

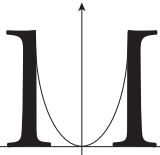
MARIN GENERAL SERVICES AUTHORITY

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FINANCIAL STATEMENTS AND AUDITORS' REPORT  
YEAR ENDED JUNE 30, 2010

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Marin General Services Authority

We have audited the accompanying basic financial statements of the Marin General Services Authority as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the management of the Authority. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted the audit in accordance with auditing standards generally accepted in the United States of America and the California State Controller's *Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Marin General Services Authority as of June 30, 2010, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

The management's discussion and analysis on pages 2 through 5 and required supplemental information on pages 18 through 21 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We applied limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

We performed the audit to form an opinion on the basic financial statements of the Authority taken as a whole. The other supplemental information listed on page 22 is presented for additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Maher Accountancy*

January 21, 2011



# **Marin General Services Authority**

**555 Northgate Dr., Suite 230**

**San Rafael, CA 94903**

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

The Management's Discussion and Analysis provides an overview of the Marin General Services Authority (MGSA) financial activities for the fiscal year ended June 30, 2010. Please read it along with the Authority's financial statements, which begin on page 6.

### **FINANCIAL HIGHLIGHTS**

The Authority's net assets are \$573,000, an increase of \$9,000 from the prior year. Total revenues increased by \$88,000 and total expenses increased by \$55,000.

The Marin Climate and Energy Partnership (MCEP) program, funded by a grant from the Bay Area Air Quality Management District (BAAQMD) continued from last year and we received the remaining \$25,000 of the grant. We have also entered into a professional services agreement to engage the services of a Climate Action Director. An additional MCEP grant in the amount of \$80,000 was obtained from the Marin Community Foundation and will be utilized during the 2010-11 fiscal year.

Budgetary comparison schedules are found starting on page 18. Those schedules indicate we had a favorable variance of \$148,000 in the General Fund, a favorable variance of \$4,000 in the Abandoned Vehicle Fund, and a favorable variance of \$102,000 in the MarinMap Fund when comparing actual activity with budgeted.

### **USING THIS ANNUAL REPORT**

This annual report consists of financial statements for MGSA as a whole. The statement of net assets and the statement of activities provide information about the activities of the Authority as a whole and present a long-term view of MGSA's finances. The fund financial statements present a short-term view of the Authority's activities (they include only current assets expected to be collected in the very near future and liabilities expected to be paid in the very near future).

### **THE AUTHORITY AS A WHOLE**

#### **THE STATEMENT OF ACTIVITIES AND THE STATEMENT OF NET ASSETS**

One important question asked about MGSA's finances is, "Is MGSA better or worse off as a result of the year's activities?" The information in the government-wide financial statements helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the basis of accounting used by most private-sector companies.

## MARIN GENERAL SERVICES AUTHORITY

The change in *net assets* (the difference between total assets and total liabilities) over time is one indicator of whether MGSA's financial health is improving or deteriorating. However, one must consider other nonfinancial factors in making an assessment of the Authority's health, such as changes in the economy and changes in MGSA's activities, etc. to assess the *overall* health of MGSA.

Changes in MGSA's net assets were as follows:

	<b>June 30, 2010</b>	<b>June 30, 2009</b>	<b>Increase (decrease)</b>
Current assets	\$ 679,956	\$ 621,589	\$ 58,367
Noncurrent assets	55,387	110,077	(54,690)
Total assets	<u>735,343</u>	<u>731,666</u>	3,677
Current liabilities	<u>162,403</u>	<u>167,433</u>	<u>(5,030)</u>
Net assets:			
Invested in capital assets	55,387	110,077	(54,690)
Restricted	432,308	369,007	63,301
Unrestricted	85,245	85,149	96
Total net assets	<u><u>\$ 572,940</u></u>	<u><u>\$ 564,233</u></u>	<u><u>\$ 8,707</u></u>

Current assets grew as a result of our continued success in maintaining expense levels below revenues. Annual depreciation expense is the reason noncurrent assets decreased.

Changes in MGSA's revenues were as follows:

	<b>June 30, 2010</b>	<b>June 30, 2009</b>	<b>Increase (decrease)</b>
General revenues:			
Member agency contributions	\$ 206,003	\$ 182,000	\$ 24,003
Investment earnings	3,140	5,416	(2,276)
Total general revenues	<u>209,143</u>	<u>187,416</u>	<u>21,727</u>
Program revenues:			
Member agency contributions	170,000	163,500	6,500
Motor vehicle registration fees	228,734	234,314	(5,580)
Investment earnings	4,388	9,922	(5,534)
Grant income	105,000	50,000	55,000
Taxicab permits	33,795	17,542	16,253
Total program revenues	<u>541,917</u>	<u>475,278</u>	<u>66,639</u>
Total revenue	<u><u>\$ 751,060</u></u>	<u><u>\$ 662,694</u></u>	<u><u>\$ 88,366</u></u>

The largest increase in revenue is the result of increased earnings of grant revenue awards for the Marin Climate Energy Partnership (MCEP) program.

## MARIN GENERAL SERVICES AUTHORITY

Changes in MGSA's expenses and net assets were as follows:

	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>Increase (decrease)</u>
Expenses:			
Administration	\$ 355,842	\$ 299,095	\$ 56,747
Abandoned vehicle program	228,973	235,906	(6,933)
MarinMap	157,538	152,365	5,173
Total expenses	<u>742,353</u>	<u>687,366</u>	<u>54,987</u>
Less program revenues	<u>541,917</u>	<u>475,278</u>	<u>66,639</u>
Net program (expense) revenue	(200,436)	(212,088)	11,652
General revenues	<u>209,143</u>	<u>187,416</u>	<u>21,727</u>
Change in net assets	<u>\$ 8,707</u>	<u>\$ (24,672)</u>	<u>\$ 33,379</u>

Expenses increased mainly as a result in higher legal fees as a result of litigation with a taxi company.

### FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about MGSA's funds - the general fund and special revenue fund.

The fund financial statements provide a short-term view of the Authority's operations. They are reported using an accounting basis called *modified accrual* which measures amounts using only cash and other short-term assets and liabilities (receivables and payables) that will soon be converted to cash or will soon be paid with cash.

### CAPITAL ASSET AND DEBT ADMINISTRATION

MGSA's capital assets include street poles which are not assigned a value in these financial statements. (See Note 1 in the financial statements for further explanation.). Additionally, the MarinMap Fund's capital assets include the digital orthophotography database. The entity also carries no debt since its operations are financed entirely from member contributions and grants and investment earnings.

## MARIN GENERAL SERVICES AUTHORITY

### THE FUTURE OF MGSA

During fiscal year 2009-10 MGSA continued enrollment of taxicab companies and drivers in its countywide taxicab regulatory program on behalf of the County and the eleven towns and cities. There are currently 14 permitted companies, with 87 vehicles and 151 drivers with valid permits.

During 2009-10 Republic ITS, MGSA's streetlight maintenance contractor, conducted a county-wide inspection program and brought the streetlight pole database up to date. This effort resulted in a recommendation to make repairs to and/or replace poles, fixtures, or other characteristics under a supplemental contract with Republic ITS. Republic ITS has also been asked to develop a more intense "test and treat" inspection program of wooden poles owned by the JPA. Individual MGSA members may opt to take additional measures to maintain wooden streetlight poles under this "test and treat" program. The MGSA continues to work with its members to manage the overall maintenance of streetlights throughout the County. Some of the MGSA member agencies have applied for and received Energy Efficiency Community Block Grant funds to convert high pressure sodium light fixtures to more energy efficient LED or induction fixtures. It is anticipated that this work will begin in 2010-11.

The Marin Climate and Energy Partnership (MCEP) will continue under the direction of its Steering Committee with assistance of MGSA. In 2009-10 MCEP used a grant from the Marin Community Foundation to help fund a green building strategy planning process, including green building policy principles for local jurisdictions and to assist in development of a county-wide green building retrofit program.

The MGSA will continue its oversight of the MarinMap county-wide GIS system. MarinMap receives direction from a Steering Committee, comprised of a representative of all members and an Executive Sub-committee responsible for day to day leadership. During 2009-10, day to day management was conducted by the City of Mill Valley under contract with MGSA.

### 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 MGSA's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to the address on our letterhead.

Respectively submitted,



Paul Berlant, Executive Officer

## **BASIC FINANCIAL STATEMENTS**



**MARIN GENERAL SERVICES AUTHORITY**

**STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2010**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash in County treasury	\$ 538,108
Receivables:	
State of California	59,498
Marin Community Foundation	80,000
Total receivables	<u>139,498</u>
Prepaid expenses	<u>2,350</u>
Total current assets	<u>679,956</u>
Noncurrent assets:	
Capital assets	229,599
Less: accumulated depreciation	<u>(174,212)</u>
Net	<u>55,387</u>
Total assets	735,343
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	82,403
Deferred revenue	80,000
Total current liabilities	<u>162,403</u>
<b>NET ASSETS</b>	
Invested in capital assets	55,387
Restricted:	
Abandoned vehicle abatement	25,528
MarinMap	354,780
Marin Climate Energy Partnership	52,000
Unrestricted	<u>85,245</u>
Total net assets	<u>\$ 572,940</u>

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

**MARIN GENERAL SERVICES AUTHORITY**

**STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2010**

	<b>Total</b>	<b>Administration</b>	<b>Abandoned Vehicle Abatement</b>	<b>MarinMap</b>
<b>EXPENSES</b>				
Contract services	\$ 608,890	\$ 277,069	\$ 228,973	\$ 102,848
Legal	48,502	48,502		
Audit and accounting	11,250	11,250		
Insurance	9,193	9,193		
Rent	4,345	4,345		
Miscellaneous	5,483	5,483		
Depreciation	54,690			54,690
	742,353	355,842	228,973	157,538
<b>PROGRAM REVENUES</b>				
Member contributions	170,000	32,000		138,000
Grant income	105,000	105,000		
Taxicab permits	33,795	33,795		
Motor vehicle registration fees	228,734		228,734	
Interest income	4,388		428	3,960
Total program revenues	541,917	170,795	229,162	141,960
Net program revenue (expense)	(200,436)	\$ (185,047)	\$ 189	\$ (15,578)
<b>GENERAL REVENUES</b>				
Member contributions	206,003			
Interest income	3,140			
Total general revenues	209,143			
Increase (decrease) in net assets	8,707			
<b>NET ASSETS, BEGINNING OF YEAR</b>	564,233			
<b>NET ASSETS, END OF YEAR</b>	\$ 572,940			

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

**MARIN GENERAL SERVICES AUTHORITY**

**BALANCE SHEET  
YEAR ENDED JUNE 30, 2010**

	<u>General Fund 70050</u>	<u>Abandoned Vehicle Fund 70010</u>	<u>MarinMap Fund 70060</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash in County treasury	\$ 159,240	\$ 24,088	\$ 354,780	\$ 538,108
Receivables:				
Marin Community Foundation	<u>80,000</u>			<u>80,000</u>
Total assets	<u>\$ 239,240</u>	<u>\$ 24,088</u>	<u>\$ 354,780</u>	<u>\$ 618,108</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 24,345	\$ 1,620	\$ -	\$ 25,965
Deferred revenue	<u>80,000</u>			<u>80,000</u>
Total liabilities	104,345	1,620	-	105,965
<b>FUND BALANCES</b>				
Reserved for:				
Abandoned vehicle abatement		22,468		22,468
MarinMap			\$ 354,780	354,780
Marin Climate Energy Partners	52,000			52,000
Unreserved:				
Undesignated	<u>82,895</u>			<u>82,895</u>
Total fund balances	<u>134,895</u>	<u>22,468</u>	<u>354,780</u>	<u>512,143</u>
Total liabilities and fund balances	<u>\$ 239,240</u>	<u>\$ 24,088</u>	<u>\$ 354,780</u>	<u>\$ 618,108</u>

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

**MARIN GENERAL SERVICES AUTHORITY**

**BALANCE SHEET  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

**RECONCILIATION TO THE STATEMENT OF NET ASSETS**

Total governmental fund balance	\$ 512,143
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Abandoned vehicle fees receivable that are not available to pay current period expenditures is deferred in the funds	59,498
Prepaid expenses	2,350
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	55,387
Abandoned vehicle fee distributions to local governments paid after received from State of California	<u>(56,438)</u>
Net assets of governmental activities	<u>\$ 572,940</u>

**MARIN GENERAL SERVICES AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2010**

	<b>General Fund 70050</b>	<b>Abandoned Vehicle Fund 70010</b>	<b>MarinMap Fund 70060</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Intergovernmental:				
Participating local agencies	\$ 238,003		\$ 138,000	\$ 376,003
Motor vehicle registration fees		\$ 231,908		231,908
Interest income	3,140	428	3,960	7,528
Grant income	105,000			105,000
Taxicab permits	33,795			33,795
Total revenues	379,938	232,336	141,960	754,234
<b>EXPENDITURES</b>				
Services and supplies				
Contract services	277,069	231,984	102,848	611,901
Legal	48,502			48,502
Audit and accounting	11,250			11,250
Insurance	9,193			9,193
Rent	4,345			4,345
Miscellaneous	5,483			5,483
Total services and supplies	355,842	231,984	102,848	690,674
Excess (deficiency) of revenues over expenditures	24,096	352	39,112	63,560
<b>FUND BALANCE, BEGINNING</b>	110,799	22,116	315,668	448,583
<b>FUND BALANCE, ENDING</b>	<u>\$ 134,895</u>	<u>\$ 22,468</u>	<u>\$ 354,780</u>	<u>\$ 512,143</u>

**MARIN GENERAL SERVICES AUTHORITY**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2010**  
**(CONTINUED)**

**Reconciliation of the change in fund balance-total governmental funds  
to the change in net assets of governmental activities:**

Net change in fund balance	\$ 63,560
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.	
Depreciation expense	(54,690)
Revenues in the statement of activities that do not provide current resources are not reported as revenue in the fund financial statements	
Abandoned vehicle fees accrued at beginning of year	(62,672)
Abandoned vehicle fees accrued at end of year	59,498
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the fund financial statements:	
Payments from abandoned vehicle abatement fund to County, cities and towns:	
Accrued at beginning of year	59,449
Accrued at end of year	(56,438)
Insurance prepaid for the subsequent year	
Prepaid at beginning of year	(2,350)
Prepaid at end of year	<u>2,350</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 8,707</u></u>

# **MARIN GENERAL SERVICES AUTHORITY**

## **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2010**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **REPORTING ENTITY**

The Marin General Services Authority (MGSA) was formed on October 1, 2005 under a joint powers agreement between the County of Marin, eleven municipalities within Marin County and two community service districts. The governing board of MGSA consists of seven directors representing member agencies as follows: Marin County Administrator, City Managers of San Rafael and Novato, two City or Town Managers appointed by the Marin Managers Association, and two Public Works Directors appointed by the Marin Public Works Association.

The purpose of MGSA is to administer, finance and govern various municipal services within Marin County, including maintaining street lights throughout the County. MGSA administrates the Abandoned Vehicle Abatement Program whereby fees collected by the California Department of Motor Vehicles are paid to MGSA which, in turn, pays MGSA member agencies for towing abandoned vehicles from their respective jurisdictions.

MGSA oversees the MarinMap project which assists in the preparation and distribution of digital aerial photographic maps of various Marin County jurisdictions. MarinMap operates according to a joint exercise powers agreement between the members of MGSA and four special districts within Marin County, each of which make contributions in support of the activity.

MGSA also administers the Marin County Taxi Regulation Program.

MGSA services as an agent and collects payments from its participants on behalf of the Marin County Probation Department's Mediation Services Unit and remits collected funds to the Probation Department. As of year-end, MGSA had distributed all such amounts.

#### **INTRODUCTION**

MGSA'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.). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

# MARIN GENERAL SERVICES AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2010

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **BASIC FINANCIAL STATEMENTS GOVERNMENT-WIDE STATEMENTS**

MGSA's basic financial statements include both government-wide (reporting MGSA as a whole) and fund financial statements (reporting MGSA's major funds).

In the government-wide Statement of Net Assets, MGSA's activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. MGSA's net assets are reported in three parts: (1) invested in capital assets, net of related debt, (2) restricted net assets, and (3) unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of MGSA's functions. The Statement of Activities reduces gross expenses by related program revenues. The net expenses (by function) are normally covered by general revenue (investment earnings).

The government-wide focus is more on the sustainability of MGSA as an entity and the change in MGSA's net assets resulting from the current year's activities.

#### **FUND FINANCIAL STATEMENTS**

The financial transactions of MGSA are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures.

MGSA uses the following fund type:

#### **Governmental funds:**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial positions (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of MGSA:



# MARIN GENERAL SERVICES AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2010

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**General fund** is the general operating fund of MGSA. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special revenue funds** are used to account for the proceeds of revenue sources that are legally restricted to expenditures for specified purposes. Following is a description of the funds included under this category:

The *Abandoned Vehicle Fund* is used to account for revenue from the California Department of Motor Vehicles collected and distributed to member Cities and Towns for the towing of abandoned vehicles.

The *MarinMap Fund* is used to purchase services to develop digital aerial maps and to develop and maintain systems to share geographic information among governmental agencies in Marin County.

#### **BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

#### **Accrual:**

The governmental activities in the governmental-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

#### **Modified accrual:**

The government fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

#### **FINANCIAL STATEMENT AMOUNTS**

#### **CASH AND CASH EQUIVALENTS:**

MGSA has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with fiscal agent (County of Marin).

# MARIN GENERAL SERVICES AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2010

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### CAPITAL ASSETS

It is MGSA's policy to record purchases of items of furniture and equipment costing \$1,000 or less as office supplies. Items in excess of \$1,000 are classified as capital outlay or capitalized. MGSA's capital assets are classified as computers, peripherals and software and are depreciated on the straight-line basis over five year estimated useful lives beginning when placed in service.

MGSA is the successor to the Marin Streetlight Acquisition Joint Powers Authority (MSLJPA) which owned street poles throughout Marin County. Those street poles are considered infrastructure assets acquired prior to June 30, 2003 and are not recorded in these financial statements as allowed for "Phase 3" governments as defined by Governmental Accounting Standards Board Statement No. 34.

#### BUDGET

Both the original budget and the final budget (if changes were adopted) are included in these financial statements as approved by the Board of Directors. The budgetary basis is the modified accrual basis of accounting.

### 2. CASH

MGSA maintains all 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."

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.

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 GENERAL SERVICES AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010**

**2. CASH (continued)**

**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, 2010, the County's investment pool had a weighted average maturity of 281 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 United States Treasury and Agency obligations with a credit quality rating of "AAA."

**CONCENTRATION OF CREDIT RISK**

The following is a summary of the concentration of credit risk by investment type as a percentage of each pool's fair value at June 30, 2010.

	Percent of portfolio
Investments in investment pool	
Federal agency - discount	64%
Federal agency - coupon	33%
Money market funds	3%
	<u>100%</u>

**MARIN GENERAL SERVICES AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010**

**2. CASH (continued)**

**CUSTODIAL CREDIT RISK**

For investments and deposits held with safekeeping agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year end, the County's investment pool had no securities exposed to custodial credit risk.

**LOCAL AGENCY INVESTMENT FUND**

The County Treasurer's Pool maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisor Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State statute.

**3. CAPITAL ASSETS**

Changes in capital assets for MGSA were as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Digital orthophotography database	\$ 225,843	\$ -	\$ 225,843
Computer equipment	<u>3,756</u>		<u>3,756</u>
Subtotal	229,599	-	229,599
Less: accumulated depreciation	<u>119,522</u>	<u>54,690</u>	<u>174,212</u>
Net capital assets	<u>\$ 110,077</u>	<u>\$ (54,690)</u>	<u>\$ 55,387</u>

**4. RISK MANAGEMENT**

MGSA 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, MGSA purchased liability insurance with limits of \$5,000,000 and a deductible of \$1,000.

**REQUIRED SUPPLEMENTAL INFORMATION**

**MARIN GENERAL SERVICES AUTHORITY**

**BUDGET COMPARISON SCHEDULE  
GENERAL (MGSA OPERATING) FUND  
YEAR ENDED JUNE 30, 2010**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues and other inflows</b>			
Member agency contributions	\$287,000	\$ 287,005	\$ 5
Interest	6,000	3,140	(2,860)
Taxicab permit fees	10,000	33,795	23,795
Grant income	75,000	105,000	30,000
	<hr/>	<hr/>	<hr/>
Total revenues	378,000	428,940	50,940
<b>Expenditures and other outflows</b>			
Professional services	464,000	325,571	138,429
Administration & finance services	12,000	11,250	750
Insurance premiums	12,000	9,193	2,807
Utilities	1,000	1,075	(75)
Rent	6,500	4,345	2,155
Travel	200	2,059	(1,859)
Office supplies	6,300	2,349	3,951
Transfers to Marin County			
Probation Department		49,002	(49,002)
	<hr/>	<hr/>	<hr/>
Total expenditures and outflows	502,000	404,844	97,156
<b>Excess (deficiency) or revenues over expenditures and other outflows</b>	<u><u>\$ (124,000)</u></u>	<u><u>\$ 24,096</u></u>	<u><u>\$ 148,096</u></u>

**MARIN GENERAL SERVICES AUTHORITY**

**BUDGET COMPARISON SCHEDULE  
ABANDONED VEHICLE ABATEMENT FUND  
SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2010**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Interest	\$ 1,000	\$ 428	\$ (572)
DMV reimbursement	<u>235,000</u>	<u>231,908</u>	<u>(3,092)</u>
Total revenues	236,000	232,336	(3,664)
<b>Expenditures</b>			
Professional services	<u>240,000</u>	<u>231,984</u>	<u>8,016</u>
<b>Excess (deficiency) or revenues     over expenditures</b>	<u>\$ (4,000)</u>	<u>\$ 352</u>	<u>\$ 4,352</u>

**MARIN GENERAL SERVICES AUTHORITY**

**BUDGET COMPARISON SCHEDULE  
MARINMAP FUND  
SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2010**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Member dues	\$ 128,000	\$ 138,000	\$ 10,000
Interest income	6,000	3,960	(2,040)
Total revenues	134,000	141,960	7,960
<b>Expenditures</b>			
Professional services	197,000	102,848	94,152
<b>Excess (deficiency) or revenues     over expenditures</b>	<u>\$ (63,000)</u>	<u>\$ 39,112</u>	<u>\$ 102,112</u>



**MARIN GENERAL SERVICES AUTHORITY**

**NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION  
YEAR ENDED JUNE 30, 2010**

**A. BUDGETARY BASIS OF PRESENTATION**

The budget included in these financial statements represents the original budget and amendments approved by the Board of Directors. The budgetary basis is the modified accrual basis of accounting except that payments from members of \$49,000 collected by MGSA as an agent for the Marin County Probation Department are included in revenue. Various reclassifications have been made to the actual amounts to conform to classification included in the approved budget.

## **OTHER SUPPLEMENTAL INFORMATION**

**MARIN GENERAL SERVICES AUTHORITY**

**SCHEDULE OF MEMBER CONTRIBUTIONS**

**YEAR ENDED JUNE 30, 2010**

	MGSA Fund			Total	MarinMap Fund
	Operating	Streetlight	MCEP		
City of Belvedere	\$ 3,635	\$ 80	\$ 2,000	\$ 5,715	\$ 6,000
Bel Marin Keys CSD		74		74	
Town of Corte Madera	8,071	395		8,466	9,000
County of Marin	56,400	1,047	2,000	59,447	10,000
Town of Fairfax	4,989	257	2,000	7,246	6,000
City of Larkspur	9,944	409	2,000	12,353	9,000
Marinwood CSD		149		149	
City of Mill Valley	12,777	403	2,000	15,180	9,000
City of Novato	37,467	1,975	2,000	41,442	10,000
Town of Ross	3,436	144	2,000	5,580	6,000
Town of San Anselmo	9,402	335	2,000	11,737	9,000
City of San Rafael	41,562	2,244	2,000	45,806	10,000
City of Sausalito	7,606	334		7,940	9,000
Town of Tiburon	10,714	154	2,000	12,868	9,000
Marin Municipal Water District			2,000	2,000	10,000
Marin Local Agency Formation Commission					10,000
Sewerage Agency of Southern Marin					10,000
Tamalpais Community Service District					6,000
Transportation Authority of Marin			2,000	2,000	
	<u>\$ 206,003</u>	<u>\$ 8,000</u>	<u>\$ 24,000</u>	<u>\$ 238,003</u>	<u>\$ 138,000</u>