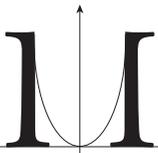


MARIN GENERAL SERVICES AUTHORITY

FINANCIAL STATEMENTS AND AUDITORS' REPORT
YEAR ENDED JUNE 30, 2011

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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, 2011, 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, 2011, 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 19 through 22 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 23 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

October 19, 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, 2011. Please read it along with the Authority's financial statements, which begin on page 6.

FINANCIAL HIGHLIGHTS

The Authority's net assets are \$481,000, a decrease of \$92,000 from the prior year. Total revenues decreased by \$5,000 and total expenses increased by \$95,000.

An MCEP grant in the amount of \$80,000 was obtained from the Marin Community Foundation and was utilized during the 2010-11 fiscal year.

Budgetary comparison schedules are found starting on page 19. Those schedules indicate we had a favorable variance of \$107,000 in the General Fund, a favorable variance of \$4,000 in the Abandoned Vehicle Fund, and a favorable variance of \$108,000 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.

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.

MARIN GENERAL SERVICES AUTHORITY

Changes in MGSA's net assets were as follows:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Increase (decrease)</u>
Current assets	\$ 605,407	\$ 679,956	\$ (74,549)
Noncurrent assets	5,320	55,387	(50,067)
Total assets	610,727	735,343	(124,616)
Current liabilities	129,339	162,403	(33,064)
Net assets:			
Invested in capital assets	5,320	55,387	(50,067)
Restricted	420,767	432,308	(11,541)
Unrestricted	55,301	85,245	(29,944)
Total net assets	<u>\$ 481,388</u>	<u>\$ 572,940</u>	<u>\$ (91,552)</u>

Current assets declined primarily because a non-recurring grant receivable at June 2010 was collected and spent during the year. Annual depreciation expense is the reason noncurrent assets decreased. The decrease in current liabilities from 2010 was mostly due to deferred revenue at 2010 being earned during the current year.

Changes in MGSA's revenues were as follows:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Increase (decrease)</u>
General revenues:			
Member agency contributions	\$ 219,000	\$ 206,003	\$ 12,997
Investment earnings	1,735	3,140	(1,405)
Total general revenues	220,735	209,143	11,592
Program revenues:			
Member agency contributions	156,000	170,000	(14,000)
Grant income	80,000	105,000	(25,000)
Taxicab permits	64,725	33,795	30,930
Motor vehicle registration fees	218,653	228,734	(10,081)
Investment earnings	2,419	4,388	(1,969)
Miscellaneous	3,512		3,512
Total program revenues	525,309	541,917	(16,608)
Total revenue	<u>\$ 746,044</u>	<u>\$ 751,060</u>	<u>\$ (5,016)</u>

As indicated above, total revenue was similar to the prior year. Taxi program revenue increased primarily because of increased permit fees.

MARIN GENERAL SERVICES AUTHORITY

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

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Increase (decrease)</u>
Expenses:			
Administration	\$ 398,916	\$ 355,842	\$ 43,074
Abandoned vehicle program	222,212	228,973	(6,761)
MarinMap	216,468	157,538	58,930
Total expenses	<u>837,596</u>	<u>742,353</u>	<u>95,243</u>
Less program revenues	<u>525,309</u>	<u>541,917</u>	<u>(16,608)</u>
Net program (expense) revenue	<u>(312,287)</u>	<u>(200,436)</u>	<u>(111,851)</u>
General revenues	<u>220,735</u>	<u>209,143</u>	<u>11,592</u>
Change in net assets	<u>\$ (91,552)</u>	<u>\$ 8,707</u>	<u>\$ (100,259)</u>

Expenses increased mainly as a result of the expansion of Marin Map services.

FUND FINANCIAL STATEMENTS

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

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 2010-11 MGSA continued renewal of current and enrollment of new taxicab companies and drivers in its countywide taxicab regulatory program on behalf of the County and the eleven towns and cities. There are currently 19 permitted companies, with 87 vehicles and 168 drivers with valid permits.

During 2010-11 Republic ITS, MGSA's streetlight maintenance contractor, began a two-year pro-active program of repair and replacement of streetlight poles and fixture components which were found defective in a county-wide inspection program conducted in 2009-10. Completion of this program is expected during 2011-12. The MGSA continues to work with its members which have received Energy Efficiency Community Block Grant funds to convert high pressure sodium light fixtures to more energy efficient LED or induction fixtures. This work began in 2010-11 and will continue through 2011-12.

The Marin Climate and Energy Partnership (MCEP) will continue under the direction of its Steering Committee with assistance of MGSA. In 2010-11 MCEP used a grant from the Marin Community Foundation to help member cities and towns complete Climate Action Plans. During 2011-12 MCEP will assist members as they conduct updates of their greenhouse gas emission inventories as required by those plans.

The MGSA will continue its oversight of the MarinMap county-wide GIS system. MarinMap receives direction from a Steering Committee, comprised of representatives of all members and an Executive Sub-committee responsible for day to day leadership. During 2010-11 day to day management, which had been conducted by the City of Mill Valley, was transferred to an independent contractor.

MGSA coordinated the extension of the authorization for the Abandoned Vehicle Abatement Program (AVAP) through April 2022. In 2001, the program was re-authorized through April 2012. During late FY 2010-11 and early 2011-12, resolutions were presented to and passed by the County Board of Supervisors and all town and city councils, extending the authorization to collect the \$1 AVAP fee with annual registration of every vehicle registered in Marin County.

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 YEAR ENDED JUNE 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash in County treasury	\$ 554,972
Receivables:	
State of California	44,685
Other	3,400
Total receivables	<u>48,085</u>
Prepaid expenses	<u>2,350</u>
Total current assets	<u>605,407</u>
Noncurrent assets:	
Capital assets	229,599
Less: accumulated depreciation	<u>(224,279)</u>
Net	<u>5,320</u>
Total assets	610,727
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	<u>129,339</u>
Total current liabilities	<u>129,339</u>
NET ASSETS	
Invested in capital assets	5,320
Restricted:	
Abandoned vehicle abatement	22,189
MarinMap	322,578
Marin Climate Energy Partnership	76,000
Unrestricted	<u>55,301</u>
Total net assets	<u>\$ 481,388</u>

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

MARIN GENERAL SERVICES AUTHORITY

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2011

	Total	Administration	Abandoned Vehicle Abatement	Marin Map
EXPENSES				
Contract services	\$ 717,107	\$ 328,494	\$ 222,212	\$166,401
Legal	31,506	31,506		
Audit and accounting	11,700	11,700		
Insurance	11,195	11,195		
Rent	4,392	4,392		
Miscellaneous	11,629	11,629		
Depreciation	50,067			50,067
Total expenses	837,596	398,916	222,212	216,468
PROGRAM REVENUES				
Member contributions	156,000	24,000		132,000
Grant income	80,000	80,000		
Taxicab permits	64,725	64,725		
Motor vehicle registration fees	218,653		218,653	
Interest income	2,419		220	2,199
Miscellaneous	3,512	3,512		
Total program revenues	525,309	172,237	218,873	134,199
Net program revenue (expense)	(312,287)	\$ (226,679)	\$ (3,339)	\$ (82,269)
GENERAL REVENUES				
Member contributions	219,000			
Interest income	1,735			
Total general revenues	220,735			
Increase (decrease) in net assets	(91,552)			
NET ASSETS, BEGINNING OF YEAR				
	572,940			
NET ASSETS, END OF YEAR				
	\$ 481,388			

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

MARIN GENERAL SERVICES AUTHORITY

BALANCE SHEET YEAR ENDED JUNE 30, 2011

	General Fund 70050	Abandoned Vehicle Fund 70010	MarinMap Fund 70060	Total Governmental Funds
ASSETS				
Cash in County treasury	\$ 153,823	\$ 22,892	\$ 378,257	\$ 554,972
Receivables:				
Other	3,400	-	-	3,400
Total assets	<u>\$ 157,223</u>	<u>\$ 22,892</u>	<u>\$ 378,257</u>	<u>\$ 558,372</u>
LIABILITIES				
Accounts payable	\$ 28,272		\$ 55,679	\$ 83,951
Deferred revenue	3,400			3,400
Total liabilities	31,672		55,679	87,351
FUND BALANCES				
Restricted:				
Abandoned vehicle abatement		22,892		22,892
Assigned:				
MarinMap			322,578	322,578
Marin Climate				
Energy Partnership	76,000			76,000
Unassigned	49,551			49,551
Total fund balances	<u>125,551</u>	<u>22,892</u>	<u>322,578</u>	<u>471,021</u>
Total liabilities and fund balances	<u>\$ 157,223</u>	<u>\$ 22,892</u>	<u>\$ 378,257</u>	<u>\$ 558,372</u>

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

MARIN GENERAL SERVICES AUTHORITY

BALANCE SHEET YEAR ENDED JUNE 30, 2011 (CONTINUED)

RECONCILIATION TO THE STATEMENT OF NET ASSETS

Total governmental fund balance	\$ 471,021
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	44,685
Taxi cab settlement deferred revenue	3,400
Prepaid expenses	2,350
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	5,320
Abandoned vehicle fee distributions to local governments paid after received from State of California	<u>(45,388)</u>
Net assets of governmental activities	<u>\$ 481,388</u>

MARIN GENERAL SERVICES AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2011

	<u>General Fund 70050</u>	<u>Abandoned Vehicle Fund 70010</u>	<u>MarinMap Fund 70060</u>	<u>Total Governmental Funds</u>
REVENUES				
Intergovernmental:				
Participating local agencies	\$ 243,000		\$ 132,000	\$ 375,000
Motor vehicle registration fees		\$ 233,466		233,466
Interest income	1,735	220	2,199	4,154
Grant income	80,000			80,000
Taxicab permits	61,325			61,325
Miscellaneous	3,512			3,512
Total revenues	<u>389,572</u>	<u>233,686</u>	<u>134,199</u>	<u>757,457</u>
EXPENDITURES				
Services and supplies				
Contract services	328,494	233,262	166,401	728,157
Legal	31,506			31,506
Audit and accounting	11,700			11,700
Insurance	11,195			11,195
Rent	4,392			4,392
Miscellaneous	11,629			11,629
Total services and supplies	<u>398,916</u>	<u>233,262</u>	<u>166,401</u>	<u>798,579</u>
Excess (deficiency) of revenues over expenditures	(9,344)	424	(32,202)	(41,122)
FUND BALANCE, BEGINNING	<u>134,895</u>	<u>22,468</u>	<u>354,780</u>	<u>512,143</u>
FUND BALANCE, ENDING	<u>\$ 125,551</u>	<u>\$ 22,892</u>	<u>\$ 322,578</u>	<u>\$ 471,021</u>

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

MARIN GENERAL SERVICES AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2011 (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	\$ (41,122)
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	(50,067)
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	(59,498)
Abandoned vehicle fees accrued at end of year	44,685
Revenue from taxi cab settlement	3,400
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	56,438
Accrued at end of year	(45,388)
Insurance prepaid for the subsequent year	
Prepaid at beginning of year	(2,350)
Prepaid at end of year	2,350
Change in Net Assets of Governmental Activities	<u><u>\$ (91,552)</u></u>

MARIN GENERAL SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2011

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 administers 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, 2011

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, 2011

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 a \$1 per vehicle fee collected by the California Department of Motor Vehicles with vehicle registrations and distributed to member agencies to help fund the cost of towing or otherwise removing abandoned vehicles from public streets.

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.

MARIN GENERAL SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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).

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.

FUND BALANCE

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which MGSA is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned. Following is a description of the components applicable to MGSA:

Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation.

Assigned – This component consists of amounts that are constrained by MGSA's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of Directors, Executive Officer or their designee as established in MGSA's fund balance policy.

Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund.

MARIN GENERAL SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2011

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, 2011, 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, 2011.

Investments in investment pool	Percent of portfolio
Federal agency - discount	<u>75%</u>
Federal agency - coupon	23%
Money market funds	<u>2%</u>
	<u><u>100%</u></u>

MARIN GENERAL SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2011

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	3,756		3,756
Subtotal	<u>229,599</u>	<u>-</u>	<u>229,599</u>
Less: accumulated depreciation	174,212	50,067	224,279
Net capital assets	<u>\$ 55,387</u>	<u>\$ (50,067)</u>	<u>\$ 5,320</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, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Member agency contributions	\$243,000	\$ 243,000	\$ -
Interest	4,000	1,735	(2,265)
Taxicab permit fees	40,000	61,325	21,325
Grant income		80,000	80,000
Miscellaneous		3,512	3,512
	287,000	389,572	102,572
Expenditures			
Professional services	368,000	360,000	8,000
Administration and finance	12,000	11,700	300
Insurance premiums	10,000	11,195	(1,195)
Rent	5,000	4,392	608
Communication services	2,000	1,144	856
Office supplies	6,000	6,243	(243)
	403,000	398,916	4,084
Excess (deficiency) of revenues over expenditures	\$ (116,000)	\$ (9,344)	\$ 106,656

MARIN GENERAL SERVICES AUTHORITY

BUDGET COMPARISON SCHEDULE ABANDONED VEHICLE ABATEMENT FUND SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2011

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
DMV reimbursement	235,000	233,466	(1,534)
Interest	\$ 1,000	\$ 220	\$ (780)
Total revenues	236,000	233,686	(2,314)
Expenditures			
Professional services	240,000	233,262	6,738
Total expenditures	240,000	233,262	6,738
Excess (deficiency) of revenues over expenditures	<u>\$ (4,000)</u>	<u>\$ 424</u>	<u>\$ 4,424</u>

MARIN GENERAL SERVICES AUTHORITY

BUDGET COMPARISON SCHEDULE MARINMAP FUND SPECIAL REVENUE FUND YEAR ENDED JUNE 30, 2011

	Original Budget	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues				
Member dues	\$ 138,000	\$ 132,000	\$ 132,000	\$ -
Interest income	5,000	5,000	2,199	(2,801)
Total revenues	143,000	137,000	134,199	(2,801)
Expenditures				
Professional services	283,175	277,175	166,401	110,774
Total expenditures	283,175	277,175	166,401	110,774
Excess (deficiency) of revenues over expenditures	\$ (140,175)	\$ (140,175)	\$ (32,202)	\$ 107,973

MARIN GENERAL SERVICES AUTHORITY

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION YEAR ENDED JUNE 30, 2011

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, 2011

	MGSA Fund				MarinMap
	Operating	Streetlight	MCEP	Total	Fund
City of Belvedere	\$ 2,692	\$ 722	\$ 2,000	\$ 5,414	\$ 6,000
Bel Marin Keys CSD		662		662	
Town of Corte Madera	5,830	3,503		9,333	9,000
County of Marin	40,602	9,529	2,000	52,131	10,000
Town of Fairfax	3,588	2,687	2,000	8,275	6,000
City of Larkspur	7,195	3,611	2,000	12,806	9,000
Marinwood CSD		1,339		1,339	
City of Mill Valley	9,295	3,712	2,000	15,007	9,000
City of Novato	26,423	17,910	2,000	46,333	10,000
Town of Ross	2,501		2,000	4,501	6,000
Town of San Anselmo	6,807	2,990	2,000	11,797	9,000
City of San Rafael	29,733	20,067	2,000	51,800	10,000
City of Sausalito	5,541	2,992		8,533	9,000
Town of Tiburon	7,793	1,276	2,000	11,069	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
Transportation Authority of Marin			2,000	2,000	
	<u>\$ 148,000</u>	<u>\$ 71,000</u>	<u>\$ 24,000</u>	<u>\$ 243,000</u>	<u>\$ 132,000</u>