



Marin Emergency Radio Authority [MERA]

DRAFT

**FINANCIAL STATEMENTS AND AUDITORS' REPORT
YEAR ENDED JUNE 30, 2018**

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INDEPENDENT AUDITORS' REPORT

To the Governing Board Members and Alternates of
Marin Emergency Radio Authority

We have audited the accompanying financial statements of the Marin Emergency Radio Authority (the Authority) as of and for the year ended June 30, 2018, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The budgetary comparison schedules, schedule of member operating and service payments, and schedule of future debt service requirements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules, schedule of member operating and service payments, and schedule of future debt service requirements (the Schedules) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The Schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Maher Accountancy

November X, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis provides an overview of the Marin Emergency Radio Authority (MERA) financial activities for the fiscal year ended June 30, 2018. Please read it along with the Authority's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

The Authority's net position increased by \$4,771,000 during the year. Total revenues increased by \$99,000 and total operating expenses decreased by \$1,996,000 (see Note 12 to the financial statements) and non-operating expenses decreased by \$116,000 as compared to fiscal year 2016-17.

Budgetary comparison schedules are included in the supplemental information section. Below is a summary of variances when comparing actual activity with budgeted activity:

	Revenue	Expenses
	Actual	Actual
	Over (Under)	(Over) Under
	Budget	Budget
Operating Fund (70030)	\$ 12,868	\$ 254,840
New Project Financing Fund (70032)	\$ 755	\$ 1
Refunding Revenue Bonds Fund (70035)	\$ 31,590	\$ 29,287
Replacement Fund (70036)	\$ (18,633)	\$ (2,759)
Emergency Fund (70037)	*	\$ -
Next Gen Project Fund (70038)	\$ 808,894	\$ 53,257
2016 Bonds (70039)	\$ (71,737)	\$ (708,118)

* Budget not prepared

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to MERA's basic financial statements. MERA's basic financial statements comprise two components: (1) government-wide financial statements and (2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The Statement of Net Position presents information on all of MERA's assets, deferred outflows of resources, and liabilities, with the difference between assets, deferred outflows of resources, and liabilities reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of MERA is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how MERA's net position changed during the fiscal year. All changes in net position are recognized at the date the underlying event that gives rise to the change occurs, regardless of the timing of the related cash flows.

The Statement of Cash Flows presents information about MERA's cash receipts, cash payments and net changes in cash resulting from operations, investing, and financing activities. This statement shows the sources and uses of cash, as well as the change in the cash balances during the fiscal years.

Management of MERA is a single-purpose entity that has elected to account for its activity as a proprietary fund type under governmental accounting standards. Accordingly, MERA presents only government-wide financial statements.

Changes in MERA's net position follows:

	<u>2018</u>	<u>2017</u>	Increase (decrease)
Current assets	\$ 4,786,075	\$ 2,830,699	\$ 1,955,376
Noncurrent assets	46,799,864	46,112,519	687,345
Total assets	<u>51,585,939</u>	<u>48,943,218</u>	2,642,721
Deferred outflows of resources	<u>12,292</u>	<u>20,523</u>	<u>(8,231)</u>
Total assets and deferred outflows of resources	<u>51,598,231</u>	<u>48,963,741</u>	<u>2,634,490</u>
Current liabilities	3,050,027	3,064,827	(14,800)
Noncurrent liabilities	39,901,483	42,023,154	(2,121,671)
Total liabilities	<u>42,951,510</u>	<u>45,087,981</u>	<u>(2,136,471)</u>
Net position:			
Net investment in capital assets	-	-	-
Restricted for Next Gen System Project	9,148,478	6,702,136	2,446,342
Unrestricted (deficit)	<u>(501,757)</u>	<u>(2,826,376)</u>	2,324,619
Total net position	<u>\$ 8,646,721</u>	<u>\$ 3,875,760</u>	<u>\$ 4,770,961</u>

The largest component of current assets consists of cash held in the County of Marin pooled investment fund which decreased as a result of planned expenditures for capital improvements.

Even though capital expenditures of \$972,000 exceeded annual depreciation of \$708,000 by a modest amount, noncurrent assets still increased as a result in a change in the useful life of the radio system as described in Note 12 to the financial statements. Recent information about the scheduled completion of the new system indicates that the current system will be required until June 2022. Accordingly, the annual depreciation expense has been recalculated

Noncurrent liabilities decreased as a result of the scheduled debt payments of the 2010 revenue bonds and Citizen's Bank promissory note.

Changes in MERA's revenues and expenses were as follows:

	<u>2018</u>	<u>2017</u>	<u>Increase (decrease)</u>
Revenues:			
Operating revenues			
Member operating payments	\$ 1,923,710	\$ 1,888,142	\$ 35,568
Nonoperating revenues			
Member service payments	2,348,200	2,349,625	(1,425)
Parcel taxes	3,578,796	3,583,476	(4,680)
Investment income	506,888	436,925	69,963
Total revenues	<u>8,357,594</u>	<u>8,258,168</u>	<u>99,426</u>
Expenses:			
Operating expenses	2,618,147	4,613,675	(1,995,528)
Non-operating expenses			
Interest expense	968,486	1,084,252	(115,766)
Total expenses	<u>3,586,633</u>	<u>5,697,927</u>	<u>(2,111,294)</u>
Increase (decrease) in net position	<u>\$ 4,770,961</u>	<u>\$ 2,560,241</u>	<u>\$ 2,210,720</u>

Member operating payments increased from 2016-17 in accordance with the authorized budget.

Higher market interest rates accounted for most of the increase in investment income.

Interest expense decreases each year as a result the declining amount of principal outstanding.

CAPITAL ASSET AND DEBT ADMINISTRATION

MERA owns various communication systems and equipment. More information about capital assets is shown in Note 4 to the financial statements.

As scheduled, MERA paid principal of \$1,755,000 and interest of approximately \$339,000 towards the 2010 Revenue Bond. Principal and interest related to our loan from Citizen's Bank amounted to \$168,000 and \$41,000, respectively.

During 2015-16, MERA issued 2016 Special Parcel Tax Revenue Bonds for \$33,000,000. The first principal payment of \$1,625,000 will be due in August 2019. Interest payments of \$791,900 were required during 2017-18, of which \$54,000 was capitalized as required for construction of the next generation radio system.

The statement of revenues, expenses and changes in net position report the interest payments adjusted for accruals and amortization.

THE FUTURE OF THE AUTHORITY

A contract with Motorola Systems, Inc. was approved by the MERA Governing Board on February 22, 2017, to implement the Next Generation System project.

The total contract cost is \$34.34 million for the base system and extended warranty of system upgrades to prolong useful life. Completion of the project is scheduled for Summer 2022.

The Authority monitors grant opportunities, through the County of Marin, to further assist with project related costs.

Authority members have committed funding for ongoing Next Generation System operating costs.

REQUESTS FOR INFORMATION

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

Please address any questions about this report or requests for additional financial information to 95 Rowland Way, Novato, CA 94945.

Respectfully submitted,

Maureen Cassingham

Executive Officer

BASIC FINANCIAL STATEMENTS

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MARIN EMERGENCY RADIO AUTHORITY

**STATEMENT OF NET POSITION
AS OF JUNE 30, 2018**

ASSETS

Current assets:

Cash and cash equivalents at Marin County Treasury	\$ 4,620,242
Interest receivable	64,444
Prepaid expenses	<u>101,389</u>
Total current assets	4,786,075

Noncurrent assets:

Restricted cash and investments:

Cash and cash equivalents in Marin County Treasury	7,146,720
Cash and cash equivalents with fiscal agent	2,878,795
Investments with fiscal agent	<u>30,394,808</u>
Total restricted cash and investments	40,420,323

Capital assets, net of depreciation

6,379,541

Total assets

51,585,939

DEFERRED OUTFLOWS OF RESOURCES

Bond redemption premium, less accumulated amortization of \$178,058	<u>12,292</u>
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**TOTAL ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES**

51,598,231

LIABILITIES

Current liabilities:

Accounts payable	67,721
Payable to related parties	534,017
Accrued interest	457,980
Note principal payable within one year	175,309
Bond principal payable within one year	<u>1,815,000</u>
Total current liabilities	3,050,027

Noncurrent liabilities:

Note payable after one year	573,913
Bonds payable after one year	<u>39,327,570</u>
Total noncurrent liabilities	<u>39,901,483</u>
Total liabilities	<u>42,951,510</u>

NET POSITION

Net investment in capital assets	-
Restricted	9,148,478
Unrestricted (deficit)	<u>(501,757)</u>
TOTAL NET POSITION	<u><u>\$ 8,646,721</u></u>

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

MARIN EMERGENCY RADIO AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2018

OPERATING REVENUES:	
Member operating payments	\$ 1,923,710
OPERATING EXPENSES:	
Contract services	322,110
County system maintenance	488,567
County technical services	212,061
County communication engineer	214,319
Site rentals and leases	477,207
Site utilities	89,755
Site maintenance	5,795
Insurance	45,461
Audit services	35,195
Legal services	19,046
Miscellaneous expenses	208
Depreciation	<u>708,423</u>
Total operating expenses	<u>2,618,147</u>
Operating income (loss)	(694,437)
NONOPERATING REVENUES (EXPENSES):	
Member service payments	2,348,200
Parcel taxes	3,578,796
Investment income	506,888
Interest expense	<u>(968,486)</u>
Total nonoperating revenues (expenses)	<u>5,465,398</u>
INCREASE (DECREASE) IN NET POSITION	4,770,961
Net position at beginning of the year	<u>3,875,760</u>
Net position at end of the year	<u><u>\$ 8,646,721</u></u>

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

MARIN EMERGENCY RADIO AUTHORITY

**STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES:

Member contributions	\$ 1,923,710
Operating expenses	<u>(2,306,379)</u>
Net cash provided by (used for) operating activities	<u>(382,669)</u>

**CASH FLOWS FROM NON-CAPITAL
FINANCING ACTIVITIES**

Parcel taxes	3,578,796
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**CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES**

Member service payments	2,348,200
Acquisition of capital assets	(854,914)
Bond principal payments	(1,755,000)
Note principal payments	(167,872)
Interest payments	<u>(1,117,439)</u>
Net cash (used) by capital activities and related financing activities	<u>(1,547,025)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Transfers from restricted investments	587,438
Interest income	<u>509,113</u>
Net cash provided (used) by investing activities	<u>1,096,551</u>

Net increase (decrease) in cash and cash equivalents	2,745,653
Cash and cash equivalents at beginning of year	<u>11,900,104</u>
Cash and cash equivalents at end of year	<u>\$ 14,645,757</u>

RECONCILIATION TO THE STATEMENT OF NET POSITION

Cash	\$ 4,620,242
Cash and cash equivalents in Marin County Treasury	7,146,720
Cash and cash equivalents in with fiscal agent	<u>2,878,795</u>
Cash and cash equivalents	<u>\$ 14,645,757</u>

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

MARIN EMERGENCY RADIO AUTHORITY

**STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018
(CONTINUED)**

**RECONCILIATION OF OPERATING INCOME
(LOSS) TO NET CASH PROVIDED (USED)
BY OPERATING ACTIVITIES**

Operating income (loss)	\$ (694,437)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation, an expense not requiring the use of cash	708,422
(Increase) decrease in prepaid expenses	6,352
Increase (decrease) in accounts payable	<u>(403,006)</u>
Net cash provided by operating activities	<u><u>\$ (382,669)</u></u>

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

MARIN EMERGENCY RADIO AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Marin Emergency Radio Authority (MERA) is a joint powers authority created on February 28, 1998 by and among the County of Marin and certain public agencies within the County (collectively, the “Members”). MERA was formed to plan, finance, implement, manage, own and operate a multi-jurisdictional and countywide public safety and emergency radio system. This radio system will be used by member agencies in the law enforcement, fire management, emergency medical, road maintenance, transit, public works, local government and other county-based entities in Marin County. MERA is governed by a Governing Board comprised of one appointed official from each participating member

INTRODUCTION

MERA’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations.).

BASIS OF ACCOUNTING

The Authority’s operations are accounted for as a governmental enterprise fund. GAAP requires that enterprise funds use the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned and expenses are recognized at the time liabilities are incurred.

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

The Authority distinguishes between operating and nonoperating activities. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an entity's principal ongoing operation. The principal operating revenues of the Authority are budgeted member payments. Operating expenses include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition, including member contributions made to service debt (service payments), are reported as non-operating revenues and expenses.

FINANCIAL STATEMENT AMOUNTS

Cash and cash equivalents:

For purpose of the statement of cash flows, MERA has defined cash and cash equivalents to include all cash on hand, demand deposits, and short-term investments.

Investments:

Investments with fiscal agent represents a Guaranteed Investment Contract held by US Bank in connection with the Marin Emergency Radio Authority 2010 Revenue Bonds and 2016 Special Parcel Tax Revenue Bonds and is valued at cost because its redemption terms do not consider market rates.

Capital Assets:

MERA capitalized all costs directly associated with the acquisition, development and construction of the public safety and emergency radio system (the "Project"). Costs include the backbone system, user equipment, fire station alerting equipment, improvements to communications centers and construction-period interest and other project development costs. Depreciation is computed on the straight-line basis over estimated useful lives of the assets, depending on the nature of the assets. The original estimated lives were:

Equipment, radio and other	5-20 years
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MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL STATEMENT AMOUNTS (continued)

Member payments:

Each member agrees to pay the cost of financing the acquisition of certain public safety radio equipment (“Service Payments”) and the cost of annual operations (“Operating Payments”) in an amount determined by the MERA Board for each operating period. All service payments have been assigned by MERA to the trustee in trust; pursuant to its bond indenture (see Note 5).

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Future changes in accounting standards:

GASB has issued Statement No. 87, *Leases*, effective for the year ending June 30, 2021. The Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset.

MERA will evaluate the impact of the Statement may have on its financial statements and implement the Statement when applicable.

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

2. CASH AND INVESTMENTS

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

Cash with County Treasurer - unrestricted	\$ 4,620,242
Cash with County Treasurer - restricted	7,146,720
Money market accounts with US Bank - restricted	<u>2,878,795</u>
Total	<u>\$ 14,645,757</u>

MERA also holds an investment in a Guaranteed Investment Contract agreement with Natixis Funding Corporation in the amount of \$30,394,808 which bears interest at 1.19% through November 30, 2018.

MERA maintains most of its cash in the County of Marin pooled investment fund for the purpose of increasing interest earnings through pooled investment activities. Interest earned on the investment pool is allocated quarterly to the participating funds using the daily cash balance of each fund. This pool, which is available for use by all funds, is displayed in the financial statements as "Cash." There are no limitations or restrictions on withdrawals from the pool.

The County Pool includes both voluntary and involuntary participation from external entities. State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer.

The County's investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield, and public trust. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the types of investments in the pool, maturity dates, par value, actual costs and fair value.

MARIN EMERGENCY RADIO AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

2. CASH AND INVESTMENTS (continued)

Under MERA's investment policy, and in accordance with Section 53601 of the California Government Code, MERA may invest in the following:

- Securities of the U.S. government or its agencies
- Bankers acceptances
- Commercial paper
- Medium term corporate notes
- California Local Agency Investment Fund ("LAIF")
- Passbook savings account demand deposits
- Guaranteed investment contracts
- Mutual funds
- Repurchase agreements (not to exceed 30 days)
- Collateralized mortgage obligations

FAIR VALUE MEASUREMENT

MERA categorizes its fair value measurements within the fair value hierarchy established by general 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. As of June 30, 2018, MERA cash and money market instruments in commercial banks, an investment in a non-market-value-participating guaranteed investment contract that is valued at cost and an investment in the Marin County Pooled Investment fund that is considered a cash equivalent.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. MERA's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. Deposits and withdrawals from the County Pool are made on the basis of \$1 which is substantially equal to fair value. MERA's proportionate share of investments in the County Pool at June 30, 2018 and 2017 of \$11,763,000 and \$5,937,000, respectively, are not required to be categorized under the fair value hierarchy.

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

2. CASH AND INVESTMENTS (continued)

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a fixed income portfolio to changes in interest rates. It is calculated as the weighted average time to receive a bond's coupon and principal payments. The longer the duration of a portfolio, the greater its price sensitivity to changes in interest rates. MERA has not adopted a policy to manage interest rate risk.

In accordance with its investment policy, the County manages its investment pool's exposure to declines in fair values by limiting the weighted average maturity of its investment pool to 540 days, or 1.5 years. At June 30, 2018, the County's investment pool had a weighted average maturity of 211 days.

For purposes of computing weighted average maturity, the maturity date of variable rate notes is the length of time until the next reset date rather than the stated maturity date.

CREDIT RISK

State law and the County's Investment Policy limits investments in commercial paper, corporate bonds, and medium-term notes to the rating of "A" or higher as provided by Moody's Investors Service or Standard & Poor's Corporation. The County's Investment Policy limits investments purchased by Financial Institution Investment Accounts, a type of mutual fund, to United States Treasury and Agency obligations with a credit quality rating of "AAA."

MERA has cash and investments held by US Bank as trustee relating to its outstanding bonds. Investments include money market funds.

CONCENTRATION OF CREDIT RISK

This is the risk of loss attributed to the concentration of MERA's investment in a single issuer.

MERA has an individual guaranteed investment contract with Natixis Investment Corporation with a balance of \$30,394,808 as of June 30, 2018.

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

2. CASH AND INVESTMENTS (continued)

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that in the event of a financial institution's failure, MERA would not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not insured or not collateralized. MERA's deposits are not exposed to custodial credit risk as its deposits are eligible for and covered by "pass-through insurance" in accordance with applicable law and FDIC rules and regulations.

CUSTODIAL CREDIT RISK (continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, MERA would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in MERA's name, and held by the counterparty. MERA's investment securities are not exposed to custodial credit risk because all securities are held by MERA's custodial bank in MERA's name.

3. RESTRICTED ASSETS

MEMBER CONTRIBUTIONS DESIGNATED FOR DEBT SERVICE

Member contributions designated for debt service are considered restricted for debt service that are to be paid in the subsequent twelve months. Cash and cash equivalents on hand are included in the current assets section of the statement of net position.

MEASURE A PARCEL TAX PROCEEDS

Marin County voters approved Measure A in November 2014 to assess a real property parcel tax to be used for *obtaining, furnishing, operating and maintaining a public safety and emergency radio communication system*. Fiscal year 2015-16 was the first year Measure A parcel taxes were collected and, as required by Measure A, restricted for use for the Next Generation System Project (NextGen Project).

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

3. RESTRICTED ASSETS (continued)

SUMMARY OF RESTRICTED CASH, CASH EQUIVALENTS, AND INVESTMENTS

Balances of restricted cash, cash equivalents and investments held for the following purposes as of June 30, 2018:

	<u>2018</u>
Capital outlay or debt service	\$ 1,988,384
Bonded debt	890,411
NextGen Project - from bond proceeds	30,394,808
NextGen Project - from Measure A parcel taxes	7,146,720
Total restricted	<u>\$ 40,420,323</u>

Restricted amounts were held as follows:

Cash and cash equivalents in County of Marin treasury	\$ 7,146,720
Cash and cash equivalents with fiscal agent	2,878,795
Investments with Fiscal Agents	30,394,808
Total restricted	<u>\$ 40,420,323</u>

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Nondepreciable assets:			
Land	\$ 160,000		\$ 160,000
Construction in progress	2,660,670	\$ 1,201,506	3,862,176
Cost of depreciable capital assets in service			
Motorola communications system	25,255,701		25,255,701
Other capitalized services	3,254,314		3,254,314
Equipment	732,698		732,698
Buildings and improvements	127,208		127,208
Radio frequencies	562,500		562,500
Capitalized interest costs	3,140,797		3,140,797
Subtotal	<u>33,073,218</u>	<u>-</u>	<u>33,073,218</u>
Less: Accumulated depreciation			
Motorola communications system	23,411,049	368,932	23,779,981
Other capitalized services	2,924,464	65,970	2,990,434
Equipment	554,575	149,119	703,694
Buildings and improvements	93,747	33,461	127,208
Radio frequencies	196,875	28,125	225,000
Capitalized interest costs	2,826,720	62,816	2,889,536
Subtotal	<u>30,007,430</u>	<u>708,423</u>	<u>30,715,853</u>
Depreciable capital assets in service, net	<u>3,065,788</u>	<u>(708,423)</u>	<u>2,357,365</u>
Capital assets, net of depreciation	<u>\$ 5,886,458</u>	<u>\$ 493,083</u>	<u>\$ 6,379,541</u>

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

4. CAPITAL ASSETS (continued)

Construction in progress includes costs incurred for the Next Generation System Project. Depreciation will begin when the Project is being utilized for its intended purpose. While the project is being constructed, a portion of interest incurred on the 2016 Special Parcel Tax Revenue Bonds is being capitalized. The portion capitalized during 2017-18 is was \$54,000.

5. BONDS PAYABLE

MERA's debt issues and transactions for the year ended June 30, 2018, are summarized below and discussed in detail subsequently:

	Beginning Balance	Additions	Reductions	Ending Balance
2010 Revenue Bonds	\$ 9,460,000		\$ 1,755,000	\$ 7,705,000
2016 Special Parcel Tax Revenue Bonds	33,000,000			33,000,000
Unamortized premium-2010 bonds	91,133		38,276	52,857
Unamortized premium-2016 bonds	477,799		93,086	384,713
	43,028,932	-	1,886,362	41,142,570
Less current portion	1,755,000	1,815,000	1,755,000	1,815,000
Bonds payable after one year	<u>\$ 41,273,932</u>	<u>\$ (1,815,000)</u>	<u>\$ 131,362</u>	<u>\$ 39,327,570</u>

2010 REFUNDING REVENUE BONDS

In February 2010 MERA re-financed its 1999 Revenue Bonds (Bonds) that were originally issued to finance the acquisition public safety radio equipment. The 2010 bonds were issued at a premium of \$934,382 above their nominal value of \$18,575,000. Issuance and related costs totaled \$409,249. These serial bonds mature annually from 2012 to 2021 and bear interest from 2.0% to 4.0%.

Principal payments are payable annually on August 15th. Interest is payable semiannually on August 15 and February 15. Bonds maturing after August 15, 2021, may be early redeemed at face value after August 2020. The Bonds are special obligations of MERA and are secured by the Members' Service Payments (see Note 1) which are remitted directly from members to the bond trustee. The annual schedule for debt service payments is as follows: Member agency Service Payments are due by August 1 of each year. The Trustee holds the Service Payments until payments are due for interest on the following February 15 and principal and interest the following August 15.

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

5. BONDS PAYABLE (continued)

2016 SPECIAL PARCEL TAX REVENUE BONDS

In May 2016 MERA issued 2016 Special Parcel Tax Revenue Bonds for \$33,000,000, to plan, finance and build the Next Generation Radio System. These bonds were issued at a premium of \$581,596 above their nominal value of \$33,000,000. Issuance and related costs totaled \$642,249. These bonds mature annually from 2019 to 2035 and bear interest from 2.0% to 3.0%.

Principal payments are payable annually on August 1st, beginning in 2019. Interest is also paid semi-annually in February and August. The Bonds are special obligations of MERA and are secured by a lien on the revenues derived by MERA.

In accordance with the bond indenture agreement, the MERA has purchased a surety bond for \$2,404,600 to satisfy a reserve requirement until all bonds are retired.

Minimum future obligations for debt service for the 2010 and 2016 bonds are as follows:

Year ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,815,000	\$ 1,063,800	\$ 2,878,800
2020	3,515,000	989,700	4,504,700
2021	3,620,000	880,200	4,500,200
2022	3,735,000	767,000	4,502,000
2023	1,725,000	692,300	2,417,300
2024-2028	9,175,000	2,929,400	12,104,400
2029-2033	10,230,000	1,911,700	12,141,700
2034-2036	6,890,000	417,450	7,307,450
	<u>\$40,705,000</u>	<u>\$ 9,651,550</u>	<u>\$50,356,550</u>

The premium of the 2010 and 2016 bonds will be amortized over the terms of the 2010 and 2016 bonds. The unamortized premium and discounts of the 2010 bonds will be amortized over the remaining term of the original 1999 bond issue.

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

6. NOTE PAYABLE

On February 1, 2007, the Authority borrowed \$2,250,000 from Citizens Business Bank. The note is being amortized over 14 ½ years at an interest rate of 4.43% per year. Interest is due each February and August and principal is due in February of each year. The loan agreement provides that early payment of the note, in part or in whole, may be made at par commencing August 15, 2011. Debt service payments will be funded by member operating payments.

Changes during the year were as follows:

Balance as of June 30, 2017	\$	917,094
Principal paid		<u>(167,872)</u>
Balance as of June 30, 2018		749,222
Less current portion		<u>175,309</u>
Note payable due after one year	\$	<u><u>573,913</u></u>

Minimum future obligations for debt service for notes payable are as follows:

	Principal	Interest	Total
Year ended June 30,			
2019	\$ 175,309	\$ 33,190	\$ 208,499
2020	183,075	25,424	208,499
2021	191,185	17,314	208,499
2022	<u>199,653</u>	<u>8,844</u>	<u>208,497</u>
	<u><u>\$ 749,222</u></u>	<u><u>\$ 84,772</u></u>	<u><u>\$ 833,994</u></u>

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

7. NET POSITION RESTRICTIONS

Net position is the excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources. Some of MERA's net assets are subject to restrictions imposed by contract or statute.

As discussed in Note 3, Measure A provides parcel tax revenue to be used for the Next Generation System Project. Net assets restricted for Measure A are indicated below.

Certain funds, originally obtained when the 2010 Bonds were issued, formerly were reserved to service those bonds. MERA substituted a surety bond in place of the reserve deposits, freeing up the money to be used only for capital expenditures or debt service.

The restricted portion of MERA's Net Assets was as follows as of June 30, 2018:

Measure A	\$ 7,160,094
Debt service or capital outlay	1,988,384
	<u>\$ 9,148,478</u>

8. RISK MANAGEMENT

MERA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year, MERA purchased liability and property insurance as part of a group of municipalities. Coverage for general liability, errors and omissions and non-owned automobile was \$4,000,000. Property coverage was purchased with a limit of \$350,000,000.

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

9. COMMITMENTS AND CONTINGENCIES

At June 30, 2018, MERA has lease commitments for various site communication facilities. The leases have terms ranging from five to twenty years and provide for various rental payment requirements including some at little or no cost. Certain of the leases contain options to extend for additional five year periods. Certain lessors that are Members of MERA have waived any lease fees under their agreements. Rental expense was \$477,000 for 2018.

Future minimum lease payments under the leases are as follows:

Year ended June 30,	
2019	\$ 275,355
2020	282,873
2021	284,635
2022	297,949
2023	311,913
2024-2028	1,163,979
2029-2033	910,401
2034-2038	971,118
2039-2040	203,822
	<u>\$ 4,702,045</u>

In addition to the lease commitments above, MERA has the following commitments as of June 30, 2018:

Contractor	Purpose	Amount
County of Marin	Maintenance Agreement	\$ 481,266
County of Marin	Technical Services	245,673
County of Marin	Communications Engineer	220,106
County of Marin	Next Generation radio system implementation	1,704,645
Regional Government Service	Professional services	263,504
Federal Engineering	Next Generation radio system implementation	461,650
Motorola Solutions	Next Generation equipment contract	35,211,042
Various	Professional Services	116,600
		<u>\$ 38,704,486</u>

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

11. RELATED PARTY TRANSACTIONS

The County of Marin, which is a member of MERA, was paid \$1,893,000 for maintenance and technical services and reimbursement of payments to unrelated parties during 2017-18. Novato Fire Protection District, which is also a member of MERA, was paid \$61,000 for accounting and administrative services and office space rent.

12. CHANGE IN ACCOUNTING ESTIMATE

Based on an analysis of capital assets currently in place, management has determined that the useful lives of the majority of MERA's assets extend to the year 2022. Accordingly, depreciation expense on most assets has been adjusted to match this timeline.

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SUPPLEMENTAL INFORMATION

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MARIN EMERGENCY RADIO AUTHORITY

**BUDGETARY COMPARISON SCHEDULE
OPERATING FUND (70030)
YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Member contributions	\$1,923,710	\$1,923,710	\$1,923,710	\$ -
Interest			12,868	12,868
Total revenues	<u>1,923,710</u>	<u>1,923,710</u>	<u>1,936,578</u>	<u>12,868</u>
EXPENDITURES				
Current:				
Contract services	200,380	200,380	178,127	22,253
County system maintenance	565,427	565,427	468,205	97,222
County technical services	257,923	257,923	212,061	45,862
County communications engineer	214,319	214,319	214,319	-
Site rentals and leases	437,061	437,061	433,765	3,296
Site utilities	107,100	107,100	89,755	17,345
Site maintenance	10,000	10,000	3,098	6,902
Insurance	40,000	40,000	36,265	3,735
Auditing services	25,000	25,000	18,445	6,555
Legal services	25,000	25,000	14,621	10,379
Miscellaneous expenses	1,500	1,500	209	1,291
General contingencies	40,000	40,000	-	40,000
Total expenditures	<u>1,923,710</u>	<u>1,923,710</u>	<u>1,668,870</u>	<u>254,840</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>267,708</u>	<u>267,708</u>
OTHER FINANCING SOURCES (USES)				
Site rentals and leases-prior year	-	-	(43,442)	43,442
Transfers to other funds	-	(200,000)	(200,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(200,000)</u>	<u>(243,442)</u>	<u>43,442</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (200,000)</u>	<u>\$ 24,266</u>	<u>\$ 311,150</u>
Fund balance at beginning of year			<u>219,266</u>	
Fund balance at end of year			<u>\$ 243,532</u>	

MARIN EMERGENCY RADIO AUTHORITY

**BUDGETARY COMPARISON SCHEDULE
NEW PROJECT FINANCING – 2007 BANK NOTE FUND (70032)
YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Member contributions	\$ 225,000	\$ 225,000	\$ 225,000	\$ -
Interest	-	2,000	2,755	755
Total revenues	<u>225,000</u>	<u>227,000</u>	<u>227,755</u>	<u>755</u>
EXPENDITURES				
Financial advisors	-	-	-	-
Legal	-	-	-	-
Debt service	<u>225,000</u>	<u>208,500</u>	<u>208,499</u>	<u>1</u>
Total expenditures	<u>225,000</u>	<u>208,500</u>	<u>208,499</u>	<u>1</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 18,500</u>	19,256	<u>\$ 756</u>
Fund balance at beginning of year			<u>182,107</u>	
Fund balance at end of year			<u>\$ 201,363</u>	

MARIN EMERGENCY RADIO AUTHORITY

**BUDGETARY COMPARISON SCHEDULE
2010 REFUNDING REVENUE BONDS FUND (70035)
YEAR ENDED JUNE 30, 2018**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Member contributions	\$ 2,123,200	\$ 2,123,200	\$ -
Interest income	-	31,590	31,590
Total revenues	<u>2,123,200</u>	<u>2,154,790</u>	<u>31,590</u>
EXPENDITURES			
Debt service	<u>2,123,200</u>	<u>2,093,913</u>	<u>29,287</u>
Excess of revenues over (under) expenditures	-	60,877	60,877
OTHER FINANCING SOURCES (USES)			
Transfer to other funds	<u>(2,088,340)</u>	<u>(2,088,340)</u>	-
Net change in fund balance	<u><u>\$ (2,088,340)</u></u>	<u>(2,027,463)</u>	<u><u>\$ 60,877</u></u>
Fund balance at beginning of year		<u>4,021,422</u>	
Fund balance at end of year		<u><u>\$ 1,993,959</u></u>	

MARIN EMERGENCY RADIO AUTHORITY

**BUDGETARY COMPARISON SCHEDULE
REPLACEMENT FUND (70036)
YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Interest		\$ 20,000	\$ 29,367	\$ 9,367
2010 refunded bonds surety replenish *		28,000	-	(28,000)
		<u>48,000</u>	<u>29,367</u>	<u>(18,633)</u>
EXPENDITURES				
Financial and administrative	\$ 10,000	2,500	2,200	300
Site maintenance			2,697	(2,697)
Equipment replacement	30,000	20,000	20,362	(362)
Next Gen System non-safety radios	2,000,000			-
Total expenditures	<u>\$2,040,000</u>	<u>22,500</u>	<u>25,259</u>	<u>(2,759)</u>
Excess of revenues over (under) expenditures		25,500	4,108	(21,392)
OTHER FINANCING SOURCES (USES)				
Transfer from other funds		2,288,340	2,288,340	-
Net change in fund balance		<u>\$ 2,313,840</u>	2,292,448	<u>\$ (21,392)</u>
Fund balance at beginning of year, as restated			<u>1,287,154</u>	
Fund balance at end of year			<u>\$3,579,602</u>	

* Intercompany payable from prior year of \$28,328 settled during 2017-18.

MARIN EMERGENCY RADIO AUTHORITY

**BUDGETARY COMPARISON SCHEDULE
EMERGENCY FUND (70037)
YEAR ENDED JUNE 30, 2018**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest	<u>\$ -</u>	\$ 4,847	<u>\$ 4,847</u>
Fund balance at beginning of year		<u>509,794</u>	
Fund balance at end of year		<u>\$ 514,641</u>	

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MARIN EMERGENCY RADIO AUTHORITY

**BUDGETARY COMPARISON SCHEDULE
NEXT GENERATION SYSTEM PROJECT FUND (70038)
YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Parcel taxes	*	\$ 3,569,000	\$ 3,565,717	\$ (3,283)
Less: debt service payments	*	(791,900)	-	791,900
		<u>2,777,100</u>	<u>3,565,717</u>	<u>788,617</u>
Utility parcel taxes	*	15,000	13,079	(1,921)
Interest	*	25,000	47,198	22,198
		<u>2,817,100</u>	<u>3,625,994</u>	<u>808,894</u>
Total revenues	*	2,817,100	3,625,994	808,894
EXPENDITURES				
Current:				
Bond trustee fees	\$ 5,000	2,200	2,200	-
Audit fund activity	-	4,500	4,500	-
Compliance audit	12,250	12,250	12,250	-
Parcel tax administration	25,000	22,000	21,059	941
Parcel tax collection	-	65,000	64,780	220
Arbitrage reports	1,250	1,250	1,250	-
Legal services	100,000	75,000	39,890	35,110
Contract staff	180,000	190,000	177,703	12,297
Financial administration	13,500	13,500	13,452	48
Insurance surety	6,100	6,500	5,433	1,067
Website maintenance	2,000	1,500	925	575
Miscellaneous	-	3,000	-	3,000
Total expenditures	<u>\$ 345,100</u>	<u>396,700</u>	<u>343,443</u>	<u>\$ 53,257</u>
Excess of revenues over (under) expenditures		<u>\$ 2,420,400</u>	<u>3,282,551</u>	<u>\$ 862,151</u>
OTHER FINANCING				
SOURCES (USES)				
Transfers from other funds			4,143,286	
Transfers to other funds			(3,499,606)	
Net transfers			<u>643,680</u>	
Net change in fund balance			3,926,231	
Fund balance at beginning of year			3,233,861	
Fund balance at end of year			<u>\$ 7,160,092</u>	

* Original budget did not include amounts for revenue.

MARIN EMERGENCY RADIO AUTHORITY

**BUDGETARY COMPARISON SCHEDULE
2016 BONDS (70039)
YEAR ENDED JUNE 30, 2018**

	<u>Original Budget *</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Interest		\$ 450,000	\$ 378,263	\$ (71,737)
Total revenues		<u>450,000</u>	<u>378,263</u>	<u>(71,737)</u>
EXPENDITURES				
Current:				
Implimentation contract (DPW)	\$ 175,000	210,000	162,659	47,341
Project management consultant (FE)	396,000	396,000	395,700	300
Conventional contractors	75,000	-	15,148	(15,148)
John Roberto Assoc (CEQA)	-	90,000	53,625	36,375
WRA Enviro Planning (CEQA)	-	160,000	149,095	10,905
Project vendor contract (Motorola)	16,350,000	-	-	-
Motorola (CCO FSA)	2,800,000	200,000	188,927	11,073
Site acquisition & construction	10,000,000	-	7,300	(7,300)
Insurance - surety	-	4,000	3,764	236
Debt service:				
Bond interest			<u>791,900</u>	<u>(791,900)</u>
Total expenditures	<u>29,796,000</u>	<u>1,060,000</u>	<u>1,768,118</u>	<u>(708,118)</u>
Excess of revenues over (under) expenditures		<u>(610,000)</u>	<u>(1,389,855)</u>	<u>\$ (779,855)</u>
OTHER FINANCING SOURCES (USES)				
Transfer from other funds			3,499,606	
Transfer to other funds			<u>(4,143,286)</u>	
Net transfers			<u>(643,680)</u>	
Net change in fund balance			<u>(2,033,535)</u>	
Fund balance at beginning of year			<u>32,944,613</u>	
Fund balance at end of year			<u><u>\$30,911,078</u></u>	

* Original budget did not include amounts for revenue.

MARIN EMERGENCY RADIO AUTHORITY

NOTES TO SUPPLEMENTAL INFORMATION YEAR ENDED JUNE 30, 2018

BUDGETS

The budget included in these financial statements represents the original budget and amendments/additional allocations approved by the Board of Directors. The budgetary basis is the modified accrual basis of accounting. Various reclassifications have been made to the actual amounts to conform to classifications included in the approved budgets.

DESIGNATIONS AND RESERVES

The New Project Financing – 2007 Bank Note Fund is used to fund additional project costs and pay interest and principal on the loan with Citizens Business Bank.

The 2010 Refunding Revenue Bonds Fund is used to pay interest and principal on the bond related to the acquisition of the public safety radio equipment.

The Replacement Fund is designated for repairing, improving or replacing the MERA communications system or any component thereof.

The Emergency Fund is designated to immediately address any emergency conditions causing or likely to cause system service interruptions before insurance is available, for underinsured or uninsured losses and to self-insure liability and property insurance deductibles.

The Next Generation System Project Fund is designated to receive and expend parcel tax proceeds.

The 2016 Bonds Fund is designated to receive Bond proceeds and disburse payments for the costs to acquire the Next Generation System.

MARIN EMERGENCY RADIO AUTHORITY
SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS
SCHEDULE OF MEMBER OPERATING AND SERVICE PAYMENTS
YEAR ENDED JUNE 30, 2018

	Member Operating Payments	Member "Service" Payments	
		Bonds	Note
City of Belvedere	\$ 18,502	\$ 16,391	\$ 2,164
Bolinas Fire Protection District	11,320	12,760	1,324
Central Marin Police Authority	123,137	80,278	14,402
Town of Corte Madera	27,402	33,440	3,205
Town of Fairfax	38,513	42,676	4,505
Inverness Public Utility District	9,584	11,996	1,121
Kentfield Fire Protection District	15,614	14,417	1,826
City of Larkspur	32,720	39,768	3,827
County of Marin	670,913	746,326	78,471
Marin County Transit District	19,178	25,054	2,243
Marin Community College District	6,952	*	813
Marinwood Community Services District	17,058	18,175	1,995
City of Mill Valley	87,455	90,682	10,229
Marin Municipal Water District	8,030	20,319	939
Novato Fire Protection District	102,953	103,909	12,041
City of Novato	217,265	221,492	25,412
Town of Ross	10,954	17,262	2,130
Ross Valley Fire Department	41,292	34,269	3,981
Town of San Anselmo	9,978	64,184	1,167
City of San Rafael	285,998	359,097	33,451
City of Sausalito	38,952	60,065	4,556
Skywalker Ranch	6,989	*	817
Southern Marin Fire Protection District	46,428	35,181	5,430
Stinson Beach Fire Projection District	10,205	13,058	1,194
Tiburon Fire Protection District	22,925	23,143	2,681
Town of Tiburon	43,393	39,258	5,076
	<u>\$ 1,923,710</u>	<u>\$ 2,123,200</u>	<u>\$ 225,000</u>

* Not required to pay service payments or previously paid.

**MARIN EMERGENCY RADIO AUTHORITY
SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS**

Date	2010 Revenue Bonds			Note Payable		
	Principal	Interest	Bond	Principal	Interest	Note
August 15, 2018	\$ 1,815,000	\$ 154,100	\$ 1,969,100	\$ -	\$ 16,595	\$ 16,595
February 15, 2019		117,800	117,800	175,309	16,595	191,904
August 15, 2019	1,890,000	117,800	2,007,800		12,712	12,712
February 15, 2020		80,000	80,000	183,075	12,712	195,787
August 15, 2020	1,960,000	80,000	2,040,000		8,657	8,657
February 15, 2021		40,800	40,800	191,184	8,657	199,841
August 15, 2021	2,040,000	40,800	2,080,800		4,422	4,422
February 15, 2022				199,654	4,422	204,076
	\$ 7,705,000	\$ 631,300	\$ 8,336,300	\$ 749,222	\$ 84,772	\$ 833,994

2016 Special Parcel Tax Revenue Bonds			
12 Months Ended	Principal	Interest	Bond
August 1, 2018	\$ -	\$ 791,900	\$ 791,900
August 1, 2019	1,625,000	791,900	2,416,900
August 1, 2020	1,660,000	759,400	2,419,400
August 1, 2021	1,695,000	726,200	2,421,200
August 1, 2022	1,725,000	692,300	2,417,300
August 1, 2023	1,760,000	657,800	2,417,800
August 1, 2024	1,800,000	622,600	2,422,600
August 1, 2025	1,835,000	586,600	2,421,600
August 1, 2026	1,870,000	549,900	2,419,900
August 1, 2027	1,910,000	512,500	2,422,500
August 1, 2028	1,945,000	474,300	2,419,300
August 1, 2029	1,985,000	435,400	2,420,400
August 1, 2030	2,035,000	395,700	2,430,700
August 1, 2031	2,100,000	334,650	2,434,650
August 1, 2032	2,165,000	271,650	2,436,650
August 1, 2033	2,230,000	206,700	2,436,700
August 1, 2034	2,295,000	139,800	2,434,800
August 1, 2035	2,365,000	70,950	2,435,950
	\$ 33,000,000	\$ 9,020,250	\$ 42,020,250