

C.O.C. 12/18/19

Agenda Item B-1

INDEPENDENT ACCOUNTANTS' REPORT

Governing Board
Marin Emergency Radio Authority

We have examined the accompanying *Marin Emergency Radio Authority Schedule of Measure A Revenues Collected and Expenditures Paid for the year ended June 30, 2019*, with respect to compliance with the requirements of *Marin County Emergency Communications and 911 Response Measure (Measure A)*, as follows:

- 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 Marin Emergency Radio Authority's (MERA) 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether MERA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether MERA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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, 2019.

Maher Accountancy

December 18, 2019
San Rafael, California

**MARIN EMERGENCY RADIO AUTHORITY
SCHEDULE OF
MEASURE A REVENUES COLLECTED AND EXPENDITURES PAID
YEAR ENDED JUNE 30, 2019**

REVENUES COLLECTED

Parcel taxes	\$ 3,575,077
Interest	733,738
Total revenues collected	4,308,815

EXPENDITURES PAID

Next Gen System Project administrative and management services	165,520
Parcel tax administration	85,882
Legal & professional fees	55,050
Accounting and administrative support	11,418
Interest on Next Gen Project bonds	791,900
Direct cost of capital assets	1,230,453
Miscellaneous	3,800
Total expenditures paid	2,344,023
Less: Direct cost of capital assets funded from debt proceeds	(836,031)
Total expenditures of <i>Measure A</i> revenues	1,507,992
Excess of <i>Measure A</i> revenues collected over expenditures paid	2,800,823
<i>Measure A</i> Cash and cash equivalents, July 1, 2018	8,034,311

***MEASURE A* CASH AND CASH EQUIVALENTS, JUNE 30, 2019** \$ 10,835,134

Cash and cash equivalents:	
Marin County Treasury	\$ 8,790,385
U.S. Bank, Trustee under Indenture of Trust	2,044,749
	\$ 10,835,134

See independent accountants' report and notes to schedule.

**MARIN EMERGENCY RADIO AUTHORITY
NOTES TO SCHEDULE OF
MEASURE A REVENUES COLLECTED AND EXPENDITURES PAID
YEAR ENDED JUNE 30, 2019**

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 Collected:

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

Note 3 – Expenditures Paid:

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:

Marin Emergency Radio Authority issued bonds during 2016 to provide funding for the *Next Generation System Project*. During fiscal year 2018-19, capital expenditures of \$836,031 were paid from the bond proceeds, leaving a balance of \$29,558,776 as of June 30, 2019.