

INDEPENDENT ACCOUNTANTS' REPORT

Governing Board
Marin Emergency Radio Authority

We have examined management's assertions included in the accompanying Marin Emergency Radio Authority Schedule of Measure A Revenues Collected and Expenditures Paid for the year ended June 30, 2018, that MERA complied with the requirements of *Marin County Emergency Communications and 911 Response Measure* (Measure A), including:

- Measure A parcel tax proceeds were deposited to a special fund to be used solely for the *Next Generation System Project* (Section 3)
- Parcel taxes were assessed and collected in accordance with Measure A (Sections 4 and 6)

Management is responsible for MERA's compliance with the provisions of Measure A. Our responsibility is to express an opinion on management's assertion about MERA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining on a test bases, evidence about MERA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on MERA's compliance with specified requirements.

In our opinion, MERA complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2018.

December 11, 2018
San Rafael, California

MARIN EMERGENCY RADIO AUTHORITY
SCHEDULE OF
MEASURE A REVENUES COLLECTED AND EXPENDITURES PAID
YEAR ENDED JUNE 30, 2018

REVENUES COLLECTED

Parcel taxes	\$ 3,580,471
Interest	428,761
Total revenues collected	<u>4,009,232</u>

EXPENDITURES PAID

Next Gen System Project administrative and management services	178,423
Parcel tax administration	85,931
Legal & professional fees	60,390
Accounting and administrative support	13,452
Fidelity bond	28,328
Interest on Next Gen Project bonds	791,900
Direct cost of capital assets	623,211
Miscellaneous	3,123

Total expenditures	1,784,758
Less: Direct cost of capital assets funded from debt proceeds	<u>(587,444)</u>
Total expenditures of <i>Measure A</i> revenue	<u>1,197,314</u>
Excess of <i>Measure A</i> revenues collected over expenditures paid	2,811,918

<i>Measure A</i> Cash and cash equivalents, July 1, 2017, as restated	<u>5,222,393</u>
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MEASURE A CASH AND CASH EQUIVALENTS, JUNE 30, 2018	<u>\$ 8,034,311</u>
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Cash and cash equivalents:

Marin County Treasury	\$ 7,146,720
U.S. Bank, Trustee under Indenture of Trust	887,591
	<u>\$ 8,034,311</u>

See independent accountants' report and notes to schedule.

**MARIN EMERGENCY RADIO AUTHORITY
NOTES TO SCHEDULE OF
MEASURE A REVENUES COLLECTED AND EXENDITURES PAID
YEAR ENDED JUNE 30, 2018**

Note 1 – General:

Measure A was passed by the people of Marin County on November 4, 2014, authorized a parcel tax for 20 years to provide resources to replace an existing emergency communications system.

Note 2 – Revenues:

Measure A revenue are considered to include Measure A parcel taxes as well as investment revenues earned on the investment of those parcel taxes and related debt proceeds.

Note 3 – Expenditures:

Section 3 of Measure A refers to the *Next Generation System Project*, which is not specifically defined in the Ordinance. Management understands *Next Generation System Project* in the context of the following statement in Section 1: “It is the sole purpose and intent of this ordinance to impose a special parcel tax for fire protection and prevention services and for police protection services, including but not limited to obtaining, furnishing, operating, and maintaining a public safety and emergency radio communication system in cooperation with the Marin Emergency Radio Authority.” Accordingly, costs related to planning, building and operating the replacement radio system as well as costs incurred that were related to obtaining parcel tax revenue and other funding for the system are considered part of the *Next Generation System Project*.

Note 4 – Direct Cost of Capital Assets Funded from Debt Proceeds:

Certain capital expenditures that are qualified to be paid from Measure A revenues are paid from the proceeds of debt issued in 2016.

Note 5 – Restatement of Measure A Cash and Cash Equivalents:

The amount of cash and cash equivalents as of June 30, 2017, as previously reported excluded accumulated investment earnings on investments of debt proceeds. The accompanying schedule states that balance, as follows:

As previously reported	\$ 4,850,340
Investment earnings on debt proceeds through June 30, 2017	<u>372,053</u>
<i>Measure A</i> Cash and cash equivalents, July 1, 2017, as restated	<u><u>\$ 5,222,393</u></u>

See independent accountants’ report.