

**MARIN GENERAL SERVICES  
AUTHORITY**

**SAN RAFAEL, CALIFORNIA**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2023**



## TABLE OF CONTENTS

	<u>PAGE</u>
Financial Section	
Independent Auditors' Report	1-2
Management's Discussion and Analysis Required Supplementary Information (unaudited)	3-6
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements	
Governmental Funds Balance Sheet	9
Reconciliation of the Governmental Funds Balance Sheet with the Governmental Activities Statement of Net Position	10
Statement of Revenues, Expenditures, and Changes in Fund Balance	11
Reconciliation of the Net Change in Fund Balances Total Governmental Funds with the Statement of Activities	12
Notes to Basic Financial Statements	13-19
Required Supplementary Information (unaudited):	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Marin Climate and Energy Partnership	21
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Abandoned Vehicle Abatement Fund	22
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Marin Map Fund	23
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Franchise	24
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – PEG	25
Notes to the Required Supplemental Information	26
Other Supplementary Information (unaudited):	
Schedule of Member Contributions	27

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Marin General Services Authority  
San Rafael, California

### Report on the Financial Statements

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, 2023, 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, 2023, 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.

Other Matters

*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.

*Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Marin General Services Authority’s basic financial statements. The schedule of member contributions is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The schedule of member contributions is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not present an opinion or provide any assurance on it.



O’Connor & Company

Novato, California  
November 28, 2023

Marin General Services Authority  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
 June 30, 2023

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, 2023. Please read it along with MGSA's financial statements, which begin on page 7.

**FINANCIAL HIGHLIGHTS**

MGSA's net position is \$818,513, an increase of \$138,342 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 was as follows:

Table 1  
Governmental Net Position

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Current assets	\$ 1,911,580	\$ 1,782,295
Total assets	1,911,580	1,782,295
Current liabilities	1,093,067	1,102,124
Total liabilities	1,093,067	1,102,124
Net position:		
Restricted	9,431	8,977
Unrestricted	809,082	671,194
Total net position	\$ 818,513	\$ 680,171

Current assets increased and current liabilities decreased primarily due to revenues generated by the taxicab program following a more than one year fee waiver due to the Coronavirus pandemic and Marin Map program. The decrease in current liabilities in FY 22/23 is due to a decrease in franchise fees payable.

Marin General Services Authority  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
 June 30, 2023

Changes in MGSA's net position were as follows:

	June 30, 2023	June 30, 2022
Expenses:		
Services and supplies	\$ 4,677,103	\$ 4,596,815
Total expenses	4,677,103	4,596,815
Revenues:		
Program revenues:		
Operating grants and contributions	178,288	70,575
Charges for services	4,624,085	4,634,432
Total program revenues	4,802,373	4,705,007
General revenues:		
Interest income	13,072	617
Total general revenues	13,072	617
Total revenue	4,815,445	4,705,624
Change in net position	\$ 138,342	\$ 108,809

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** - During the fiscal year 2020-21, the taxi industry collapsed due to COVID-19 and restrictions imposed by the County Health Department as well as riders' fears. MGSA took a number of actions to support the industry and keep the safety aspects of the program in place. The Board eliminated all permit fees for one year except for the cost of a drug test by drivers. Fees were reinstated in 2021-22 and the industry and taxi permit fees have begun to recover. The industry has returned and stabilized, albeit with fewer taxi companies.

**Marin Climate and Energy Partnership (MCEP)** - MCEP will continue under the direction of its Steering Committee with the assistance of MGSA. During FY 2023/24, 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 years 2021 and 2022. MCEP will also be working with Mill Valley and Novato on their CAP updates. Lastly, during FY 2023/24, MCEP will continue to conduct outreach for the Countywide Electric Vehicle Acceleration Strategy that furthers members' climate action plan goals for EV adoption.

Marin General Services Authority  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023

**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 has 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, the Marin Local Agency Formation Commission, Ross Valley Sanitary District, Marin Municipal Water District, the Sewer Agency of Southern Marin (SASM, representing six public agencies), the 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 Subcommittee responsible for monitoring day-to-day activities. MarinMap is currently conducting a strategic planning effort to help determine its future.

**Abandoned Vehicle Program** – During the 2020-21 fiscal year, MGSA completed the process regulated by State law of extending the program another ten years. 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, 2023

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.

Respectively submitted,

A handwritten signature in blue ink, appearing to read "Michael Frank".

Michael Frank, Executive Officer



Marin General Services Authority  
STATEMENT OF NET POSITION  
 June 30, 2023

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash in County treasury	\$ 855,992
Receivables	1,039,053
Prepaid items	<u>16,535</u>
Total current assets	<u>1,911,580</u>
Noncurrent assets:	
Capital assets	263,793
Less: accumulated depreciation	<u>(263,793)</u>
Net	<u>-</u>
Total assets	<u>1,911,580</u>
 <u>LIABILITIES AND NET POSITION</u>	
Liabilities:	
Accounts payable and accrued liabilities	124,946
Franchise fees payable to agency members	<u>968,121</u>
Total liabilities	<u>1,093,067</u>
Net position:	
Restricted	9,431
Unrestricted	<u>809,082</u>
Total net position	<u>\$ 818,513</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, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital</u>	<u>Net (Expense) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:					
Services and supplies	\$ 4,677,296	\$ 4,624,325	\$ 178,241	\$ -	\$ 125,270
Total governmental activities	<u>\$ 4,677,296</u>	<u>\$ 4,624,325</u>	<u>\$ 178,241</u>	<u>\$ -</u>	<u>125,270</u>
General revenues:					
Interest income					<u>13,072</u>
Total general revenues					<u>13,072</u>
Change in net position					138,342
Net position, beginning of period					<u>680,171</u>
Net position, end of period					<u>\$ 818,513</u>

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

Marin General Services Authority  
GOVERNMENTAL FUNDS BALANCE SHEET  
June 30, 2023

	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	\$ 389,831	\$ 7,942	\$ 275,024	\$ 181,706	\$ 1,489	\$ 855,992
Receivables:						
State of California	-	58,807	-	-	-	58,807
Franchise and PEG fees receivable	-	-	-	804,047	164,074	968,121
Other	12,125	-	-	-	-	12,125
Prepaid items	12,401	-	-	4,134	-	16,535
Total assets	<u>\$ 414,357</u>	<u>\$ 66,749</u>	<u>\$ 275,024</u>	<u>\$ 989,887</u>	<u>\$ 165,563</u>	<u>\$ 1,911,580</u>
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Accounts payable and accrued expenses	\$ 33,045	\$ 58,807	26,631	\$ 6,463	\$ -	\$ 124,946
Franchise fees payable to agency members	-	-	-	804,047	164,074	968,121
Total liabilities	<u>33,045</u>	<u>58,807</u>	<u>26,631</u>	<u>810,510</u>	<u>164,074</u>	<u>1,093,067</u>
<u>FUND BALANCES</u>						
Nonspendable	12,401	-	-	4,134	-	16,535
Restricted:						
Abandoned vehicle abatement	-	7,942	-	-	-	7,942
PEG project	-	-	-	-	1,489	1,489
Assigned:						
Marin Map	-	-	248,393	-	-	248,393
Marin Climate Energy Partnership	51,994	-	-	-	-	51,994
Unassigned	316,917	-	-	175,243	-	492,160
Total fund balances	<u>381,312</u>	<u>7,942</u>	<u>248,393</u>	<u>179,377</u>	<u>1,489</u>	<u>818,513</u>
Total liabilities and fund balances	<u>\$ 414,357</u>	<u>\$ 66,749</u>	<u>\$ 275,024</u>	<u>\$ 989,887</u>	<u>\$ 165,563</u>	<u>\$ 1,911,580</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, 2023

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 818,513
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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:

No adjustments.	<u>          -</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 818,513</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, 2023

	General Fund	Special Revenue Abandoned Vehicle Fund	Special Revenue Marin Map Fund	Special Revenue Fund - CATV	Special Revenue Fund - PEG	Total Governmental Fund
<b>Revenues</b>						
Participating local agencies	\$ 307,500	\$ -	\$ 172,000	\$ -	\$ -	\$ 479,500
Motor vehicle registration fees	-	236,902	-	-	-	236,902
Management/overhead fees	64,252	-	-	-	-	64,252
Grants & contracts	50,788	-	-	-	-	50,788
Taxi permits	52,551	-	-	-	-	52,551
Franchise and PEG fees	-	-	-	3,250,978	658,153	3,909,131
Service fees - Larkspur	-	-	-	9,442	-	9,442
Interest income	5,243	131	3,293	4,082	323	13,072
Total revenues	<u>480,334</u>	<u>237,033</u>	<u>175,293</u>	<u>3,264,502</u>	<u>658,476</u>	<u>4,815,638</u>
<b>Expenditures</b>						
Services, supplies and grants						
Contract services	344,478	236,902	90,946	-	658,153	1,330,479
Legal	15,237	-	-	-	-	15,237
Audit and accounting	11,600	-	-	-	-	11,600
Insurance	14,056	-	-	-	-	14,056
Rent	4,944	-	-	-	-	4,944
Professional services	-	-	-	76,393	-	76,393
Memberships, conference, webinars	-	-	-	2,325	-	2,325
Office expenses and supplies	9,770	-	-	5,517	-	15,287
Franchise fee distributions	-	-	-	3,206,975	-	3,206,975
Total expenditures	<u>400,085</u>	<u>236,902</u>	<u>90,946</u>	<u>3,291,210</u>	<u>658,153</u>	<u>4,677,296</u>
<b>Excess (deficiency) of revenue</b>						
over expenditures	80,249	131	84,347	(26,708)	323	138,342
Fund balance, beginning of period	301,063	7,811	164,046	206,085	1,166	680,171
Fund balance, end 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>

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, 2023

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	\$ 138,342
No adjustments.	<u>          -</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 138,342</u>

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

Marin General Services Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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 FINANCIAL STATEMENTS  
June 30, 2023

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

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. 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 *MTA/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 FINANCIAL STATEMENTS  
June 30, 2023

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.

**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 designee 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.

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.

Marin General Services Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Unassigned - This classification represents amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund.

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.

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.

NOTE 2 - CASH

MGSA maintains all 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 in County Treasury."

Marin General Services Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

NOTE 2 - CASH (concluded)

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 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 Hierarchy

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. MGSA's holdings with the Marin County Investment Pool was not subject to the fair value hierarchy.

Deposits and withdrawals from the County Pool are made based on \$1 which is substantially equal to fair value. MGSA's proportionate share of investments in the County Pool at June 30, 2023, of \$855,992 are not required to be categorized under the fair value hierarchy.

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, 2023, 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.

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."

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, 2023.

Marin General Services Authority  
NOTES TO FINANCIAL STATEMENTS  
 June 30, 2023

NOTE 2 - CASH (concluded)

<u>Investments in Investment Pool</u>	<u>Percent of Portfolio</u>
Federal agency - discount	80%
Federal agency - coupon	17%
Money market funds	<u>3%</u>
Total	100%

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 Marin 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.

NOTE 3 - ACCOUNTS RECEIVABLE

Receivables at June 30, 2023 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.

	<u>General Fund</u>	<u>Vehicle Fund</u>	<u>Marin Map Fund</u>	<u>Fund – CATV</u>	<u>Fund – PEG</u>	<u>Total</u>
State of California	\$ -	\$ 58,807	\$ -	\$ -	\$ -	\$ 58,807
Franchise and PEG Fees	-	-	-	804,047	164,074	968,121
Other	<u>12,125</u>	-	-	-	-	<u>12,125</u>
Total	<u>\$ 12,125</u>	<u>\$ 58,807</u>	<u>\$ -</u>	<u>\$804,047</u>	<u>\$164,074</u>	<u>\$1,039,053</u>

NOTE 4 - CAPITAL ASSETS

Changes in capital assets for MGSA were as follows:

	<u>Balance 6/30/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/23</u>
Digital orthophotography database	\$ 253,575	\$ -	\$ -	\$ 253,575
Computer equipment	<u>10,218</u>	-	-	<u>10,218</u>
Subtotal	<u>263,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>263,793</u>
Less accumulated depreciation	<u>(263,793)</u>			<u>(263,793)</u>
Total fixed assets	<u>\$ -</u>			<u>\$ -</u>

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.

Marin General Services Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

NOTE 4 - CAPITAL ASSETS (concluded)

CMCM provided the following unaudited information as of June 30, 2023:

Furniture & equipment	\$ 766,476
Facilities	<u>2,251,453</u>
Total capital assets	<u>3,017,929</u>
Accumulated depreciation	<u>(2,690,379)</u>
Total capital assets, net	<u>\$ 327,550</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 \$32,373 for sustainability activities under the Marin Climate and Energy Partnership. The County also compensated MGSA \$23,117 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 \$22,204 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 the fiscal year 2022-23, MGSA received funding for this program from voluntary member contributions, a professional services agreement with the County of Marin, and from the Transportation Authority 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.

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, 2023.

**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, 2023  
 (Unaudited)

	General Fund (Excluding MCEP)			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental:				
Participating local agencies	\$ 180,000	\$ 180,000	\$ 180,000	\$ -
Management/overhead fees	61,777	61,777	64,252	2,475
Taxi permits	50,000	50,000	52,598	2,598
Telecommunication fees	30,000	30,000	-	(30,000)
Interest income	700	700	5,243	4,543
Total revenues	322,477	322,477	302,093	(20,384)
Expenditures:				
Services and supplies	308,841	348,284	241,156	107,128
Total expenditures	308,841	348,284	241,156	107,128
Excess of revenue over (under) expenditures	\$ 13,636	\$ (25,807)	60,937	\$ 86,744
Fund balance, beginning of period			268,381	
Fund balance, end of period			\$ 329,318	

Marin General Services Authority  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
 General Fund  
 Budget and Actual  
 For the Year Ended June 30, 2023  
 (Unaudited)

	Marin Climate and Energy Partnership			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental:				
Member contribution	\$ 137,500	\$ 137,500	\$ 127,500	\$ (10,000)
Grant - TAM	29,450	29,450	17,775	(11,675)
County grant	25,000	25,000	32,966	7,966
Total revenues	191,950	191,950	178,241	(13,709)
Expenditures				
Overhead	7,000	7,000	7,304	(304)
Contract services	173,200	173,200	151,625	21,575
Total expenditures	180,200	180,200	158,929	21,271
Excess of revenue over (under) expenditures	\$ 11,750	\$ 11,750	19,312	\$ 7,562
Fund balance, beginning of period			32,682	
Fund balance, end of period			\$ 51,994	



Marin General Services Authority  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
 Budget and Actual  
 For the Year Ended June 30, 2023  
 (Unaudited)

	Special Revenue Fund - Abandoned Vehicle			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental:				
Motor vehicle registration fees	\$ 260,000	\$ 260,000	\$ 236,902	\$ (23,098)
Interest income	50	50	131	81
Total revenues	260,050	260,050	237,033	(23,017)
Expenditures:				
Services and supplies	260,050	260,050	236,902	23,148
Total expenditures	260,050	260,050	236,902	23,148
Excess of revenue over (under) expenditures	\$ -	\$ -	131	\$ 131
Fund balance, beginning of period			7,811	
Fund balance, end of period			\$ 7,942	

Marin General Services Authority  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
 Budget and Actual  
 For the Year Ended June 30, 2023  
 (Unaudited)

	Special Revenue Fund - Marin Map			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Participating local agencies	\$ 162,000	\$ 162,000	\$ 172,000	\$ 10,000
Interest income	500	500	3,293	2,793
Total revenues	500	500	175,293	174,793
Expenditures:				
Services and supplies	167,640	167,640	90,946	76,694
Total expenditures	167,640	167,640	90,946	76,694
Excess of revenue over (under) expenditures	\$ (167,140)	\$ (167,140)	84,347	\$ 251,487
Fund balance, beginning of period			164,046	
Fund balance, end of period			\$ 248,393	

Marin General Services Authority  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
 Budget and Actual  
 For the Year Ended June 30, 2023  
 (Unaudited)

	Special Revenue Fund - CATV Franchise			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Franchise fees	\$ 3,600,000	\$ 3,600,000	\$ 3,250,978	\$ (349,022)
Service fees - Larkspur	9,200	9,200	9,442	242
Interest income	500	500	4,082	3,582
Total revenues	3,609,700	3,609,700	3,264,502	(345,198)
Expenditures:				
Services and supplies	3,729,701	3,729,701	3,291,210	438,491
Total expenditures	3,729,701	3,729,701	3,291,210	438,491
Excess of revenue over (under) expenditures	\$ (120,001)	\$ (120,001)	(26,708)	\$ 93,293
Fund balance, beginning of period			206,085	
Fund balance, end of period			\$ 179,377	

Marin General Services Authority  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
 Budget and Actual  
 For the Year Ended June 30, 2023  
 (Unaudited)

	Special Revenue Fund - PEG			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
PEG fees	\$ 750,000	\$ 750,000	\$ 658,153	\$ (91,847)
Interest income	500	500	323	(177)
 Total revenues	 750,500	 750,500	 658,476	 (92,024)
 Expenditures:				
Services and supplies	900,000	900,000	658,153	241,847
 Total expenditures	 900,000	 900,000	 658,153	 241,847
 Excess of revenue over (under) expenditures	 \$ (149,500)	 \$ (149,500)	 323	 \$ 149,823
Fund balance, beginning of period			1,166	
Fund balance, end of period			\$ 1,489	

Marin General Services Authority  
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION  
For the year ended June 30, 2023

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 MTA 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, 2023

	<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	\$ 3,005	\$ 500	\$ 3,061	\$ 6,566	\$ 6,000
Town of Corte Madera	6,496	1,016	5,223	12,735	9,000
County of Marin	42,525	2,821	20,665	66,011	10,000
Town of Fairfax	3,856	808	4,536	9,200	6,000
City of Larkspur	7,843	1,073	5,811	14,727	9,000
City of Mill Valley	10,494	1,151	6,451	18,096	9,000
City of Novato	27,454	5,242	17,024	49,720	10,000
Town of Ross	2,900	-	3,192	6,092	6,000
Town of San Anselmo	7,368	903	5,946	14,217	9,000
City of San Rafael	31,614	6,087	18,526	56,227	10,000
City of Sausalito	5,857	899	4,497	11,253	9,000
Town of Tiburon	8,588	500	5,068	14,156	9,000
Bel Marin Keys CSD	-	500	-	500	-
Marin County Fire Chiefs Association	-	-	-	-	10,000
LAFCO	-	-	-	-	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	-	-	2,500	2,500	10,000
Sewer Agency of Southern Marin	-	-	-	-	10,000
Marin Municipal Water District	-	-	-	-	10,000
Ross Valley Sanitary District	-	-	-	-	10,000
	<u>\$ 158,000</u>	<u>\$ 22,000</u>	<u>\$ 127,500</u>	<u>\$ 307,500</u>	<u>\$ 172,000</u>