



Marin Emergency Radio Authority [MERA]

Draft

**FINANCIAL STATEMENTS AND AUDITORS' REPORT
YEAR ENDED JUNE 30, 2019**

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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, 2019, 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2019, and the 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 and analysis, 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 XXXX, 2019

**MARIN EMERGENCY RADIO AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS**

The Management’s Discussion and Analysis provides an overview of the Marin Emergency Radio Authority’s (MERA) financial activities for the fiscal year ended June 30, 2019. Please read it along with the Authority’s financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

The Authority’s net position increased by \$5,400,000 during the year. Total revenues increased by \$475,000 and total operating expenses decreased by \$140,000 and non-operating expenses decreased by \$15,000 as compared to fiscal year 2017-18.

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)	Under (Over)
	Budget	Budget
	<hr/>	<hr/>
Operating Fund (70030)	\$ 22,814	\$ 181,927
New Project Financing Fund (70032)	\$ (268)	\$ -
Refunding Revenue Bonds Fund (70035)	\$ 45,644	\$ 38,700
Replacement Fund (70036)	\$ 5,565	\$ 29,656
Emergency Fund (70037)	\$ 2,122	\$ -
Next Gen Project Fund (70038)	\$ 21,993	\$ 1,586
2016 Bonds (70039)	\$ 146,329	\$ (2,632)

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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.

**MARIN EMERGENCY RADIO AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

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>2019</u>	<u>2018</u>	<u>Increase (decrease)</u>
Current assets	\$ 6,953,681	\$ 4,786,075	\$ 2,167,606
Noncurrent assets	47,689,239	46,799,864	889,375
Total assets	<u>54,642,920</u>	<u>51,585,939</u>	<u>3,056,981</u>
Deferred outflows of resources	<u>6,266</u>	<u>12,292</u>	<u>(6,026)</u>
Total assets and deferred outflows of resources	<u>54,649,186</u>	<u>51,598,231</u>	<u>3,050,955</u>
Current liabilities	4,217,160	3,050,027	1,467,133
Noncurrent liabilities	36,084,011	39,901,483	(3,817,472)
Total liabilities	<u>40,601,171</u>	<u>42,951,510</u>	<u>(2,350,339)</u>
Net position:			
Net investment in capital assets	522,223	-	522,223
Restricted for Next Gen System Project	10,977,658	9,148,478	1,829,180
Unrestricted (deficit)	<u>2,548,134</u>	<u>(501,757)</u>	<u>3,049,891</u>
Total net position	<u>\$ 14,048,015</u>	<u>\$ 8,646,721</u>	<u>\$ 5,401,294</u>

The largest component of current assets consists of cash held in the County of Marin pooled investment fund which increased in anticipation of planned capital expenditures.

Capital expenditures of \$1,178,416 net of depreciation of \$539,732 resulted in a modest increase in noncurrent assets.

Noncurrent liabilities decreased as a result of the scheduled debt payments of the 2010 revenue bonds and Citizen's Bank promissory note as well as the reclassification of the principal payment of the 2016 Bonds due in August 2019.

**MARIN EMERGENCY RADIO AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

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

	<u>2019</u>	<u>2018</u>	<u>Increase (decrease)</u>
Revenues:			
Operating revenues			
Member operating payments	\$ 1,932,154	\$ 1,923,710	\$ 8,444
Nonoperating revenues			
Member service payments	2,350,600	2,348,200	2,400
Parcel taxes	3,575,077	3,578,796	(3,719)
Investment income	975,021	506,888	468,133
Total revenues	<u>8,832,852</u>	<u>8,357,594</u>	<u>475,258</u>
Expenses:			
Operating expenses	2,478,076	2,618,147	(140,071)
Non-operating expenses			
Interest expense	953,482	968,486	(15,004)
Total expenses	<u>3,431,558</u>	<u>3,586,633</u>	<u>(155,075)</u>
Increase (decrease) in net position	<u>\$ 5,401,294</u>	<u>\$ 4,770,961</u>	<u>\$ 630,333</u>

Member operating payments increased from 2017-18 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 \$1,815,000 and interest of approximately \$272,000 towards the 2010 Revenue Bond. Principal and interest related to our loan from Citizen's Bank amounted to \$175,000 and \$33,000, 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 2018-19.

The statement of revenues, expenses and changes in net position reports the interest payments as adjusted for accruals and amortization of premiums and discounts.

**MARIN EMERGENCY RADIO AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

THE FUTURE OF THE AUTHORITY

A contract with Motorola Solutions, Inc. was approved by the MERA Governing Board on February 22, 2017 to acquire and install the Next Gen System.

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

Motorola has committed to extending current system life by assisting in locating parts and providing support consistent with the pending Next Gen Project Implementation Schedule, which will be finalized post Certification of the Subsequent Environmental Impact Report and expiration of legal challenge period.

The Authority, through the County of Marin, will benefit from \$2 million grant from FEMA for fire radios to further assist with project related costs.

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

REQUESTS FOR INFORMATION

This financial report is designed to provide 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 300 Tamalpais, Corte Madera, CA 94925.

Respectfully submitted,

Maureen Cassingham

Executive Officer

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BASIC FINANCIAL STATEMENTS

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MARIN EMERGENCY RADIO AUTHORITY

**STATEMENT OF NET POSITION
AS OF JUNE 30, 2019**

ASSETS

Current assets:

Cash and cash equivalents	\$ 4,684,191
Interest receivable	157,937
Restricted cash and cash equivalents	2,020,950
Prepaid expenses	90,603
Total current assets	<u>6,953,681</u>

Noncurrent assets:

Restricted cash and investments:	
Cash and cash equivalents	11,112,240
Investments with fiscal agent	29,558,776
Total restricted cash and investments	<u>40,671,016</u>

Capital assets, net of depreciation	<u>7,018,223</u>
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Total assets	<u>54,642,920</u>
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DEFERRED OUTFLOWS OF RESOURCES

Bond redemption premium, less accumulated amortization of \$184,084	<u>6,266</u>
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TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>54,649,186</u>
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LIABILITIES

Current liabilities:

Accounts payable	66,147
Payable to related parties	325,096
Accrued interest	427,842
Note principal payable within one year	183,075
Bond principal payable within one year	3,515,000
Total current liabilities	<u>4,517,160</u>

Noncurrent liabilities:

Note payable after one year	390,839
Bonds payable after one year	35,693,172
Total noncurrent liabilities	<u>36,084,011</u>

Total liabilities	<u>40,601,171</u>
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NET POSITION

Net investment in capital assets	522,223
Restricted	10,977,658
Unrestricted	2,548,134

TOTAL NET POSITION	<u>\$ 14,048,015</u>
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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, 2019

OPERATING REVENUES:

Member operating payments	\$ 1,932,154
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OPERATING EXPENSES:

Contract services	328,934
County system maintenance	506,702
County technical services	216,482
County communication engineer	199,930
Site rentals and leases	452,564
Site utilities	88,474
Site maintenance	11,730
Insurance	49,248
Audit services	41,380
Legal services	28,234
Miscellaneous expenses	14,666
Depreciation	<u>539,732</u>

Total operating expenses	<u>2,478,076</u>
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Operating income (loss)	(545,922)
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NONOPERATING REVENUES (EXPENSES):

Member service payments	2,350,600
Parcel taxes	3,575,077
Investment income	975,021
Interest expense	<u>(953,482)</u>

Total nonoperating revenues (expenses)	<u>5,947,216</u>
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INCREASE (DECREASE) IN NET POSITION	5,401,294
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Net position at beginning of the year	<u>8,646,721</u>
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Net position at end of the year	<u><u>\$ 14,048,015</u></u>
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MARIN EMERGENCY RADIO AUTHORITY

**STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES:

Member contributions	\$ 1,932,154
Operating expenses	(1,884,641)
Net cash provided by (used for) operating activities	<u>47,513</u>

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

Parcel taxes	3,575,077
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**CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES**

Member service payments	2,350,600
Acquisition of capital assets	(199,690)
Bond principal payments	(1,815,000)
Note principal payments	(175,308)
Interest payments	(1,096,992)
Net cash (used) by capital activities and related financing activities	<u>(936,390)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Transfers from restricted investments	179,710
Interest income	307,396
Net cash provided (used) by investing activities	<u>487,106</u>

Net increase (decrease) in cash and cash equivalents	3,173,306
Cash and cash equivalents at beginning of year	<u>14,645,757</u>
Cash and cash equivalents at end of year	<u>\$ 17,819,063</u>

RECONCILIATION TO THE STATEMENT OF NET POSITION

Cash and cash equivalents - current	\$ 4,684,191
Restricted cash and cash equivalents - current	2,020,950
Cash and cash equivalents - noncurrent	11,112,240
Cash and cash equivalents	<u>\$ 17,817,381</u>

NONCASH CAPITAL, RELATED FINANCING AND INVESTING ACTIVITIES:

Activity in Investments with fiscal agent	
Interest and dividend income	\$ 574,132
Acquisition of capital assets from Investments with fiscal agent	\$ (1,178,414)

MARIN EMERGENCY RADIO AUTHORITY

**STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019
(CONTINUED)**

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

Operating income (loss)	\$ (545,922)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation, an expense not requiring the use of cash	539,732
(Increase) decrease in prepaid expenses	10,786
Increase (decrease) in accounts payable	42,917
	<hr/>
Net cash provided by operating activities	\$ 47,513
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MARIN EMERGENCY RADIO AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

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, 2019

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:

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

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 of equipment, radio, and others are 3-20 years.

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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.

Recent accounting pronouncements:

The Governmental Accounting Standards Board (GASB) issued Statement No. 89, *Accounting for Interest Cost Incurred before the end of a Construction Period*, in June 2018, which requires construction period interest costs incurred after the adoption of the Standard to be recognized as an expense in the period incurred. Earlier guidance required such costs to be capitalized as part of the cost of construction. MERA has elected to adopt the new standard effective July 1, 2018.

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, 2019**

2. CASH AND INVESTMENTS

Cash and cash equivalents consist of the following as of June 30, 2019:

Cash and cash equivalents in County of Marin treasury	\$ 15,686,555
Cash and cash equivalents with fiscal agent	\$ 2,130,826
Total	<u>\$ 17,817,381</u>

MERA also holds an investment in a Bank Investment Contract agreement with Bayerische Landesbank in the amount of \$29,558,776, which bears interest at 3.04% through March 31, 2021. The deposits are accessible to fund capital expenditures for the NextGeneration System Project.

MERA maintains most of its cash in the County of Marin pooled investment fund to increase 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, 2019

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 generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2019, MERA had 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 as of June 30, 2019, of \$13,698,000 is not required to be categorized under the fair value hierarchy.

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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, 2019, the County's investment pool had a weighted average maturity of 218 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 the 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. As previously indicated, MERA has an individual bank investment contract with Bayerische Landesbank with a balance of \$29,558,776 as of June 30, 2019.

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

2. CASH AND INVESTMENTS (continued)

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits of cash and equivalents 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 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.

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*. As required by Measure A, the parcel taxes are restricted for use for the Next Generation System Project (NextGen Project).

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, 2019:

	<u>2019</u>
Capital outlay or debt service	\$ 1,988,384
Bonded debt	2,354,421
NextGen Project - from Measure A parcel taxes	8,790,385
NextGen Project - from bond proceeds	29,558,776
Total restricted	<u>\$ 42,691,966</u>

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning balance	Additions	Ending Balance
Nondepreciable assets:			
Land	\$ 160,000		\$ 160,000
Construction in progress	3,862,176	\$ 1,165,559	5,027,735
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	12,856	745,554
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>12,856</u>	<u>33,086,074</u>
Less: Accumulated depreciation			
Motorola communications system	23,779,981	368,931	24,148,913
Other capitalized services	2,990,434	65,970	3,056,404
Equipment	703,694	13,890	717,584
Buildings and improvements	127,208	-	127,208
Radio frequencies	225,000	28,125	253,125
Capitalized interest costs	2,889,536	62,816	2,952,352
Subtotal	<u>30,715,853</u>	<u>539,732</u>	<u>31,255,586</u>
Depreciable capital assets in service, net	<u>2,357,365</u>	<u>(526,876)</u>	<u>1,830,488</u>
Capital assets, net of depreciation	<u>\$ 6,379,541</u>	<u>\$ 638,683</u>	<u>\$ 7,018,223</u>

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Construction in progress includes costs incurred for the Next Generation System Project (Project). Depreciation will begin when the Project is placed in service.

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

5. BONDS PAYABLE

MERA's debt issues and transactions for the year ended June 30, 2019, are summarized below and discussed in detail subsequently:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
2010 Revenue Bonds	\$ 7,705,000		\$ 1,815,000	\$ 5,890,000
2016 Special Parcel Tax Revenue Bonds	33,000,000			33,000,000
Unamortized premium-2010 bonds	52,857		26,312	26,545
Unamortized premium-2016 bonds	384,713		93,086	291,627
	41,142,570	-	1,934,398	39,208,172
Less current portion	1,815,000	3,515,000	1,815,000	3,515,000
Bonds payable after one year	<u>\$ 39,327,570</u>	<u>\$ (3,515,000)</u>	<u>\$ 119,398</u>	<u>\$ 35,693,172</u>

2010 REFUNDING REVENUE BONDS

In February 2010 MERA re-financed its 1999 Revenue Bonds (Bonds) that were originally issued to finance the acquisition of 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. Annual Member's Service Payments are due by August 1 of each year.

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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 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>
2020	\$ 3,315,000	\$ 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>\$ 38,890,000</u>	<u>\$ 8,587,750</u>	<u>\$ 47,477,750</u>

The premium of the 2010 and 2016 bonds will be amortized over the terms of the 2010 and 2016 bonds, respectively. 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, 2019**

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, 2018	\$ 749,222
Principal paid	<u>(175,308)</u>
Balance as of June 30, 2019	573,914
Less current portion	<u>183,075</u>
Note payable due after one year	<u><u>\$ 390,839</u></u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ended June 30,			
2020	\$ 183,075	\$ 25,424	\$ 208,499
2021	191,185	17,314	208,499
2022	<u>199,654</u>	<u>8,844</u>	<u>208,498</u>
	<u><u>\$ 573,914</u></u>	<u><u>\$ 51,582</u></u>	<u><u>\$ 625,496</u></u>

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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, 2019:

Measure A	\$ 8,765,679
Debt service only	223,595
Debt service or capital outlay	1,988,384
	<u>\$ 10,977,658</u>

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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, 2019**

9. COMMITMENTS AND CONTINGENCIES

At June 30, 2019, 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 \$452,000 for 2019.

Future minimum lease payments under the leases are as follows:

Year ended June 30,	
2020	\$ 272,565
2021	274,224
2022	287,434
2023	301,293
2024	315,831
2025-29	957,867
2030-34	939,424
2035-39	939,858
2040	<u>30,356</u>
	<u><u>\$ 4,318,852</u></u>

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In addition to the lease commitments above, MERA has the following commitments as of June 30, 2019:

<u>Contractor</u>	<u>Purpose</u>	<u>Amount</u>
County of Marin	Maintenance Agreement	\$ 493,322
County of Marin	Technical Services	250,190
County of Marin	Communications system services	225,609
County of Marin	Next Generation radio system implementation	1,569,167
Regional Government Services Authority	Professional services	65,220
Federal Engineering	Next Generation radio system implementation	65,950
Motorola Solutions	Next Generation equipment contract	35,211,042
Various	Professional Services	<u>110,100</u>
		<u><u>\$ 37,990,600</u></u>

MARIN EMERGENCY RADIO AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

10. RELATED PARTY TRANSACTIONS

The County of Marin, which is a member of MERA, was paid \$1,894,000 for maintenance and technical services and reimbursement of payments to unrelated parties during 2018-19.

Novato Fire Protection District, which is also a member of MERA, was paid \$51,000 for accounting and administrative services and office space rent.

The Town of Corte Madera, which is also a member of MERA, was paid \$7,161 for transition accounting and administrative services, beginning April 1, 2019.

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SUPPLEMENTAL INFORMATION

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MARIN EMERGENCY RADIO AUTHORITY

**BUDGETARY COMPARISON SCHEDULE
OPERATING FUND (70030)
YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Member contributions	\$ 1,932,154	\$ 1,932,154	\$1,932,154	\$ -
Interest			22,814	22,814
Total revenues	<u>1,932,154</u>	<u>1,932,154</u>	<u>1,954,968</u>	<u>22,814</u>
EXPENDITURES				
Current:				
Contract services	191,330	191,330	183,508	7,822
County system maintenance	580,694	580,694	506,702	73,992
County technical services	245,673	245,673	216,482	29,191
County communications services	220,106	220,106	199,929	20,177
Site rentals and leases	448,451	448,451	451,813	(3,362)
Site utilities	101,900	101,900	86,974	14,926
Site maintenance	15,000	15,000	11,730	3,270
Insurance	43,000	43,000	40,051	2,949
Auditing services	25,000	25,000	21,930	3,070
Legal services	20,000	20,000	16,874	3,126
Miscellaneous expenses	1,000	1,000	303	697
Transition costs-financial and administrative services		14,000	13,931	69
General contingencies	40,000	26,000	-	26,000
Total expenditures	<u>1,932,154</u>	<u>1,932,154</u>	<u>1,750,227</u>	<u>181,927</u>
Excess of revenues over (under) expenditures	-	-	204,741	204,741
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	-	(225,000)	(225,000)	-
Total other financing sources (uses)	-	(225,000)	(225,000)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (225,000)</u>	<u>\$ (20,259)</u>	<u>\$ 204,741</u>
Fund balance at beginning of year			<u>243,532</u>	
Fund balance at end of year			<u>\$ 223,273</u>	

MARIN EMERGENCY RADIO AUTHORITY

**BUDGETARY COMPARISON SCHEDULE
NEW PROJECT FINANCING – 2007 BANK NOTE FUND (70032)
YEAR ENDED JUNE 30, 2019**

	<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	<u>2,000</u>	<u>6,000</u>	<u>5,732</u>	<u>(268)</u>
Total revenues	<u>227,000</u>	<u>231,000</u>	<u>230,732</u>	<u>(268)</u>
EXPENDITURES				
Debt service	<u>208,500</u>	<u>208,500</u>	<u>208,500</u>	<u>-</u>
Total expenditures	<u>208,500</u>	<u>208,500</u>	<u>208,500</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>\$ 18,500</u>	<u>\$ 22,500</u>	<u>\$ 22,232</u>	<u>\$ (268)</u>
Fund balance at beginning of year			<u>201,363</u>	
Fund balance at end of year			<u>\$ 223,595</u>	

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MARIN EMERGENCY RADIO AUTHORITY

**BUDGETARY COMPARISON SCHEDULE
2010 REFUNDING REVENUE BONDS FUND (70035)
YEAR ENDED JUNE 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Member contributions	\$ 2,125,600	\$ 2,125,600	\$ -
Interest income	-	45,644	45,644
Total revenues	<u>2,125,600</u>	<u>2,171,244</u>	<u>45,644</u>
EXPENDITURES			
Debt service	<u>2,125,600</u>	<u>2,086,900</u>	<u>38,700</u>
Excess of revenues over (under) expenditures	-	84,344	84,344
OTHER FINANCING SOURCES (USES)			
Transfer to other funds	-	-	-
Net change in fund balance	<u>-</u>	<u>\$ 84,344</u>	<u>\$ 84,344</u>
Fund balance at beginning of year		<u>1,993,959</u>	
Fund balance at end of year		<u><u>\$ 2,078,303</u></u>	

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MARIN EMERGENCY RADIO AUTHORITY

**BUDGETARY COMPARISON SCHEDULE
REPLACEMENT FUND (70036)
YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Interest	\$ 20,000	\$ 60,000	\$ 65,565	\$ 5,565
	<u>20,000</u>	<u>60,000</u>	<u>65,565</u>	<u>5,565</u>
EXPENDITURES				
Financial and administrative	2,500	3,600	2,200	300
Equipment replacement	20,000	43,600	12,856	30,744
Legal			1,388	(1,388)
Next Gen System non-safety radios				-
Total expenditures	<u>22,500</u>	<u>47,200</u>	<u>16,444</u>	<u>29,656</u>
Excess of revenues over (under) expenditures	(2,500)	12,800	49,121	35,221
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	<u>100,000</u>	<u>325,000</u>	<u>225,000</u>	<u>(125,000)</u>
Net change in fund balance	<u>\$ 97,500</u>	<u>\$ 337,800</u>	<u>\$ 274,121</u>	<u>\$ (89,779)</u>
Fund balance at beginning of year, as restated			<u>3,579,602</u>	
Fund balance at end of year			<u>\$3,853,723</u>	

MARIN EMERGENCY RADIO AUTHORITY

**BUDGETARY COMPARISON SCHEDULE
EMERGENCY FUND (70037)
YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Interest	<u>\$ 2,500</u>	<u>\$ 7,000</u>	\$ 9,122	<u>\$ 2,122</u>
Fund balance at beginning of year			<u>514,641</u>	
Fund balance at end of year			<u>\$ 523,763</u>	

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MARIN EMERGENCY RADIO AUTHORITY

**BUDGETARY COMPARISON SCHEDULE
NEXT GENERATION SYSTEM PROJECT FUND (70038)
YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Parcel taxes	\$ 1,133,100	\$ 3,555,000	\$3,562,172	\$ 7,172
Utility parcel taxes	15,000	12,900	12,905	5
Interest	25,000	115,000	129,816	14,816
Total revenues	<u>1,173,100</u>	<u>3,682,900</u>	<u>3,704,893</u>	<u>21,993</u>
EXPENDITURES				
Current:				
Bond trustee fees	2,200	5,100	5,098	3
Audit fund activity	6,000	6,000	6,000	-
Compliance audit	13,500	13,500	13,450	50
Parcel tax administration	25,000	21,135	21,135	(0)
Parcel tax collection	65,000	65,000	64,747	254
Arbitrage reports	1,250	1,250	1,250	-
Legal services	100,000	63,800	61,169	2,631
Contract staff	200,000	165,000	163,254	1,746
Financial administration	14,000	12,200	14,132	(1,932)
Insurance surety	6,500	6,500	5,433	1,067
Website maintenance	1,500	1,400	1,400	-
Site lease - NGP	-	-	2,250	(2,250)
Miscellaneous	3,000	450	432	18
Total expenditures	<u>437,950</u>	<u>361,335</u>	<u>359,749</u>	<u>1,586</u>
Excess of revenues over (under) expenditures	<u>\$ 735,150</u>	<u>\$ 3,321,565</u>	<u>\$3,345,144</u>	<u>\$ 23,579</u>
OTHER FINANCING				
SOURCES (USES)				
Transfers from other funds			1,763,515	
Transfers to other funds			<u>(3,503,072)</u>	
Net transfers			<u>(1,739,557)</u>	
Net change in fund balance			1,605,587	
Fund balance at beginning of year			7,160,092	
Fund balance at end of year			<u><u>\$8,765,679</u></u>	

MARIN EMERGENCY RADIO AUTHORITY

**BUDGETARY COMPARISON SCHEDULE
2016 BONDS (70039)
YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Interest	\$ 400,000	\$ 550,000	\$ 696,329	\$ 146,329
Total revenues	<u>400,000</u>	<u>550,000</u>	<u>696,329</u>	<u>146,329</u>
EXPENDITURES				
Current:				
Implimentation contract (DPW)	450,000	200,000	135,478	64,522
Project management consultant (FE)	396,000	395,700	395,700	0
Conventional contractors	-	-	87,325	(87,325)
John Roberto Assoc (CEQA)	54,000	90,000	79,804	10,196
WRA Enviro Planning (CEQA)	96,000	300,000	290,262	9,738
Project vendor contract (Motorola)	1,900,000	-	-	0
Site acquisition & construction	5,000,000	-	-	0
Insurance - surety	4,000	4,000	3,764	236
Debt service:				
Bond interest		791,900	791,900	0
Total expenditures	<u>7,900,000</u>	<u>1,781,600</u>	<u>1,784,232</u>	<u>(2,632)</u>
Excess of revenues over (under) expenditures	<u><u>\$ (7,500,000)</u></u>	<u><u>\$ (1,231,600)</u></u>	<u><u>\$ (1,087,903)</u></u>	<u><u>\$ 143,697</u></u>
OTHER FINANCING				
SOURCES (USES)				
Transfer from other funds			3,503,072	
Transfer to other funds			<u>(1,763,515)</u>	
Net transfers			<u>1,739,557</u>	
Net change in fund balance			651,654	
Fund balance at beginning of year			<u>30,911,078</u>	
Fund balance at end of year			<u><u>\$ 31,562,732</u></u>	

MARIN EMERGENCY RADIO AUTHORITY

NOTES TO SUPPLEMENTAL INFORMATION YEAR ENDED JUNE 30, 2019

BUDGETS

The budgets included in these financial statements represents the original budget and amendments/additional allocations approved by the Governing Board. 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 related to 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 MEMBER OPERATING AND SERVICE PAYMENTS
YEAR ENDED JUNE 30, 2019**

	Member Operating Payments	Member "Service" Payments	
		Bonds	Note
City of Belvedere	\$ 18,584	\$ 16,410	\$ 2,164
Bolinas Fire Protection District	11,370	12,775	1,324
Central Marin Police Authority	123,675	80,369	14,402
Town of Corte Madera	27,523	33,478	3,205
Town of Fairfax	38,683	42,725	4,505
Inverness Public Utility District	9,626	12,010	1,121
Kentfield Fire Protection District	15,684	14,433	1,826
City of Larkspur	32,865	39,812	3,827
County of Marin	673,854	747,170	78,471
Marin County Transit District	19,263	25,082	2,243
Marin Community College District	6,983	*	813
Marinwood Community Services District	17,134	18,195	1,995
City of Mill Valley	87,839	90,784	10,229
Marin Municipal Water District	8,066	20,342	939
Novato Fire Protection District	103,404	104,027	12,041
City of Novato	218,217	221,743	25,412
Town of Ross	11,003	17,281	2,130
Ross Valley Fire Department	41,473	34,307	3,981
Town of San Anselmo	10,022	64,257	1,167
City of San Rafael	287,251	359,503	33,451
City of Sausalito	39,124	60,133	4,556
Skywalker Ranch	7,020	*	817
Southern Marin Fire Protection District	46,630	35,221	5,430
Stinson Beach Fire Projection District	10,251	13,072	1,194
Tiburon Fire Protection District	23,026	23,169	2,681
Town of Tiburon	43,584	39,302	5,076
	<u>\$ 1,932,154</u>	<u>\$ 2,125,600</u>	<u>\$ 225,000</u>

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* Not required to pay service payments or previously paid.

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

Date	2010 Revenue Bonds			Note Payable		
	Principal	Interest	Bond	Principal	Interest	Note
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	-	-	-	199,655	4,422	204,077
	\$ 5,890,000	\$ 359,400	\$ 6,249,400	\$ 573,914	\$ 51,582	\$ 625,496

2016 Special Parcel Tax Revenue Bonds			
12 Months Ended	Principal	Interest	Bond
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	\$ 8,228,350	\$ 41,228,350