales tax revenue. Interest accrues at the County's pooled investment rate of return and is added to the principal balance. The loan will be repaid in full during the fiscal year ending June 30, 2025.

Receivable Fund	Payable Fund	Amount
Local Street Projects	SCTA	\$ 279,705
Local Street Projects	Passenger Rail	1,441,250
Local Street Projects	Highway 101	4,323,750
Total		\$ 6,044,705

Note E. Measure M Sales Tax Revenue Bonds

In June 2015, SCTA issued \$49,265,000 in Sales Tax Revenue Bonds, Series 2015 (Limited Tax Bonds), to refund and defease the outstanding 2008 Bonds and to finance certain transportation projects included in the Measure M expenditure plan. The 2015 Bonds were issued at a premium of \$7,225,509 and bond issuance costs totaled \$347,463. The 2015 Bonds carry interest rates ranging from 1% to 5% and are payable solely from Measure M sales tax revenue through 2025.

The 2015 Bonds are limited obligations of SCTA secured solely by a pledge of \$62,098,689 from Measure M sales tax revenues.

The 2015 Bonds have a provision that in the event of default, SCTA shall transfer all sales tax revenues held by it and the trustee shall apply all sales tax revenues then held or thereafter received to debt payments then due on the bonds.

**Sonoma County Transportation Authority
Measure M Special Revenue and Debt Service Funds**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Note E. Measure M Sales Tax Revenue Bonds (continued)

Debt service payments made from the Measure M debt service fund totaled \$6,210,375 for the fiscal year ended June 30, 2022, representing 19% of the \$31,848,872 in Measure M sales tax revenue recognized during the same period. The debt service payments consisted of principal payments of \$5,215,000 and interest payments of \$995,375 for the 2015 Bonds.

The annual debt service requirements to maturity for the 2015 Bonds are as follows as of June 30, 2022:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 5,480,000	\$ 728,000	\$ 6,208,000
2024	5,760,000	447,000	6,207,000
2025	6,060,000	151,500	6,211,500
Total requirements	\$ 17,300,000	\$ 1,326,500	\$ 18,626,500

Debt service payments for the 2015 Bonds are made from the Measure M Debt Service fund.

Note F. Risk Management

SCTA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As funds of SCTA, Measure M Funds are covered for general, automobile, crime and errors and omissions liability through Great American Insurance Group. Limits of this coverage are \$1,000,000 per occurrence. The deductible for these occurrences is \$5,000.

SCTA participates in the County of Sonoma's self-insurance program providing \$300,000 per occurrence for workers' compensation claims. The self-insurance program is accounted for in the County's Risk Management Internal Service Fund. Excess workers' compensation coverage with statutory limits is obtained through participation in the Public Risk Innovation, Solutions, and Management (PRISM) Excess Workers Compensation Program. Employers' liability limits are \$5,000,000 per claim.

**Sonoma County Transportation Authority
Measure M Special Revenue and Debt Service Funds**

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Note G. Commitments

The Measure M Special Revenue Fund has the following outstanding commitments related to its program as of June 30, 2022:

<u>Project</u>	<u>Outstanding Commitment Balance</u>
Local Streets - Projects	\$ 10,713,283
Highway 101	5,144,097
Bicycle and Pedestrian	1,170,516
Passenger Rail	443,844
Measure M Admin	10,144
<hr/>	
Total	\$ 17,481,884

Required Supplementary Information

Sonoma County Transportation Authority - Measure M Special Revenue and Debt Service Funds

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budgets and Actual - Special Revenue and Debt Service Funds**

For the Fiscal Year Ended June 30, 2022

	Total Measure M Budgeted Amounts		Actual Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Special	Debt	Total	
			Revenue	Service	Measure M	
Revenues						
Measure M sales tax	\$ 27,584,638	\$ 29,527,726	\$ 25,504,934	\$ 6,343,938	\$ 31,848,872	\$ 2,321,146
Intergovernmental revenue	464,000	525,000	505,063	-	505,063	(19,937)
Investment income (loss)	406,510	406,510	(1,419,645)	(1,602)	(1,421,247)	(1,827,757)
Total revenues	<u>28,455,148</u>	<u>30,459,236</u>	<u>24,590,352</u>	<u>6,342,336</u>	<u>30,932,688</u>	<u>473,452</u>
Expenditures						
Current:						
Services and supplies	3,424,670	3,569,583	2,076,573	-	2,076,573	1,493,010
Contributions to other governments	25,266,886	29,273,671	16,764,064	-	16,764,064	12,509,607
Capital outlay	-	325,308	-	-	-	325,308
Debt service:						
Interest	1,044,375	997,375	52,544	995,375	1,047,919	(50,544)
Principal	5,217,000	5,217,000	-	5,215,000	5,215,000	2,000
Total expenditures	<u>34,952,931</u>	<u>39,382,937</u>	<u>18,893,181</u>	<u>6,210,375</u>	<u>25,103,556</u>	<u>14,279,381</u>
Other Financing Sources (uses)						
Inception of lease	-	325,308	-	-	-	(325,308)
Transfers in	1,310,000	295,000	-	-	-	(295,000)
Transfers out	(1,310,000)	(295,000)	-	-	-	295,000
Total other financing sources (uses)	<u>-</u>	<u>325,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(325,308)</u>
Net change in fund balance	<u>(6,497,783)</u>	<u>(8,598,393)</u>	<u>5,697,171</u>	<u>131,961</u>	<u>5,829,132</u>	<u>14,427,525</u>
Fund Balance at June 30, 2021	<u>49,229,578</u>	<u>49,229,578</u>	<u>44,883,880</u>	<u>4,345,698</u>	<u>49,229,578</u>	<u>-</u>
Fund Balance at June 30, 2022	<u>\$ 42,731,795</u>	<u>\$ 40,631,185</u>	<u>\$ 50,581,051</u>	<u>\$ 4,477,659</u>	<u>\$ 55,058,710</u>	<u>\$ 14,427,525</u>

The note to budgetary comparison information is an integral part of this schedule.

**Sonoma County Transportation Authority
Measure M Special Revenue and Debt Service Funds**

Note to Budgetary Comparison Information

For the Fiscal Year Ended June 30, 2022

Note A. Stewardship, Compliance and Accountability

Budgetary Information

Budgetary revenue estimates represent original estimates modified for any authorized adjustment which was contingent upon new or additional revenue sources. Budgetary expenditure amounts represent original appropriations adjusted by budget transfers and authorized appropriation adjustments made during the year. Budgets are adopted on a basis consistent with generally accepted accounting principles. The Measure M Special Revenue and Debt Service Funds' budgetary information was amended during the year.

Compliance



**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance with
*Government Auditing Standards***

Independent Auditor's Report

Board of Directors
Sonoma County Transportation Authority
Santa Rosa, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the activities of the Measure M Special Revenue and Debt Service Funds (the "Measure M Funds") of the Sonoma County Transportation Authority ("SCTA") which comprise the balance sheets – by activity as of June 30, 2022, the related statements of revenues, expenditures, and changes in fund balance – by activity for the year then ended, and the notes to the financials statements, and have issued our report thereon dated November 18, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Measure M Funds' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Measure M Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the Measure M Funds' internal control.

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

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

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance with
Government Auditing Standards (continued)**

Independent Auditor's Report (continued)

Report on Compliance and Other Matters

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

Purpose of This Report

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

Pesenti & Brinku LLP

Santa Rosa, California
November 18, 2022