SAN JOAQUIN RTD

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Years Ended June 30, 2023 and 2022

County of San Joaquin, California

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
COUNTY OF SAN JOAQUIN, CALIFORNIA

Annual Comprehensive
Financial Report

Fiscal Years Ended
June 30, 2023 and 2022

Prepared by
FINANCE DEPARTMENT

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
JUNE 30, 2023 AND 2022

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TRANSMITTAL LETTER

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
421 E. Weber Ave. · Stockton, CA 95202 · (209) 943-1111 · (209) 948-8516 Fax · sjRTD.com

December 27, 2023

Board of Directors San Joaquin RTD
421 East Weber Avenue
Stockton, CA 95202

It is with pleasure that we submit to you the San Joaquin Regional Transit District (RTD) Annual Comprehensive Financial Report (ACFR) for the fiscal years ending June 30, 2023 and 2022. RTD is required to undergo an annual audit in conformity with the provisions of the Uniform Guidance as it pertains to audits of state and local governments. State law requires that RTD publish audited financial statements within six months of the close of the fiscal year in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of certified public accountants licensed to practice in the State of California. The ACFR was prepared in accordance with the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

This report consists of management's representations concerning the finances of RTD. RTD management is responsible for both the accuracy of the data, as well as the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents RTD's financial position and results of operations. Disclosures are included to enable the reader to gain an understanding of RTD's activities.

Brown Armstrong Accountancy Corporation, a firm of licensed certified public accountants, has audited RTD's financial statements as of and for the fiscal years ended June 30, 2023 and 2022. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit includes examination of evidence supporting the amounts and disclosures in the financial statements on a test basis, assessment of the accounting principles used, significant estimates made by management, and evaluation of the overall presentation of the financial statements.

The independent audit of the financial statements was a part of a broader, federally mandated "Single Audit" designed to meet the needs of federal grantor agencies.

The standards governing the single audit engagement require the independent auditor to report on the fair presentation of the financial statements, internal control over financial reporting, compliance with federal requirements, and other matters. The audit puts an emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in RTD's Annual Financial Report (provided separately).

GAAP requires that management provide a narrative introduction, financial statements overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). RTD's MD&A immediately follows the report of the independent auditors in the Financial Section. This letter of transmittal is designed to complement the MD&A.

PROFILE OF RTD

RTD is the regional transit provider for San Joaquin County (the County). Established in 1963 as the Stockton Metropolitan Transit District (SMTD), SMTD began providing service in 1965. In 1994, with the expansion of its service area to all the County, SMTD became San Joaquin Regional Transit District (RTD).

A five-member Board of Directors (Board) governs RTD. The Stockton City Council appoints two members, the County Board of Supervisors appoints two, and the City Council and Board of Supervisors appoint one. RTD is fiscally independent of the City and County insofar as neither makes budget appropriations to RTD.

RTD's operating and capital planning decisions are based on the strategic initiatives contained within its annual Strategic Plan. The mission and vision statements of RTD guide the initiatives. Our primary mission is to provide a safe, reliable, and efficient transportation system for the region. Our vision is to be the transportation service of choice for the residents we serve.

FACTORS AFFECTING FINANCIAL CONDITION

RTD management is responsible for establishing and maintaining a system of internal financial controls to provide reasonable assurance that assets are protected from loss, theft, or misuse. It is also responsible for assuring that adequate accounting controls are in place to provide reasonable assurance as to the accuracy of information and data used to prepare this report. The concept of reasonable assurance in internal controls requires that the cost of implementing a control should not outweigh the benefits likely to be received, and that the valuation of costs and benefits requires estimates and judgment exercised by management.

As the regional transit provider for the County, RTD's role in providing local and regional transit services is continuously evolving to meet its ever-changing environment. RTD commits to providing the highest level of transit service to the greatest number of people within its available resources. To provide a sustainable level of service during the recent economic climate, RTD has restructured its service design and developed a multi-faceted approach to funding. This approach looks beyond existing resources to maintain a stable source of revenues through partnerships with local agencies and educational institutions in Stockton; lobbying for increased federal, state, and local resources; and increased marketing efforts.

LOCAL ECONOMIC CONDITIONS

Economic conditions affect the way a government entity operates and it's important that the information presented is interpreted with consideration of these economic conditions. San Joaquin County has a population of over 793,000 people and its population continues to grow at a steady pace while the County's unemployment rate has improved to 6.0%, although it is still high compared to California's average rate of 4.5%

Due to the continuing national labor shortage, RTD's major challenge this past fiscal year has been recruiting and retaining sufficient operators to cover the daily work in operations. We have experienced some disruption of service due to operator shortages. It is imperative that we provide our passengers with the service they expect therefore RTD is committed to its recruiting and training program of operators.

RTD also experienced major supply chain issues where bus part orders were significantly delayed, causing buses to be out of service for an extended period. RTD's maintenance department has been working diligently to mitigate this issue by working with multiple vendors to secure the parts needed.

Other challenges also included sustaining its underfunded Defined Benefit Plan. The ever-increasing employee and employer contributions to the Defined Benefit Plan for represented employees and non-represented vested employees also affect RTD's competitiveness as an employer. RTD is committed to finding alternatives to provide a sustainable and affordable retirement plan.

Despite the above challenges, RTD has been successful in bringing in competitive state and federal funding to the County because of the significance of RTD's projects, RTD's technical capacity to manage funding and deliver high-quality products, and RTD's ability to comply with the governing rules and regulations. In addition, RTD has successfully developed effective, professional, and respectful relationships with its various stakeholders.

RTD will be implementing Phase 2 of the Next Gen Study Phased Implementation Plan in January 2024. Phase 2 strives to expand services in underserved communities by further improving frequencies and service span and traveling deeper into the underserved neighborhoods.

The following continuing efforts support RTD's strategic goals:

- Employee development through training and continuing education, employee awards and promotions, and an apprenticeship program.
- Customer satisfaction through improved amenities, passenger access to information and enhanced interaction with customers through social media.
- Financial health through cost containment and revenue-generating activities.
- Operations excellence through improved and innovative services.
- Community relations through education, exposure, visibility, and special marketing campaigns and promotions.
- Continuous improvement through new technology and enhanced processes.

RTD received the following award in fiscal year 2023 which recognized RTD's achievements and performance standards:

1. Government Finance Officers Association (GFOA): Excellence in Financial Reporting Award (20^{th} consecutive year)

BALANCED FUNDING CONCEPTS

On an ongoing basis, RTD reviews its strategic goals to determine the operating and capital requirements for the next five to ten years. It is increasingly important to ensure the availability of financial resources to maintain existing levels of service and to fund planned capital and operating expenditures including rolling stock replacement and additional facilities. RTD currently uses three major levels of funding resources:

- Locally controlled federal and state funding allocations (funding given to local governments and agencies to spend on capital projects and/or operations).
- Federal discretionary funding awards (identified by the Federal Transit Administration for specific projects).
- Locally collected money (e.g., county sales taxes, Measure K, fares).

RTD's capital plan includes investing in a variety of items:

- Upgrading and improving facilities.
- Upgrading communication and IT equipment.
- Upgrading bus and bus technologies.
- Improving passenger amenities.
- Exploring hydrogen fuel cell technology.

STATE/FEDERAL LEGISLATIVE UPDATES

Inflation Reduction Act

The White House unveiled a guidebook that provides background on the provisions of the Inflation Reduction Act (IRA), the tax and climate legislation that was approved by Congress. While the IRA does not include much in the way of direct spending on transportation due to an agreement President Biden made with Senate Republicans when negotiating the infrastructure law, the measure does include a few "direct pay" tax credits in the area of renewable energy for which public entities would be eligible for rebates. This includes an extension of the existing alternative fuels tax credit, as well as a tax credit of up to $40,000 for the purchase of zero emissions commercial vehicles (including buses).

RTD would be eligible for tax credits in the IRA and could compete for competitive grant funding as well.

Transportation

The Budget Act of 2022 committed $4 billion for transit and rail ($2 billion in both FY 2023-24 and 2024- 25) through trailer bill directed to the Transit and Intercity Rail Capital Program (TIRCP) in addition to the $3.65 billion approved for the same program in FY 2022-23. The budget proposes to reduce the amount of TIRCP funding to $1 billion in each fiscal year but indicates the potential to return funding levels to the originally committed $2 billion annually if the state's fiscal outlook improves in January 2024. The Governor's proposed FY 2023-24 state budget includes proposed cuts to zero-emission vehicle (ZEV) program funding. These proposed cuts would reduce the five-year investment of $10 billion for ZEV programs, approved in the 2021 and 2022 Budget Acts, to $8.9 billion. These proposed cuts reflect a proposed $2.5 billion in General Fund cut across various ZEV programs, which would be partially offset by approximately $1.4 billion in proposed fund shifts to Cap and Trade funds.

The proposed near-term cuts to ZEV programs could potentially limit the level of funding available to RTD for transitioning to zero-emission buses and create new challenges for complying with the California Air Resources Board's Innovative Clean Transit regulation.

BUDGET CONTROLS

RTD adopts an annual budget that serves as the foundation for financial planning and control. The budget is a financial plan governing the fiscal year's operating and capital investments. For capital projects exceeding one fiscal year, RTD management adopts a project-length budget. The budget matches revenues with the operating and capital project expenses based on adopted policies and direction set by RTD's Board.

The budget process follows three basic steps that provide continuity in decision making:

1. Assess current conditions and needs to develop goals, objectives, policies, and plans.
2. Prioritize projects and develop a work program.
3. Implement identified project plans and evaluate their effectiveness and shortcomings.

RTD maintains budgetary controls to monitor compliance with RTD's authorization and adopted rules. The annual budget is categorized by fund type (operating or capital), and by department (e.g., transportation) and any capital budget transfers require the CEO's approval. Any amendments to RTD's budget that may occur after Board adoption of the budget for a given fiscal year require Board approval.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to San Joaquin RTD for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended on June 30, 2022. The Certificate of Achievement is a very prestigious national award that recognizes conformance with the highest standards for the preparation of a state or local government financial report. This was the twentieth consecutive year that RTD has received this award. To be eligible for this award, a government unit must publish an easily readable and efficiently organized report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR meets the Certificate of Achievement Program's requirements, and we will submit it to the GFOA to determine eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of several departments, especially Finance. The preparation of this ACFR demonstrates the staff's dedication to improving the standard of reporting to the Board of Directors and RTD's stakeholders. I would like to express my appreciation to all RTD staff who assisted and contributed to the preparation of this report.

Respectfully submitted,

Alex Clifford, CEO

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

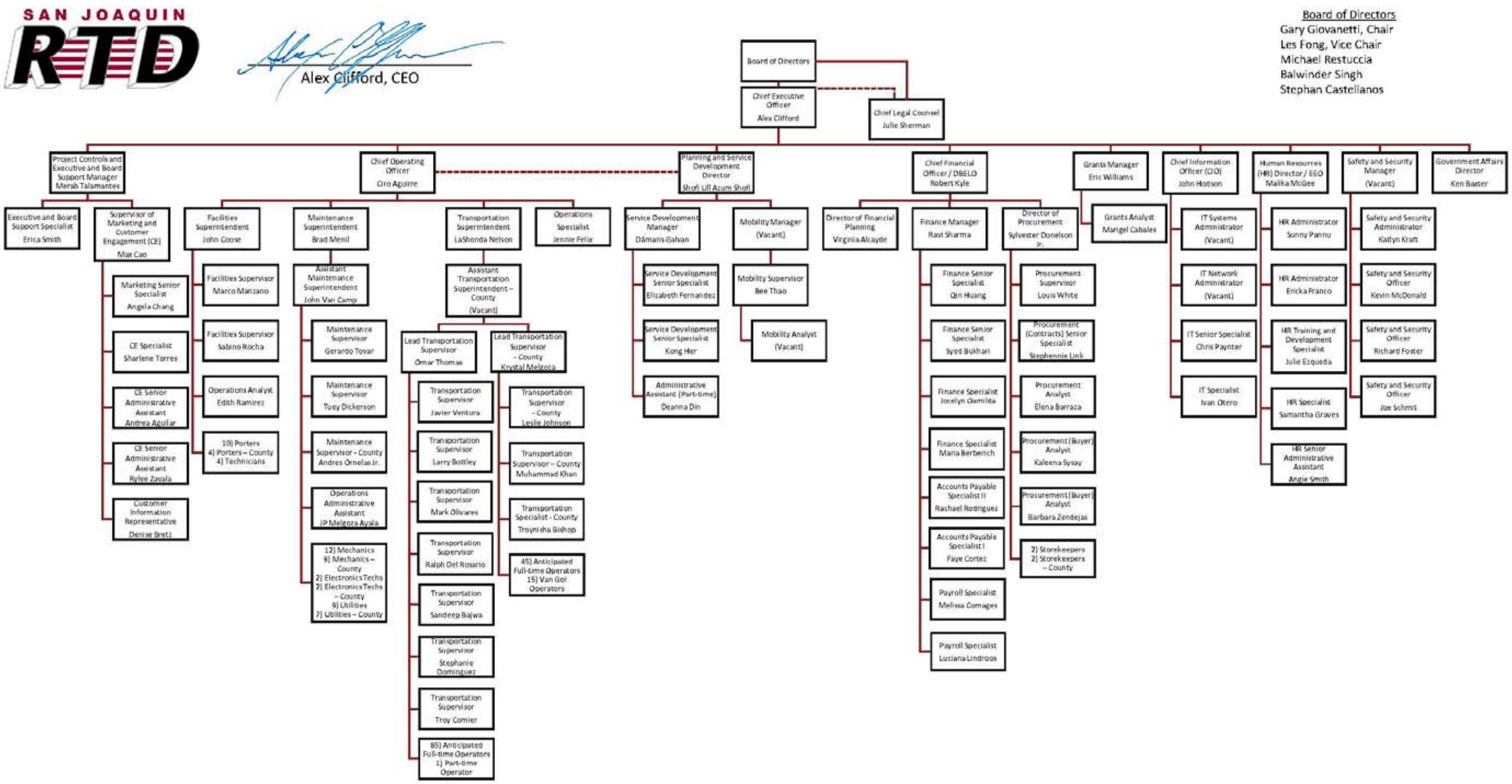
San Joaquin Regional Transit District
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill
Executive Director/CEO

Board of Directors
Gary Giovanetti, Chair
Les Fong, Vice Chair
Michael Restuccia
Balwinder Singh
Stephan Castellanos



Revised 5/30/2023

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL

BOARD OF DIRECTORS

Gary S. Giovanetti	Chair
Les J. Fong	Vice-Chair
Michael Restuccia	Director
Stephan Castellanos	Director
Balwinder T. Singh	Director

MANAGEMENT AND SENIOR STAFF

Alex Clifford	Chief Executive Officer
Ciro Aguirre	Chief Operating Officer
John Hodson	Chief Information Officer
Robert Kyle	Chief Financial Officer

BUDGET AND ADMINISTRATIVE STAFF

Virginia Alcayde	Director of Financial Planning
Ravi Sharma	Finance Manager
Syed Bukhari	Finance Administrator

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Joaquin Regional Transit District
Stockton, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the San Joaquin Regional Transit District (RTD), which comprise the statements of net position as of June 30, 2023 and 2022, the related statements of revenues, expenses, and changes in net position, and cash flows for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise the RTD's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of RTD as of June 30, 2023 and 2022, and the respective changes in financial position, and cash flows thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the RTD 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 RTD'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.

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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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 RTD'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 RTD's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023, on our consideration of the RTD'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 RTD'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 RTD's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Stockton, California
December 27, 2023

Introduction

The following discussion and analysis of the financial performance and activity of the San Joaquin Regional Transit District (RTD) provides an introduction and understanding of the basic financial statements of RTD for the fiscal years ended June 30, 2023 and 2022. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto which follow this section.

RTD is the regional transit provider for San Joaquin County (the County). Its primary mission is to provide a safe, reliable, and efficient transportation system for the region. Established in 1963 as the Stockton Metropolitan Transit District (SMTD), SMTD began providing service in 1965. In 1994, with the expansion of its service area to all the County, SMTD became San Joaquin Regional Transit District (RTD).

A five-member Board of Directors (Board) governs RTD. The Stockton City Council appoints two members, the County Board of Supervisors appoints two members, and the City Council and Board of Supervisors appoint one jointly. RTD is fiscally independent of the City and County insofar as neither makes budget appropriations to RTD.

RTD operates 31 routes in the Stockton Metropolitan Area, including 5 Bus Rapid Transit routes; 5 Countywide routes; 7 Metro Hopper deviated fixed routes throughout the County; and 3 Commuter routes to the Bay Area and Sacramento. RTD's Van Go! service provides service options for County residents with seamless connections within the County. RTD also provides Dial-A-Ride service for persons who, due to their disability, are unable to use fixed-route service. As the Consolidated Transportation Services Agency (CTSA) for the County, RTD provides enhanced mobility and accessibility service options that focus on providing services to seniors and individuals with disabilities. In fiscal year 2023, RTD provided 2.3 million passenger trips.

To provide convenient connections between its routes and services, RTD has four stations in south, central, north, and southeast Stockton: Downtown Transit Center (DTC), Mall Transfer Station (MTS), Hammer Transfer Station (HTS), and Union Transfer Station (UTS), respectively.

RTD has 146 revenue vehicles (100 buses and 46 cutaways), 264 employees (in administration, transportation, and maintenance), working in its three Stockton operations and administrative locations: County Transportation Center (CTC), DTC, and Regional Transportation Center (RTC).

The Financial Statements

RTD's basic financial statements include: (1) the Statement of Net Position; (2) the Statement of Revenues, Expenses, and Changes in Net Position; and (3) the Statement of Cash Flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

The Statement of Net Position reports assets and deferred outflows of resources, liabilities and deferred inflows of resources, and the difference as net position. The entire equity section is combined to report total net position and is displayed in two components: net investment in capital assets and unrestricted net position.

The net asset component of net investment in capital assets consists of capital assets, including restricted capital assets, net of accumulated depreciation, and is reduced by the outstanding balances of any borrowings attributable to the acquisition, construction, or improvements of those assets.

Restricted net position consists of assets where constraints on their use are externally imposed by creditors (such as through debt covenants, if any), grantors, contributors, or laws and regulations of other governments.

Unrestricted net position consists of net position that does not meet the definition of restricted or net investment in capital assets. This net position component includes net position that has been designated by management as operating and capital reserves for purposes that may include assets allocated to fund capital projects, reserves for self-insurance, other liabilities, and operations, provided such use is approved by the RTD Board.

Revenues and expenses are categorized as either operating or non-operating based upon the definitions provided by Governmental Accounting Standards Board (GASB) Statements No. 33 and No. 34. Significant recurring resources of RTD's revenues, such as capital contributions, are reported as non-operating revenues.

The Statement of Cash Flows is presented using the direct method and includes a reconciliation of operating cash flows to operating loss.

Financial Highlights

Statement of Revenues, Expenses, and Change in Net Position

A summary of RTD's Statements of Revenues, Expenses, and Changes in Net Position for the fiscal years ended June 30, 2023, 2022, and 2021, follows:

			2023 to 2022 Increase/Decrease			2022 to 2021 Increase/Decrease	
	2023	2022	Amount	%	2021	Amount	%
Operating revenues	$ 2,942,812	$ 1,929,618	$ 1,013,194	53%	$ 1,571,419	$ 358,199	23%
Operating expenses	(54,689,089)	(42,973,522)	(11,715,567)	27%	(46,991,679)	4,018,157	-9%
Operating loss	(51,746,277)	(41,043,904)	(10,702,373)	26%	(45,420,260)	4,376,356	-10%
Non-operating revenues	48,736,916	53,718,569	(4,981,653)	-9%	51,254,202	2,464,367	5%
Non-operating expenses	(144,970)	(221,270)	76,300	-34%	(297,570)	76,300	-26%
Excess before capital contributions	(3,154,331)	12,453,395	(15,607,726)	-125%	5,536,372	6,917,023	125%
Capital contributions	12,324,580	5,305,690	7,018,890	132%	5,051,577	254,113	5%
Change in net position	9,170,249	17,759,085	(8,588,836)	-48%	10,587,949	7,171,136	68%
Total net position, beginning of year	120,716,346	103,006,317	17,710,029	17%	92,418,368	10,587,949	11%
Prior period adjustment	95,433	(49,056)	144,489	0%	-	(49,056)	0%
Total net position, end of year	$ 129,982,028	$ 120,716,346	$ 9,265,682	8%	$ 103,006,317	$ 17,710,029	17%

Fiscal year 2023 vs. 2022

RTD's fiscal year 2023 net operating revenues increased by $1,013,194 or 53% over fiscal year 2022. Fare revenues increased in fiscal year 2023 as a result of increased ridership due to more people getting comfortable riding public transit again after the pandemic which led to increased operating revenues. There was a marginal decrease in auxiliary revenue and an increase in non-transportation revenue.

Operating expenses increased by $11,715,567 or 27% primarily due to increases in all expense categories except for depreciation expense.

Non-operating revenues primarily consist of operating subsidies from federal, state, and local funding sources. The net decrease in non-operating revenues of $4,981,653 or (9%) is primarily due to $7,037,540 decrease in Federal cash grants because majority of the stimulus grants were expended in fiscal year 2022.

Non-operating expenses are made up of long-term loan interest.

Capital contributions increased by $7,018,890 or 132% because there were more major projects in fiscal year 2023 compared to fiscal year 2022. Major projects for the fiscal year were as follows: Bus Replacement – purchased nine Battery Electric busses, Construction – completed the installation of the Solar Photovoltaic (PV) Panel System, Fuel Infrastructure – completed the installation of the Battery Energy Storage System (BESS). Safety – installed operator barriers on buses. Ongoing projects for the fiscal year were as follows: engine rebuild/replacement, fare collection equipment and passenger amenities improvements, purchase hydrogen fuel cell electric buses and hybrid buses, purchase hydrogen trailer, and facilities improvements.

Fiscal year 2022 vs. 2021

RTD's fiscal year 2022 net operating revenues increased by $358,199 or 23% over fiscal year 2021. Fare revenues increased in fiscal year 2022 as a result of increased ridership due to more people getting vaccinated for COVID-19 and the Governor's stay at home order being lifted which led to increased operating revenues. There is also a net increase in auxiliary and non-transportation revenues.

Operating expenses decreased by $4,018,157 or (9%) primarily due to decreases in a) fringe benefits, b) pension expense, c) insurance, and d) purchased transportation,

a) Fringe benefits decreased by $5,287,784 or (35%) in fiscal year 2022 mainly due to RTD's additional, one-time cash contribution of $2,733,000 towards the pension fund and additional one-time cash contribution of $3,307,000 towards the Other Post-Employment Benefits (OPEB) fund to help elevate the funding level in fiscal year 2021.

b) Pension expense decreased by $1,205,000 or (62%) in fiscal year 2022 due to a decrease in the actuarially-determined pension liability in accordance with GASB Statement No. 68.

c) Insurance expenses decreased by $1,477,249 or (59%) mainly due to recording an increased accrual in the Payouts for Uninsured Liabilities account in fiscal year 2021.

d) Purchased Transportation expenses decreased by $4,316,097 or (69%) mainly due to RTD taking over the contracted County services in fiscal year 2022.

Non-operating revenues primarily consist of operating subsidies from federal, state, and local funding sources. The net increase in non-operating revenues of $2,464,367 or 5% is primarily due to $4,643,099 Local Transportation Funds (LTF) that was applied to operations in fiscal year 2022.

Non-operating expenses are made up of long-term loan interest.

Capital contributions increased by $254,113 or 5% because there were more major projects in fiscal year 2022 compared to fiscal year 2021. Projects for the fiscal year were as follows: Bus Replacement – purchased two commuter busses, Construction – started the Solar Photovoltaic (PV) Panel System, Fuels Infrastructure – eight Gillig bus ChargePoint charges installed. Ongoing projects for the fiscal year were as follows: engine rebuild/replacement, fare collection equipment and passenger amenities improvements.

Operating and Non-Operating Revenues

Below is a schedule showing major sources of operating and non-operating revenues for the fiscal years ended June 30, 2023, 2022, and 2021:

	2023	2022	2023 to 2022 Increase/Decrease Amount	2023 to 2022 Increase/Decrease %	2021	2022 to 2021 Increase/Decrease Amount	2022 to 2021 Increase/Decrease %
Operating revenues by major source							
Passenger	$ 2,215,925	$ 1,545,337	$ 670,588	43%	$ 1,255,399	$ 289,938	23%
Auxiliary	94,207	99,324	(5,117)	-5%	95,933	3,391	4%
Non-transportation	632,680	284,957	347,723	122%	220,087	64,870	29%
Total operating revenues	2,942,812	1,929,618	1,013,194	53%	1,571,419	358,199	23%
Non-operating revenues by major source							
Local property taxes	1,368,646	1,279,993	88,653	7%	1,202,130	77,863	6%
State and local cash grants	36,896,445	36,121,028	775,417	2%	32,917,857	3,203,171	10%
Federal cash grants	9,147,441	16,184,981	(7,037,540)	-43%	17,066,076	(881,095)	-5%
Interest and investment income	1,321,324	132,567	1,188,757	897%	67,019	65,548	98%
Other non-operating revenues	3,060	-	3,060	100%	1,120	(1,120)	-100%
Total non-operating revenues	48,736,916	53,718,569	(4,981,653)	-9%	51,254,202	2,464,367	5%
Total revenues	$ 51,679,728	$ 55,648,187	$ (3,968,459)	-7%	$ 52,825,621	$ 2,822,566	5%

Revenues – Fiscal Year 2023 vs. 2022

Passenger fares revenue in fiscal year 2023 increased by $670,588 or 43%. Operating revenues increased primarily due to an increase in fare revenues as a result of an increase in ridership due to more people getting comfortable riding public transit again after the pandemic. RTD's ridership continues to increase but is still short of the pre pandemic levels.

Auxiliary revenues decreased by $5,117 or (5%) due to lower RTD advertising revenue. Non-transportation revenues increased by $347,723 or 122% primarily due to proceeds received from the credits sale of Low-Carbon Fuel Standards (LCFS).

Local property tax revenue increased by $88,653 or 7% due to an increased apportionment to RTD from increasing property values.

The net increase in State and local cash grants of $775,417 or 2% is primarily due to increased apportionment from Low Carbon Transit Operations Program (LCTOP) of $920,130.

Federal cash grants decreased by $7,037,540 or (43)% as a result of fully expending the Federal 5307 American Rescue Plan Act (ARPA) grant in fiscal year 2022.

Interest and investment income increased by $1,188,757 or 897% due to overall higher cash balances and higher yields in fiscal year 2023 as compared to the prior year.

Other non-operating revenues increased by $3,060 or (100%) because there were recoveries from third parties for damaged RTD properties in the current fiscal year.

Revenues – Fiscal Year 2022 vs. 2021

Passenger fares revenue in fiscal year 2022 increased by $289,938 or 23%. Operating revenues increased primarily due to an increase in fare revenues as a result of an increase in ridership due to more people getting vaccinated for the COVID-19 pandemic and the Governor's stay at home order for non-essential workers being lifted. RTD's ridership continues to increase but is still short of the pre COVID-19 levels.

Auxiliary revenues increased by $3,391 or 4% due to higher RTD advertising revenue. Non-transportation revenues increased by $64,870 or 29% primarily due to proceeds received from the auction of retired buses.

Local property tax revenue increased by $77,863 or 6% due to an increased apportionment to RTD from increasing property values.

The net increase in State and local cash grants of $3,203,171 or 10% is primarily due to increased final apportionment from Transportation Development Act (TDA) Local Transportation Fund of $4,643,099 as a result of higher than anticipated revenues received by the State for fiscal year 2022.

Federal cash grants decreased by $881,095 or (5)% as a result of a net decrease in Federal 5307 CARES Act grant and Federal 5307 American Rescue Plan Act (ARPA) grant in fiscal year 2022.

Interest and investment income increased by $65,548 or 98% due to overall higher cash balances in fiscal year 2022 as compared to the prior year.

Other non-operating revenues decreased by $1,120 or (100%) because there were no recoveries from insurance companies and third parties for damaged RTD properties in the current fiscal year.

Below is a schedule showing the components of operating and non-operating expenses for the fiscal years ended June 30, 2023, 2022, and 2021:

			2023 to 2022 Increase/Decrease			2022 to 2021 Increase/Decrease	
	2023	2022	Amount	%	2021	Amount	%
Operating expenses							
Operators' salaries	$ 7,021,013	$ 5,396,725	$ 1,624,288	30%	$ 3,327,804	$ 2,068,921	62%
Other salaries	9,168,687	7,531,719	1,636,968	22%	6,209,345	1,322,374	21%
Fringe benefits	11,582,560	9,968,875	1,613,685	16%	15,256,659	(5,287,784)	-35%
Pension expense	112,000	(3,137,000)	3,249,000	104%	(1,932,000)	(1,205,000)	62%
OPEB expense	(150,713)	(607,000)	456,287	75%	(3,467,000)	2,860,000	-82%
Service expenses	4,990,570	3,628,887	1,361,683	38%	3,272,109	356,778	11%
Fuel and lubricants	1,786,600	1,382,025	404,575	29%	813,096	568,929	70%
Tires and tubes	256,385	9,488	246,897	2602%	6,214	3,274	53%
Other materials and supplies	1,825,355	1,264,364	560,991	44%	835,247	429,117	51%
Utilities	1,066,024	996,473	69,551	7%	925,823	70,650	8%
Insurance	1,939,213	1,009,196	930,017	92%	2,486,445	(1,477,249)	-59%
Taxes	308,911	243,934	64,977	27%	180,553	63,381	35%
Purchased transportation	2,312,956	1,948,542	364,414	19%	6,264,639	(4,316,097)	-69%
Other	786,307	777,394	8,913	1%	399,688	377,706	95%
Depreciation	11,683,221	12,559,900	(876,679)	-7%	12,413,057	146,843	1%
	54,689,089	42,973,522	11,715,567	27%	46,991,679	(4,018,157)	-9%
Non-operating expenses							
Interest expense	144,970	221,270	(76,300)	-34%	297,570	(76,300)	-26%
Total expenses	$ 54,834,059	$ 43,194,792	$ 11,639,267	27%	$ 47,289,249	$ (4,094,457)	-9%

Expenses – Fiscal Year 2023 vs. 2022

Total expenses (excluding depreciation, pension, and OPEB expenses) for fiscal year 2023 were $43,189,551 as compared to $34,378,892 in fiscal year 2022, which is a net increase of $8,810,659 or 26% from prior year.

Operators' salaries increased by $1,624,288 or 30% in fiscal year 2023 due to increased payrate of operators as per collective bargain agreement (CBA), more operators being hired and an increase in overtime hours due to services expansion in January 2023.

Other salaries increased by $1,636,968 or 22% in fiscal year 2023 mainly due to increased pay rate of mechanics and other union employees as per the CBA, cost-of-living adjustment (COLA) increase to all non-represented employees, and more employees on payroll in fiscal year 2023.

Net increase in fringe benefits of $1,613,685 or 16% was primarily due to an increase in retirement plan costs because contributions rates increased by 3.26% and due to an increase in medical premium costs.

Pension expenses increased by $3,249,000 or 104% due to an increase in the actuarially determined pension liability in accordance with GASB statement No. 68.

OPEB expenses increased by $456,287 or 75% mainly due to an increase in the actuarially determined OPEB liability in accordance with GASB statement No. 75.

Service expenses increased by $1,361,683 or 38% mainly due to an increase in Professional Consulting Services because of reclassed capitalized system redesign study being expensed to the current fiscal year; increase in legal expenses due to increased litigation services; Increase in Software Maintenance expenses as a result of increased expenditure on Information Technology infrastructure; and increase in Security Services expenses because RTD hired more security officers to ensure our riders and operators are safe and to deter fare evasions.

Fuel and lubricant expenses increased by $404,575 or 29% primarily due to operating more routes in fiscal year 2023 compared to fiscal year 2022 as a result of service expansions in January 2023. The increase was also due to higher fuel costs per gallon compared to fiscal year 2022.

Tires and tubes expenses increased by $246,897 or 2602% because in fiscal year 2022 tires and tubes were capitalized and in fiscal year 2023 it was recorded as an expense. RTD will continue to record this as an expense.

Other materials and supplies increased by $560,991 or 44% primarily due to the purchase of vehicle parts. Due to supply chain issues vehicle part orders were delayed for an extended period and when parts arrived prices were much higher than anticipated due to demand and inflation.

Utilities expenses increased by $69,551 or 7% mainly due an increase in electric fuel expenses because RTD's electric fleet expended compared to fiscal year 2022.

Insurance expenses increased by $930,017 or 92% because in fiscal year 2023 an increased accrual in the Payouts for Uninsured Liabilities account was booked for claims that will become due in the future.

Taxes reflect fuel and lubricant taxes, electric power taxes, property assessments, and permits and renewals. The net increase of $64,977 or 27% was mainly due to an increase in fuel taxes that was a result of higher fuel usage and higher fuel costs.

Purchased Transportation costs increased by $364,414 or 19% due to new contracted services for Paratransit operated for twelve months in fiscal year 2023 compared to six months in fiscal year 2022.

The net increase in other expenses of $8,913 or 1% mainly due to advertising expenses for promotion and outreach for new services.

Depreciation expense decreased by $876,679 or (7%) primarily due to system redesign study capital asset being reclassed to expense in fiscal year 2023 and tires and tubes recorded as an expense in fiscal year 2023 but was capitalized in prior years.

Interest expense is related to the Measure K loan payable.

Expenses – Fiscal Year 2022 vs. 2021

Total expenses (excluding depreciation, pension, and OPEB expenses) for fiscal year 2022 were $34,378,892 as compared to $40,275,192 in fiscal year 2021, which is a net decrease of $5,896,300 or (15%) from prior year.

Operators' salaries increased by $2,068,921 or 62% in fiscal year 2022 due to services contracted out for Metro Hopper, County Hopper, Commuter, and Van GO! were being operated directly by RTD and as a result more operators were being hired in fiscal year 2022 to provide these services.

Other salaries increased by $1,322,374 or 21% in fiscal year 2022 mainly due to services contracted out for Metro Hopper, County Hopper, Commuter, and Van GO! were being operated directly by RTD and as a result more mechanics, electronic technicians, utility workers, storekeepers, supervisors, and specialists were being hired in fiscal year 2022.

Net decrease in fringe benefits of $5,287,784 or (35%) was primarily due to a one-time cash contribution of $6,040,000 into the defined benefit plan by RTD in fiscal year 2021.

Pension expenses decreased by $1,205,000 or (62%) due to a decrease in the actuarially-determined pension liability in accordance with GASB statement No. 68.

OPEB expense increased by $2,860,000 or (82%) mainly due to a decrease in the actuarially-determined OPEB liability in accordance with GASB statement No. 75.

Service expenses increased by $356,778 or 11% due to an increase in temporary help expense as a result of contracted services being operated directly by RTD. Temporary help was needed by the Human Resources and Transportation department for all the additional recruitment. Temporary help was needed in the Procurement parts department for procurement of additional parts. The Information Technology and Finance department got temporary help to implement and maintain software and to fill in a vacant position, respectively.

Fuel and lubricant expenses increased by $568,929 or 70% primarily due to operating more routes in fiscal year 2022 compared to fiscal year 2021 as a result of increased ridership as the COVID-19 pandemic and the Governor's stay at home order for non-essential workers restrictions were lifted. Fuel expenses increased also due to higher cost of diesel fuel in fiscal year 2022 compared to fiscal year 2021.

Tires and tubes reflect non-revenue vehicle tire expenses.

Other materials and supplies increased by $429,117 or 51% primarily due to the purchase of vehicle parts for revenue vehicles taken over by RTD for contracted services. All repairs were done to meet RTD standards. In fiscal year 2022, RTD did not capitalize materials and supplies due to federal 5307 grant restrictions.

Utilities expenses increased by $70,650 or 8% mainly due an increase in communications expenses as a result of additional radio system for operators and the dispatch department.

Insurance expenses decreased by $1,477,249 or (59%) because in fiscal year 2021 an increased accrual in the Payouts for Uninsured Liabilities account was booked for claims that will become due in the future.

Taxes reflect fuel and lubricant taxes, electric power taxes, property assessments, and permits and renewals. The net increase of $63,381 or 35% was mainly due to an increase in fuel taxes that was a result of higher fuel usage and higher fuel costs.

Purchased Transportation costs decreased by $4,316,097 or (69%) mainly due to services contracted out for Metro Hopper, County Hopper, Commuter, and Van GO! were being operated directly by RTD in fiscal year 2022.

The net increase in other expenses of $377,706 or 95% is mainly due to the following: a $186,013 increase in other recruitment expenses due to RTD paying for executive recruiting services for the following vacant positions: Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Procurement Manager, and Mobility Manager; a $99,992 increase in travel and training expenses due to COVID-19 pandemic restrictions being lifted; and a $65,957 increase in other miscellaneous expenses.

Depreciation expense increased by $146,843 or 1% primarily because of additional revenue vehicle purchases, installations of operator barriers, and the installation of battery depot charges in fiscal year in 2022.

Interest expense is related to the Measure K loan payable.

Statements of Net Position

A comparison of RTD's Statements of Net Position as of June 30, 2023, 2022, and 2021 is as follows:

			2023 to 2022 Increase/Decrease			2022 to 2021 Increase/Decrease	
	2023	2022	Amount	%	2021	Amount	%
Current and other assets	$ 86,278,587	$ 72,211,305	$ 14,067,282	19%	$ 49,024,834	$ 23,186,471	47%
Capital assets, net of accumulated depreciation	105,122,687	105,019,030	103,657	0%	112,241,697	(7,222,667)	-6%
Total assets	191,401,274	177,230,335	14,170,939	8%	161,266,531	15,963,804	10%
Deferred outflows of resources related to pensions	8,827,000	5,411,000	3,416,000	63%	7,013,000	(1,602,000)	-23%
Deferred outflows of resources related to OPEB	2,127,000	914,624	1,212,376	133%	5,117,624	(4,203,000)	-82%
Total deferred outflows of resources	10,954,000	6,325,624	4,628,376	73%	12,130,624	(5,805,000)	-48%
Current liabilities	30,375,880	20,669,598	9,706,282	47%	17,412,348	3,257,250	19%
Long-term liabilities	37,944,366	30,889,678	7,054,688	23%	50,888,152	(19,998,474)	-39%
Total liabilities	68,320,246	51,559,276	16,760,970	33%	68,300,500	(16,741,224)	-25%
Deferred inflows of resources related to pensions	1,279,000	7,212,000	(5,933,000)	-82%	553,000	6,659,000	1204%
Deferred inflows of resources related to OPEB	2,774,000	4,068,337	(1,294,337)	-32%	1,537,338	2,530,999	165%
Total deferred inflows of resources	4,053,000	11,280,337	(7,227,337)	-64%	2,090,338	9,189,999	440%
Net position							
Net investment in capital assets	101,322,687	99,219,030	2,103,657	2%	104,441,697	(5,222,667)	-5%
Restricted for OPEB	-	1,083,000	(1,083,000)	-100%	-	1,083,000	100%
Unrestricted	28,659,341	20,414,316	8,245,025	40%	(1,435,380)	21,849,696	1522%
Total net position	$ 129,982,028	$ 120,716,346	$ 9,265,682	8%	$ 103,006,317	$ 17,710,029	17%

June 30, 2023 vs June 30, 2022

Current and other assets increased by $14,067,282 or 19% as compared to the prior year, primarily due to an increase in cash and cash equivalents received for current fiscal year's operating expenses from federal reimbursements and increased apportionment from TDA Local Transportation Fund resulted from the State receiving higher-than-anticipated revenues for fiscal year 2023.

Capital assets, net of accumulated depreciation, increased by $103,657 or (0%) primarily due to the purchase of revenue vehicles.

Total deferred outflows of resources increased by $4,628,376 or 73% as compared to the prior year primarily due to the increase in the net difference between actual and projected earnings on investments related to pension by $3,416,000 and OPEB by $1,212,376.

Current liabilities increased by $9,706,282 or 47% primarily due to an increase in TDA State Transit Assistance (STA) funds being received in advance for next fiscal year's capital projects.

Long-term liabilities increased by $7,054,688 or 23% primarily due to a defined benefit plan-related increase in net pension and net OPEB liabilities.

Total deferred inflows of resources decreased by $7,227,337 or (64%), primarily due to the decrease in the differences between expected and actual experience related to pensions by $5,933,000, and by the decrease in deferred inflows of resources related to OPEB by $1,294,337.

Net investment in capital assets increased by $2,103,657 or 2%, due to capital asset acquisitions.

The unrestricted net position increased by $8,245,025 or 40% compared to the prior year, mainly due to total revenues of $51,679,728 exceeding total expenses (excluding depreciation) of $43,150,838 by $8,528,890 in fiscal year 2023.

June 30, 2022 vs June 30, 2021

Current and other assets increased by $22,103,471 or 45% as compared to the prior year, primarily due to an increase in cash and cash equivalents received for current fiscal year's operating expenses from federal reimbursements. Increased apportionment from TDA Local Transportation Fund resulted from the State receiving higher-than-anticipated revenues for fiscal year 2022. There was also an increase in receivables because all TDA funds for fiscal year 2022 were not received in the current fiscal year.

Capital assets, net of accumulated depreciation, decreased by $7,222,667 or (6%) primarily due to an increase in accumulated depreciation because the prior year's capital purchases were placed in service and depreciated for partial year compared to full-year depreciation in fiscal year 2022.

Total deferred outflows of resources decreased by $5,805,000 or (48%) as compared to the prior year primarily due to the decrease in the net difference between actual and projected earnings on investments related to OPEB by $4,203,000. The decrease in deferred outflows of resources related to pension also contributed to the overall decrease.

Current liabilities increased by $3,257,250 or 19% primarily due to an increase in TDA State Transit Assistance (STA) funds being received in advance for next fiscal year's capital projects.

Long-term liabilities decreased by $21,081,474 or (41%) primarily due to a defined benefit plan-related decrease in net pension and net OPEB liabilities.

Total deferred inflows of resources increased by $9,189,999 or 440%, primarily due to the increase in the differences between expected and actual experience related to pensions by $6,659,000, and by the increase in deferred inflows of resources related to OPEB by $2,530,999.

Net investment in capital assets decreased by $5,222,667 or (5%), due to increase in accumulated depreciation.

The unrestricted net deficit increased by $22,932,696 or 1,598% compared to the prior year, mainly due to total revenues of $55,648,187 exceeding total expenses (excluding depreciation) of $30,634,892 by $25,013,295 in fiscal year 2022.

Capital Assets

Capital assets – net of accumulated depreciation as of June 30, 2023, 2022, and 2021 – are comprised of the following:

	2023	2022	2023 to 2022 Increase/Decrease Amount	2023 to 2022 Increase/Decrease %	2021	2022 to 2021 Increase/Decrease Amount	2022 to 2021 Increase/Decrease %
Capital assets not being depreciated							
Land	$ 11,379,166	$ 11,379,166	$ -	0%	$ 11,379,166	$ -	0%
Work in process	-	1,220,594	(1,220,594)	-100%	12,133	1,208,461	9960%
Total capital assets not being depreciated	11,379,166	12,599,760	(1,220,594)	-10%	11,391,299	1,208,461	11%
Capital assets being depreciated							
Buildings	85,910,538	85,901,438	9,100	0%	85,857,849	43,589	0%
Revenue equipment	82,240,812	77,041,994	5,198,818	7%	81,303,811	(4,261,817)	-5%
Service vehicles, shop, office and other equipment	46,116,302	42,547,242	3,569,060	8%	41,201,172	1,346,070	3%
Total capital assets being depreciated	214,267,652	205,490,674	8,776,978	4%	208,362,832	(2,872,158)	-1%
Less: accumulated depreciation							
Buildings	(30,818,555)	(27,990,683)	(2,827,872)	10%	(25,133,343)	(2,857,340)	11%
Revenue equipment	(53,026,820)	(50,930,576)	(2,096,244)	4%	(51,322,716)	392,140	-1%
Service vehicles, shop, office and other equipment	(36,678,756)	(34,150,145)	(2,528,611)	7%	(31,056,375)	(3,093,770)	10%
Total accumulated depreciation	(120,524,131)	(113,071,404)	(7,452,727)	7%	(107,512,434)	(5,558,970)	5%
Capital assets, net	$ 105,122,687	$ 105,019,030	$ 103,657	0%	$ 112,241,697	$ (7,222,667)	-6%

June 30, 2023 vs. June 30, 2022

Capital assets, net of accumulated depreciation, increased by $103,657 or (0%) primarily due to the purchase of revenue vehicles.

June 30, 2022 vs. June 30, 2021

Capital assets, net of accumulated depreciation, decreased by $7,222,667 or (6%) primarily due to an increase in accumulated depreciation because the prior year's capital purchases were depreciated for a partial year (dependent on when they were placed in service during fiscal year 2021) as compared to a full-year depreciation in fiscal year 2022.

See Note 4 for further information.

Long-Term Debt

Long-term debt as of June 30, 2023, 2022, and 2021, is comprised of the following:

	2023	2022	2023 to 2022 Increase/Decrease Amount	2023 to 2022 Increase/Decrease %	2021	2022 to 2021 Increase/Decrease Amount	2022 to 2021 Increase/Decrease %
Measure K loan payable	$ 3,800,000	$ 5,800,000	$ (2,000,000)	-34%	$ 7,800,000	$ (2,000,000)	-26%
	$ 3,800,000	$ 5,800,000	$ (2,000,000)	-34%	$ 7,800,000	$ (2,000,000)	-26%

June 30, 2023 vs. June 30, 2022

The total Measure K loan payable balance decreased by $2,000,000 due to a payment toward the principal during fiscal year 2023. RTD used $2,000,000 of its Measure K receivable balance to reduce the principal balance of the Measure K loan payable per the agreement.

June 30, 2022 vs. June 30, 2021

The total Measure K loan payable balance decreased by $2,000,000 due to a payment toward the principal during fiscal year 2022. RTD used $2,000,000 of its Measure K receivable balance to reduce the principal balance of the Measure K loan payable per the agreement.

Line of credit is used only when there are delays in receipt of awarded-fund reimbursements. RTD didn't use any line of credit throughout fiscal year 2022. Line of credit had zero balance in fiscal years 2021 and 2022.

See Note 8 for further information.

Economic Condition, Outlook, and Activity

RTD's operating and capital planning decisions are based on the strategic initiatives contained within its annual Strategic Plan. RTD's mission and vision statements guide the initiatives. Our primary mission is to provide a safe, reliable, and efficient transportation system for the region. Our vision is to be the transportation service of choice for the residents we serve. RTD operates on a balanced budget.

RTD's operations are funded mostly by sales tax revenues from State and Local sources and operating assistance from Federal sources. RTD closely monitors economic conditions to proactively plan for sustainable operations.

To prepare for a bright, sustainable future, RTD must invest in environmentally-sound infrastructure. RTD's Hydrogen Fuel Cell Electric buses, Battery Electric buses and Solar Energy Project is a group of projects that leverage green technologies to boost cost savings, which translates to promoting a fiscally and environmentally sustainable transit system.

RTD achieved significant accomplishments in fiscal year 2023 that supported its strategic plan. The most notable of which are the following:

1. Placed 9 new Stockton Metropolitan Area (SMA) battery electric buses into service.
2. Completed installation of the battery energy storage system.
3. Completed construction on the Solar Photovoltaic (PV) panel system.
4. Started farebox rebuild and installation project.
5. Concluded annual CHP inspections with zero defects and complied with drug and alcohol policies.

Contacting RTD's Financial Management

RTD's financial report is designed to provide RTD's Board of Directors, management, and the public with an overview of RTD's finances. For additional information about this report, please contact CEO Alex Clifford, San Joaquin RTD, 421 East Weber Avenue, Stockton, California 95202.

BASIC FINANCIAL STATEMENTS

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ 67,336,666	$ 45,876,790
Receivables	14,789,799	18,441,322
Materials and supplies inventory	1,903,946	1,762,538
Prepaid expenses and other assets	448,176	1,247,655
Total current assets	84,478,587	67,328,305
Noncurrent assets		
Measure K receivable	1,800,000	3,800,000
Capital assets, nondepreciable	11,379,166	12,599,760
Capital assets, net depreciable	93,743,521	92,419,270
Net OPEB asset	-	1,083,000
Total noncurrent assets	106,922,687	109,902,030
TOTAL ASSETS	191,401,274	177,230,335
DEFERRED OUTFLOWS OF RESOURCES		
Pension	8,827,000	5,411,000
OPEB	2,127,000	914,624
Total Deferred Outflows of Resources	10,954,000	6,325,624
LIABILITIES		
Current Liabilities		
Accounts payable and other liabilities	2,425,604	2,780,621
Accrued payroll and benefits	563,631	990,109
Accrued vacation - current portion	223,098	157,968
Accrued sick leave - current portion	403,730	310,833
Self insurance claims liability - current portion	1,862,628	220,327
Unearned revenue	22,897,189	14,209,740
Measure K loan payable - current portion	2,000,000	2,000,000
Total Current Liabilities	30,375,880	20,669,598
Noncurrent Liabilities		
Accrued vacation	437,906	347,343
Accrued sick leave	644,284	560,599
Self insurance claims liability	1,109,176	2,962,736
Measure K loan payable	1,800,000	3,800,000
Net pension liability	32,680,000	23,219,000
Net OPEB liability	1,273,000	-
Total Noncurrent Liabilities	37,944,366	30,889,678
Total Liabilities	68,320,246	51,559,276
DEFERRED INFLOWS OF RESOURCES		
Pension	1,279,000	7,212,000
OPEB	2,774,000	4,068,337
Total Deferred Inflows of Resources	4,053,000	11,280,337
NET POSITION		
Net investment in capital assets	101,322,687	99,219,030
Restricted for OPEB	-	1,083,000
Unrestricted	28,659,341	20,414,316
Total Net Position	$ 129,982,028	$ 120,716,346

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

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Operating Revenues		
Passenger fares for transit services	$ 2,215,925	$ 1,545,337
Auxiliary transportation	94,207	99,324
Non-transportation revenues	632,680	284,957
Total Operating Revenues	2,942,812	1,929,618
Operating Expenses		
Operators' salaries	7,021,013	5,396,725
Other salaries	9,168,687	7,526,719
Fringe benefits	11,582,560	9,968,875
Pension expense	112,000	(3,137,000)
OPEB expense	(150,713)	(607,000)
Service expenses	4,990,570	3,633,887
Fuel and lubricants	1,786,600	1,382,025
Tires and tubes	256,385	9,488
Other materials and supplies	1,825,355	1,264,364
Utilities	1,066,024	996,473
Insurance	1,939,213	1,009,196
Taxes	308,911	243,934
Purchased transportation	2,312,956	1,948,542
Other	786,307	777,394
Depreciation	11,683,221	12,559,900
Total Operating Expenses	54,689,089	42,973,522
Operating Loss	(51,746,277)	(41,043,904)
Nonoperating Revenues (Expenses)		
Local property taxes	1,368,646	1,279,993
State and local cash grants	36,896,445	36,121,028
Federal cash grants	9,147,441	16,184,981
Interest and investment income	1,321,324	132,567
Recoveries	3,060	-
Interest expense	(144,970)	(221,270)
Total Nonoperating Revenues (Expenses)	48,591,946	53,497,299
Net (Loss) Income Before Capital Contributions	(3,154,331)	12,453,395
Capital Contributions		
Grants restricted for capital purposes	12,324,580	5,305,690
Change in Net Position	9,170,249	17,759,085
Total Net Position, Beginning of Year	120,716,346	103,006,317
Prior Period Adjustment	95,433	(49,056)
Total Net Position, Beginning of Year, as Restated	120,811,779	102,957,261
Total Net Position, End of Year	$ 129,982,028	$ 120,716,346

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

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 3,783,969	$ 1,925,660
Payments to suppliers	(15,350,158)	(14,187,614)
Payments to employers	(28,077,722)	(23,176,685)
Net Cash Used in Operating Activities	(39,643,911)	(35,438,639)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal operating grants received	14,049,268	15,637,063
State and local operating grants received	34,357,551	32,707,424
Taxes received	1,368,646	1,279,993
Interest paid	(144,970)	(221,270)
Net Cash Provided by Noncapital Financing Activities	49,630,495	49,403,210
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash receipt of Measure K loan receivable	585,279	-
Capital grants received	21,350,507	8,996,982
Acquisition of capital assets	(12,103,993)	(5,337,233)
Disposal of capital assets	317,115	-
Recoveries for capital assets damaged	3,060	-
Net Cash Provided by Capital and Related Financing Activities	10,151,968	3,659,749
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and investment income received	1,321,324	132,567
Net Cash Provided by Investing Activities	1,321,324	132,567
Net Increase in Cash and Cash Equivalents	21,459,876	17,756,887
Cash and Cash Equivalents, Beginning of Year	45,876,790	28,119,903
Cash and Cash Equivalents, End of Year	$ 67,336,666	$ 45,876,790

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

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
STATEMENT OF CASH FLOWS (Continued)
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	$ (51,746,277)	$ (41,043,904)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation expense	11,683,221	12,559,900
(Increase) decrease in assets and deferred outflows of resources:		
Receivables	355,958	9,790
Materials and supplies inventory	(141,408)	(757,195)
Prepaid expenses and other assets	799,479	(422,593)
Deferred outflows of resources related to pensions	(3,416,000)	1,602,000
Deferred outflows of resources related to OPEB	(1,212,376)	4,203,000
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable and other liabilities	(735,908)	(1,742,523)
Accrued payroll and benefits	(426,478)	230,687
Accrued vacation	155,693	(54,692)
Accrued sick leave	176,582	(12,925)
Unearned revenue	485,199	(13,748)
Self insurance claims liability	(211,259)	(447,435)
Deferred inflows of resources related to pensions	(5,933,000)	6,659,000
Deferred inflows of resources related to OPEB	(1,294,337)	2,530,999
Net pension liability	9,461,000	(11,398,000)
Net OPEB liability	2,356,000	(7,341,000)
Net Cash Used in Operating Activities	$ (39,643,911)	$ (35,438,639)
SUPPLEMENTAL NONCASH FINANCING AND INVESTING ACTIVITIES:		
Measure K receivable used to reduce Measure K loan payable per agreement	$ 2,000,000	$ 2,000,000

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

San Joaquin Regional Transit District (RTD) was organized in 1964 as the Stockton Metropolitan Transit District. In 1994, it was renamed the San Joaquin Regional Transit District to better describe its expanded service area. RTD provides local, inter-city and inter-regional public transportation to the residents of San Joaquin County, California (the County). Commuter service to the Bay Area and Sacramento are also provided by RTD. The RTD is governed by a five-member board consisting of two members appointed by the Stockton City Council, two members appointed by the County Board of Supervisors, and one jointly appointed member by the City Council and Board of Supervisors. The RTD is fiscally independent of the City of Stockton and the County insofar as neither makes budget apportionments to RTD.

B. Measurement Focus, Basis of Accounting, and Presentation

The financial statements of RTD have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

Measurement Focus

The statement of net position and the statement of revenues, expenses, and changes in net position are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and all liabilities (whether current or noncurrent) associated with operations are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the statement of net position and statement of revenues, expenses, and changes in net position, business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with RTD's principal ongoing operational activities. Charges to customers represent RTD's principal operating revenues and include passenger fares, special transit fares, and auxiliary transportation. Operating expenses include the cost of operating, maintenance and support of transit services and related capital assets, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and/or expenses.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, RTD may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. RTD's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

NOTE 1 – <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

B. Measurement Focus, Basis of Accounting, and Presentation (Continued)

Basis of Accounting (Continued)

Non-exchange transactions, in which RTD gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis of accounting, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been met.

C. Pooled Cash and Investments

Cash from various governmental agencies is pooled for investment purposes by the County Treasurer. Interest received on the investment is prorated to individual agencies based on their average cash balances.

The County is authorized to deposit cash and invest excess funds by the California Government Code section 53648 et. seq. The funds maintained by the County are either secured by Federal depository insurance or collateralized. These pooled funds are carried at cost, which approximates fair value. The funds are available for withdrawal with a 3-day notice.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, RTD considers pooled cash and investments, and deposits in financial institutions (including deposited cash) having an original maturity of three months or less to be cash and cash equivalents.

E. Investments

RTD reports investments at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The change in fair value is included in interest and investment income in the statement of revenues, expenses, and changes in net position.

F. Property Taxes

The County assesses properties, bills for, and collects property taxes per the following schedule:

	Secured	Unsecured
Valuation dates	March 1	March 1
Lien/levy dates	July 1	July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10, April 10	August 31

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by RTD in the fiscal year they are levied.

G. Materials and Supply Inventory

Inventory is stated at cost. Inventory held by RTD consists of spare bus parts that are consumed by RTD and are not for resale purposes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets

Property and equipment are carried at cost. RTD's capitalization threshold is $500. Capital assets are depreciated using the straight-line method over the following estimated lives:

	Years
Buildings and structures	10 – 40 years
Revenue equipment	7 – 10 years
Service vehicles, shop, office, and other equipment	5 –10 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are expensed as incurred. Such costs are included in operating expenses.

I. Accrued Vacation and Sick Leave

The accrued vacation and sick leave liability are recorded on the statement of net position and is segregated between current and long-term. Changes to the liability are recorded as an increase or decrease to operating expenses on the statement of revenues, expenses, and changes in net position.

Full-time employees accumulate vacation based on length of service. Unused accrued vacation is paid out to employees at the date of termination.

For represented employees, a maximum limit of 239 sick days may be accrued. Upon retirement or termination, an employee will be paid 100% of the value of unused sick leave based upon the wage rate of the employee at the date of retirement or termination. Employees, at their option, may elect to use these funds to pay the cost of the health insurance conversion program, receive the funds in cash, or place the funds into a deferred compensation plan.

After a probationary period, represented employees accrue sick leave according to the following schedule:

Years of Service	Sick Leave Accrual
Less than 1 year worked	1/4 day per month
1 year through 2 years worked	1/2 day per month
2 years or more worked	1 day per month

Beginning with any accumulated balance carried over from prior contracts, which was a maximum of 203 days, the maximum accumulation of sick leave was increased by 12 days each year of the current collective bargaining agreement. The maximum limit was 215 days effective July 1, 2006; 227 days effective July 1, 2007; and 239 days effective July 1, 2008.

Provided that an employee has remaining sick leave of 480 hours, any sick leave in excess thereof can be submitted for payment in September of each year to be paid in December of that year at the wage rate of the employee at that time in cash, into a deferred compensation plan, or at any time during the year can be donated to another employee. Such donations can be made to other employees irrespective of the number of hours of sick leave on mutual agreement of the parties. Non-represented employees accrue 3.69 hours of sick leave per pay period and may not accrue more than 2,080 hours of sick leave at any time.

Upon retirement, employees shall be paid 100% of the value of unused sick leave based upon the wage rate of the employee at the date of retirement. Employees, at their option, may elect to use these funds to pay the cost of the Consolidated Omnibus Budget Reconciliation Act (COBRA) health insurance conversion program, receive the funds in cash, or place the funds into a deferred compensation plan.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Accrued Vacation and Sick Leave (Continued)

During the fiscal year ended June 30, 2017, the new sick leave law for part-time employees took effect. The law applies to employees who work 30 or more days within a year after they begin employment and complete at least 90 days of employment prior to taking any accrued sick time. Part-time employees accrue 1.33 hours of sick leave per pay period.

J. Classification of Revenues and Expenses

Operating revenues include activities that have the characteristics of exchange transactions such as passenger revenues and advertising revenues.

Operating expenses relate to activities with suppliers and to employees and on behalf of employees and do not result from transactions defined as capital and related financing, noncapital financing, or investing activities.

Non-operating revenues include activities that have the characteristics of nonexchange transactions and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting*, and GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

Examples of non-operating revenues include sales tax revenues, federal grants and investment income.

Non-operating expenses result from transactions defined as capital and related financing, non-capital financing, or investing activities.

K. Unearned Revenue

Unearned revenue arises when resources are received by RTD before they are earned.

L. Federal, State, and Local Grants

Federal, state and local grants are accounted for in accordance with the purpose for which the grants are intended. Grants for operating assistance and the acquisition of equipment are recorded as revenues in the year in which the related grant eligibility requirements are met. Advances received on grants are recorded as unearned revenue until related grant eligibility requirements are met.

M. Pension Plan

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Retirement Plan for Members of the San Joaquin Regional Transit District (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

N. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the San Joaquin Regional Transit District Retirement Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for short-term investments which are carried at cost, which approximates fair value.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

P. Capital Contributions

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, capital grants are required to be included in the determination of net income. Capital contributions were $12,324,580 and $5,305,690 for the fiscal years ended June 30, 2023 and 2022, respectively.

Q. Net Position

Net position represents the residual interest in RTD's assets and deferred outflows after liabilities and deferred inflows are deducted. Net position is presented in three broad components: net investment in capital assets; restricted; and unrestricted. Net position – net investment in capital assets includes capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Net position is restricted when constraints are imposed by the third parties or by law through constitutional provisions or enabling legislation. All other net position is unrestricted. Operating losses excluding depreciation are funded by operating and capital reserves.

R. Funding Sources

RTD's primary funding sources are as follows:

Transportation Development Act (TDA)

The TDA provides two sources of funding for public transportation, the Local Transportation Fund (LTF) and the State Transit Assistance (STA) Program. The LTF was created to collect one fourth cent of the State's retail sales tax collected statewide, which ranges from 8.75% - 9.25%. The one fourth cent is returned by the State Board of Equalization to each county based on the amount of tax collected in that county. TDA funds are apportioned, allocated, and paid in accordance with instructions from the State and distributed through the San Joaquin Council of Governments (SJCOG) on an annual basis to RTD for specific transportation purposes. For the fiscal years ended June 30, 2023 and 2022, RTD received and spent apportionments of local transportation funds of $29,566,157 and $29,687,763, respectively, to meet, in part, its operating requirements.

The STA Program provides a second source of funding for transportation planning and mass transportation purposes as specified by California Legislation.

Federal Transportation Assistance

Federal Transportation Assistance represents funding from the Federal Transit Administration (FTA) within the U.S. Department of Transportation to assist local transportation needs.

Under provisions of the FTA, 49 U.S.C. Sections 5309 and 5307, Federal resources are made available for planning, capital and capitalized maintenance, subject to certain limitations. For the fiscal years ended June 30, 2023 and 2022, RTD received and spent federal assistance of $9,147,441 and $16,184,981, respectively.

NOTE 1 – <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

S. <u>Estimates</u>

The preparation of the 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 amounts reported in the financial statements. Actual results may differ from those estimates.

T. <u>Implementation of New Accounting Pronouncements</u>

During the fiscal year ended June 30, 2023, RTD adopted the following new statements of the Governmental Accounting Standards Board (GASB):

GASB Statement No. 91 – *Conduit Debt Obligations.* The requirements of this statement are effective for fiscal years beginning after December 15, 2021. Earlier application is encouraged. RTD implemented this statement where applicable.

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all fiscal years thereafter. RTD implemented this statement where applicable.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements.* The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all fiscal years thereafter. RTD implemented this statement where applicable.

GASB Statement No. 99 – *Omnibus 2022.* The requirements of this statement are effective as follows:

- The requirements related to extension of the use of the London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB Statement No. 34, as amended, and terminology updates related to GASB Statement No. 53 and GASB Statement No. 63 are effective upon issuance.
- The requirements related to leases, public-private and public-public partnerships (PPPs), and subscription-based information technology arrangements (SBITAs) are effective for fiscal years beginning after June 15, 2022, and all fiscal years thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all fiscal years thereafter.

RTD implemented this statement where applicable.

Future Accounting Pronouncements – Recently released standards by GASB affecting future fiscal years are as follows:

GASB Statement No. 100 – *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62.* For fiscal years beginning after June 15, 2023, and all fiscal years thereafter. Earlier application is encouraged. RTD will implement this statement when and where applicable.

GASB Statement No. 101 – *Compensated Absences.* The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all fiscal years thereafter. Earlier application is encouraged. RTD will implement this statement when and where applicable.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2023 and 2022, consisted of the following:

	2023	2022
Petty cash	$ 1,350	$ 1,050
Workers compensation cash reserve	147,000	147,000
Deposits with financial institutions	418,429	2,001,994
Cash and investments pooled with the County Treasurer	66,769,886	43,726,746
Total cash and cash equivalents	$ 67,336,665	$ 45,876,790

County Pool

The fair value of RTD's investment in the County pool is reported in the financial statements at amounts based upon RTD's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Investments Authorized by the California Government Code and RTD's Investment Policy

The table below identifies the investment types that are authorized for RTD by the California Government Code (or RTD's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or RTD's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of RTD, rather than the general provisions of the California Government Code or RTD's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreement	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Disclosure Relating to 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. The funds maintained by the County are either secured by Federal depository insurance or collateralized.

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

RTD has no formal policy relating to a specific interest rate risk.

Disclosures Related to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County Treasury does not have a rating provided by a nationally recognized statistical rating organization.

RTD has no formal policy relating to a specific credit risk.

Concentration of Credit Risk

The investment policy of RTD contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represented 5% or more of total RTD investments as of June 30, 2023 and 2022.

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 RTD'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 government 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 fair 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 true deed mortgage notes having a value of 150% of the public deposits. The bank balance of cash and cash equivalents on deposit with RTD's financial institutions at June 30, 2023 and 2022, totaled $1,140,651 and $2,444,433 of which $890,651 and $2,194,433, respectively, was not insured by the Federal Deposit Insurance Corporation (FDIC) and was exposed to custodial credit risk.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and RTD's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities through the use of mutual funds or government investment pools (such as the County Treasury).

Fair Value Measurements

RTD 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.

RTD does not hold investments that are measured at fair value on a recurring basis. RTD's deposit with the County Treasury as of June 30, 2023 and 2022, is reported at the RTD's pro-rata share of the amortized cost provided by the County for the entire portfolio. This amount approximates fair value.

NOTE 3 – RECEIVABLES

Receivables at June 30, 2023 and 2022, consisted of the following:

	2023	2022
Governmental receivables		
Measure K receivable	$ 2,000,000	$ 2,585,279
Federal grants receivable	996,174	5,898,001
State and local grants receivable	227,455	140,395
TDA funds due from SJCOG	11,337,920	9,233,439
Total governmental receivables	14,561,549	17,857,114
Accounts receivables from customers and users	60,317	58,214
Other receivables	167,933	525,994
Total receivables - current	$ 14,789,799	$ 18,441,322
Measure K receivable - non-current	$ 1,800,000	$ 3,800,000

Refer to Note 8 for further discussion of the Measure K receivable.

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Retirements	Transfers	Balance June 30, 2023
Capital Assets Not Being Depreciated:					
Land	$ 11,379,166	$ -	$ -	$ -	$ 11,379,166
Work in progress	1,220,594	2,065,524	-	(3,286,118)	-
Total Capital Assets Not Being Depreciated	12,599,760	2,065,524	-	(3,286,118)	11,379,166
Capital Assets Being Depreciated:					
Buildings	85,901,438	9,100	-	-	85,910,538
Revenue equipment	77,041,995	8,814,433	(3,615,616)	-	82,240,812
Service vehicles, shop, office, and other equipment	42,547,538	1,782,779	(932,289)	2,718,275	46,116,303
Total Capital Assets Being Depreciated	205,490,971	10,606,312	(4,547,905)	2,718,275	214,267,653
Less Accumulated Depreciation for:					
Buildings	(27,990,682)	(2,827,873)	-	-	(30,818,555)
Revenue equipment	(50,930,577)	(5,262,254)	3,166,011	-	(53,026,820)
Service vehicles, shop, office, and other equipment	(34,150,444)	(3,593,094)	1,064,781	-	(36,678,757)
Total Accumulated Depreciation	(113,071,703)	(11,683,221)	4,230,792	-	(120,524,132)
Total Capital Assets, Net	$ 105,019,028	$ 988,615	$ (317,113)	$ (567,843)	$ 105,122,687

NOTE 4 – <u>CAPITAL ASSETS</u> (Continued)

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

	Balance July 1, 2021	Additions	Retirements	Transfers	Balance June 30, 2022
Capital Assets Not Being Depreciated:					
Land	$ 11,379,166	$ -	$ -	$ -	$ 11,379,166
Work in progress	12,133	1,208,461	-	-	1,220,594
Total Capital Assets Not Being Depreciated	11,391,299	1,208,461	-	-	12,599,760
Capital Assets Being Depreciated:					
Buildings	85,857,849	43,589	-	-	85,901,438
Revenue equipment	81,303,811	1,715,445	(5,977,262)	-	77,041,994
Service vehicles, shop, office, and other equipment	41,201,172	2,369,738	(1,023,668)	-	42,547,242
Total Capital Assets Being Depreciated	208,362,832	4,128,772	(7,000,930)	-	205,490,674
Less Accumulated Depreciation for:					
Buildings	(25,133,343)	(2,857,340)	-	-	(27,990,683)
Revenue equipment	(51,322,716)	(5,585,122)	5,977,262	-	(50,930,576)
Service vehicles, shop, office, and other equipment	(31,056,375)	(4,117,438)	1,023,668	-	(34,150,145)
Total Accumulated Depreciation	(107,512,434)	(12,559,900)	7,000,930	-	(113,071,404)
Total Capital Assets, Net	$ 112,241,697	$ (7,222,667)	$ -	$ -	$ 105,019,030

Depreciation expense for the fiscal years ended June 30, 2023 and 2022, totaled $11,683,221 and $12,559,900, respectively.

Depreciation expense for capitalized expenditures related to capital assets for capital grant purposes for the fiscal years ended June 30, 2023 and 2022, totaled:

	2023	2022
Capitalized wages and benefits	$ 32,447	$ 1,222
Service expenses	198,157	-
Tires and tubes	32,372	224,461
Other materials and supplies	163,007	221,596
Total	$ 425,983	$ 447,279

NOTE 5 – <u>ACCOUNTS PAYABLE AND OTHER LIABILITIES</u>

Accounts payable and other liabilities at June 30, 2023 and 2022, consisted of the following:

	2023	2022
Trade payables	$ 2,286,182	$ 2,696,146
Accrued interest payable	38,901	57,923
Other payables	100,521	26,552
Total	$ 2,425,604	$ 2,780,621

NOTE 6 – ACCRUED VACATION

The following is a summary of changes in the accrued vacation liability for the fiscal years ended June 30, 2023 and 2022:

	July 1, 2022	Additions	Reductions	June 30, 2023	Current Portion
Accrued vacation	$ 505,311	$ 1,437,852	$ (776,848)	$ 1,166,315	$ 223,098

	July 1, 2021	Additions	Reductions	June 30, 2022	Current Portion
Accrued vacation	$ 560,003	$ 687,036	$ (741,728)	$ 505,311	$ 157,968

NOTE 7 – ACCRUED SICK LEAVE

The following is a summary of changes in the accrued sick leave liability for the fiscal years ended June 30, 2023 and 2022:

	July 1, 2022	Additions	Reductions	June 30, 2023	Current Portion
Accrued sick leave	$ 871,432	$ 1,565,457	$ (517,443)	$ 1,919,446	$ 403,730

	July 1, 2021	Additions	Reductions	June 30, 2022	Current Portion
Accrued sick leave	$ 884,357	$ 561,275	$ (574,200)	$ 871,432	$ 310,833

NOTE 8 – LONG-TERM OBLIGATIONS

Measure K Loan Payable

In January 2015, RTD entered into a Measure K loan agreement with SJCOG. The total loan amount available to RTD is $14,500,000. The total loan payable at June 30, 2023 and 2022, amounted to $3,800,000 and $5,800,000, respectively. The loan carries an interest rate of 3.815% over an 18-year period. Interest is due semiannually on March 1 and September 1. The principal balance of the loan is deducted annually starting June 30, 2015, pursuant to an agreed-upon amortization schedule. As security for the interest payments, RTD pledges anticipated allocations of Measure K renewal bus transit funds. In an event of a default in payment of any amount, the entire amount shall become due at the option of SJCOG.

Changes in the Measure K loan payable for the fiscal years ended June 30, 2023 and 2022, are as follows:

	July 1, 2022	Additions	Reductions	June 30, 2023	Current Portion
Measure K loan payable	$ 5,800,000	$ -	$ (2,000,000)	$ 3,800,000	$ 2,000,000

	July 1, 2021	Additions	Reductions	June 30, 2022	Current Portion
Measure K loan payable	$ 7,800,000	$ -	$ (2,000,000)	$ 5,800,000	$ 2,000,000

For the fiscal years ended June 30, 2023 and 2022, interest paid on the Measure K loan payable was $144,970 and $221,270, respectively.

NOTE 8 – LONG-TERM OBLIGATIONS (Continued)

Future maturities of the Measure K loan payable at June 30, 2022, were as follows:

Year Ending June 30	Principal	Interest
2024	$ 2,000,000	$ 68,858
2025	1,800,000	-
Total	$ 3,800,000	$ 68,858

NOTE 9 – SELF-INSURANCE CLAIMS

RTD is partially self-insured under various risk management programs. RTD is liable for claims relating to public liability up to $2,000,000. Claims in excess of $2,000,000 up to $10,000,000 are insured with commercial carriers. For claims relating to property damage RTD is liable for claims up to $1,000,000. Claims in excess of $1,000,000 up to $10,000,000 are insured with commercial carriers. For workers' compensation, RTD is liable for claims up to $1,000,000. Claims in excess of $1,000,000 up to $10,000,000 are insured with commercial carriers. It is RTD's policy to accrue the estimated liability for the self-insured portion of these claims. The liability is estimated through an actuarial calculation using known pending claims and statistical analyses of historical claims data. Non-incremental claims adjustment expenses have been included as part of the liability.

Changes in the self-insurance claims liability for the fiscal years ended June 30, 2023 and 2022, are summarized as follows:

	July 1, 2022	Insured Claims	Claims Paid	June 30, 2023	Current Portion
Workers' compensation	$ 1,570,454	$ 1,164,204	$ (1,499,291)	$ 1,235,367	$ 178,637
General liability	1,612,609	1,205,877	(1,082,050)	1,736,436	1,683,991
Totals	$ 3,183,063	$ 2,370,081	$ (2,581,341)	$ 2,971,803	$ 1,862,628

	July 1, 2021	Insured Claims	Claims Paid	June 30, 2022	Current Portion
Workers' compensation	$ 1,757,122	$ 1,496,256	$ (1,682,924)	$ 1,570,454	$ 63,733
General liability	1,873,376	-	(260,767)	1,612,609	156,594
Totals	$ 3,630,498	$ 1,496,256	$ (1,943,691)	$ 3,183,063	$ 220,327

There have been no settlements in the most recent three fiscal years that have exceeded insurance limits.

NOTE 10 – UNEARNED REVENUE

Unearned revenue consisted of the following at June 30, 2023 and 2022:

	2023	2022
Passenger Fares	$ 58,437	$ 49,562
Operating Assistance:		
TDA operating grant funds	175,000	175,000
LTF operating grand funds	2,018,762	1,274,620
Other operating grant funds	567,555	1,659,050
Capital Assistance:		
STA capital grant funds	20,077,435	11,051,508
Total	$ 22,897,189	$ 14,209,740

Operating Assistance and Passenger Fares

Changes in unearned revenue by funding source for the fiscal years ended June 30, 2023 and 2022, are summarized as follows:

June 30, 2023

	TDA Grant Funds	LTF Grant Funds	Other Grant Funds	Passsenger Fares	Total
Excess operating funds at July 1, 2022	$ 175,000	$ 1,274,620	$ 1,659,050	$ 49,562	$ 3,158,232
Allocation received	-	1,261,669	2,817,979	58,437	4,138,085
Funds available	175,000	2,536,289	4,477,029	107,999	7,296,317
Eligible costs	-	(517,527)	(3,909,474)	(49,562)	(4,476,563)
Excess operating funds at June 30, 2023	$ 175,000	$ 2,018,762	$ 567,555	$ 58,437	$ 2,819,754

June 30, 2022

	TDA Grant Funds	LTF Grant Funds	Other Grant Funds	Passsenger Fares	Total
Excess operating funds at July 1, 2021	$ 111,829	$ 763,447	$ 1,018,330	$ 63,310	$ 1,956,916
Allocation received	63,171	862,765	1,623,650	49,562	2,599,148
Interest earned	-	-	-	-	-
Funds available	175,000	1,626,212	2,641,980	112,872	4,556,064
Eligible costs	-	(351,592)	(982,930)	(63,310)	(1,397,832)
Excess operating funds at June 30, 2022	$ 175,000	$ 1,274,620	$ 1,659,050	$ 49,562	$ 3,158,232

NOTE 10 – UNEARNED REVENUE (Continued)

Operating Assistance and Passenger Fares (Continued)

Capital Assistance

Changes in unearned revenue by funding source for the fiscal years ended June 30, 2023 and 2022, were as follows:

June 30, 2023

	STA Grant Funds	Total
Excess capital funds at July 1, 2022	$ 11,051,508	$ 11,051,508
Allocation received	9,463,389	9,463,389
Adjustments	519,830	519,830
Funds available	21,034,727	21,034,727
Less eligible costs - capitalized	(957,292)	(957,292)
Excess capital funds at June 30, 2023	$ 20,077,435	$ 20,077,435

June 30, 2022

	STA Grant Funds	Total
Excess capital funds at July 1, 2021	$ 7,360,216	$ 7,360,216
Allocation received	5,104,330	5,104,330
Funds available	12,464,546	12,464,546
Less eligible costs - capitalized	(1,413,038)	(1,413,038)
Excess capital funds at June 30, 2022	$ 11,051,508	$ 11,051,508

NOTE 11 – DEFINED BENEFIT PENSION PLAN

A. General

Plan Description and Benefits Provided

The Retirement Plan for Members of the San Joaquin Regional Transit District, a single-employer defined benefit pension plan (the Plan), provides retirement, health, disability, and death benefits to substantially all of its administrative and contract employees. Employees who retire at or after age 62 with 5 years of credited services are entitled to a retirement benefit, payable monthly for life, equal to 2% of their monthly final compensation times the years of credited service. Final compensation is the average of the 36 consecutive months with the highest earnings. Benefits vest on reaching 5 years of service. Vested employees may retire at or after age 55 with ten years of service and receive reduced retirement benefits, subject to approval of the Retirement Board. In addition, all pension and disability benefits for those employees, who retire at any age, are increased by $40 per month.

Effective January 1, 2017, all active non-represented and non-vested employees were transitioned from the Plan to the new 401(a) Retirement Savings Plan. See Note 13 for further information.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

A. General (Continued)

The Plan issues a publicly available report which may be obtained by contacting RTD Retirement at 421 E Weber Ave, PO Box 201010, Stockton, California 95201.

The Plan's provisions and benefits in effect at June 30, 2023 and 2022, are summarized as follows:

	2023	2022
Benefit formula	2.0% at 62	2.0% at 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55-62	55-62
Monthly benefits as a % of eligible compensation	2.00%	2.00%
Required employee contribution rate	19.81%	20.01%
Required employer contribution rate	28.87%	26.17%

At June 30, 2022 and 2021 actuarial valuation date, the following employees were covered by the benefit terms of the Plan:

	2023	2022
Receiving benefits	152	153
Entitled but not receiving benefits	34	33
Active employees	110	125
Total	296	311

Contributions

The Plan's Board has the authority for establishing and amending the funding policy. The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. Level percentage of payroll employer contribution rates are determined using the entry age normal with frozen initial liability actuarial funding method. The contribution rate in each calendar year is based on the actuarial valuation performed the previous July 1. 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.

B. Net Pension Liability

RTD's net pension liability is measured as the total pension liability, less the Plan's fiduciary net position. The net pension liability of the Plan for the fiscal years ended June 30, 2023 and 2022, were measured as of June 30, 2022 and 2021, respectively, using an annual actuarial valuation date of July 1, 2022 and June 30, 2021. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2022 and 2021 actuarial valuation were determined using the following actuarial assumptions:

	2023	2022
Valuation Date	July 1, 2022	July 1, 2021
Measurement Date	June 30, 2022	June 30, 2021
Actuarial Assumptions:		
Discount Rate	5.95% net of investment expenses (1)	5.95% net of investment expenses (1)
Inflation	2.50%	2.50%
Salary Increases	2.75 % plus merit/longevity increases based on entry age and service (CalPERS 1997-2011 Experience Study for Miscellaneous public agency employees)	2.75 % plus merit/longevity increases based on entry age and service (CalPERS 1997-2011 Experience Study for Miscellaneous public agency employees)
Cost of living increase	0.88% per year	0.88% per year
Long-term investment rate of return	5.95% net of investment expenses based on the 2.50% inflation assumption (2)	5.95% net of investment expenses based on the 2.50% inflation assumption (2)
Mortality rate table	The Society of Actuaries RP-2014 Table with Blue and White Collar adjustment for Represented and non-Represented employees, respectively, projected fully generational with Society of Actuaries Scale MP-2021.	The Society of Actuaries RP-2014 Table with Blue and White Collar adjustment for Represented and non-Represented employees, respectively, projected fully generational with Society of Actuaries Scale MP-2020.

(1) Assumes employer and employees will contribute actuarially determined contribution rates.

(2) The long-term asset allocation was 54% global equity, 6% real estate, 39% fixed income, and 1% cash.

Discount Rate

The discount rate used to measure the total pension liability was 5.95% in 2023 and 5.95% in 2022. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

B. Net Pension Liability

The table below reflects the 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. These rates of return are net of administrative expenses.

	2023		2022	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	54%	4.56%	54%	4.56%
Fixed Income	39%	0.78%	39%	0.78%
Real Estate Investment trust	6%	4.06%	6%	4.06%
Cash	1%	-0.50%	1%	-0.50%
Total	100%		100%	

C. Changes in Net Pension Liability

The changes in the net pension liability over the measurement periods reported were as follows:

	Increase (Decrease)		
Measurement Period 2021-22	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Beginning Balance	$ 78,822,000	$ 55,603,000	$ 23,219,000
Changes in the year:			
Service Cost	1,434,000	-	1,434,000
Interest	4,623,000	-	4,623,000
Changes of Benefits Terms	-		-
Differences Between Expected and Actual Experience	(281,000)	-	(281,000)
Changes of Assumptions	142,000	-	142,000
Contribution - Employer	-	2,351,000	(2,351,000)
Contribution - Employee	-	1,517,000	(1,517,000)
Net Investment Income	-	(7,281,000)	7,281,000
Benefit Payments, Including Refunds of Employee Contributions	(5,119,000)	(5,119,000)	-
Administrative Expenses	-	(130,000)	130,000
Net Changes	799,000	(8,662,000)	9,461,000
Ending Balance	$ 79,621,000	$ 46,941,000	$ 32,680,000

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

C. Changes in Net Pension Liability (Continued)

	Increase (Decrease)		
Measurement Period 2020-21	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Beginning Balance	$ 77,431,000	$ 42,814,000	$ 34,617,000
Changes in the year:			
Service Cost	1,552,000	-	1,552,000
Interest	4,978,000	-	4,978,000
Changes of Benefits Terms	(2,176,000)		(2,176,000)
Differences Between Expected and Actual Experience	(1,903,000)	-	(1,903,000)
Changes of Assumptions	3,752,000	-	3,752,000
Contribution - Employer	-	4,745,000	(4,745,000)
Contribution - Employee	-	1,412,000	(1,412,000)
Net Investment Income	-	11,580,000	(11,580,000)
Benefit Payments, Including Refunds of Employee Contributions	(4,812,000)	(4,812,000)	-
Administrative Expenses	-	(136,000)	136,000
Net Changes	1,391,000	12,789,000	(11,398,000)
Ending Balance	$ 78,822,000	$ 55,603,000	$ 23,219,000

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate for the Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	1% Decrease (4.95%)	Discount Rate (5.95%)	1% Increase (6.95%)
Net Pension Liability - 2023	$ 42,523,000	$ 32,680,000	$ 24,445,000
Net Pension Liability - 2022	$ 33,006,000	$ 23,219,000	$ 15,035,000

Pension Plan Fiduciary Net Position

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

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

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

For the fiscal years ended June 30, 2023 and 2022, RTD recognized pension expense of $2,666,000 and $5,488,000, respectively. At June 30, 2023 and 2022, RTD reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ -	$ 1,279,000	$ 33,000	$ 1,719,000
Changes of Assumptions	2,045,000	-	3,027,000	41,000
Net Differences between Projected and Actual Earnings	4,228,000			
on Investments	-	-	-	5,452,000
Employer Contributions Made Subsequent to the Measurement Date	2,554,000	-	2,351,000	-
Total	$ 8,827,000	$ 1,279,000	$ 5,411,000	$ 7,212,000

The pension contributions of $2,554,000 and $2,351,000 made after the measurement date of the net pension liability but before the end of the RTD's reporting period, will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period for the fiscal year ended June 30, 2023 and 2022, respectively.

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

Measurement Period Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 1,354,000
2025	1,203,000
2026	329,000
2027	2,108,000
Total	$ 4,994,000

E. Payable to the Pension Plan

At June 30, 2023 and 2022, RTD did not have an outstanding amount of contributions to the pension plan required for the fiscal years ended June 30, 2023 and 2022, respectively.

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The Retirement Plan for Members of the San Joaquin Regional Transit District, a single-employer defined benefit pension plan (the Plan), also provides postretirement health benefits to substantially all of its administrative and contract employees. The Retirement Plan's financial statements and additional reports can be obtained by contacting the Administrative Office at 421 East Weber Avenue, Stockton, CA 95202.

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Benefits Provided

For retirements before August 1, 2010, retirees with at least 30 years of service retiring after age 55, or those with at least 25 years of service retiring after age 62 receive the same medical, dental and vision coverage for themselves and their spouses as active employees. Retirees with 25 years of service retiring before age 62 will receive full benefits upon attainment of age 62, if they have paid for coverage for themselves and their spouses from the date of retirement.

For retirements after August 1, 2010, retirees after age 55 and 25 years of service, the retiree and spouse receive the same medical, dental and vision benefits as current active employees. The retiree pays a fixed dollar amount of the premiums, equal to the same percentage used to calculate the retiree's pension benefit times the active contribution percentage of the premium amount at retirement. The retiree's contribution remains fixed.

Funding Policy

The Plan's Retirement Board of Directors has the authority for establishing and amending the funding policy. The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. Level percentage of payroll employer contribution rates are determined using the entry age normal with frozen initial liability actuarial funding method. The contribution rate in each calendar year is based on the actuarial valuation performed the previous July 1.

Net OPEB Liability/(Asset)

The Plan's net OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of June 30, 2022.

Employees Covered by the Benefit Terms

At June 30, 2022 and 2021 (the actuarial valuation date), the following employees were covered by the benefit terms:

Category	June 30, 2023	June 30, 2022
Inactive employees or beneficiaries currently receiving benefit payments	62	63
Active employees	110	125
Total	172	188

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the basic financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Methods and Assumptions (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The total OPEB liability for the June 30, 2022 and 2021 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Measurement Date	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Salary Increases	2.75% plus merit/longevity increases based on entry age and service	2.75% plus merit/longevity increases based on entry age and service
Discount Rate	6.20% net of investment expenses	6.20% net of investment expenses
Healthcare Trend Rates	Non-Medicare - 8.5% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) - 7.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) - 6.25% for 2024, decreasing to an ultimate rate of 3.45% in 2076	Non-Medicare - 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Kaiser) - 4.6% for 2023, decreasing to an ultimate rate of 3.75% in 2076
Mortality Rate	Society of Actuaries RP-2014 Table with Blue and White Collar adjustment for represented and non-represented employees, respectively, projected fully generational with Society of Actuaries Scale MP-2021.	Society of Actuaries RP-2014 Table with Blue and White Collar adjustment for represented and non-represented employees, respectively, projected fully generational with Society of Actuaries Scale MP-2020.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) was used and developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

	June 30, 2023		June 30, 2022	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	63%	4.56%	63%	4.56%
Fixed Income	29%	0.78%	29%	0.78%
Real Estate Investment Trust	7%	4.06%	7%	4.06%
Cash	1%	-0.50%	1%	-0.50%
Total	100%		100%	

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 6.20% in 2023 and 6.20% in 2022. The projection of cash flows used to determine the discount rate assumed that the employer and members contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was determined to be the long-term expected rate of return on OPEB plan investments.

Change in the Net OPEB Liability/(Asset)

The changes in the net OPEB liability/(asset) for the measurement period 2021-22 and 2020-21 are as follows:

	Increase (Decrease)		
Measurement Period 2021-2022	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Beginning Balance	$ 10,670,000	$ 11,753,000	$ (1,083,000)
Changes for the Year:			
Service Cost	233,000	-	233,000
Interest on the Total OPEB Liability	652,000	-	652,000
Changes of Benefit Terms	-		-
Difference Between Actual and Expected Experience	(489,000)	-	(489,000)
Changes in Assumptions	553,000	-	553,000
Contributions - Employer	-	132,000	(132,000)
Contributions - Employer (Implied Subsidy Benefit Payments)	-	-	-
Contributions - Member	-	-	-
Net Investment Income	-	(1,529,000)	1,529,000
Benefit Payments	(768,000)	(768,000)	-
Administrative Expense	-	(10,000)	10,000
Net Changes	181,000	(2,175,000)	2,356,000
Ending Balance	$ 10,851,000	$ 9,578,000	$ 1,273,000

	Increase (Decrease)		
Measurement Period 2020-21	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Beginning Balance	$ 12,702,000	$ 6,444,000	$ 6,258,000
Changes for the Year:			
Service Cost	277,000	-	277,000
Interest on the Total OPEB Liability	818,000	-	818,000
Changes of Benefit Terms	(67,000)		(67,000)
Difference Between Actual and Expected Experience	(1,307,000)	-	(1,307,000)
Changes in Assumptions	(962,000)	-	(962,000)
Contributions - Employer	-	-	-
Contributions - Employer (Implied Subsidy Benefit Payments)	-	3,754,000	(3,754,000)
Contributions - Member	-	260,000	(260,000)
Net Investment Income	-	2,094,000	(2,094,000)
Benefit Payments	(791,000)	(791,000)	-
Administrative Expense	-	(8,000)	8,000
Net Changes	(2,032,000)	5,309,000	(7,341,000)
Ending Balance	$ 10,670,000	$ 11,753,000	$ (1,083,000)

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The net OPEB liability/(asset) of the Plan, as well as what the Plan's net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (5.20%) or one percentage point higher (7.20%) follows:

	1% Decrease 5.20%	Discount Rate 6.20%	1% Increase 7.20%
Measurement Period 2021-22			
Net OPEB Liability/(Asset)	$ 2,751,000	$ 1,273,000	$ 51,000

	1% Decrease 5.20%	Discount Rate 6.20%	1% Increase 7.20%
Measurement Period 2020-21			
Net OPEB Liability/(Asset)	$ 359,000	$ (1,083,000)	$ (2,275,000)

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rates

The net OPEB liability/(asset) of the Plan, as well as what the Plan's net OPEB liability/(asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates follows:

Measurement Period 2021-22 Healthcare Cost Trend Rates	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability/(Asset)	$ (15,000)	$ 1,273,000	$ 2,846,000

Measurement Period 2020-21 Healthcare Cost Trend Rates	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability/(Asset)	$ (2,338,000)	$ (1,083,000)	$ 450,000

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

For the fiscal year ended June 30, 2023 and 2022, the Plan recognized OPEB expense of $13,000 and $475,000, respectively. At June 30, 2023 and 2022, the Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources*	Deferred Inflows of Resources*
June 30, 2022 (Measurement Period 2021-22)		
Contributions Made Subsequent to the Measurement Date	$ 112,000	$ -
Differences Between Expected and Actual Experience	460,000	1,714,000
Changes of Assumptions	523,000	1,060,000
Net Difference Between Projected and Actual Earnings on Investments	1,032,000	-
Total	$ 2,127,000	$ 2,774,000

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)

	Deferred Outflows of Resources*	Deferred Inflows of Resources*
June 30, 2022 (Measurement Period 2020-21)		
Contributions Made Subsequent to the Measurement Date	$ 132,000	$ -
Differences Between Expected and Actual Experience	609,000	1,743,000
Changes of Assumptions	200,000	1,342,000
Net Difference Between Projected and Actual Earnings on Investments	-	984,000
Total	$ 941,000	$ 4,069,000

* Amounts have been rounded to thousands.

The OPEB contributions of $112,000 and $132,000 made after the measurement date of the net OPEB liability but before the end of the RTD's reporting period, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period rather than in the current fiscal period for the fiscal year ended June 30, 2023 and 2022, respectively.

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

For the Fiscal Year Ending June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2024	$ (276,000)
2025	(305,000)
2026	(217,000)
2027	98,000
2028	(63,000)
Thereafter	4,000
Total	$ (759,000)

Payable to the OPEB Plan

At June 30, 2023 and 2022, RTD did not have an outstanding amount of contributions to the OPEB plan required for the fiscal years ended June 30, 2023 and 2022, respectively.

NOTE 13 – 401(a) RETIREMENT SAVINGS PLAN

Plan Description

In October 2017, RTD's Board approved to transition all active employees who are non-represented and non-vested in the defined benefit pension plan as of December 31, 2017, to the SJRTD 401(a) Retirement Savings Plan (the Plan) effective January 1, 2017. The Plan is a profit-sharing defined contribution plan under section 401(a) of the Internal Revenue Code.

NOTE 13 – 401(a) RETIREMENT SAVINGS PLAN (Continued)

Eligible Employees

All non-represented future new hires are eligible to participate in the Plan. Current represented employees and non-represented vested employees will continue participation in the defined benefit pension plan, which will remain open for represented new hires.

Eligible employees are those employees of RTD, provided they are not considered as excluded employees under the terms of the Plan. The Plan excludes from participation the following categories of employees:

- Employees covered under a collective bargaining agreement
- Employees vested in the RTD Defined Benefit Plan
- Leased employees
- Certain part-time, seasonal, and temporary employees (as defined under the Plan)

Contributions

Under the Plan, RTD makes contributions to the Plan on behalf of the employee. Plan participants are eligible to make “pick-up” contributions. Such contributions are made by the employee and “picked-up” and treated as an employer contribution. As a pickup contribution, the employee makes a contribution to the Plan and RTD picks up the related tax liability. Employer contributions may also be made on behalf of eligible participants equal to 10% of Plan compensation. Total contributions are subject to Internal Revenue Service (IRS) maximum limits. Participants may also rollover amounts into the Plan from other qualified retirement plans.

Total contributions to the Plan for the fiscal years ended June 30, 2023 and 2022, amounted to $856,293 and $554,859, respectively.

Vesting

Plan participants are immediately 100% vested in pick-up contributions and any rollover contributions. Participants become vested in the employer contributions upon completion of three years of vesting service. Certain exceptions to the vesting schedule are specified in the Plan Document.

Distributions

Upon termination of service, a participant with a vested account balance in excess of $5,000 may elect to receive any one of the following: (a) a lump-sum amount equal to the entire vested account balance, (b) partial distribution if permitted by Plan Administrator, or (c) rollover all (or any portion) of distribution to another qualified plan. If the vested account balance is $5,000 or less, a participant may elect to receive a lump-sum amount or may elect to rollover the distribution to another qualified plan.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Lawsuits

RTD is involved in various claims and litigation arising in the ordinary course of its operations. RTD management, after consultation with RTD’s General Counsel, believes that they have sufficient insurance coverage so that resolution of such matters will not have a material effect on RTD’s financial position or results of operations as of and for the fiscal year ended June 30, 2023.

NOTE 14 – COMMITMENTS AND CONTINGENCIES (Continued)

Federal and State Grant Programs

RTD participates in Federal and State grant programs. These programs were audited in accordance with the provisions of the Uniform Guidance and applicable state requirements. No cost disallowance is expected as a result of these audits; however, these programs may be subject to further examination by the grantors. Awards which may be disallowed by the granting agencies, if any, cannot be determined at this time. Management expects such amounts, if any, to be immaterial.

Construction Commitments

RTD has entered into various contracts for the purchase of materials, professional and non-professional services for construction projects. At June 30, 2023 and 2022, construction commitments totaled $15,726,996 and $2,434,995, respectively.

NOTE 15 – SENATE BILL 1 (SB 1) – STATE OF GOOD REPAIR

The Road Repair and Accountability Act of 2017, SB 1 (Chapter 5, Statutes of 2017), signed by the Governor on April 28, 2017, includes a program that will provide additional revenues for transit infrastructure repair and service improvements. This investment in public transit will be referred to as the State of Good Repair (SGR) program. This program provides funding of approximately $105 million annually to the State Transit Assistant Account. These funds are to be made available for eligible transit maintenance, rehabilitation, and capital projects.

This program demonstrates California's commitment to clean, sustainable transportation, and the role that public transit plays in that vision. While SB 1 addresses a variety of transportation needs, this program has a specific goal of keeping transit systems in a state of good repair, including the purchase of new transit vehicles, the maintenance and rehabilitation of transit facilities and vehicles. These investments will lead to cleaner transit vehicle fleets, increased reliability and safety, and reduced greenhouse gas emissions and other pollutants.

In the fiscal years ended June 30, 2023 and 2022, RTD received SGR funds of $231,459 and $826,712, respectively.

NOTE 16 – PRIOR PERIOD ADJUSTMENT

Net Position at July 1, 2022, as previously stated	$ 120,716,346
Deferred revenues not recognized	476,324
Expenditures previously recognized as capital assets	(380,891)
Net Position at July 1, 2022, as restated	$ 120,811,779

NOTE 17 – RECLASSIFICATION OF NET POSITION

During the fiscal year ended June 30, 2022, the RTD had a net OPEB asset of $1,083,000. OPEB assets are subject to restrictions that limit its use for OPEB and prohibit its use for any other purpose. Accordingly, the RTD has reclassified $1,083,000 of net assets by reducing Unrestricted net position by this amount and increasing Restricted for OPEB by the same amount to reflect the restrictions on its use.

NOTE 18 – SUBSEQUENT EVENTS

RTD has evaluated events subsequent to June 30, 2023, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 27, 2023, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that, no subsequent events occurred that require recognition or additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, 2022
LAST 10 YEARS*

Reporting Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Changes in Total Pension Liability									
Service Cost	$ 1,434,000	$ 1,552,000	$ 1,642,000	$ 1,536,000	$ 1,578,000	$ 1,503,000	$ 1,912,000	$ 1,702,000	$ 1,397,000
Interest	4,623,000	4,978,000	4,865,000	4,723,000	4,525,000	4,562,000	4,610,000	4,031,000	3,837,000
Difference Between Expected and Actual Experience	(281,000)	(1,903,000)	(622,000)	71,000	739,000	(343,000)	(3,148,000)	2,402,000	414,000
Changes in Assumptions	142,000	3,752,000	487,000	(188,000)	-	2,379,000	-	3,171,000	1,718,000
Benefit Payments, Including Refunds of Member Contributions	(5,119,000)	(4,812,000)	(4,273,000)	(3,879,000)	(3,623,000)	(3,832,000)	(3,457,000)	(3,045,000)	-
Changes of Benefit Terms (401(a) Plan Participants)	-	(2,176,000)	-	-	-	-	(13,000)	-	(2,905,000)
Net Changes	799,000	1,391,000	2,099,000	2,263,000	3,219,000	4,269,000	(96,000)	8,261,000	4,461,000
Total Pension Liability - Beginning of Year	78,822,000	77,431,000	75,332,000	73,069,000	69,850,000	65,581,000	65,677,000	57,416,000	52,955,000
Total Pension Liability - End of Year	$ 79,621,000	$ 78,822,000	$ 77,431,000	$ 75,332,000	$ 73,069,000	$ 69,850,000	$ 65,581,000	$ 65,677,000	$ 57,416,000
Changes in Plan Fiduciary Net Position									
Contributions - Employer	$ 2,351,000	$ 4,745,000	$ 2,488,000	$ 2,367,000	$ 1,934,000	$ 1,952,000	$ 1,970,000	$ 1,703,000	$ 1,576,000
Contributions - Employee	1,517,000	1,412,000	1,683,000	1,556,000	1,402,000	1,594,000	1,662,000	1,384,000	1,269,000
Net Investment Income	(7,281,000)	11,580,000	492,000	1,954,000	2,880,000	4,308,000	(86,000)	250,000	4,989,000
Benefit Payments, Including Refunds of Member Contributions	(5,119,000)	(4,812,000)	(4,273,000)	(3,879,000)	(3,623,000)	(3,832,000)	(3,457,000)	(3,045,000)	(2,905,000)
Administrative Expenses	(130,000)	(136,000)	(104,000)	(103,000)	(104,000)	(79,000)	(199,000)	(112,000)	(122,000)
Net Changes	(8,662,000)	12,789,000	286,000	1,895,000	2,489,000	3,943,000	(110,000)	180,000	4,807,000
Fiduciary Net Position - Beginning of Year	55,603,000	42,814,000	42,528,000	40,633,000	38,144,000	34,201,000	34,311,000	34,131,000	29,324,000
Fiduciary Net Position - End of Year	$ 46,941,000	$ 55,603,000	$ 42,814,000	$ 42,528,000	$ 40,633,000	$ 38,144,000	$ 34,201,000	$ 34,311,000	$ 34,131,000
Net Pension Liability - End of Year	$ 32,680,000	$ 23,219,000	$ 34,617,000	$ 32,804,000	$ 32,436,000	$ 31,706,000	$ 31,380,000	$ 31,366,000	$ 23,285,000
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.96%	70.54%	55.29%	56.45%	55.61%	54.61%	52.15%	52.24%	59.45%
Covered Payroll	$ 8,327,000	$ 8,170,000	$ 9,157,000	$ 9,539,000	$ 8,122,000	$ 8,672,000	$ 11,389,000	$ 10,355,000	$ 9,960,000
Net Pension Liability as a Percentage of Covered Payroll	392.46%	284.20%	378.04%	343.89%	399.36%	365.61%	275.53%	302.91%	233.79%

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN
AS OF JUNE 30, 2022
LAST 10 YEARS*

	June 30,									
Measurement Period	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	$ 2,554,000	$ 2,351,000	$ 2,012,000	$ 2,488,000	$ 2,367,000	$ 1,934,000	$ 1,952,000	$ 2,028,000	$ 1,703,000	$ 1,576,000
Contributions in Relation to the Actuarially Determined Contributions	2,554,000	2,351,000	4,745,000	2,488,000	2,367,000	1,934,000	1,952,000	2,028,000	1,703,000	1,576,000
Contribution Deficiency (Excess)	$ -	$ -	$ (2,733,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 8,202,000	$ 8,327,000	$ 8,170,000	$ 9,157,000	$ 9,539,000	$ 8,122,000	$ 8,672,000	$ 11,389,000	$ 10,355,000	$ 9,960,000
Contribution as a Percentage of Covered Payroll	31.14%	28.23%	58.08%	27.17%	24.81%	23.81%	22.51%	17.81%	16.45%	15.82%
Notes to Schedule:										
Valuation date	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015	July 1, 2014	July 1, 2013	July 1, 2012

Method and assumptions used to calculate actuarially determined contribution:

Discount Rate	5.95% net of investment expenses
Inflation Rate	2.50%
Administrative Expenses	Average: prior 3 years
Actuarial Cost Method	Entry-Age Normal, level percent of payroll
Amortization Method	16 year amortization (closed period) from 2022/23, level % of pay
Employer and Employee Contributions	Total contributions are shared evenly between employer and employee, except the employer pays full costs attributable to death and disability benefits, and a small portion of prior frozen UAAL. PEPRA members pay a Normal Cost rate that is ½ of the total Normal Cost.
All Other Assumptions	Same as those used to develop the Total Pension Liability, 7/1/2021 valuation basis

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY/(ASSET) AND RELATED RATIOS
JUNE 30, 2022
LAST 10 YEARS*

Reporting Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Period	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability						
Service Cost	$ 233,000	$ 277,000	$ 284,000	$ 262,000	$ 266,000	$ 254,000
Interest on Total OPEB Liability	652,000	818,000	790,000	820,000	828,000	795,000
Changes of Benefit Terms	-	(67,000)	-	-	-	-
Difference Between Expected and Actual Experience	(489,000)	(1,307,000)	875,000	(853,000)	(570,000)	62,000
Changes in Assumptions	553,000	(962,000)	(753,000)	(43,000)	-	910,000
Benefit Payments, including Implied Subsidy	(768,000)	(791,000)	(718,000)	(645,000)	(629,000)	(660,000)
Net Change in Total OPEB Liability	181,000	(2,032,000)	478,000	(459,000)	(105,000)	1,361,000
Total OPEB Liability - Beginning of Year	10,670,000	12,702,000	12,224,000	12,683,000	12,788,000	11,427,000
Total OPEB Liability - End of Year	$ 10,851,000	$ 10,670,000	$ 12,702,000	$ 12,224,000	$ 12,683,000	$ 12,788,000
Changes in Plan Fiduciary Net Position						
Net Investment Income	$ (1,529,000)	$ 2,094,000	$ 14,000	$ 249,000	$ 424,000	$ 650,000
Contributions - Employer	132,000	3,754,000	576,000	461,000	371,000	202,000
Contributions - Employer (Implied Subsidy Benefit Payments)	-	-	-	123,000	122,000	137,000
Contributions - Employee	-	260,000	363,000	382,000	330,000	188,000
Benefit Payments, Cash	(768,000)	(791,000)	(718,000)	(522,000)	(507,000)	(523,000)
Benefit Payments, Implied Subsidy	-	-	-	(123,000)	(122,000)	(137,000)
Administrative Expenses	(10,000)	(8,000)	(6,000)	(6,000)	(6,000)	(3,000)
Net Change in Plan Fiduciary Net Position	(2,175,000)	5,309,000	229,000	564,000	612,000	514,000
Fiduciary Net Position - Beginning of Year	11,753,000	6,444,000	6,215,000	5,651,000	5,039,000	4,525,000
Fiduciary Net Position - End of Year	$ 9,578,000	$ 11,753,000	$ 6,444,000	$ 6,215,000	$ 5,651,000	$ 5,039,000
Net OPEB Liability - End of Year	$ 1,273,000	$ (1,083,000)	$ 6,258,000	$ 6,009,000	$ 7,032,000	$ 7,749,000
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	88.27%	110.15%	50.73%	50.84%	44.56%	39.40%
Covered Payroll	$ 8,649,000	$ 8,350,000	$ 9,303,000	$ 9,824,000	$ 8,220,000	$ 8,739,000
Net OPEB Liability as a Percentage of Covered Payroll	14.72%	-12.97%	67.27%	61.17%	85.55%	88.67%

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN
JUNE 30, 2022
LAST 10 YEARS*

	June 30,						
Measurement Period	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	$ 112,000	$ 132,000	$ 421,000	$ 576,000	$ 584,000	$ 493,000	$ 339,000
Contributions in Relation to the Actuarially Determined Contributions	112,000	132,000	3,728,000	576,000	584,000	493,000	339,000
Contribution Deficiency/(Excess)	$ -	$ -	$ (3,307,000)	$ -	$ -	$ -	$ -
Covered Payroll	$ 9,343,000	$ 8,649,000	$ 8,350,000	$ 9,303,000	$ 9,824,000	$ 8,220,000	$ 8,739,000
Contribution as a Percentage of Covered Payroll	1.20%	1.53%	44.65%	6.19%	5.94%	6.00%	3.88%
Notes to Schedule:							
Valuation date	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015

Method and assumptions used to calculate actuarially determined contribution:

Discount Rate	6.20% net of investment expenses
Inflation Rate	2.50%
Administrative Expenses	Average: prior 3 years
Actuarial Cost Method	Entry-Age Normal, level percent of payroll
Amortization Method	18 year amortization (closed period) from 7/1/2020, level % of pay
Employer and Employee Contributions	Total contributions are shared evenly between employer and employee, except the employer pays full costs attributable to death and disability benefits, and a small portion of prior frozen UAAL. PEPRA members pay a Normal Cost rate that is ½ of the total Normal Cost.
All Other Assumptions	Same as those used to develop the Total Pension Liability, 7/1/2020 valuation basis

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

STATISTICAL SECTION

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
DESCRIPTION OF STATISTICAL SECTION CONTENTS
JUNE 30, 2023

This part of the San Joaquin Regional Transit District's (RTD) annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements and required supplementary information says about the RTD's overall financial health.

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the RTD's most significant operating revenue, passenger fares.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which RTD's financial activities take place and helps make comparisons over time with other governments.

Operating Information

These schedules contain contextual information about RTD's operations and resources to assist readers in using financial statement information to understand and assess RTD's economic condition.

Sources: Unless otherwise noted, the information in these schedules is derived from RTD's annual comprehensive financial reports for the relevant year.

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
SCHEDULE OF NET POSITION
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019 Restated*
NET POSITION					
Net investment in capital assets	$ 101,322,687	$ 99,219,030	$ 104,441,697	$ 109,777,479	$ 117,169,647
Restricted for OPEB	-	1,083,000	-	-	-
Unrestricted	28,659,341	20,414,316	(1,435,380)	(17,359,111)	(21,539,068)
Total	$ 129,982,028	$ 120,716,346	$ 103,006,317	$ 92,418,368	$ 95,630,579

NET POSITION	2018	2017 Restated*	2016	2015**	2014
Net investment in capital assets	$ 103,637,197	$ 101,276,836	$ 98,686,109	$ 105,664,696	$ 84,601,525
Unrestricted	(18,691,320)	(16,247,418)	(7,366,596)	(11,215,667)	1,592,319
Total	$ 84,945,877	$ 85,029,418	$ 91,319,513	$ 94,449,029	$ 86,193,844

* Adjustments were made to properly reflect changes in net position as the result of prior periods adjustments.
** Certain prior year amounts have been reclassified to conform to current year presentation.

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
SCHEDULE OF CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019 Restated*
OPERATING REVENUE					
Total Operating Revenues	$ 2,942,812	$ 1,929,618	$ 1,571,419	$ 3,373,975	$ 3,524,709
Total Operating Expenses	(54,689,089)	(42,973,522)	(46,991,679)	(50,744,315)	(51,928,744)
OPERATING LOSS	(51,746,277)	(41,043,904)	(45,420,260)	(47,370,340)	(48,404,035)
Total Nonoperating Revenues	48,736,916	53,718,569	51,254,202	40,935,996	36,632,056
Total Nonoperating Expenses	(144,970)	(221,270)	(297,570)	(373,870)	(520,199)
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(3,154,331)	12,453,395	5,536,372	(6,808,214)	(12,292,178)
Total Capital Contributions	12,324,580	5,305,690	5,051,577	3,596,003	22,976,880
CHANGES IN NET POSITION	$ 9,170,249	$ 17,759,085	$ 10,587,949	$ (3,212,211)	$ 10,684,702

	2018	2017**	2016	2015**	2014
OPERATING REVENUE					
Total Operating Revenues	$ 3,626,273	$ 3,827,801	$ 4,303,400	$ 4,760,481	$ 5,009,828
Total Operating Expenses	(46,605,935)	(43,854,012)	(42,767,545)	(39,858,489)	(38,423,299)
OPERATING LOSS	(42,979,662)	(40,026,211)	(38,464,145)	(35,098,008)	(33,413,471)
Total Nonoperating Revenues	30,773,513	28,156,778	27,893,134	26,384,247	25,042,192
Total Nonoperating Expenses	(533,473)	(533,105)	(550,875)	(35,410)	-
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(12,739,622)	(12,402,538)	(11,121,886)	(8,749,171)	(8,371,279)
Total Capital Contributions	12,656,081	12,741,263	7,926,550	38,157,481	31,643,064
CHANGES IN NET POSITION	$ (83,541)	$ 338,725	$ (3,195,336)	$ 29,408,310	$ 23,271,785

* Adjustments were made to properly reflect changes in net position as the result of prior periods adjustments.
** Certain prior year amounts have been reclassified to conform to current year presentation.

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
SCHEDULE OF REVENUES BY SOURCE
LAST TEN FISCAL YEARS

	OPERATING REVENUES					NON-OPERATING REVENUES				
Fiscal Year	Pasenger Fares	Special Transit	Auxiliary Transportation	Other	TOTAL OPERATING REVENUES	Federal Cash Grants	State and Local Cash Grants	Local Property Taxes	Interest, Investment, Income, and Recoveries	TOTAL NON-OPERATING REVENUES
2023	$ 2,215,925	$ -	$ 94,207	$ 632,680	$ 2,942,812	$ 9,147,441	$ 36,896,445	$ 1,368,646	$ 1,324,384	$ 48,736,916
2022	1,545,337	-	99,324	284,957	1,929,618	16,184,981	36,121,028	1,279,993	132,567	53,718,569
2021	1,255,399	-	95,933	220,087	1,571,419	17,066,076	32,917,857	1,202,130	68,139	51,254,202
2020	2,999,194	-	103,533	271,248	3,373,975	10,237,933	29,544,813	1,100,797	52,453	40,935,996
2019*	3,116,865	-	112,853	294,991	3,524,709	5,246,408	30,296,675	1,067,846	21,127	36,632,056
2018	3,383,304	-	120,399	122,570	3,626,273	5,139,112	24,622,534	994,899	16,968	30,773,513
2017	3,703,383	-	71,730	52,688	3,827,801	5,762,496	21,414,426	967,785	12,071	28,156,778
2016	4,166,503	-	77,147	59,751	4,303,401	5,193,468	21,777,395	914,739	7,532	27,893,134
2015	4,570,610	-	83,654	106,217	4,760,481	5,779,342	19,726,688	862,738	15,479	26,384,247
2014	4,768,623	-	63,153	178,052	5,009,828	5,752,974	18,465,146	797,429	26,645	25,042,194
2013	4,447,003	-	77,018	73,668	4,597,689	5,426,427	18,268,780	766,148	15,214	24,476,569

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
SCHEDULE OF EXPENSES BY NATURAL CLASSIFICATION
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
OPERATING EXPENSES										
Operators' salaries	$ 7,021,013	$ 5,396,725	$ 3,327,804	$ 3,852,375	$ 4,192,602	$ 3,755,705	$ 3,569,987	$ 3,537,251	$ 3,414,482	$ 3,561,412
Other salaries	9,168,687	7,526,719	6,209,345	7,226,256	7,172,673	6,841,292	6,528,780	6,196,679	5,518,473	4,992,462
Fringe benefits	11,582,560	9,968,875	15,256,659	10,383,255	10,280,192	8,721,186	8,171,276	7,670,269	6,968,125	6,360,633
Pension expense	112,000	(3,137,000)	(1,932,000)	1,154,000	1,482,000	1,701,000	2,052,000	1,508,520	136,480	-
OPEB expense	(150,713)	(607,000)	(3,467,000)	(390,000)	(171,075)	142,788	-	-	-	-
Service expenses	4,990,570	3,633,887	3,272,109	2,869,122	3,134,495	2,413,621	2,501,870	2,685,890	3,011,937	2,776,356
Fuel and lubricants	1,786,600	1,382,025	813,096	1,212,534	1,553,430	1,320,845	1,230,694	1,244,931	1,778,800	2,097,405
Tires and tubes	256,385	9,488	6,214	6,176	5,951	8,481	9,994	6,049	4,740	4,638
Other materials and supplies	1,825,355	1,264,364	835,247	781,290	748,026	1,083,547	1,085,958	1,147,658	1,214,760	1,148,491
Utilities	1,066,024	996,473	925,823	1,096,796	890,551	865,770	759,687	642,859	514,025	533,043
Insurance	1,939,213	1,009,196	2,486,445	1,027,679	1,075,422	845,477	609,879	546,570	509,624	757,291
Taxes	308,911	243,934	180,553	239,389	264,833	212,394	184,115	194,070	213,895	222,156
Purchased transportation	2,312,956	1,948,542	6,264,639	8,488,896	8,443,714	6,776,292	6,072,352	7,083,584	7,084,038	6,854,644
Other	786,307	777,394	399,688	573,101	1,033,771	1,021,705	726,882	689,848	775,347	743,491
Depreciation	11,683,221	12,559,900	12,413,057	12,223,446	11,822,159	10,895,832	10,350,538	9,613,368	8,749,173	8,369,980
Total Operating Expenses	54,689,089	42,973,522	46,991,679	50,744,315	51,928,744	46,605,935	43,854,012	42,767,546	39,893,899	38,422,002
NONOPERATING EXPENSES										
Interest expense	144,970	221,270	297,570	373,870	520,199	533,473	533,105	550,875	35,410	-
Total expenses	$ 54,834,059	$ 43,194,792	$ 47,289,249	$ 51,118,185	$ 52,448,943	$ 47,139,408	$ 44,387,117	$ 43,318,421	$ 39,929,309	$ 38,422,002

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
SERVICE CONSUMPTION
LAST TEN FISCAL YEARS

	Operating Revenues	
Fiscal Year	Annual Pasenger Miles	Unlinked Passenger Trips
2023	10,177,976	2,323,068
2022	7,640,564	1,855,213
2021	5,983,028	1,416,258
2020	15,486,725	3,027,645
2019	19,175,809	3,703,148
2018	19,107,535	3,473,628
2017	20,101,181	3,595,637
2016	22,401,840	4,047,559
2015	23,885,347	4,402,964
2014	24,426,308	4,492,883

Passenger Miles: The cumulative sum of the distances ridden by each passenger.

Unlinked Passenger Trips: The number of passengers who board public transportation vehicles. Passengers are counted each time they board vehicles no matter how many vehicles they use to travel from their origin to their destination.

Source: TransTrack S-10

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
PASSENGER RATES

Effective January 1, 2013

CASH FARES		
1-RIDE ADULT (Ages 18-59)	$	1.50
1-RIDE SENIORS (Age 60 and over)	$	0.75
1-RIDE DISABLED (w/ proper ID)	$	0.75
1-RIDE MEDICARE CARD HOLDER (w/ proper ID)	$	0.75
CHILD (Under Age 4) (Up to three children under age 4 accompanied by a farepaying adult)		FREE
EACH ADDITIONAL CHILD (Under age 4)	$	1.50
1-RIDE DIAL-A-RIDE	$	3.00
1-RIDE ADULT METRO EXPRESS BUS PASS (Ages 18-59)	$	1.50
1-RIDE SENIOR/DISABLED METRO EXPRESS BUS PASS (Age 60 and over, Medicare card holders and certificate of eligibility card holders)	$	0.75
METRO EXPRESS 1-RIDE PASS	$	1.50
METRO EXPRESS DISCOUNT 1-RIDE PASS	$	0.75

31-DAY BUS PASSES (Unlimited rides for 31 days from first day of use)		
ADULT	$	65.00
STUDENT (Age 5-17 and college students with valid ID)	$	40.00
SENIOR/DISABLED/MEDICARE CARD HOLDER	$	30.00

10-DAY BUS PASSES (Good for 10 uses anytime)		
10-DEVIATION PASS (METRO HOPPER ONLY)	$	10.00

DAY PASSES (Unlimited rides on the day issued)		
1-DAY ADULT	$	4.00
1-DAY SENIOR/DISABLED/MEDICARE CARD HOLDER	$	2.00

COMMUTER		
One Way Fare	$	7.00

PURCHASE BUS PASS ONLINE

RTD now offers its customers the opportunity to purchase 31-Day, 1-Day , 1-Ride, 10 Deviation bus passes online, Dial-A-Ride, and Van Go 1-Ride.

Source: Accounting and Financial Reporting Department

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Outstanding Debt					
Fiscal Year	Measure K Loan Payable	Personal Income	Ratio of Outstanding Debt to Personal Income	Per Capita Personal Income	Population	Outstanding Debt Per Capita
2023	3,800,000	42,967,119,000	0.01%	54,183	793,000	4.79
2022	5,800,000	45,590,787,000	0.01%	57,783	789,000	7.35
2021	7,800,000	39,794,688,000	0.02%	51,816	768,000	10.16
2020	9,800,000	35,926,949,000	0.03%	47,139	762,000	12.86
2019	11,800,000	33,865,937,000	0.03%	44,995	752,000	15.69
2018	13,800,000	29,879,390,000	0.05%	39,789	751,000	18.38
2017	14,000,000	28,636,808,000	0.05%	38,756	739,000	18.94
2016	14,200,000	27,200,000,000	0.05%	37,375	729,000	19.48
2015	8,874,684	24,480,660,000	0.04%	34,755	711,000	12.48

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
SAN JOAQUIN COUNTY
DEMOGRAPHIC AND ECONOMIC STATISTICS
(POPULATION EXPRESSED IN THOUSANDS)
LAST TEN FISCAL YEARS

For the Fiscal Year Ended June 30,	(1) Population	(2) Personal Income	(2) Per Capital Personal Income	(3) Unemployment Rate
2023	793,000	$ 42,967,119,000	$ 54,183	6.3%
2022	789,000	45,590,787,000	57,783	5.0%
2021	768,000	39,794,688,000	51,816	9.2%
2020	762,000	35,926,949,000	47,139	10.0%
2019	752,000	33,865,937,000	44,995	6.0%
2018	751,000	29,879,390,000	39,789	6.3%
2017	739,000	28,636,808,000	38,756	7.3%
2016	729,000	27,200,000,000	37,375	8.3%
2015	711,000	24,480,660,000	34,755	7.5%
2014	710,000	24,800,000,000	33,097	10.5%

Data Source:
(1) edd.ca.gov
(2) dot.ca.gov
(3) sjgov.org

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
SAN JOAQUIN COUNTY
PRINCIPAL EMPLOYERS

Employer Name	Location	Industry	Rank	2023 Employee Count	2022 Employee Count	2021 Employee Count	2020 Employee Count	2019 Employee Count	2018 Employee Count	2017 Employee Count	2016 Employee Count	2015 Employee Count	2014 Employee Count
Blue Shield of California	Lodi	Health Plans / Direct Health and Medical Insurance Carriers	1	5,000-9,999	5,000-9,999	5,000-9,999	5,000-9,999	5,000-9,999	5,000-9,999	5,000-9,999	5,000-9,999	5,000-9,999	5,000-9,999
Ashley Lane LP	Stockton	Real Estate	2	1,000-4,999	1,000-4,999	1,000-4,999	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Amazon Fulfillment Ctr	Stockton	Mail Order Fulfillment Services/Electronic Shopping and Mail-Order Houses	3	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	N/A	N/A
Dameron Hospital Assn	Stockton	Hospitals / General Medical and Surgical Hospitals	4	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	N/A
Adventist Health Lodi Memorial	Lodi	Hospitals / General Medical and Surgical Hospitals	5	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999
Lodi Memorial Hospital Home Health	Lodi	Home Health Care Services	6	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999
NA Chaderjian Youth	Stockton	State Govt-Correctional Institutions	7	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	N/A	N/A	N/A	N/A	N/A
Stockton Unified School District	Stockton	School District/Elementary and Secondary Schools	8	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	N/A	N/A	N/A	N/A	N/A
O-G Packing & Cold Storage Co	Stockton	Fruits & Vegetables-Growers & Shippers	9	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999
Prima Fruta Packing Inc.	Linden	Fruit & Produce Packers / Other postharvest crop activities	10	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999
Safeway Distribution Warehouse	Tracy	Distribution Centers (Whls) / All other durable goods merchant wholesalers	11	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999
San Joaquin General Hospital	French Camp	Hospitals / General Medical and Surgical Hospitals	12	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999
San Joaquin County SCH	Stockton	School Districts/Elementary and Secondary Schools	13	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	N/A	N/A	N/A	N/A	N/A
St. Joseph's Regional Health	Stockton	Hospitals / General Medical and Surgical Hospitals	14	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999
SJGOV	Stockton	Government Offices- County	15	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	N/A	N/A	N/A	N/A
Leprino Foods Co	Tracy	Cheese Processors (Mfrs)	16	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999
Waste Management	Lodi	Consultants - Business NEC	17	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999	1,000-4,999
Foster Care Svc	Stockton	County Government - Social/Human Resources	18	500-999	500-999	500-999	500-999	500-999	500-999	500-999	500-999	500-999	500-999
Medline	Tracy	Physicians & Surgeons Equip & Splus-Wholesale	19	500-999	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
San Joaquin County CA Public	Stockton	Government Offices - County	20	500-999	500-999	500-999	N/A	N/A	N/A	N/A	N/A	N/A	N/A
San Joaquin Sheriff's Office	French Camp	Government Offices - County/Legislative Bodies	21	500-999	500-999	500-999	500-999	500-999	500-999	500-999	500-999	500-999	500-999
Stockton Police Department	Stockton	Police Departments / Police Protection	22	500-999	500-999	500-999	500-999	500-999	500-999	500-999	500-999	500-999	500-999
San Joaquin County Human Services	Stockton	County Government - Social/Human Resources	23	500-999	500-999	500-999	500-999	500-999	500-999	500-999	500-999	500-999	500-999
Walmart Supercenter	Stockton	Department Stores	24	500-999	500-999	500-999	500-999	500-999	500-999	500-999	500-999	500-999	500-999

Data Source:
(1) Employment Development Department

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
OPERATING INFORMATION – PROFILE

General Statistics and Service Information

Service Area	1,426 Square Miles
Employees	264
Vehicles Available for Service	146
Metro Routes	31
Metro Hopper Deviated Fixed Routes	7
County Hopper Deviated Fixed Routes	5
Commuter Routes	3

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
OPERATING INFORMATION – 2023 AND 2024 OPERATING BUDGETS

	FY 2024 (1)	FY 2023 (1)	Difference	% Change
REVENUES				
Passenger Fares and Special Fares	$ 2,212,427	$ 2,110,598	$ 101,829	4.82%
Non-Transportation Revenues	1,120,127	769,254	350,873	45.61%
Operating Assistance				
Federal Cash Grants	8,690,077	6,806,743	1,883,334	27.67%
Local Property Taxes	1,336,386	1,269,986	66,400	5.23%
LCTOP (State Fund)	1,602,176	1,556,856	45,320	2.91%
TDA - LTF / STA Program	32,538,399	30,471,785	2,066,614	6.78%
Measure K	5,706,030	5,706,030	-	0.00%
TOTAL REVENUES	$ 53,205,622	$ 48,691,252	$ 4,514,370	9.27%
EXPENDITURES				
Labor and Fringes	$ 36,894,202	$ 33,254,131	$ 3,640,071	10.95%
Services	4,815,579	4,222,065	593,514	14.06%
Fuel and Lubricants and Supplies	3,669,898	3,978,209	(308,311)	-7.75%
Utilities	1,270,442	1,194,461	75,981	6.36%
Insurance	1,938,588	2,189,380	(250,792)	-11.45%
Taxes and Licenses	289,031	337,278	(48,247)	-14.30%
Purchased Transportation	2,299,663	2,163,119	136,544	6.31%
Miscellaneous and Contingency	2,028,219	1,352,609	675,610	49.95%
TOTAL EXPENDITURES	$ 53,205,622	$ 48,691,252	$ 4,514,370	9.27%

(1) Budgeted amounts

Source: Accounting and Financial Reporting Department

The following section provides a description of each of the major funding resources used by RTD and their available uses.

Fare Revenue

RTD collects fares from passengers to ride the bus. The current fare schedule is available on page 56.

FTA Section 5307

Purpose

The Urbanized Area Formula Funding program (49 U.S.C. 5307) makes Federal resources available to urbanized areas and to Governors for transit capital and operating assistance and for transportation related planning in urbanized areas. An urbanized area is a Census-designated area with a population of 50,000 or more as determined by the U.S. Department of Commerce, Bureau of the Census.

Statutory References

49 U.S.C. Sections 5307 and 5340 / FAST ACT Sections 3004, 30149 U.S.C. Section 5305 – Planning Programs

Eligible Recipients

Funding is made available to designated recipients, which must be public bodies with the legal authority to receive and dispense Federal funds. Governors, responsible local officials and publicly owned operators of transit services are required to designate a recipient to apply for, receive, and dispense funds for urbanized areas pursuant to 49 U.S.C. 5307(a)(2). The Governor or Governor's designee is the designated recipient for urbanized areas between 50,000 and 200,000.

Eligible Activities

Eligible activities include planning, engineering, design and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement of buses, overhaul of buses, rebuilding of buses, crime prevention and security equipment and construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software. All preventive maintenance and some Americans with Disabilities Act complementary paratransit service costs are considered capital costs.

For urbanized areas with populations less than 200,000, operating assistance is an eligible expense. For urbanized areas with 200,000 in population and over, funds are apportioned and flow directly to a designated recipient selected locally to apply for and receive Federal funds. For urbanized areas under 200,000 in population, the funds are apportioned to the Governor of each state for distribution.

FTA Section 5311 CARES Act

Purpose

The overall goal of the FTA 5311 program is to enhance the availability of public transit in rural areas and provide public transportation opportunities to residents in rural areas for access to employment, education and health care, shopping, and recreation.

FTA Section 5311 CARES Act (Continued)

Statutory Reference

49 U.S.C. Section 5311 / Fixing America's Surface Transportation Act (FAST) Section 3007

Eligible Recipients

Public transit providers, state and local governments, rural transportation planning agencies, private-nonprofit organizations, Tribal Governments, and private intercity bus operators (5311(f)). All subrecipients are required to be compliant with FTA regulations.

Eligible Activities

Eligible projects include capital projects, planning and operating assistance projects. CARES Act projects are 100% federally funded and require no local share.

FTA 5310

Program Overview

The Federal Transit Administration (FTA) Section 5310 – Enhanced Mobility of Seniors and Individuals with Disabilities Program is authorized by 49 United States Code (U.S.C.) 5310.

The goal of the FTA 5310 Program is to improve the mobility of seniors and individuals with disabilities by removing barriers to transportation services and expanding the transportation mobility options available.

This program provides grant funds for capital, mobility management, and operating expenses for:

Public transportation projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable; Public transportation projects that exceed the requirements of the Americans with Disabilities Act (ADA); Public transportation projects that improve access to fixed-route service and decrease reliance on complementary paratransit; and Alternatives to public transportation projects that assist seniors and individuals with disabilities and with transportation.

Eligible Projects

- Capital - Vehicles (ADA accessible vehicles) and related equipment (cameras, mobile radios, scheduling software, etc.)
- Mobility Management (Travel training, One Stop Call Center, etc.)
- Operating Assistance

Eligible Applicants

- Private non-profit organizations (all projects)
- Public agencies where no private non-profits are readily available to provide service (Capital and Mobility Management)
- Public agencies that have been approved by the State to coordinate transportation services (CTSA) (Capital and Mobility Management)
- Public agencies (for Operating Assistance and Mobility Management projects)

FTA Section 5311

Purpose

This program provides capital, planning, and operating assistance to states and federally recognized Indian tribes to support public transportation in rural areas with populations less than 50,000, where many residents often rely on public transit to reach their destinations. It also provides funding for state and national training and technical assistance through the Rural Transportation Assistance Program.

Statutory References

- 49 U.S.C. Section 5311 / Fixing America's Surface Transportation Act (FAST) Section 3007

Eligible Recipients

- States, Indian tribes or Alaskan Native villages, groups or communities identified by the Bureau of Indian Affairs (BIA)
- Subrecipients: State or local government authorities, nonprofit organizations, operators of public transportation or intercity bus service that receive funds indirectly through a recipient.

Eligible Activities

Planning, capital, operating, job access, and reverse commute projects, and the acquisition of public transportation services

FTA Section 5339

Purpose

The Grants for Buses and Bus Facilities program (49 U.S.C. 5339) makes Federal resources available to States and designated recipients to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities including technological changes or innovations to modify low or no emission vehicles or facilities. Funding is provided through formula allocations and competitive grants. A sub-program provides competitive grants for bus and bus facility projects that support low and zero-emission vehicles.

Statutory References

49 U.S.C. Section 5337 / FAST Section 3017

Eligible Recipients

Eligible Recipients include designated recipients that operate fixed route bus service or that allocate funding to fixed route bus operators; and State or local governmental entities that operate fixed route bus service that are eligible to receive direct grants under 5307 and 5311.

Subrecipients: An eligible recipient that receives a grant under the formula or discretionary programs may allocate amounts from the grant to subrecipients that are public agencies or private nonprofit organizations engaged in public transportation.

FTA Section 5339 (Continued)

Eligible Activities

- Capital projects to replace, rehabilitate, and purchase buses, vans, and related equipment, and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities.

FTA Section 5312 – Integrated Mobility Innovation (IMI)

Overview

Today, a diverse mobility ecosystem provides unprecedented flexibility and choices, including public transit, bikeshare, ride-hailing, electric scooters, and micro-transit. Public transportation agencies are taking on new roles as mobility managers, seeking to manage the evolving transportation ecosystem to meet their communities' needs while they simultaneously transform themselves to offer better, more integrated service.

The IMI demonstration program supports the transit industry's ability to leverage and integrate mobility innovations with existing services, while examining the impact of innovations on agency operations and the traveler experience.

IMI unifies three research focus areas: Mobility on Demand, Transit Automation, and Mobility Payment Integration. These areas examine how new service models, technologies, and other solutions can be brought together to support Complete Trips for All.

The goals of IMI are to:

- Explore new business approaches and technology solutions that support mobility
- Enable communities to adopt innovative mobility solutions that enhance transportation efficiency and effectiveness
- Facilitate the widespread deployment of proven mobility solutions that expand personal mobility

The primary objectives of IMI are to:

- Enhance transit industry preparedness for IMI
- Assist the transit industry to develop the ability to integrate IMI practices with existing public transit service
- Validate the technical and institutional feasibility of IMI business models, and document IMI best practices that may emerge from the demonstrations
- Measure the impacts of IMI on travelers and transportation systems
- Examine relevant public sector and Federal requirements, regulations, and policies that may support or hamper the public transit sector's adoption of IMI.

Eligible Activities

- Eligible activities include all activities leading to the demonstration, such as planning and developing business models, obtaining equipment and service, acquiring or developing software and hardware interfaces to implement the project, operating the demonstration, and providing data to support performance measurement and evaluation.

FTA Section 5312 – Integrated Mobility Innovation (IMI) (Continued)

Eligible Recipients

Eligible applicants under this notice are providers of public transportation, including public transportation agencies, state/local government DOTs, and federally recognized Indian tribes.

Statutory References

- Public transportation innovation (49 U.S.C. § 5312)

Sustainable Transportation Equity Projects (STEP)

STEP is a new transportation equity pilot that aims to address community residents' transportation needs, increase access to key destinations, and reduce greenhouse gas emissions by funding planning, clean transportation, and supporting projects.

STEP's overarching purpose is to increase transportation equity in disadvantaged and low-income communities throughout California via two types of grants: Planning and Capacity Building Grants and Implementation Grants. Within these two grant types, CARB currently has up to $19.5 million available.

The California Air Resources Board has awarded 11 grants totaling $19.5 million to community-based organizations and local governments across California that will help disadvantaged and low-income communities address transportation needs with innovative clean, sustainable transportation solutions.

"The goal of this pioneering project is to boost transportation equity by designing the program whereby communities make decisions about their own transportation needs, with the objective of helping residents get where they need to go — be it the doctor's office, grocery store or daycare — without using a personal vehicle," CARB Executive Officer Richard W. Corey said.

STEP will help support Governor Newsom's Executive Order phasing out gasoline-powered cars and requiring 100 percent sales of zero-emission cars in 2035. This will drastically reduce demand for fossil fuels, cut vehicle emissions, protect public health, and propel California toward carbon neutrality in the mid-century.

Statutory References

STEP supports the goals of Senate Bill (SB) 1275 (De Leon, Chapter 530, Statutes of 2014) for prioritizing low-and zero-carbon transportation alternatives; SB 375 (Steinberg, Chapter 728, Statues of 2008) for reducing greenhouse gas emissions through more integrated transportation, housing, and land use planning and SB 350 (De Leon, Chapter 547, Statutes of 2015) for overcoming barriers for low-income consumers and disadvantaged communities to access clean transportation options. Disadvantaged and low-income communities are identified per Assembly Bill 1550 (Gomez, Chapter 369, Statues of 2016

Eligible Recipients

Cities, counties, community-based organizations, or tribes as lead applicants (representing a broader coalition of community, public agency, and private partners as co-applicants)

Sustainable Transportation Equity Projects (STEP) (Continued)

Eligible Activities

- Community transportation needs assessment
- Community engagement
- Feasibility studies
- Land use and mobility plans
- Other

Congestion Mitigation and Air Quality (CMAQ)

Purpose

The FAST Act continued the CMAQ program to provide a flexible funding source to State and local governments for transportation projects and programs to help meet the requirements of the Clean Air Act. Funding is available to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards for ozone, carbon monoxide, or particulate matter (nonattainment areas) and for former nonattainment areas that are now in compliance (maintenance areas).

Statutory References

FAST Act § 1114; 23 U.S.C. 149

Eligible Recipients

As under MAP-21, the FAST Act directs FHWA to apportion funding as a lump sum for each State then divide that total among apportioned programs. Once each State's combined total apportionment is calculated, funding is set-aside for the State's CMAQ Program.

Eligible Activities

Funds may be used for a transportation project or program that is likely to contribute to the attainment or maintenance of a national ambient air quality standard, with a high level of effectiveness in reducing air pollution, and that is included in the metropolitan planning organization's (MPO's) current transportation plan and transportation improvement program (TIP) or the current state transportation improvement program (STIP) in areas without an MPO.

The FAST Act added eligibility for verified technologies for non-road vehicles and non-road engines that are used in port-related freight operations located in ozone, PM10, or PM2.5 nonattainment or maintenance areas funded in whole or in part under 23 U.S.C. or chapter 53 of 49 U.S.C. [23 U.S.C. 149(b)(8)(A)(ii)]

The Act also specifically makes eligible the installation of vehicle-to-infrastructure communications equipment. [23 U.S.C. 149(b)(9)]

The FAST Act continues eligibility for electric vehicle and natural gas vehicle infrastructure and adds priority for infrastructure located on the corridors designated under 23 U.S.C. 151. [23 U.S.C. 149(c)(2)]

The FAST Act amended the eligible uses of CMAQ funds set aside for PM2.5 nonattainment and maintenance areas. PM2.5 set-aside funds may be used to reduce fine particulate matter emissions in a PM2.5 nonattainment or maintenance area, including—

Congestion Mitigation and Air Quality (CMAQ) (Continued)

- diesel retrofits;
- installation of diesel emission control technology on nonroad diesel equipment or on-road diesel equipment that is operated on a highway construction projects; and
- the most cost-effective projects to reduce emissions from port-related landside nonroad or on- road equipment that is operated within the boundaries of the area. [23 U.S.C. 149(k)(2) & (4)]

Local Property Tax

RTD receives property tax revenues for properties within the County in accordance with the Revenue and Taxation Code, Section 97.

Low Carbon Transit Operations Program (LCTOP)

Purpose

The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities.

This program will be administered by Caltrans in coordination with Air Resource Board (ARB) and the State Controller's Office (SCO). The California Department of Transportation (Caltrans) is responsible to ensure that the statutory requirements of the program are met in terms of project eligibility, greenhouse reduction, disadvantaged community benefit, and other requirements of the law.

Statutory References

- Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate Bill 862. Senate Bill 862 continuously appropriates five percent of the annual auction proceeds in the Greenhouse Gas Reduction Fund (Fund) for LCTOP, beginning in 2015-16.

Eligible Recipients

California transit agencies

Eligible Activities

Approved projects in LCTOP will support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. For agencies whose service area includes disadvantaged communities, at least 50 percent of the total moneys received shall be expended on projects that will benefit disadvantaged communities.

Measure K

Measure K is the half-cent sales tax dedicated to transportation projects in San Joaquin County. With its original passage in November 1990, Measure K began laying the groundwork for two decades of funding for a system of improved highways and local streets, new passenger rail service, regional and inter-regional bus routes, park-and-ride lots, new bicycle facilities, and railroad crossings. Its innovative multimodal approach to transportation clearly distinguishes Measure K from other countywide sales tax programs.

Measure K (Continued)

On November 7, 2006, San Joaquin County voters decided to extend Measure K for an additional 30 years. The renewal of Measure K is estimated to generate $2.552 billion for the transportation programs identified in the Measure K Expenditure Plan.

The categorical allocations of Measure K include local street repairs and roadway safety (35%), congestion relief projects (32.5%), railroad crossing safety projects (2.5%), and passenger rail, bus, and bicycles (30%), which includes dedicated funding for bus rapid transit and safe routes to schools.

Measure L

Measure L is a ½ cent sales tax that was approved by Stanislaus County voters in November of 2016 to provide funding for local transportation improvements and street maintenance. With these voter-approved local transportation funds, the City of Ceres is able to maintain and improve their transportation system. The City of Ceres is also more successful in competing for funding of state and federal transportation dollars. Measure L funds must stay local and can only be spent on transportation.

PG&E's EV Charging Infrastructure Program (Priority Review Project)

Purpose

Pursuant to the passing of Senate Bill 350, Pacific Gas & Electric Company (PG&E) filed a transportation electrification (TE) application focused on accelerating electrification in the medium and heavy-duty sectors. The goal of this pilot is to lower total cost of ownership for electric fleet vehicles, as compared to fossil fuel vehicles, by addressing two critical barriers: (i) upfront infrastructure costs; and (ii) higher ongoing fuel costs of electricity compared to gas.

Statutory References

California Senate Bill 350

Eligible Recipients

California Transit Agencies

Eligible Activities

PG&E will partner with one transit agency in a Disadvantaged Community to provide infrastructure and tools to support the deployment of 2-10 electric transit buses.

State of Good Repair

Purpose

The State of Good Repair Program provides approximately $105 million annually to transit operators in California for eligible transit maintenance, rehabilitation, and capital projects. The State of Good Repair Program will benefit the public by improving transportation services in providing public transportation agencies a consistent and dependable revenue source to invest in the upgrade, repair, and improvement of their agency's transportation infrastructure.

State of Good Repair (Continued)

Statutory References

The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 (Chapter 5, Statues of 2017), signed by the Governor on April 28, 2017, includes a program that will provide additional revenues for transit infrastructure repair and service improvements. This investment in public transit will be referred to as the State of Good Repair (SGR) Program. This program receives funding of approximately $105 million annually. SGR funds are to be made available for eligible transit maintenance, rehabilitation and capital projects.

Eligible Recipients

Public transit operators who have submitted the required project information to their respective Regional Entities for review and have been evaluated to be eligible to receive State of Good Repair funding and determined to best meet local transportation needs.

Eligible Activities

The goal of the State of Good Repair Program is to provide funding for capital assistance in rehabilitating and modernizing California's existing local transit systems.

Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)

HVIP accelerates market transformation by incentivizing the purchase of zero-emission heavy-duty trucks and buses for California fleets by providing vouchers for purchasers and lessees for eligible vehicles on a first come, first-served basis. HVIP provides increased incentives for fleets purchasing zero-emission vehicles located in disadvantaged communities with a goal of at least 50 percent of HVIP funding supporting vehicles domiciled in disadvantaged communities. In addition, HVIP incorporates set-asides for school buses, drayage, and transit vehicles.

HVIP stimulates the development, deployment, and commercialization of advanced vehicle technology. These technologies are critical to help California meet its near- and long-term air quality and climate change goals. Additionally, the project benefits the citizens of California by providing immediate air pollution and greenhouse gas emission reductions.

HVIP will continue to be administered and implemented through a partnership between CARB and a Grantee, selected via this competitive solicitation. Eligible applicants wishing to apply for the role of project administrator must submit an application electronically to CARB no later than 5:00 p.m. (PT) August 29, 2023. More information regarding the application process can be found in Section VIII, Application Instructions of this solicitation.

Eligible Applicants

Nonprofit Public Agency
This competitive solicitation is open to local air districts, other California-based public entities (e.g., public agencies, municipalities, counties, special districts), or California-based non-profit organizations.

Transportation Development Act (TDA)

The TDA is a dedicated funding source available to public transit, and it is the primary source of RTD operating revenues. The TDA provides two sources of funding for public transportation, the Local Transportation Fund (LTF) and the State Transit Assistance (STA) funding. The LTF and STA receive revenues through gasoline and sales taxes within the County, however these funds are available to the State in times of fiscal crisis and are not as reliable in a declining economy.

Transportation Development Act (TDA) (Continued)

The LTF is funded from one quarter of one cent of the six cents in state sales tax collected per dollar of retail receipts. The allocated portion for LTF is returned to each county based on the amount of tax dollars collected in that County. The State distributes the LTF to available jurisdictions (incorporated cities and the County) based on population. RTD currently receives the full apportionment of LTF from the City of Stockton for SMA operations. RTD also receives the full apportionment of the County LTF for operations of the Hopper, Intercity, and Dial-A-Ride services.

The STA is funded from the statewide sales tax on motor vehicle fuels. The State allocates these funds based on a ridership and operations formula for each County. The formula allocates 50% of the funds according to ridership and the remaining according to transit operator revenues. STA revenues are eligible for both operating and capital expenditures.

The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 (Chapter 5, Statues of 2017), signed by the Governor on April 28, 2017, includes a program that will provide additional revenues for transit infrastructure repair and service improvements. This investment in public transit is referred to as the State of Good Repair program. This program provides funding of approximately $105 million annually to the State Transit Assistance (STA) Account. These funds are to be made available for eligible transit maintenance, rehabilitation, and capital projects.

Low Carbon Fuel Standards (LCFS) Credits

The LCFS aims to reduce emissions in the transportation sector by limiting the carbon intensity (CI) of fuels used. The LCFS program is administered by the California Air Resources Board (CARB), which sets targets for the CI of fuels used in the state. Fuels like petroleum are high CI fuels, whereas compressed natural gas, biogas, hydrogen, and electricity used for electric vehicles (EVs) are low CI fuels.

Owners and operators of electric vehicle charging equipment (EVSE) can participate in the LCFS market and generate LCFS credits for providing EV charging services. These credits can contribute meaningfully to the ROI of installing EVSE at your place of business. Recognizing the current need to accelerate EV charging infrastructure, in some cases, CARB allows LCFS credits to be generated not just for EV charging activity but also for installing EVSE capacity at the location. This allows LCFS to provide incentive to install EVSE regardless of utilization while EV adoption increases.

LCFS credits for EV charging stations are determined by the amount of energy provided to vehicles. Prices for LCFS credits fluctuate with the demand for credits. The average price from 2018-2020 ranged from $150-$200 per credit. The average price in January 2021 was $199 per credit.

Bus and Shelter Advertising

RTD currently contracts out all of the sales of advertising space on RTD’s fleet and facilities. RTD staff also pursue in-kind partnerships for advertising with applicable partners.

Rental Income – SBA

RTD currently contracts with Small Business Administration (SBA) to provide space for cell tower at Regional Transit Center (RTC).

Other

RTD pursues discretionary and competitive funding, as opportunities become available, that would assist with operating activities or capital improvements. RTD will continue to pursue Public/Private Partnership (PPP) and sponsorships for specific operations assistance. Examples of this include maintaining agreements with school districts, secondary education districts, and local governments to develop agreements for service and purchase of discounted monthly passes for retail sale to the public. RTD anticipates expanding PPP opportunities to fully fund specific public transportation support services in downtown Stockton.

Source: Grants Department