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MEMORANDUM

DATE: January 09, 2025

TO: MGSA Board of Directors

FROM: Adam McGill, Executive Officer

SUBJECT: Transmittal of the Annual Fiscal Year 2023/24 MGSA Financial Statement and Audit Report

Recommendation:

Accept the Annual Financial Statement and Audit Reports for Fiscal Year 2023/24 for MGSA prepared by O'Connor and Company, Inc., Certified Public Accountants.

Background:

O'Connor and Company have prepared MGSA's Annual Financial Statement and Audit Report for the 2023/24 fiscal year. The Audit is clean and without notable items.

Attachments

Attach G1 MGSA: O'Connor and Company Communication, Fiscal Year 2023/24 Financial Statements, and Auditor's Report

**MARIN GENERAL SERVICES
AUTHORITY**

SAN RAFAEL, CALIFORNIA

ANNUAL FINANCIAL REPORT

JUNE 30, 2024



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Marin General Services Authority
San Rafael, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Marin General Services Authority as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Marin General Services Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Marin General Services Authority, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Marin General Services Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Marin General Services Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Marin General Services Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Marin General Services Authority's ability to continue as a going concern for a reasonable period of time.


We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-6) and budgetary comparison information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of member contributions, which is the responsibility of management, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has 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 it.



O'Connor & Company

Novato, California
December 30, 2024

Marin General Services Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

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, 2024. Please read it along with MGSA's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

MGSA's net position is \$815,971, a decrease of \$2,542 from the prior year.

Using This Annual Report

This annual report consists of financial statements for MGSA. The statement of net position and the statement of activities provide information about the activities of MGSA as a whole and present a long-term view of MGSA's finances. The fund financial statements present a short-term view of MGSA'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).

MGSA AS A WHOLE

The Statement of Activities and the Statement of Net Position

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 like the basis of accounting used by most private-sector companies.

The change in *net position* (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 assessing MGSA'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 position were as follows:

Table 1
Governmental Net Position

	June 30, 2024	June 30, 2023
Current assets	<u>\$ 1,854,390</u>	<u>\$ 1,911,580</u>
Total assets	<u>1,854,390</u>	<u>1,911,580</u>
Current liabilities	<u>1,038,419</u>	<u>1,093,067</u>
Total liabilities	<u>1,038,419</u>	<u>1,093,067</u>
Net position:		
Restricted	11,990	9,431
Unrestricted	<u>803,981</u>	<u>809,082</u>
Total net position	<u>\$ 815,971</u>	<u>\$ 818,513</u>

Current assets and liabilities decreased primarily due to lower franchise and PEG fees receivable and payable.

Marin General Services Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Changes in MGSA's net position were as follows:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Expenses:		
Services and supplies	\$ 4,587,832	\$ 4,677,103
Total expenses	<u>4,587,832</u>	<u>4,677,103</u>
Revenues:		
Program revenues:		
Operating grants and contributions	181,094	178,288
Charges for services	<u>4,355,956</u>	<u>4,624,085</u>
Total program revenues	<u>4,537,050</u>	<u>4,802,373</u>
General revenues:		
Interest income	<u>48,240</u>	<u>13,072</u>
Total general revenues	<u>48,240</u>	<u>13,072</u>
Total revenue	<u>4,585,290</u>	<u>4,815,445</u>
Change in net position	<u>\$ (2,542)</u>	<u>\$ 138,342</u>

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

DISCUSSION OF MGSA PROGRAMS

A discussion, the status, and the future expectations of the various activities and programs of MGSA are described below:

Taxi Regulation Program - Taxicab fees stabilized in FY 2023/24 with similar revenues as compared to FY 2022/23, following the taxi industry collapse during and after the COVID-19 pandemic.

Marin Climate and Energy Partnership (MCEP) - MCEP will continue under the direction of its Steering Committee with the assistance of MGSA. During FY 2024/25, MCEP will be providing technical services related to climate inventory tracking and reporting and development of Climate Action Plan updates. Specifically, MCEP will develop community greenhouse gas inventories for all Marin jurisdictions for the inventory year 2022. MCEP will also be working with Novato on their CAP update. Lastly, during FY 2024/25, MCEP will conduct outreach for the Marin County Building Electrification Roadmap that furthers members' climate action plan goals for reducing greenhouse gas emissions from natural gas consumption.

Marin General Services Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Animal Care and Control - A three-year Memorandum of Understanding with Marin Humane (MH) was facilitated and negotiated by MGSA members and approved by the County Board of Supervisors on January 10, 2023, and ends on June 30, 2026. MGSA is compensated approximately \$20,000 annually for managing the Marin Humane contract for the County. In addition to assisting in negotiating the contract with MH, MGSA also invoices jurisdictions and is the interface with MH. The contract increases over the prior year are 8%, 5%, and 2% for the three years of the contract.

Streetlight Program - MGSA continues to manage the streetlight vendor contract with DC Electric Group. A three-year contract was approved in May of 2020. The agreement had an option to extend up to two additional two-year terms for a total possible life of seven years ending June 30, 2027. On September 16, 2023, the MGSA Board exercised the first option to extend the contract to June 30, 2025. The Program contractor maintains and replaces, where needed, the approximately 16,000 streetlights in the County.

A number of years ago, MGSA was approached by various telecommunications providers and ultimately negotiated agreements to create an application and fee process to allow the placements of telecommunications equipment on streetlights under certain conditions and with local jurisdiction permitting. There are currently five providers that have negotiated master license agreements with MGSA. There are currently no wireless device applications that have been submitted to MGSA.

MarinMap - The MGSA will continue its oversight of the MarinMap county-wide Geographic Information System (GIS). MarinMap is a Joint Exercise of Powers Agreement (JEPA) consisting of members from all cities and towns in Marin, the County of Marin, Marin Municipal Water District, Marin Wildlife Prevention Authority, North Marin Water District, Ross Valley Sanitary District, Transportation Authority of Marin (TAM), and the Fire Chiefs Association (representing nine public agencies). Technical services are provided through contracts with Marin County IST Department. MarinMap receives policy direction from a Steering Committee, comprised of representatives of all member agencies and an Executive Sub-Committee responsible for monitoring day-to-day activities. MarinMap is currently conducting a strategic planning effort to help determine its future.

Abandoned Vehicle Program – During FY 2024/25, MGSA will continue the administrative task of collecting data from and obtaining reimbursement for the County/towns/cities' efforts to abate motor vehicles abandoned within Marin County. The State program collects a \$1.00 fee with annual registration of every motor vehicle. These funds are provided to MGSA and, in turn, apportioned to the County/towns/cities to reimburse local police agencies for their towing and enforcement efforts.

Marin Telecommunications Franchise and PEG Fee Oversight and Management - MGSA collects both the franchise fees and PEG fees from cable television operators on behalf of member agencies and makes distributions to member agencies and provides financial resources from the PEG fee to the Community Media Center of Marin in support of local public, education, and government television programming. MGSA holds and manages the contract with the Community Media Center of Marin.

REQUESTS FOR INFORMATION

This financial report is designed to provide our residents, taxpayers, and creditors with a general overview of the Authority's finances and to demonstrate MGSA's accountability for the funds under its stewardship.

Marin General Services Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

The basic financial statements are intended to provide citizens, taxpayers, and creditors with a general overview of Marin General Services Authority's finances. Questions about this report should be directed to Marin General Services Authority, 900 Fifth Avenue, Suite 100, San Rafael, CA 94901.

Marin General Services Authority
STATEMENT OF NET POSITION
June 30, 2024

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash in County treasury	\$ 868,290
Receivables	<u>986,100</u>
Total current assets	<u>1,854,390</u>
Noncurrent assets:	
Capital assets	263,793
Less: accumulated depreciation	<u>(263,793)</u>
Total assets	<u>1,854,390</u>
<u>LIABILITIES AND NET POSITION</u>	
Liabilities:	
Accounts payable and accrued liabilities	119,659
Franchise fees payable to agency members	<u>918,760</u>
Total liabilities	<u>1,038,419</u>
Net position:	
Restricted	11,990
Unrestricted	<u>803,981</u>
Total net position	<u>\$ 815,971</u>

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

Marin General Services Authority
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Services and supplies	\$ 4,587,832	\$ 4,355,956	\$ 181,094	\$ -	\$ (50,782)
Total governmental activities	<u>\$ 4,587,832</u>	<u>\$ 4,355,956</u>	<u>\$ 181,094</u>	<u>\$ -</u>	<u>(50,782)</u>
General revenues:					
Investment income					<u>48,240</u>
Total general revenues					<u>48,240</u>
Change in net position					(2,542)
Net position, beginning of period					<u>818,513</u>
Net position, end of period					<u>\$ 815,971</u>

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

Marin General Services Authority
GOVERNMENTAL FUNDS BALANCE SHEET
June 30, 2024

	General Fund	Special Revenue Abandoned Vehicle Fund	Special Revenue Marin Map Fund	Special Revenue Fund - CATV	Special Revenue Fund - PEG	Total Governmental Funds
<u>ASSETS</u>						
Cash in County Treasury	\$ 385,073	\$ 8,390	\$ 344,016	\$ 127,211	\$ 3,600	\$ 868,290
Receivables:						
State of California	-	57,871	-	-	-	57,871
Franchise and PEG fees receivable	-	-	-	764,374	154,386	918,760
Other	9,469	-	-	-	-	9,469
Total assets	<u>\$ 394,542</u>	<u>\$ 66,261</u>	<u>\$ 344,016</u>	<u>\$ 891,585</u>	<u>\$ 157,986</u>	<u>\$ 1,854,390</u>
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Accounts payable and accrued expenses	\$ 46,358	\$ 57,871	11,384	\$ 4,046	\$ -	\$ 119,659
Franchise fees payable to agency members	-	-	-	764,374	154,386	918,760
Total liabilities	<u>46,358</u>	<u>57,871</u>	<u>11,384</u>	<u>768,420</u>	<u>154,386</u>	<u>1,038,419</u>
<u>FUND BALANCES</u>						
Restricted:						
Abandoned vehicle abatement	-	8,390	-	-	-	8,390
PEG project	-	-	-	-	3,600	3,600
Assigned:						
Marin Map	-	-	332,632	-	-	332,632
Marin Climate Energy Partnership	69,491	-	-	-	-	69,491
Unassigned	<u>278,693</u>	<u>-</u>	<u>-</u>	<u>123,165</u>	<u>-</u>	<u>401,858</u>
Total fund balances	<u>348,184</u>	<u>8,390</u>	<u>332,632</u>	<u>123,165</u>	<u>3,600</u>	<u>815,971</u>
Total liabilities and fund balances	<u>\$ 394,542</u>	<u>\$ 66,261</u>	<u>\$ 344,016</u>	<u>\$ 891,585</u>	<u>\$ 157,986</u>	<u>\$ 1,854,390</u>

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

Marin General Services Authority
Reconciliation of the
GOVERNMENTAL FUNDS - BALANCE SHEET
with the Governmental Activities
STATEMENT OF NET POSITION
For the Year Ended June 30, 2024

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 815,971
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Amounts reported for Governmental Activities in the Statement of
Net Position are different from those reported in the Governmental
Funds above because of the following:

None	<u>-</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 815,971</u>
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The accompanying notes are an integral part of these financial statements.

Marin General Services Authority
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2024

	General Fund	Special Revenue Abandoned Vehicle Fund	Special Revenue Marin Map Fund	Special Revenue Fund - CATV	Special Revenue Fund - PEG	Total Governmental Fund
Revenues						
Participating local agencies	\$ 260,000	\$ -	\$ 172,000	\$ -	\$ -	\$ 432,000
Motor vehicle registration fees	-	233,380	-	-	-	233,380
Management/overhead fees	68,424	-	-	-	-	68,424
Grants & contracts	43,594	-	-	-	-	43,594
Taxi permits	55,722	-	-	-	-	55,722
Franchise and PEG fees	-	-	-	3,070,657	623,548	3,694,205
Service fees - Larkspur	-	-	-	9,725	-	9,725
Investment income	18,563	448	14,487	12,631	2,111	48,240
Total revenues	<u>446,303</u>	<u>233,828</u>	<u>186,487</u>	<u>3,093,013</u>	<u>625,659</u>	<u>4,585,290</u>
Expenditures						
Services, supplies and grants						
Contract services	428,473	233,380	102,248	-	623,548	1,387,649
Legal	12,930	-	-	-	-	12,930
Audit and accounting	10,800	-	-	-	-	10,800
Insurance	15,526	-	-	-	-	15,526
Rent	5,092	-	-	-	-	5,092
Professional services	-	-	-	76,172	-	76,172
Memberships, conference, webinars	-	-	-	2,395	-	2,395
Office expenses and supplies	6,610	-	-	-	-	6,610
Franchise fee distributions	-	-	-	3,070,658	-	3,070,658
Total expenditures	<u>479,431</u>	<u>233,380</u>	<u>102,248</u>	<u>3,149,225</u>	<u>623,548</u>	<u>4,587,832</u>
Excess (deficiency) of revenue over expenditures	(33,128)	448	84,239	(56,212)	2,111	(2,542)
Fund balance, beginning of period	<u>381,312</u>	<u>7,942</u>	<u>248,393</u>	<u>179,377</u>	<u>1,489</u>	<u>818,513</u>
Fund balance, end of period	<u>\$ 348,184</u>	<u>\$ 8,390</u>	<u>\$ 332,632</u>	<u>\$ 123,165</u>	<u>\$ 3,600</u>	<u>\$ 815,971</u>

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

Marin General Services Authority
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (2,542)
None	<u>-</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (2,542)</u>

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

Marin General Services Authority
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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: 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 provide the administration, on behalf of its members, a variety of programs and services where the policy issues are generally established, in arenas that are more cost effective to provide collectively or are significantly enhanced through partnering for the benefit of the greater Marin community.

Programs include maintaining streetlights throughout the County; Administering the Abandoned Vehicle Abatement Program, whereby vehicle registration fees collected by the California Department of Motor Vehicles are paid to MGSA, which, in turn, pays member agencies for towing abandoned vehicles from their respective jurisdictions; Overseeing the Marin Map program which provides a countywide Geographic Information System (GIS) for the public and its members; administering the Marin County Taxi Regulation Program; and collecting payments from participants on behalf of the District Attorney's Office Mediation Program and the Animal Care and Control Program (which it also manages).

As of July 1, 2020, MGSA assumed the programmatic responsibilities of the dissolved Marin Telecommunications Agency (MTA) which include collecting and distributing cable franchise fees as well as collecting and distributing PEG or Public, Education, and Government public access TV stations.

Introduction

Marin General Services Authority'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).

Government-wide Financial 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 Position, MGSA's activities are reported on a full accrual, economic resource basis and measurement focus, which recognizes all long-term assets and receivables as well as long-term debt and obligations. MGSA's net position is reported in three parts: (1) Net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

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 position resulting from the current year's activities.

Marin General Services Authority
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements: The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The underlying accounting system of MGSA is organized and operated based on separate funds, each of which is a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and how spending activities are controlled.

Separate financial statements are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental funds. The following is a description of the governmental funds of MGSA:

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. In addition, Marin Climate and Energy Partnership activities are captured here.

Special Revenue Funds are used to account for the proceeds of revenue sources that are restricted or committed 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 *Marin Map 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.
- The *CATV Fund* is used to collect cable franchise payments from telecommunications providers, which are then distributed to member jurisdictions.
- The *PEG Fund* is used to account for fees paid from cable television franchisees that are restricted for the development and operation of public, educational and governmental (PEG) access channels and the media center.

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.

Marin General Services Authority
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Modified Accrual – The governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

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. Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Financial Statement Amounts

Capital Assets

It is MGSA’s policy to record purchases of items of furniture and equipment costing \$1,000 or less as miscellaneous expense. Items more than \$1,000 are classified as capital outlay. 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. Governmental accounting principles provide that fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned. The Executive Officer is authorized as the designer to assign amounts to a specific purpose. MGSA’s policy is that committed and assigned fund balances are considered to have been spent first before unassigned fund balances are spent. Following is a description of the components applicable to MGSA:

Non-spendable - This component includes amounts that cannot be spent because they are (a) not in a spendable form or (b) are legally or contractually required to be maintained intact.

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.

Marin General Services Authority
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

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.

Fund Balance Flow Assumption

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balances are available, MGSA considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, MGSA considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Net Position

GASB Statement 34 added the concept of Net Position, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

Net Position is the excess of all MGSA's assets over its liabilities, regardless of fund. Net Position is divided into three captions under GASB Statement 34. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below:

Net investment in Capital Assets describes the portion of Net Position that is represented by the current book value of MGSA's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions that the MGSA cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and amounts restricted by federal and state grant contracts.

Unrestricted describes the portion of Net Position that is not restricted as to use.

Net Position Flow Assumption

MGSA's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Budget

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

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Marin General Services Authority
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 2 - CASH

MGSA had \$868,290 on deposit with the County of Marin cash pool for the purpose of increasing interest earnings through pooled investment activities. Interest earned in 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 in County Treasury."

The County Pool includes both voluntary and involuntary participation from external entities. MGSA is a voluntary participant. 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 Authority's Governing Board has not formally adopted a deposit and investment policy and follows the County's investment policy. The County's investment policy authorizes the County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, and the State Treasurer's investment pool.

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.

Fair Value Measurement

Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy consisting of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs consist of inputs other than quoted prices that are observable for an asset or liability, either directly or indirectly, that can include quoted prices for similar assets or liabilities in active or inactive markets, or market-corroborated inputs, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability. The valuation method used for rental properties is the Leased Fee Market method, which is dependent on the income generated from the rental properties.

The Authority did not have investments subject to recurring fair value measurements as of June 30, 2024 except as noted previously.

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, 2024, the County's investment pool had a weighted average maturity of 220 days.

For purposes of computing weighted average maturity, the maturity date of variable rate notes is the length of time until the next reset date rather than the stated maturity date.

Marin General Services Authority
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 2 - CASH (concluded)

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 MGSA obligations with a credit quality rating of "AAA."

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for deposits and investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits.

The entity's Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors.

NOTE 3 - ACCOUNTS RECEIVABLE

Receivables at June 30, 2024 for the MGSA's individual major funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows. All receivables are expected to be collected within one year.

	General Fund	Vehicle Fund	Marin Map Fund	Fund – CATV	Fund – PEG	Total
State of California	\$ -	\$ 57,871	\$ -	\$ -	\$ -	\$ 57,871
Franchise and PEG Fees	-	-	-	764,374	154,386	918,760
Other	9,469	-	-	-	-	9,469
Total	<u>\$ 9,469</u>	<u>\$ 57,871</u>	<u>\$ -</u>	<u>\$764,374</u>	<u>\$154,386</u>	<u>\$ 986,100</u>

NOTE 4 - CAPITAL ASSETS

Changes in capital assets for MGSA were as follows:

	Balance 6/30/23	Additions	Deletions	Balance 6/30/24
Digital orthophotography database	\$ 253,575	\$ -	\$ -	\$ 253,575
Computer equipment	10,218	-	-	10,218
Subtotal	263,793	-	-	263,793
Less accumulated depreciation	(263,793)	-	-	(263,793)
Total fixed assets	<u>\$ -</u>			<u>\$ -</u>

Marin General Services Authority
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 4 - CAPITAL ASSETS (concluded)

Capital Assets Held by CMCM

MGSA has an agreement with the Community Media Center of Marin (CMCM) for the operation of a media center. Accordingly, certain funds provided to CMCM have been used to purchase equipment and other capital assets. The equipment and other capital assets are included in CMCM's financial statements. In the event the agreement with CMCM is terminated or not renewed, the equipment and capital assets will be transferred to MGSA.

CMCM provided the following audited information as of June 30, 2024:

Furniture & equipment	\$ 426,341
Capital improvements	277,025
Facilities	<u>2,432,114</u>
Total capital assets	<u>3,135,480</u>
Accumulated depreciation	<u>(2,766,447)</u>
Total capital assets, net	<u>\$ 369,033</u>

NOTE 5 - 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 and cybercrime insurance with limits of \$5,000,000 and a deductible of \$1,000.

NOTE 6 - TRANSACTIONS WITH RELATED PARTIES

In addition to financial transactions associated with its JPA agreement with members, the Marin General Services Authority engaged in financial transactions with one of its members, the County of Marin. The County compensated MGSA \$38,938 for sustainability activities under the Marin Climate and Energy Partnership. The County also compensated MGSA \$24,042 for the management of the County's Animal Services and Control agreement with Marin Humane. Lastly, one of MGSA's programs, Marin Map, paid the County of Marin \$30,028 for GIS services and County Assessor's Office property data.

NOTE 7 - MARIN CLIMATE AND ENERGY PARTNERSHIP

The Marin Climate and Energy Partnership (MCEP) is comprised of the incorporated towns and cities in the County, the County of Marin, Marin Municipal Waste District, the Transportation Authority of Marin, and MCE Marin Clean Energy. MCEP's mission is to discuss, study, report on and implement overarching policies and programs, ranging from emission reduction strategies to adaptation, contained in each agency's Climate Action Plan. MGSA serves as the fiscal agent for MCEP. In fiscal year 2023-2024, MGSA received funding for this program from voluntary member contributions and a professional services agreement with the County of Marin. MGSA recognizes revenue from contributions on a scheduled annual basis. For the professional services agreement with the County of Marin, MGSA recognizes revenue as it incurs eligible expenses allowed for under these agreements.

Marin General Services Authority
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 - FRANCHISE AND PEG FEES

MGSA receives revenue from multiple franchisees and distinguishes these revenues as franchise fees and Public, Educational, and Governmental Access (PEG) fees. These fees are based on a percentage of the franchisees' sales.

The franchisee remits the franchise fees to MGSA, who then distributes the fees to member agencies shortly after receiving. MGSA retains a portion of the franchise fee revenue for administrative purposes. The largest franchisee is responsible for approximately 94% of all such fees collected in June 30, 2024.

NOTE 9 - RESTRICTED NET POSITION

Restricted net position represented those amounts restricted to Abandoned Vehicle Program and Marin Telecommunications PEG program. The net position that was restricted as of June 30, 2024, was \$11,990.

REQUIRED SUPPLEMENTAL INFORMATION

Marin General Services Authority
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
 Budget and Actual
 For the Year Ended June 30, 2024
 (Unaudited)

	<u>General Fund (Excluding MCEP)</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental:				
Participating local agencies	\$ 122,500	\$ 122,500	\$ 122,500	\$ -
Management/overhead fees	69,223	69,223	68,424	(799)
Taxi permits	55,000	55,000	55,722	722
Telecommunication fees	30,000	30,000	-	(30,000)
Investment income	<u>2,500</u>	<u>2,500</u>	<u>18,563</u>	<u>16,063</u>
Total revenues	<u>279,223</u>	<u>279,223</u>	<u>265,209</u>	<u>(14,014)</u>
Expenditures:				
Services and supplies	<u>406,655</u>	<u>406,655</u>	<u>315,834</u>	<u>90,821</u>
Total expenditures	<u>406,655</u>	<u>406,655</u>	<u>315,834</u>	<u>90,821</u>
Excess of revenue over (under) expenditures	<u>\$ (127,432)</u>	<u>\$ (127,432)</u>	(50,625)	<u>\$ 76,807</u>
Fund balance, beginning of period			<u>329,318</u>	
Fund balance, end of period			<u>\$ 278,693</u>	

Marin General Services Authority
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
 General Fund
 Budget and Actual
 For the Year Ended June 30, 2024
 (Unaudited)

	<u>Marin Climate and Energy Partnership</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental:				
Member contribution	\$ 137,500	\$ 137,500	\$ 137,500	\$ -
Grant - TAM	10,450	10,450	4,656	(5,794)
County grant	<u>37,000</u>	<u>37,000</u>	<u>38,938</u>	<u>1,938</u>
Total revenues	<u>184,950</u>	<u>184,950</u>	<u>181,094</u>	<u>(3,856)</u>
Expenditures				
Overhead	7,000	7,000	7,000	-
Contract services	<u>177,950</u>	<u>177,950</u>	<u>156,597</u>	<u>21,353</u>
Total expenditures	<u>184,950</u>	<u>184,950</u>	<u>163,597</u>	<u>21,353</u>
Excess of revenue over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	17,497	<u>\$ 17,497</u>
Fund balance, beginning of period			<u>51,994</u>	
Fund balance, end of period			<u><u>\$ 69,491</u></u>	

Marin General Services Authority
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
 Budget and Actual
 For the Year Ended June 30, 2024
 (Unaudited)

	<u>Special Revenue Fund - Abandoned Vehicle</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental:				
Motor vehicle registration fees	\$ 260,000	\$ 260,000	\$ 233,380	\$ (26,620)
Investment income	50	50	448	398
Total revenues	<u>260,050</u>	<u>260,050</u>	<u>233,828</u>	<u>(26,222)</u>
Expenditures:				
Services and supplies	<u>260,050</u>	<u>260,050</u>	<u>233,380</u>	<u>26,670</u>
Total expenditures	<u>260,050</u>	<u>260,050</u>	<u>233,380</u>	<u>26,670</u>
Excess of revenue over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	448	<u>\$ 448</u>
Fund balance, beginning of period			<u>7,942</u>	
Fund balance, end of period			<u>\$ 8,390</u>	

Marin General Services Authority
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
 Budget and Actual
 For the Year Ended June 30, 2024
 (Unaudited)

	<u>Special Revenue Fund - Marin Map</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Participating local agencies	\$ 162,000	\$ 162,000	\$ 172,000	\$ 10,000
Investment income	<u>1,500</u>	<u>1,500</u>	<u>14,487</u>	<u>12,987</u>
Total revenues	<u>163,500</u>	<u>163,500</u>	<u>186,487</u>	<u>22,987</u>
Expenditures:				
Services and supplies	<u>166,640</u>	<u>166,640</u>	<u>102,248</u>	<u>64,392</u>
Total expenditures	<u>166,640</u>	<u>166,640</u>	<u>102,248</u>	<u>64,392</u>
Excess of revenue over (under) expenditures	<u>\$ (3,140)</u>	<u>\$ (3,140)</u>	84,239	<u>\$ 87,379</u>
Fund balance, beginning of period			<u>248,393</u>	
Fund balance, end of period			<u>\$ 332,632</u>	

Marin General Services Authority
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
 Budget and Actual
 For the Year Ended June 30, 2024
 (Unaudited)

	<u>Special Revenue Fund - CATV Franchise</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Franchise fees	\$ 3,500,000	\$ 3,500,000	\$ 3,070,657	\$ (429,343)
Service fees - Larkspur	9,500	9,500	9,725	225
Investment income	1,200	1,200	12,631	11,431
Total revenues	<u>3,510,700</u>	<u>3,510,700</u>	<u>3,093,013</u>	<u>(417,687)</u>
Expenditures:				
Services and supplies	<u>3,510,700</u>	<u>3,510,700</u>	<u>3,149,225</u>	<u>361,475</u>
Total expenditures	<u>3,510,700</u>	<u>3,510,700</u>	<u>3,149,225</u>	<u>361,475</u>
Excess of revenue over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(56,212)	<u>\$ (56,212)</u>
Fund balance, beginning of period			<u>179,377</u>	
Fund balance, end of period			<u>\$ 123,165</u>	

Marin General Services Authority
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
 Budget and Actual
 For the Year Ended June 30, 2024
 (Unaudited)

	<u>Special Revenue Fund - PEG</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
PEG fees	\$ 750,000	\$ 750,000	\$ 623,548	\$ (126,452)
Investment income	<u>500</u>	<u>500</u>	<u>2,111</u>	<u>1,611</u>
Total revenues	<u>750,500</u>	<u>750,500</u>	<u>625,659</u>	<u>(124,841)</u>
Expenditures:				
Services and supplies	<u>900,000</u>	<u>900,000</u>	<u>623,548</u>	<u>276,452</u>
Total expenditures	<u>900,000</u>	<u>900,000</u>	<u>623,548</u>	<u>276,452</u>
Excess of revenue over (under) expenditures	<u>\$ (149,500)</u>	<u>\$ (149,500)</u>	2,111	<u>\$ 151,611</u>
Fund balance, beginning of period			<u>1,489</u>	
Fund balance, end of period			<u>\$ 3,600</u>	

Marin General Services Authority
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
For the year ended June 30, 2024

NOTE 1 - BUDGETARY BASIS OF PRESENTATION

The budgets included in these financial statements represent the original budget and amendments, if any, approved by the Board of Directors. The budgetary basis for the General Fund, Marin Map, PEG, and CATV Franchise Funds is the modified accrual basis of accounting. Various reclassifications have been made to the actual amounts to conform to classification included in the approved budget. The Abandoned Vehicle Abatement fund is presented on the full accrual basis of accounting with the timing of revenues and expenses with budget expectations.

OTHER SUPPLEMENTAL INFORMATION

Marin General Services Authority
SCHEDULE OF MEMBER CONTRIBUTIONS
For the Year Ended June 30, 2024

	<u>MGSA General Fund</u>				<u>MMAF Fund</u>
	<u>Operating</u>	<u>Streetlights</u>	<u>MCEP</u>	<u>Total General Fund</u>	<u>MMAF</u>
City of Belvedere	\$ 1,005	\$ 500	\$ 3,061	\$ 4,566	\$ 6,000
Town of Corte Madera	3,242	1,024	5,223	9,489	9,000
County of Marin	44,752	2,828	20,665	68,245	10,000
Town of Fairfax	1,896	810	4,536	7,242	6,000
City of Larkspur	3,991	1,104	5,811	10,906	9,000
City of Mill Valley	5,133	1,100	6,451	12,684	9,000
City of Novato	13,411	5,227	17,024	35,662	10,000
Town of Ross	513	-	3,192	3,705	6,000
Town of San Anselmo	3,660	906	5,946	10,512	9,000
City of San Rafael	15,859	6,100	18,526	40,485	10,000
City of Sausalito	2,855	901	4,497	8,253	9,000
Town of Tiburon	4,183	500	5,068	9,751	9,000
Bel Marin Keys CSD	-	500	-	500	-
Marin County Fire Chiefs Association	-	-	-	-	10,000
Marin Wildfire Prevention Authority	-	-	-	-	10,000
Marinwood CSD	-	500	-	500	-
Transportation Authority of Marin	-	-	12,500	12,500	10,000
Marin Clean Energy	-	-	12,500	12,500	-
Marin Municipal Water District	-	-	12,500	12,500	10,000
Sewer Agency of Southern Marin	-	-	-	-	10,000
North Marin Water District	-	-	-	-	10,000
Ross Valley Sanitary District	-	-	-	-	10,000
	<u>\$ 100,500</u>	<u>\$ 22,000</u>	<u>\$ 137,500</u>	<u>\$ 260,000</u>	<u>\$ 172,000</u>

**MARIN GENERAL SERVICES
AUTHORITY**

BOARD OF DIRECTORS & MANAGEMENT REPORT

**For the Year Ended
JUNE 30, 2024**



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Board of Directors
Marin General Services Authority
San Rafael, California

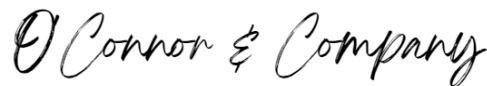
In planning and performing our audit of the financial statements of Marin General Services Authority as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered Marin General Services Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report is intended solely for the information and use of management, the Board of Directors, and officials of the federal and state grantor agencies and should not be used by anyone other than these specified parties.

We thank Marin General Services Authority's staff for its cooperation during our audit.



O'Connor & Company

Novato, California
December 30, 2024

Board of Directors
Marin General Services Authority
San Rafael, California

We have audited the basic financial statements of Marin General Services Authority for the year ended June 30, 2024. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated August 29, 2024, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of Marin General Services Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by Marin General Services Authority are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered by Marin General Services Authority during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

The following pronouncements became effective, but did not have a material effect on the financial statements:

GASB 100 – Accounting Changes and Error Corrections

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. For the purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on Marin General Services Authority's financial reporting process (that is, cause future financial statements to be materially misstated).

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 30, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Marin General Services Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Marin General Services Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis and the Budgetary Comparison Schedule for the General Fund, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This report is intended solely for the information and use of management and the Board of Directors of Marin General Services Authority and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Marin General Services Authority
BOARD OF DIRECTORS & MANAGEMENT REPORT
For the Year Ended June 30, 2024

Current Year Observations

There were no current year observations that came to our attention.

Prior Year Observations

There were no prior year observations that came to our attention.