

MARIN EMERGENCY RADIO AUTHORITY

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MEMORANDUM

DATE: November 13, 2013
TO: MERA Executive Board
FROM: Maureen Cassingham, Executive Officer
SUBJECT: AGENDA ITEM **B-4**:FY12-13 DRAFT AUDITED FINANCIAL STATEMENTS
AND AUDITORS' REPORT

Recommended Action: Based on the Finance Committee's review, recommend MERA Governing Board acceptance of MERA's Audited Financial Statements and Auditors' Report for FY12-13 as presented.

Background: Attached are the drafts of Maher Accountancy's Independent Auditors' Report, Management Discussion and Analysis, Financial Statements and other Supplemental Information for MERA for the year ended June 30, 2013. Maher has conducted MERA's audits since FY03-04 and thus has particular insight to our operations and financing.

The MERA Finance Committee and MERA staff have reviewed these documents. The Committee directed accelerating compliance with GASB in the FY12-13 Audit on bond financing costs being charged to expense and removed from the Balance Sheet as a prior period adjustment.

The Committee also directed current system depreciation of tower life be adjusted to industry standards. The Auditor has since made depreciation changes under the following assumptions:

- 1) the system should be fully depreciated as of 6/30/18; and,
- 2) the full cost of the towers, based on their relative value to the rest of the system equipment, are depreciated at the same pace.

The letter to the Governing Board concludes that there are no indications of internal control deficiencies.

Once again, additional schedules are provided at the back of the report, which present budget and actual activity and ending fund balances for each of the individual funds. Also included are the listings of site lease commitments and contract commitments for the current and future fiscal years. All of these schedules are useful references for MERA's member agencies, staff and the public.

ATTACHMENT: Draft Financial Statements and Auditors' Report – Year Ended June 30, 2013