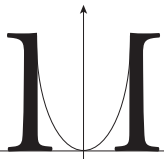




**FINANCIAL STATEMENTS AND AUDITORS' REPORT  
YEAR ENDED JUNE 30, 2016**

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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, 2016, 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, 2016, 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*

December 5, 2016

# MARIN EMERGENCY RADIO AUTHORITY

## 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, 2016. Please read it along with the Authority's financial statements, which begin on page 7.

### FINANCIAL HIGHLIGHTS

The Authority's net position increased by \$2,194,000 during the year. Total revenues increased by \$3,731,000 and total operating expenses decreased by \$839,000 and non-operating expenses increased by \$678,000 as compared to fiscal year 2014-15.

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

	<b>Revenue</b>	<b>Expenses</b>	<b>Net</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>Over (Under)</b>	<b>(Over) Under</b>	<b>Over (Under)</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Operating Fund (70030)	\$ 2,020	\$ 94,806	\$ 96,826
New Project Financing Fund (70032)	\$ 530	\$ 86,789	\$ 87,319
Refunding Revenue Bonds Fund (70035)	\$ 2,074	\$ 32,600	\$ 34,674
Replacement Fund (70036)	\$ 562	\$ 1,160,444	\$ 1,161,006
Emergency Fund (70037)	\$ 1,085	\$ -	\$ 1,085
Next Gen Project Fund (70038)	\$ (16,697)	\$ 233,831	\$ 217,134

### 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.

# MARIN EMERGENCY RADIO AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

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>2016</u>	<u>2015</u>	<u>Increase (decrease)</u>
Current assets	\$ 4,219,153	\$ 4,009,120	\$ 210,033
Property and equipment	6,413,602	8,371,276	(1,957,674)
Restricted assets	<u>36,905,077</u>	<u>1,276,500</u>	<u>35,628,577</u>
Total assets	47,537,832	13,656,896	33,880,936
Deferred outflows of resources	<u>31,174</u>	<u>44,550</u>	<u>(13,376)</u>
Total assets and deferred outflows of resources	<u>47,569,006</u>	<u>13,701,446</u>	<u>33,867,560</u>
Current liabilities	2,164,768	2,143,541	21,227
Noncurrent liabilities	<u>44,088,719</u>	<u>12,436,727</u>	<u>31,651,992</u>
Total liabilities	<u>46,253,487</u>	<u>14,580,268</u>	<u>31,673,219</u>
Net position:			
Net investment in capital assets	-	-	-
Restricted for Next Gen System Project	2,138,860	-	2,138,860
Unrestricted (deficit)	<u>(823,341)</u>	<u>(878,822)</u>	<u>55,481</u>
Total net position	<u>\$ 1,315,519</u>	<u>\$ (878,822)</u>	<u>\$ 2,194,341</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).

# MARIN EMERGENCY RADIO AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Capital assets (net of depreciation) decreased primarily as a result of depreciation of the radio system, which is the main reason for the decrease in noncurrent assets.

Restricted assets increased as a result of depositing proceeds from the issuance the 2016 Special Parcel Tax Revenue Bonds (\$33,000,000) with U.S. Bank and real property parcel tax revenue in excess of related expenditures related to the Next Gen Radio System

Noncurrent liabilities also increased as a result of the 2016 Special Parcel Tax Revenue Bonds net of payments on previously outstanding debt.

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

	<u>2016</u>	<u>2015</u>	<u>Increase (decrease)</u>
<b>Revenues:</b>			
Operating revenues			
Member operating payments	\$ 1,811,251	\$ 1,707,654	\$ 103,597
Nonoperating revenues			
Member service payments	2,347,025	2,346,825	200
Parcel taxes	3,588,092	-	3,588,092
Investment income	57,715	19,097	38,618
Total revenues	<u>7,804,083</u>	<u>4,073,576</u>	<u>3,730,507</u>
<b>Expenses:</b>			
Operating expenses	4,449,711	5,288,449	(838,738)
Non-operating expenses			
Debt issuance costs	642,249	-	642,249
Interest expense	517,782	481,703	36,079
Total expenses	<u>5,609,742</u>	<u>5,770,152</u>	<u>(160,410)</u>
Increase (decrease) in net position	<u>\$ 2,194,341</u>	<u>\$ (1,696,576)</u>	<u>\$ 3,890,917</u>

Member operating payments increased from 2014-15 as authorized in the budget.

Collection of parcel taxes authorized by the 2014 Measure "A" commenced in 2015-16 in anticipation of the development and operation of the Net Generation Radio System.

Operating expenses decreased as a result of a reduction of depreciation expense. Certain radio equipment, which had an estimated useful life of 10 years, became fully depreciated in 2014-15 and therefore there was no corresponding depreciation expense in 2015-16.

Debt issuance costs were unique in 2015-16 as they related to the issuance of the 2016 Special Parcel Tax Revenue Bonds.

# **MARIN EMERGENCY RADIO AUTHORITY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Continued)

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

MERA owns various communication systems and equipment. More information about capital assets is shown in note 3 to the financial statements.

As scheduled, MERA paid principal of \$1,620,000 and interest of approximately \$469,000 towards the 2010 Revenue Bond. Principal and interest related to our loan from Citizen's Bank amounted to \$154,000 and \$55,000, 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. The first interest payment of \$950,000 will be due in August 2017.

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

### **THE FUTURE OF THE AUTHORITY**

Implementation of the Next Gen Project is continuing. The first year of Measure "A" parcel taxes to fund the Project were collected in FY 15-16 and \$33,000,000 in Special Revenue Bonds were issued.

Request for proposals to identify vendors has been developed. The Next Gen Project's estimated cost is \$42,000,000 and completion is expected in late 2018.

The Authority is continuing to seek grants, through the County of Marin to assist with Project costs and has ongoing member support for Next Gen System operating costs.



# MARIN EMERGENCY RADIO AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

### 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.

Respectively submitted,

*Maureen Cassingham*

Executive Officer

## **BASIC FINANCIAL STATEMENTS**

# MARIN EMERGENCY RADIO AUTHORITY

## STATEMENT OF NET POSITION AS OF JUNE 30, 2016

### ASSETS

#### Current assets:

Cash	\$ 1,971,175
Accounts and interest receivable	50,017
Prepaid expenses	122,232
Cash and cash equivalents restricted for debt service	<u>2,075,729</u>
Total current assets	4,219,153

#### Property and equipment

Land	160,000
Construction in progress	475,059
Capital assets, net of depreciation	<u>5,778,543</u>
Total noncurrent assets	6,413,602

#### Restricted assets:

Cash in Marin County Treasury	2,143,633
Investments with fiscal agents	<u>34,761,444</u>
Total assets	<u>47,537,832</u>

### DEFERRED OUTFLOWS OF RESOURCES

Bond redemption premium, less accumulated amortization of \$159,176	<u>31,174</u>
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### TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

47,569,006

### LIABILITIES

#### Current liabilities:

Accounts payable	12,637
Payable to related parties	33,467
Accrued interest	272,913
Note principal payable within one year	160,751
Bond principal payable within one year	<u>1,685,000</u>
Total current liabilities	2,164,768

#### Noncurrent liabilities:

Note payable after one year	917,094
Bonds payable after one year	<u>43,171,625</u>
Total noncurrent liabilities	<u>44,088,719</u>
Total liabilities	<u>46,253,487</u>

### NET POSITION

Net investment in capital assets	-
Restricted for Next Gen System Project	2,138,860
Unrestricted (deficit)	<u>(823,341)</u>
TOTAL NET POSITION	<u>\$ 1,315,519</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, 2016**

<b>OPERATING REVENUES:</b>	
Member operating payments	\$ 1,811,251
<b>OPERATING EXPENSES:</b>	
Contract services	258,872
County system maintenance	499,063
County technical services	196,404
County communication engineer	201,630
Site rentals and leases	392,138
Site utilities	81,862
Site maintenance	6,011
Insurance	36,562
Audit services	17,865
Legal services	31,422
Miscellaneous expenses	5,850
Depreciation	<u>2,722,032</u>
Total operating expenses	<u>4,449,711</u>
Operating income (loss)	(2,638,460)
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Member service payments	2,347,025
Parcel taxes	3,588,092
Investment income	57,715
Debt issuance costs	(642,249)
Interest expense	<u>(517,782)</u>
Total nonoperating revenues (expenses)	<u>4,832,801</u>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>2,194,341</b>
Net position at beginning of the year	<u>(878,822)</u>
Net position at end of the year	<u><u>\$ 1,315,519</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, 2016**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Member contributions	\$ 1,811,251
Operating expenses	<u>(1,727,053)</u>
Net cash provided by (used for) operating activities	<u>84,198</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Parcel taxes	3,588,092
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Member service payments	225,000
Acquisition of capital assets	(801,221)
Note principal payments	(153,931)
Interest payments	<u>(54,568)</u>
Net cash (used) by capital activities and related financing activities	<u>(784,720)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Transfers to restricted cash	(2,143,633)
Transfers to restricted investments	(954,640)
Transfers from investments	617,736
Transfer from restricted investments	336,905
Interest income	<u>9,974</u>
Net cash provided (used) by investing activities	<u>(2,133,658)</u>
Net increase (decrease) in cash and cash equivalents	753,912
Cash and cash equivalents at beginning of year	<u>1,217,263</u>
Cash and cash equivalents at end of year	<u>\$ 1,971,175</u>

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

**MARIN EMERGENCY RADIO AUTHORITY**

**STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

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

Operating income (loss)	\$ (2,638,460)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation, an expense not requiring the use of cash	2,722,032
(Increase) decrease in accounts receivable	(4,350)
(Increase) decrease in prepaid expenses	(7,651)
Increase (decrease) in accounts payable	12,627
	<hr/>
Net cash provided by operating activities	<u><u>\$ 84,198</u></u>

**NONCASH CAPITAL, RELATED FINANCING AND INVESTING ACTIVITIES:**

Member service payments related to bonds are made directly to the bond trustee who makes the debt service payments

Member service payment revenue	\$ 2,122,025
Interest and dividend income	\$ 2,074
Bond proceeds	\$ 33,581,596
Bond issuance costs	\$ 642,249
Bond principal payments	\$ 1,620,000
Bond interest payments	\$ 469,425

# **MARIN EMERGENCY RADIO AUTHORITY**

## **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2016**

### **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, 2016**

**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 entities 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 cash on hand, demand deposits, and short-term investments within the County of Marin Treasurer’s Pooled Investment Fund that are not restricted as to use.

**Investments:**

Investments with fiscal agents are stated at fair value. These investments consist of cash and money market funds held by Bank of New York Mellon Trust Company in connection with the Marin Emergency Radio Authority 2010 Revenue Bonds and cash, money market funds and a Guaranteed Investment Contract held by US Bank in connection with the Marin Emergency Radio Authority 2016 Special Parcel Tax Revenue Bonds (see Note 4).

**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:

Buildings and improvements	10-20 years
Equipment, radio and other	5-20 years

Based on an analysis of capital assets currently in place, management has determined that the useful lives of the majority of MERA’s assets do not extend past 2018. Accordingly, depreciation expense on most assets have been accelerated to match this timeline.



# MARIN EMERGENCY RADIO AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2016

### 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 4).

##### 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.

### 2. CASH AND INVESTMENTS

Cash and cash equivalents consist of the following as June 30, 2016:

Cash with County Treasurer - unrestricted	\$ 1,971,175
Cash with County Treasurer - restricted	2,143,633
Money market accounts with Bank of New York	3,969,964
Money market account with US Bank	<u>2,173</u>
Total	<u><u>\$ 8,086,945</u></u>

MERA also holds an investment in a Guaranteed Investment Contract agreement with Natixis Funding Corporation in the amount of \$32,865,036 which bears interest at 1.191% 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. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer.

# MARIN EMERGENCY RADIO AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2016

### 2. CASH AND INVESTMENTS (continued)

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.

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

#### **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 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, 2016, the County's investment pool had a weighted average maturity of 204 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.

**MARIN EMERGENCY RADIO AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016**

**2. CASH AND INVESTMENTS (continued)**

**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 Bank of New York Mellon Trust Company (BoNY) and 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.

Following is a summary of the concentration of credit risk by investment type of the Marin County Investment Pool as a percentage of fair value at June 30, 2016.

<b>Investments in Investment Pool</b>	<b>Percent of <u>Portfolio</u></b>
Federal agency issues - coupon	20%
Federal agency issues - discount	78%
Money market funds	<u>2%</u>
	100%

**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.

**MARIN EMERGENCY RADIO AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016**

**2. CASH AND INVESTMENTS (continued)**

**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 for designated for debt service are considered restricted for debt service 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.

**PROCEEDS OF BONDED DEBT:**

MERA is responsible to limit the use of cash received from issuance of bonded debt to only debt service payments and capital expenditures. During 2014-15 MERA replaced the requirement for a cash balance as a debt service reserve related to the 2010 Bonds with a surety bond, providing cash available for debt service or capital expenditures of \$1,896,408. MERA issued 2016 Special Parcel Tax Revenue bonds during 2015-16 (see Note 5) providing restricted cash of available \$32,865,036 as of June 30, 2016.

**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).

Receipts:		
Parcel taxes collected	\$	3,588,092
Interest income		<u>5,777</u>
Total receipts		3,593,869
Disbursements:		
Expenditures incurred and paid during 2015-16		523,923
Reimburse other funds for prior year expenditures incurred for the NextGen project		<u>926,313</u>
Total disbursements		<u>1,450,236</u>
Measure A cash restricted for NextGen project	\$	<u><u>2,143,633</u></u>

**MARIN EMERGENCY RADIO AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016**

**3. RESTRICTED ASSETS (continued)**

Balances of noncurrent restricted cash and investments:

	<b>2016</b>	<b>2015</b>
Proceeds of bonded debt	\$ 1,894,235	\$1,276,500 *
Proceeds from 2016 NextGen Bonds	32,867,209	-
Measure A Parcel Tax Proceeds	2,143,633	-
Total restricted	\$ 36,905,077	\$1,276,500
Cash in County of Marin treasury:	\$ 2,143,633	\$ -
Investments with Fiscal Agents	34,761,444	1,276,500
Total restricted	\$ 36,905,077	\$1,276,500

\* As of June 30, 2015, MERA had borrowed \$954,640 from the balance reserved for bonded debt to be used for the NextGen project. The amount was repaid on June 30, 2016.

**4. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning balance	Additions	Ending Balance
Nondepreciable assets:			
Land	\$ 160,000	-	\$ 160,000
Construction in progress	49,346	\$ 422,713	472,059
	\$ 209,346	\$ 422,713	\$ 632,059
Depreciable capital assets:			
Motorola communications system	\$ 25,255,701	-	\$ 25,255,701
Other capitalized services	3,254,314	-	3,254,314
Equipment	418,750	\$ 304,533	723,283
Buildings and improvements	90,096	37,112	127,208
Radio frequencies	562,500	-	562,500
Capitalized interest costs, net	3,140,797	-	3,140,797
Totals at historical cost	32,722,158	341,645	33,063,803
Less: Accumulated depreciation			
Motorola communications system	19,721,751	1,844,649	21,566,400
Other capitalized services	2,264,742	329,861	2,594,603
Equipment	207,727	171,855	379,582
Buildings and improvements	26,823	33,462	60,285
Radio frequencies	140,625	28,125	168,750
Capitalized interest costs, net	2,198,560	314,080	2,512,640
Total accumulated depreciation	24,560,228	2,722,032	27,282,260
Depreciable capital assets, net	\$ 8,161,930	\$ (2,380,387)	\$ 5,781,543

**MARIN EMERGENCY RADIO AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016**

**5. BONDS PAYABLE**

MERA's debt issues and transactions for the year ended June 30, 2016 are summarized below and discussed in detail subsequently:

	<b>Beginning</b>			<b>Ending</b>
	<b>Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance</b>
2010 Revenue Bonds	\$ 12,765,000		\$ 1,620,000	\$ 11,145,000
2016 Special Parcel Tax Revenue Bonds		\$ 33,000,000		33,000,000
Unamortized premium-2010 bonds	213,882		73,142	140,740
Unamortized premium-2016 bonds	-	581,596	10,711	570,885
	<u>12,978,882</u>	<u>33,581,596</u>	<u>1,703,853</u>	<u>44,856,625</u>
Less current portion	<u>1,620,000</u>	<u>1,685,000</u>	<u>1,620,000</u>	<u>1,685,000</u>
Bonds payable after one year	<u>\$ 11,358,882</u>	<u>\$ 31,896,596</u>	<u>\$ 83,853</u>	<u>\$ 43,171,625</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 (Bank of New York Mellon Trust Company). 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, 2016**

**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 1<sup>st</sup>, beginning in 2019. Interest is also paid annually on August 1<sup>st</sup>, beginning in 2017. 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 bonds are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Year ended June 30,			
2017	\$ 1,685,000	\$ 403,325	\$ 2,088,325
2018	1,755,000	1,289,193	3,044,193
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
2022-2026	10,855,000	3,326,300	14,181,300
2027-2031	9,745,000	2,367,800	12,112,800
2032-2036	11,155,000	1,023,750	12,178,750
	<u>\$44,145,000</u>	<u>\$11,344,068</u>	<u>\$55,489,068</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 remaining term of the original 1999 bond issue.

**MARIN EMERGENCY RADIO AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016**

**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, 2015	\$ 1,231,776
Principal paid	<u>(153,931)</u>
Balance as of June 30, 2016	1,077,845
Less current portion	<u>160,751</u>
Note payable due after one year	<u><u>\$ 917,094</u></u>

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

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Year ended June 30,			
2017	\$ 160,751	\$ 47,748	\$ 208,499
2018	167,872	40,628	208,500
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>\$ 1,077,845</u></u>	<u><u>\$ 173,148</u></u>	<u><u>\$ 1,250,993</u></u>



**MARIN EMERGENCY RADIO AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016**

**7. 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.

**8. COMMITMENTS AND CONTINGENCIES**

At June 30, 2016, 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 \$392,000 for 2016.

Future minimum lease payments under the leases are as follows:

Year ended June 30,	
2017	\$ 237,551
2018	247,955
2019	259,183
2020	260,500
2021	260,226
2022-2026	1,308,679
2027-2031	683,734
2032-2036	831,195
2037-2040	510,467
	<hr/>
	\$ 4,599,490
	<hr/>

**MARIN EMERGENCY RADIO AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016**

**9. COMMITMENTS AND CONTINGENCIES (continued)**

In addition to the lease commitments above, MERA has the following commitments as of June 30, 2016:

<u>Contractor</u>	<u>Purpose</u>	<u>Amount</u>
County of Marin	Maintenance Agreement	\$ 904,658
County of Marin	Technical Services	301,810
County of Marin	System Analysis Agreement	36,000
County of Marin	Communications Engineer	206,872
County of Marin	Next Generation radio system implementation	1,913,650
Federal Engineering	Next Generation radio system implementation	153,696
Various	Professional Services	336,204
		<u>\$ 3,852,890</u>

**10. RELATED PARTY TRANSACTIONS**

The County of Marin, which is a member of MERA, was paid \$1,625,000 for maintenance and technical services during 2015-16. Novato Fire Protection District, which is also a member of MERA, was paid \$57,000 for accounting and administrative services and office space rent.

## **SUPPLEMENTAL INFORMATION**

**MARIN EMERGENCY RADIO AUTHORITY**

**BUDGETARY COMPARISON SCHEDULE  
OPERATING FUND (70030)  
YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>				
Member contributions	\$1,811,251	\$1,811,251	\$1,811,251	\$ -
Interest			2,020	2,020
	<u>1,811,251</u>	<u>1,811,251</u>	<u>1,813,271</u>	<u>2,020</u>
<b>EXPENDITURES</b>				
Current:				
Contract services	181,105	181,105	174,950	6,155
County system maintenance	529,866	529,866	499,063	30,803
County technical services	297,507	297,507	196,404	101,103
County communications engineer	202,000	202,000	201,630	370
Site rentals and leases	381,993	398,993	392,138	6,855
Site utilities	85,280	88,280	81,862	6,418
Site maintenance	15,000	15,000	6,011	8,989
Insurance	40,000	40,000	36,248	3,752
Auditing services	17,000	17,000	15,700	1,300
Legal services	20,000	20,000	11,701	8,299
Miscellaneous expenses	1,500	1,500	738	762
General contingencies	40,000	20,000	-	20,000
	<u>1,811,251</u>	<u>1,811,251</u>	<u>1,616,445</u>	<u>194,806</u>
Total expenditures				
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>196,826</u>	<u>196,826</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>96,826</u>	<u>\$ 96,826</u>
Fund balance at beginning of year			<u>115,578</u>	
Fund balance at end of year			<u>\$ 212,404</u>	

**MARIN EMERGENCY RADIO AUTHORITY**

**BUDGETARY COMPARISON SCHEDULE  
NEW PROJECT FINANCING – 2007 BANK NOTE FUND (70032)  
YEAR ENDED JUNE 30, 2016**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Member contributions	\$ 225,000	\$ 225,000	\$ -
Interest	-	530	530
	<u>225,000</u>	<u>225,530</u>	<u>530</u>
Total revenues	225,000	225,530	530
<b>EXPENDITURES</b>			
DPW system analysis			
agreement - capital projects	18,000	-	18,000
Bay Hill Tower -			
Special Project	75,000	32,162	42,838
Legal	10,000	550	9,450
Debt service	225,000	208,499	16,501
	<u>328,000</u>	<u>241,211</u>	<u>86,789</u>
Total expenditures	328,000	241,211	86,789
Excess of revenues			
over (under) expenditures	<u>\$ (103,000)</u>	(15,681)	<u>\$ 87,319</u>
Fund balance at beginning of year		<u>184,640</u>	
Fund balance at end of year		<u>\$ 168,959</u>	

**MARIN EMERGENCY RADIO AUTHORITY**

**BUDGETARY COMPARISON SCHEDULE  
2010 REFUNDING REVENUE BONDS FUND (70035)  
YEAR ENDED JUNE 30, 2016**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Member contributions	\$ 2,122,025	\$ 2,122,025	\$ -
Interest income	-	2,074	2,074
Total revenues	2,122,025	2,124,099	2,074
<b>EXPENDITURES</b>			
Debt service	2,122,025	2,089,425	32,600
Excess of revenues over (under) expenditures	\$ -	34,674	\$ 34,674
Fund balance at beginning of year		3,935,289	
Fund balance at end of year		\$ 3,969,963	

**MARIN EMERGENCY RADIO AUTHORITY**

**BUDGETARY COMPARISON SCHEDULE  
REPLACEMENT FUND (70036)  
YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 562	\$ 562
<b>EXPENDITURES</b>				
Admin fees (bonds, arbitrage, auditor)	3,500	3,500		3,500
Contract staffing, admin, technical, interface support, misc. (legal) fee	200,000 14,000			- -
Miscellaneous			4,386	(4,386)
Equipment replacement	444,500	444,500	309,483	135,017
Total expenditures	<u>662,000</u>	<u>448,000</u>	<u>313,869</u>	<u>134,131</u>
Excess of revenues over (under) expenditures	(662,000)	(448,000)	(313,307)	134,693
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other funds			<u>1,026,313</u>	<u>1,026,313</u>
Net change in fund balance	<u>\$ (662,000)</u>	<u>\$ (448,000)</u>	713,006	<u>\$1,161,006</u>
Fund balance at beginning of year			<u>354,120</u>	
Fund balance at end of year			<u>\$1,067,126</u>	

**MARIN EMERGENCY RADIO AUTHORITY**

**BUDGETARY COMPARISON SCHEDULE  
EMERGENCY FUND (70037)  
YEAR ENDED JUNE 30, 2016**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Interest	<u>\$ -</u>	\$ 1,085	<u>\$ 1,085</u>
Fund balance at beginning of year		<u>506,307</u>	
Fund balance at end of year		<u>\$ 507,392</u>	



**MARIN EMERGENCY RADIO AUTHORITY**

**BUDGETARY COMPARISON SCHEDULE  
NEXT GEN SYSTEM PROJECT FUND (70038)  
YEAR ENDED JUNE 30, 2016**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Parcel taxes	\$3,610,566	\$ 3,588,092	\$ (22,474)
Interest	-	5,777	5,777
Total revenues	<u>3,610,566</u>	<u>3,593,869</u>	<u>(16,697)</u>
<b>EXPENDITURES</b>			
Current:			
Regional Government Services	116,000	107,381	8,619
Financial advisors-Sperry Capital	30,000	27,413	2,588
Legal	15,000	19,171	(4,171)
Audit	3,000	2,165	835
Miscellaneous	36,000	1,276	34,724
NBS parcel tax administration fee	14,000	17,981	(3,981)
DPW-implementation agreement	100,000	86,350	13,650
Federal engineering-wireless communications consultant	355,000	201,760	153,240
County collection fees	<u>65,200</u>	<u>65,200</u>	<u>-</u>
Total expenditures	<u>734,200</u>	<u>528,696</u>	<u>205,504</u>
Excess of revenues over (under) expenditures	<u>2,876,366</u>	<u>3,065,173</u>	<u>188,807</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other funds	<u>(954,640)</u>	<u>(926,313)</u>	<u>28,327</u>
Net change in fund balance	<u>1,921,726</u>	<u>2,138,860</u>	<u>217,134</u>
Fund balance at beginning of year		<u>-</u>	
Fund balance at end of year		<u>2,138,860</u>	

# **MARIN EMERGENCY RADIO AUTHORITY**

## **NOTES TO SUPPLEMENTAL INFORMATION YEAR ENDED JUNE 30, 2016**

### **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 Gen Project Fund is designated to receive and expend parcel tax proceeds.

**MARIN EMERGENCY RADIO AUTHORITY**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS**  
**SCHEDULE OF MEMBER OPERATING AND SERVICE PAYMENTS**  
**YEAR ENDED JUNE 30, 2016**

	<b>Member Operating Payments</b>	<b>Member "Service" Payments</b>	
		<b>Bonds</b>	<b>Note</b>
City of Belvedere	\$ 17,421	\$ 16,382	\$ 2,164
Bolinas Fire Protection District	10,658	12,753	1,324
Central Marin Police Authority	115,937	80,234	14,402
Town of Corte Madera	25,800	33,422	3,205
Town of Fairfax	36,262	42,653	4,505
Inverness Public Utility District	9,024	11,989	1,121
Kentfield Fire Protection District	14,702	14,409	1,826
City of Larkspur	30,807	39,746	3,827
County of Marin	631,690	745,913	78,471
Marin County Transit District	18,057	25,040	2,243
Marin Community College District	6,546	*	813
Marinwood Community Services District	16,062	18,164	1,995
City of Mill Valley	82,342	90,632	10,229
Marin Municipal Water District	7,561	20,308	939
Novato Fire Protection District	96,934	103,852	12,041
City of Novato	204,564	221,370	25,412
Town of Ross	10,314	17,252	2,130
Ross Valley Fire Department	38,878	34,249	3,981
Town of San Anselmo	9,395	64,149	1,167
City of San Rafael	269,278	358,898	33,451
City of Sausalito	36,675	60,032	4,556
Skywalker Ranch	6,580	*	817
Southern Marin Fire Protection District	43,713	35,162	5,430
Stinson Beach Fire Projection District	9,609	13,050	1,194
Tiburon Fire Protection District	21,585	23,130	2,681
Town of Tiburon	40,857	39,236	5,076
	<u>\$ 1,811,251</u>	<u>\$ 2,122,025</u>	<u>\$ 225,000</u>

\* Not required to pay service payments or previously paid.

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

<b>2010 Revenue Bonds</b>				<b>Note Payable</b>		
<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Bond</b>	<b>Principal</b>	<b>Interest</b>	<b>Note</b>
August 15, 2016	\$ 1,685,000	\$ 218,513	\$ 1,903,513		\$ 23,874	\$ 23,874
February 15, 2017		184,812	184,812	160,751	23,874	184,625
August 15, 2017	1,755,000	184,813	1,939,813		20,314	20,314
February 15, 2018		154,100	154,100	167,872	20,314	188,186
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
	<b>\$ 11,145,000</b>	<b>\$ 1,373,538</b>	<b>\$ 12,518,538</b>	<b>\$ 1,077,845</b>	<b>\$ 173,148</b>	<b>\$ 1,250,993</b>

<b>2016 Special Parcel Tax Revenue Bonds</b>			
<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Bond</b>
August 1, 2017	\$ -	\$ 950,280	\$ 950,280
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
	<b>\$ 33,000,000</b>	<b>\$ 9,970,530</b>	<b>\$ 42,970,530</b>