

**COUNTY OF MARIN, CALIFORNIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**



**COUNTY OF MARIN DEPARTMENT OF FINANCE**

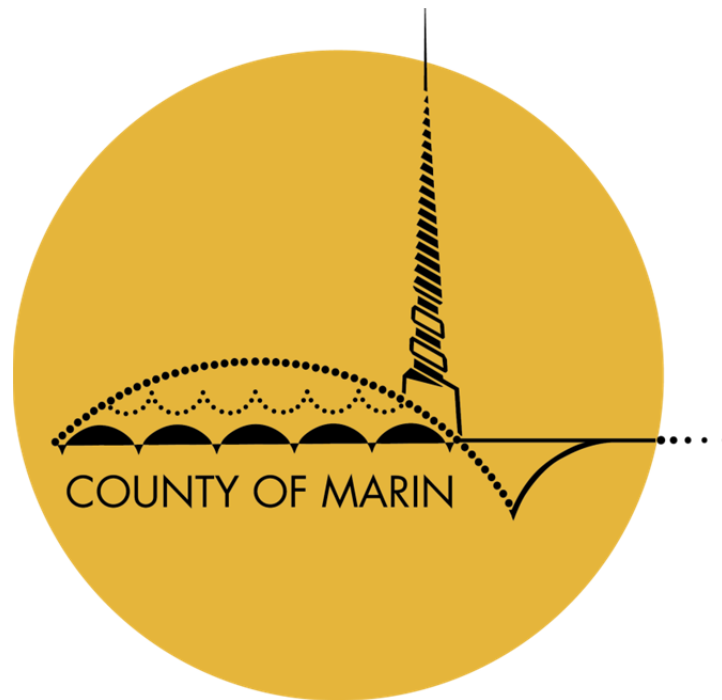




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**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**



**County of Marin  
Department of Finance**

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# COUNTY OF MARIN

## Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2012

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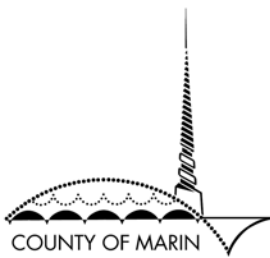


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## **INTRODUCTORY SECTION**

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## DEPARTMENT OF FINANCE

Excellent and responsive fiscal leadership.

Roy Given, CPA  
DIRECTOR

Cristine Alilovich  
ASSISTANT DIRECTOR

February 22, 2013

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The Honorable Members of the Board of Supervisors,  
Citizens of the County of Marin, California:

We are pleased to present the County of Marin's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. The County of Marin employees remain committed to reach and maintain the highest possible standards in financial reporting now and in the future.

This report was prepared by the County of Marin's Department of Finance in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP). Recommended guidelines by the Government Finance Officers Association (GFOA) of the United States and Canada were also followed.

California law requires that every local government publish a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2012.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. As the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Management asserts that, to the best of our knowledge, the information presented in this report is accurate in all material respects and presents fairly the financial position of the various funds and component units of the County of Marin, including all disclosures necessary to understand the County's activities.

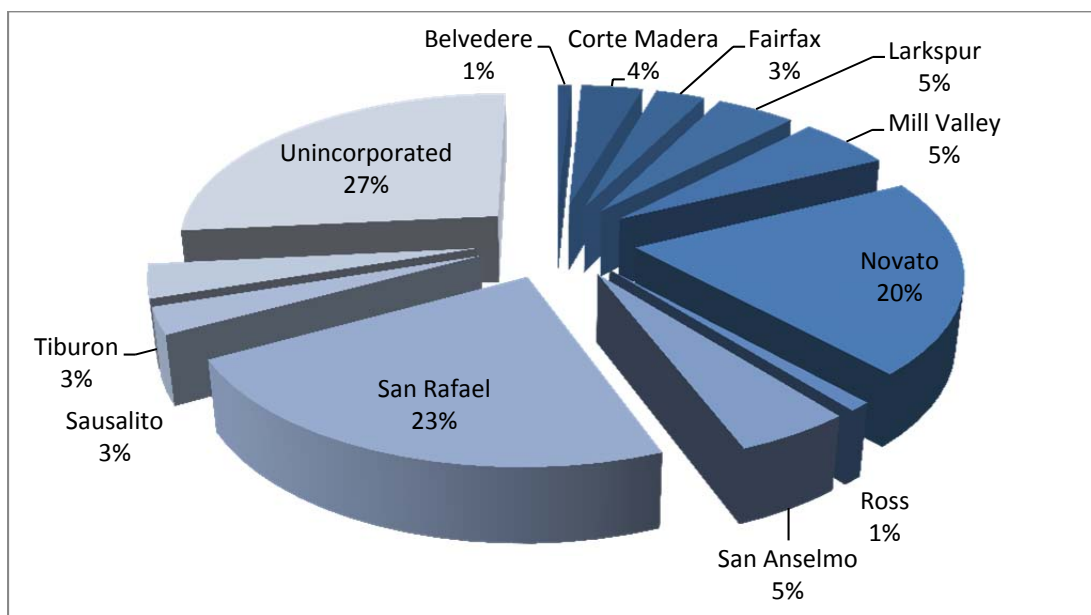
The County's financial statements have been audited by Gallina LLP, a registered public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2012 are fairly presented in conformity with GAAP, and are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor rendered an unqualified "clean" opinion on the County's financial statements for the fiscal year ended June 30, 2012. The independent auditor's report is presented in the first component of the financial section of this report.

The CAFR represents the culmination of all budgeting and accounting activities engaged in by management during the fiscal year. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A), which is presented after the independent auditor's report. This letter of transmittal is designed to complement the MD&A, and therefore should be read in conjunction with it.

## PROFILE OF THE GOVERNMENT

The County, one of the nine counties in the San Francisco-Oakland Bay Area, was established in 1850 as one of California's original 27 counties, following the adoption of the Constitution of 1849. The County of Marin currently occupies 520 square miles and contains 11 incorporated cities and towns: Belvedere, Corte Madera, Fairfax, Larkspur, Mill Valley, Novato, Ross, San Anselmo, San Rafael, Sausalito, and Tiburon. The County is linked to San Francisco by the Golden Gate Bridge to the South, Sonoma County to the North, San Pablo Bay and San Francisco Bay to the East, and the Pacific Ocean to the West. Most of the County's 254,790 residents live along the eastern side, with a string of communities running along the San Francisco Bay. The rural coastal corridor and inland valleys feature vast acreage of land in agricultural production, as well as open space for tourism and recreation. Some of the notable attractions that draw visitors to Marin County and its cities include the Golden Gate Bridge, the Marin Headlands, Mount Tamalpais, Muir Woods, and the Point Reyes National Seashore.

The County government functions as a local government body to serve the needs of its residents. As geographical and political subdivisions of the state, counties serve a dual role that differs from cities. The County provides a vast array of services for all residents. This includes social services, public health protection, housing programs, property appraisal and assessment, tax collection, criminal prosecution, elections, and public safety. The County also provides municipal services in the unincorporated areas and acts as administrative agents for state and federal government programs and services. As illustrated by the chart below, the unincorporated area, for which the County of Marin provides municipal services, represents 26.6% of the total County population. The rest of Marin County's residents receive services from one of the 11 different municipal governments within the County.



### California Department of Finance January 2012

As a general-law county, Marin County is bound by state law as to the number of duties of County elected officials. The County has five districts that are approximately equal in population with boundaries

adjusted every ten years following the latest United States census. Under California's Constitution and laws, the five members of the Marin County Board of Supervisors serve as the legislative and executive Board of Marin County. The members are elected by district based on the population, as required by state law, and are required to live in the district they represent. Supervisors are elected to four-year staggered terms. Supervisors also elect a President, Vice President, and Second Vice President annually amongst themselves. The Board adopts policies, establishes programs, appoints non-elected department heads, and adopts annual budgets for all County departments.

The Board also serves as the governing board for several special districts including the Open Space District, Flood Control District, Housing Authority, Transit District, and the former Redevelopment Agency. Each special district is distinct from the County and has separate roles, budgets, and staff. Supervisors also serve on regional agencies and as ex-officio members on the boards of county service districts. The County has three elected department heads: the Assessor-Recorder, District Attorney, and Sheriff-Coroner.

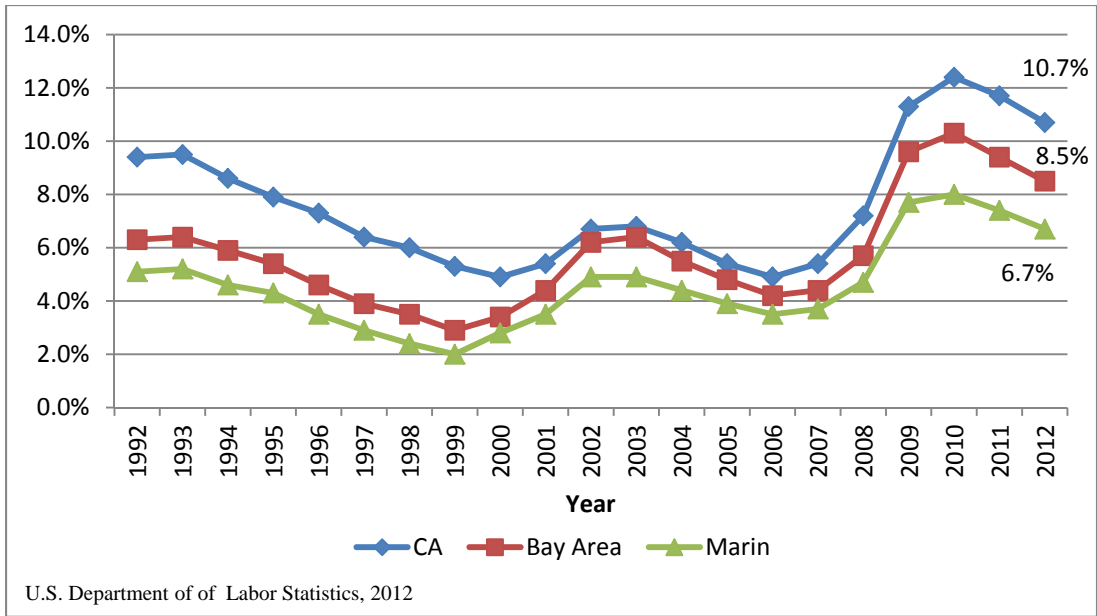
The County's principal functions include seven major areas: general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural services. The State and Federal government mandate certain minimum levels of health and public assistance services offered by the County.

## **FINANCIAL CONDITION**

The County is a political subdivision of the State of California and as such, its government is subject to State subventions and regulations. Therefore, the County's financial health is tied closely to the financial condition of the State government. California continues to experience a slow recovery combined with an on-going structural budget deficit. The State's 2012 Budget Act closes a \$15.7 billion budget gap and provides for a nearly \$1 billion reserve, building upon important reforms enacted in FY 2012 that resulted in significant policy changes impacting county operations,- namely public safety realignment and the dissolution of redevelopment agencies. The Governor's revenue plan allows the FY 2012 - 2013 State budget to reinvest in schools, protect public safety programs and lay the groundwork for a balanced budget for the first time in over a decade. However, continued deep spending reductions (the County receives roughly a third of its funding from State and Federal sources) and shift of some statewide program responsibilities to counties have significant, ongoing implications for the County.

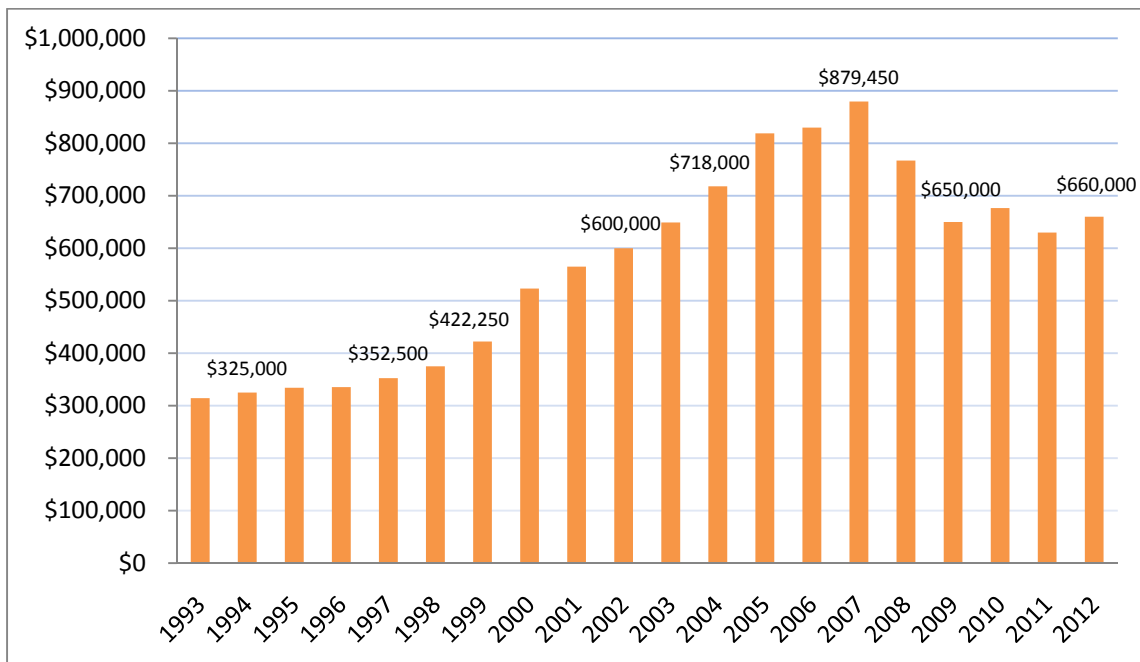
### Economic Indicators

Like other California counties, Marin County felt the ill effects of the latest economic recession, but on the whole, has fared relatively better than most of its counterparts. The local economy in 2012 continues to be in economic recovery after signs of stabilization appeared last year for the first time since the economic recession began in 2007. By June 30, 2012, the County's unemployment rate was 6.7% (not seasonally adjusted), a 1% decline from the previous year, and continues to be lower than the annual national average of 8.1%. The chart below illustrates Marin County's relatively low unemployment rate compared to the Bay Area and California from 1992 - 2012.



At the time of publication, Marin’s November 2012 unemployment rate had fallen to 5.8% - the lowest unemployment rate of all Counties in the State.

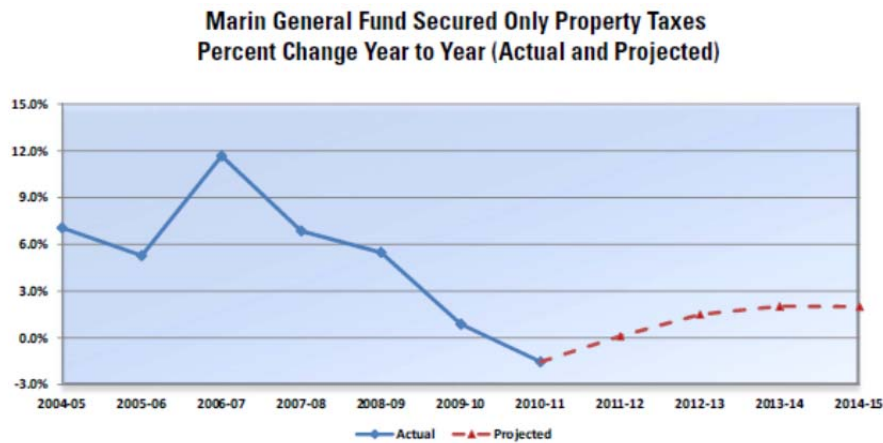
Given that property tax revenues make up the County’s largest source of revenues, the health of the local real estate market and the associated changes in property assessed values are key indicators of the financial outlook for the County. Overall, home prices within Marin County declined by 25% from the 2007 peak of \$879,450, whereas certain areas in California saw as much as a 50% drop in valuation. The chart below demonstrates that the median sale price for detached and attached single-family homes doubled from 1999 to 2007. However, as the chart also illustrates, housing prices have declined significantly since 2007.



## Marin County Assessor, 2012

### Property Tax Slowdown

The decline in the housing market continues to impact the County budget, as approximately one quarter of County revenues consist of property tax receipts – by far the County’s largest discretionary source of revenues. Before 2008, the County routinely experience 7-9% annual growth, which typically generated \$7 to \$10 million of discretionary revenue per year. In FY 2011, the County experienced a -1.8% (negative) property tax growth, the first instance of negative growth in property tax collections since voters approved Proposition 13 in 1978. In FY 2012, the County experienced a -0.7% (negative) property tax growth since the prior fiscal year. For fiscal year 2012-2013, growth is projected at 1%, and only 1.5% to 2.5% for the following four years. The chart below illustrates the decline in property taxes for Marin County. The red dashed line indicates projected slow to flat growth in property taxes. The reduced growth rate means that less money will be available to fund current and emerging service needs.



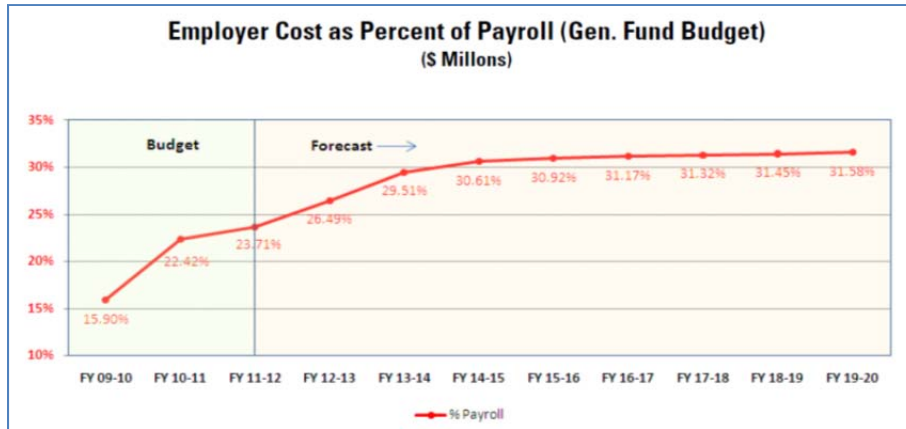
### Employee Benefits and Retiree Health

Regionally and nationwide, health care rates have grown considerably faster than core inflation, with the County’s insurance costs rising 10% to 12% annually over the last 12 years. More recently, the County has successfully worked with most of its unions and employee organizations to develop more affordable health plans that became effective January 2012.

In addition, the County has also worked with an actuary to reduce its required contribution for retiree health benefits with the establishment of a retiree health trust. While the County has been setting aside funds to pay retiree health expenses, this new trust structure will allow prudent investment of these funds in order to generate savings and lower the cost to taxpayers. The retiree health trust will reduce the County’s required contribution for retiree health benefits and ensure that the County will have the means to pay for its retiree health liabilities over the next 30 years.

### Pension costs

Increased pension costs continue to impact the County’s budget, as experienced across the nation, due to stock market losses of 2008-09. Although the County’s pension costs increased significantly in FY 2011, the County’s costs were relatively flat for FY 2012. As the graph below illustrates, the County will pay 10.3% of its General Fund toward employer pension costs in FY 2013 – or approximately \$38.9 million. Costs are anticipated to increase one more year into FY 2014, and then stabilize thereafter.



To address rising pension costs, the County has reached agreements with most of its bargaining units on a less costly 2% at 61.25 retirement plan tier for new non-safety employees, and 3% at 55 for safety employees, which will reduce County costs going forward for those employees. It should be noted that Marin County was one of the first counties to support Governor Brown's 12-point Plan for Pension Reform. In addition to support of state-wide comprehensive pension reform, the County is also exploring local legislative changes to control retirement costs. The FY 2012-13 budget sets aside one-time funds for an actuary to investigate a hybrid defined benefit/defined contribution plan for new employees.

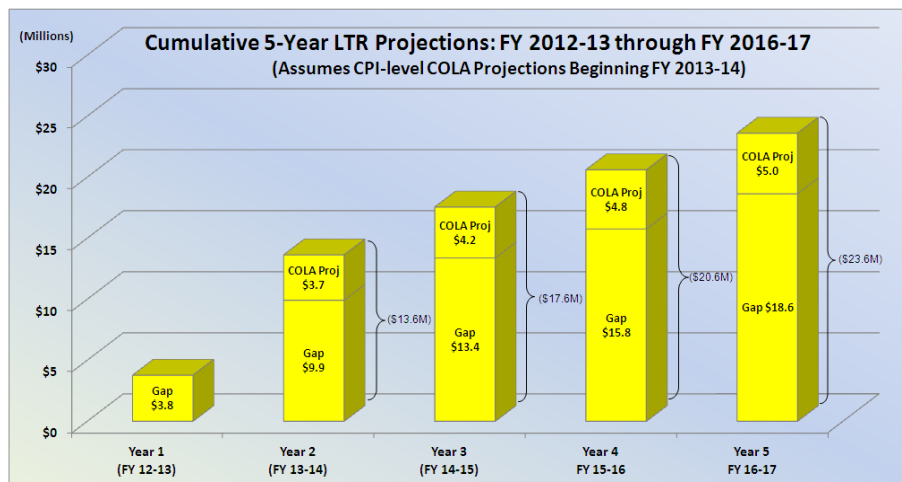
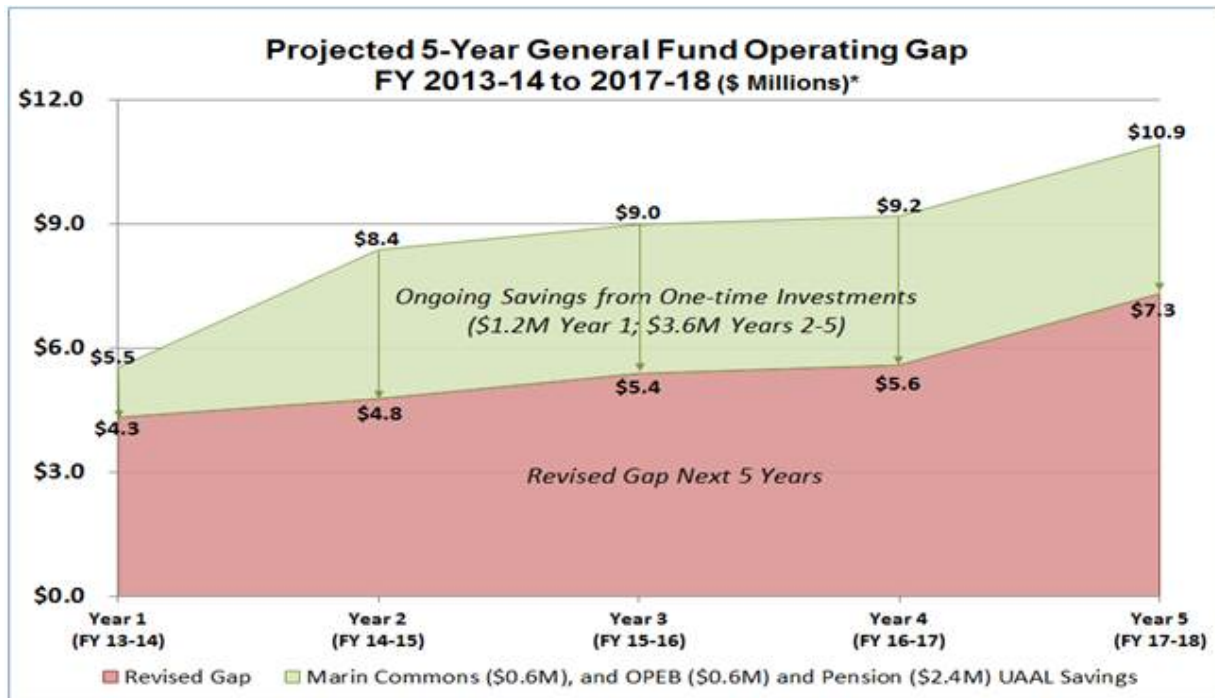
#### **LONG-TERM FINANCIAL PLANNING**

Looking ahead, projections indicate budget shortfalls for the next several years due to slower revenue growth and higher benefit costs. Like communities across the nation, the County is adapting to a new economic reality. The FY 2012 - 2013 budget reflects the County's fifth consecutive year of budget reductions in order to adapt.

#### Restructuring Plan

The chart below illustrates the County's projected cumulative five-year budget shortfall between expenditures and revenues beginning in FY 2013-14 of \$7.3 million. An improvement over the initial projection from FY 2009-10 of \$50 million which triggered the County's long-term restructuring efforts. The gap for the next five years would have been larger had it not been for the decision to make one-time investments (large payments made to pension and retiree health unfunded liabilities and development of private lessee revenue associated with the new Marin Commons facility) to reduce long term obligations in order to trim ongoing costs (represented by green area on the chart below). Increased employee benefit costs and slower property tax growth of 1% to 2.5% annually are known drivers of this gap. The projection below includes negotiated cost-of-living increases which are tied to the Consumer Price Index (CPI). A CPI adjustment of 2.0% beginning FY 2013-14 and thereafter is for planning purposes only, and do not indicate a commitment or ability to fund. The chart below does not account for State or Federal budget cuts, State-wide pension reform savings and assumes continued slow economic growth.





The County initiated a long-term restructuring process in January 2009 to help the County organization adapt to a new fiscal reality, characterized by increasing employee benefit and retiree health expenses, slowed property tax revenues, increased pension costs and reduced support from State and Federal government. The long-term restructuring plan serves to address the structural budget deficit the County is faced with in the coming years and help the County live within its means. This plan identifies key trends impacting the County's budget and establishes the initial framework to respond to these identified challenges. The plan is not a specific list of budget reductions to balance the County's projected shortfall, but rather is a policy guide to help the County adapt to changing conditions in a thoughtful and deliberate manner by offering a roadmap of guiding principles, future strategies, and policy options to address these long-term challenges. Below is a listing of these principles:

- Make budget adjustments consistent with vision of sustainability while continuing to ensure safe and healthy communities.
- Identify ongoing savings to reduce long-term costs.
- Explore opportunities for additional revenues to offset or augment program costs.

- Focus on priorities and make service tradeoffs based on community and organizational needs.
- Use results to inform decisions and continue providing high quality of service.
- Promote creative and innovative solutions.
- Provide fair and consistent process.
- Develop a variety of options and solutions at countywide, service area and departmental levels.
- Engage the public and employees in sharing information and finding solutions.
- Provide a supportive work environment for employees to adapt to continuously changing conditions.

Over the past several years, the County has made significant progress toward closing what had been projected to be a \$50 million deficit over a five-year period. Now entering into the fourth year of the County's five-year long-term restructuring plan, the County has reduced annual spending by over \$30 million. The County is also managing to avoid further cost increases by continuing to negotiate no salary increases, more cost-effective health plans and new retirement tiers for new hires. The plan will continue to be a guide as the County addresses its budget challenges over the next few years.

One of the most important responsibilities of government is to spend resources in a manner consistent with community values and with an eye toward future generations. Marin County has a tradition of prudent fiscal management as evidenced by having the highest bond rating among California counties. The County's financial strength is further indicated by its rating of 'AAA' and 'Aa1' from S&P and Moody's, respectively as of October 2010. That rating was again confirmed by another of the big three credit rating agencies, Fitch Ratings in May 2011. The financial challenges we now face call for an even greater effort to live within our means while continuing to achieve a high level of services to our residents. We know we cannot support the same level of services we currently provide. However, by planning ahead, we hope to minimize the impact of service reductions by addressing structural budget issues and improving our business practices to better adapt to diminishing resources.

## **COUNTY STRATEGIC PLAN**

Since 2001, the Board of Supervisors has used the County's Strategic Plan, A Blueprint for Excellence in Public Service, in directing the development and administration of the County organization. The Strategic Plan seeks to align County programs with guiding principles to provide excellent service to the Marin County community, as well as provide a foundation and direction to guide organizational development. The Strategic Plan expresses the County's commitment to build a sustainable community and to encourage the participation of all residents in their county governance. The Strategic Plan is organized into four major strategies: The Customer, The Employee, Communication, and Performance Management. In addition to these strategies, the Strategic Plan articulates desired outcomes and a series of actions to accomplish each strategy.

### Managing for Results

Performance management, one of the four strategies of the Strategic Plan, involves measuring the effectiveness of County programs in achieving community outcomes. In 2004, the County developed and implemented a program called Managing for Results (MFR). MFR is a tool that helps the County perform its duties effectively and efficiently by identifying the County's most important priorities, aligning departments and program activities to reflect those priorities, and using measures to track progress in accomplishing them.

### Countywide Goals and Objectives

As an initial step in implementing MFR, the Board of Supervisors approved a set of countywide goals in December 2004. The Countywide Goals reflect the internal goals from the Strategic Plan and identify the County's community and organizational priorities.

## **RELEVANT FINANCIAL POLICIES**

### Budget

The County is required by State law to adopt a final budget each year. This annual budget serves as the foundation for the County's financial planning and control. Budgets are adopted for all governmental funds. The County maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of the general and special revenue funds are included in the annually appropriated budget. The legal level of control for appropriations is exercised at the departmental fund level. Appropriations at this level may only be adjusted during the year with approval of the Board. The County Administrator may make adjustments at their discretion below that level. Such adjustments by the Board and the County Administrator are reflected in the revised budgetary data presented in the financial statements.

### Balanced Budget

The annual budget must balance resources with expenditure appropriations in accordance with California State Government Code §29009. The Board requires the County Administrator's Office, in coordination with the Department of Finance, to ensure that expenses are controlled in such a manner that department budgets are not expended above the levels that are appropriated in the annual budget or beyond that which the County has the funds to pay.

### Use of "One-Time" Funds

The Board expects that one-time revenues shall be dedicated for use as one-time expenditures. Annual budgets will not be increased to the point that ongoing operating costs become overly reliant on cyclical or unreliable one-time revenues. In the face of downturns in the economy or any significant state cuts in subventions for locally mandated services, the use of one-time sources of funds will only be used to ease the transition to downsized and/or reorganized organizations.

### Cost Recovery through Fees

Departments must utilize fees to recover costs where reasonable and after all cost-saving options have been explored. There must be statutory authority for the County to charge a fee and the fee must be approved by the Board of Supervisors, with the exception of those fees in which a statute mandates the imposition of the fee. If permissible by law, fees and charges will cover all costs of the services provided, unless otherwise directed by the Board. Programs financed by charges for services, fees, grants, and special revenue fund sources will pay their full and fair share of all direct and indirect costs to the extent feasible and legally permitted.

### Grants

As required by current Board policy, any new grant award that requires new County funds/matching requirements or other County commitments must be reviewed by the County Administrator. The County Administrator reviews and approves any proposed allocation of grant monies before departmental submission of the grant application to the granting agency.

### Cost Allocation

Countywide overhead costs are allocated to all County departments based upon the cost allocation and implementation plan developed annually by the Department of Finance.

### Funding of Contingency Reserves and Designations

For the General Fund, the County maintains a minimum of 5% of its operating budget in contingency or budget uncertainty reserves, consistent with best practices and the guidance of credit rating agencies. Contingency reserves may be used in future years to phase into fiscal distress periods in a planned, gradual manner, or to support costs on a one-time basis for the following purposes:

- Impacts of unanticipated reduction in state and/or federal grants and aid;
- Economic recession or depression and corresponding budget actions before the beginning of any one fiscal year;
- Impacts of a natural disaster;
- Unanticipated or unbudgeted lease expense that is necessary for the delivery of local services; or
- Unforeseen events that require the allocation of funds.

Other reserves may be used to designate one-time funds for anticipated events or requirements, or for significant capital projects to minimize debt service and issuance costs (“pay-as-you-go” capital spending).

## **AWARDS AND ACKNOWLEDGEMENTS**

### Awards

We are pleased that the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Marin for its Comprehensive Annual Financial Report (CAFR) for the prior fiscal year ended June 30, 2011. This was the first year the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

### Acknowledgements

The preparation of this Comprehensive Annual Financial report is made possible by the efficient and dedicated services of the Department of Finance staff. I would like to express my appreciation to my Accounting Division, the various County departments who assisted in the preparation of this report, and also acknowledge the efforts of our independent auditor, Gallina LLP.

Most importantly, I would like to thank the Board of Supervisors, the County Administrator’s Office, and the County departments and agencies for their continued efforts in planning and conducting the County’s financial operations in a responsible and progressive manner.

Sincerely,



Roy Given, CPA  
Director of Finance

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

County of Marin  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Moivell*

President

*Jeffrey R. Emer*

Executive Director

**COUNTY OF MARIN**  
**Elected and Appointed Public Officials**  
**June 30, 2012**

**ELECTED OFFICIALS**

Supervisor - First District	Susan L. Adams
Supervisor - Second District	Katie Rice
Supervisor - Third District	Kathrin Sears
Supervisor - Fourth District	Stephen H. Kinsey
Supervisor - Fifth District	Judy Arnold
Assessor-Recorder-County Clerk	Richard N. Benson
District Attorney	Edward S. Berberian, Jr.
Sheriff-Coroner	Robert T. Doyle

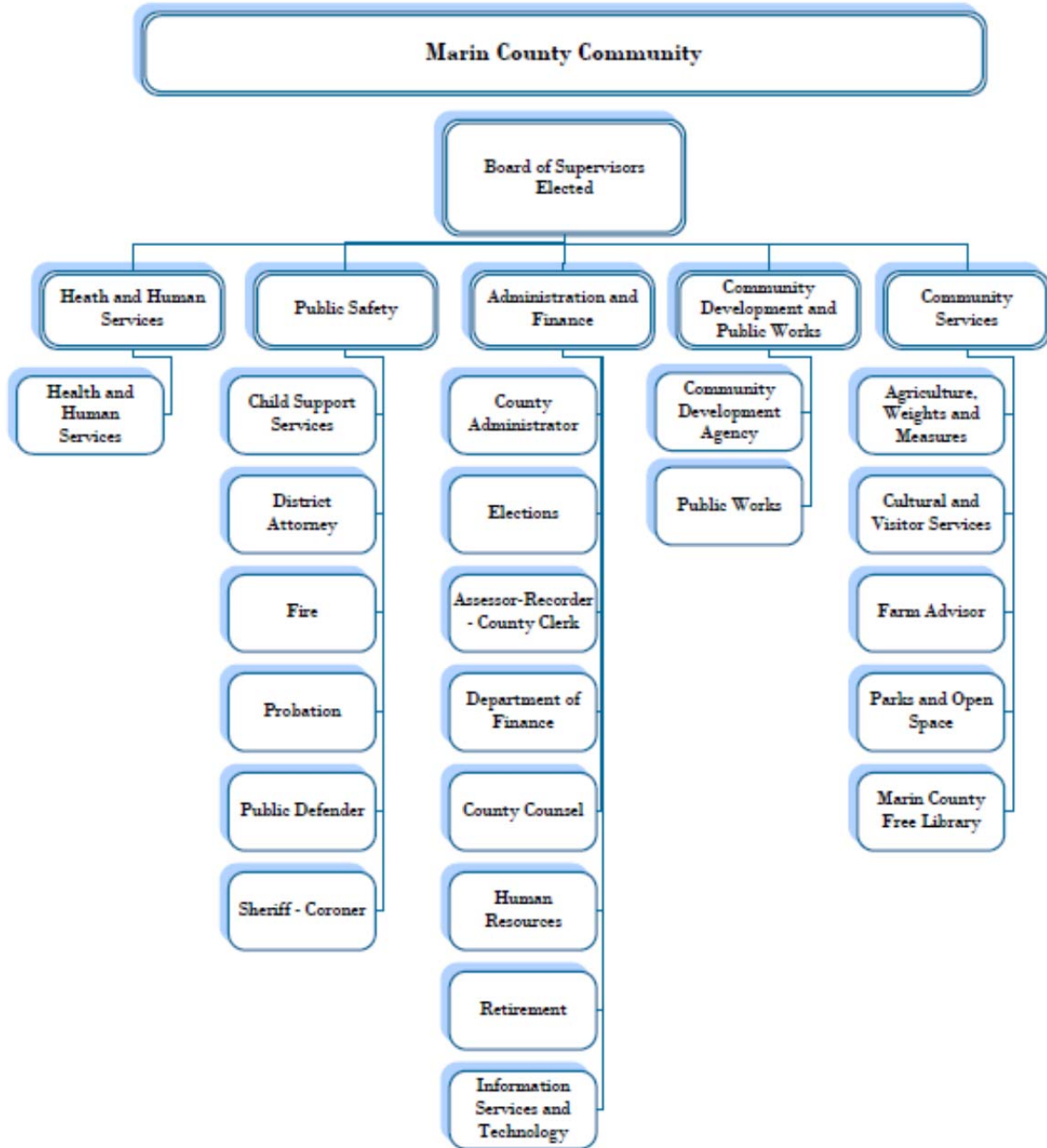
**APPOINTED OFFICIALS (by the Board of Supervisors)**

Administrator	Matthew Hymel
Agricultural Commissioner/Weights & Measures	Stacy K. Carlsen
Chief Probation Officer	Michael Daly
Child Support Services	Keith Pepper
Interim County Counsel	Jack F. Govi
Cultural Services	Jim Farley
Director of Community Development	Brian Crawford
Department of Finance	Roy Given, CPA
Director of Health & Human Services	Larry Meredith, Ph.D.
Director of Library Services	Gail Haar
Director of Parks, Open Space and Cultural Services	Linda Dahl
Director of Public Works	Bob Beaumont
Farm Advisor/U.C. Cooperative Extension	David Lewis
Fire Chief	Jason Weber
Public Defender	Jose H. Varela
Registrar of Voters	Elaine Ginnold
Retirement Administrator	Jeff Wickman

**APPOINTED OFFICIALS (by the County Administrator)**

Director of Human Resources	Joanne Peterson
Director of Information Services & Technology	Charlie Haase

**COUNTY OF MARIN**  
**Organizational Chart**  
 June 30, 2012



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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
 County of Marin  
 San Rafael, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Marin, California, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Marin County Redevelopment Agency, the Housing Authority of the County of Marin, and the Marin County Transit District, which represent the following percentages of assets and revenues/additions as of and for the fiscal year ended June 30, 2012:

Opinion Unit	Assets	Revenues/ Additions
Governmental Activities	0.00%	.56%
Business-Type Activities	81.45%	86.47%

Those financial statements were audited by other auditors whose report thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Marin County Redevelopment Agency, the Housing Authority of the County of Marin, and the Marin County Transit District is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Marin, California, as of June 30, 2012, and the respective changes in financial position and cash flows where applicable thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Board of Supervisors  
County of Marin  
San Rafael, California

In accordance with *Government Auditing Standards*, we have also issued our report under separate cover, dated February 22, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the other required supplementary 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.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the County of Marin's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have 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 them.



Roseville, California  
February 22, 2013

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

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# COUNTY OF MARIN, CALIFORNIA

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

This section presents management's analysis of the County of Marin's (the County) financial condition and activities as of and for the year ended June 30, 2012. Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the County's basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which immediately follow this section.

### I. FINANCIAL HIGHLIGHTS

#### **Government-wide financial analysis**

- At June 30, 2012, the assets of the County, \$1,981.1 million, exceeded its liabilities by \$1,547.5 million. Of this amount, \$56.8 million in unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors, \$183.1 million is restricted for functional programs with external constraint, debt service, and others; and \$1,307.5 million is invested in capital assets, net of related debt.
- The County's total net assets decreased by \$4 million, or 0.3%, during the current fiscal year. The decrease in net assets represents the degree to which expenses exceeded revenues.
- The County's program revenues covered expenses of the primary government and business activities except for \$208.5 million and \$7.9 million, respectively, or \$216.4 million in total. General revenues of the County totaled \$200.4 million. This, plus a current year extraordinary gain of \$9.4 million resulted in a net asset increase of \$1.3 million.
- Business-type activities posted net program losses of \$7.9 million before general revenues, contributions and transfers from other funds, primarily due to Transit District net program losses of \$3.4 million (as a result of greater increases in purchased transportation costs than corresponding revenues) and Housing Authority net program losses of \$3.8 million (as a result of \$1.5 million decrease in fees, fines, and charges for services and \$1.3 million decrease in operating grants and contributions). In the prior year, total business activities had net program losses of \$1.8 million.

#### **Capital assets and debt administration**

- The County's capital assets, net of accumulated depreciation, increased \$12.1 million to \$1,444.2 million. This increase was mainly due to a \$30 million land and building acquisition at 1600 Los Gamos Blvd in San Rafael, which is intended to serve as the County's new Emergency Operations Facility. In addition, there was a prior period adjustment of \$6.2 million, pertaining to the recognition of Open Space land and corresponding debt. These increases were offset by current year depreciation of \$25.8 million for existing capital assets, as well as minor acquisitions of new ones.
- The County's total outstanding balance on long-term debt (e.g. bonds, loans, certificates of participation, and capital leases) decreased \$14.1 million, primarily due to the transfer of the former Redevelopment Agency's \$10.7 million outstanding revenue bond balance to fiduciary funds on February 1, 2012 per the Dissolution Act, in addition to current year principal payments of \$5.7 million, offset by current year additions of \$2 million.

#### **Governmental funds financial analysis**

- At June 30, 2012, the County's governmental funds reported combined fund balances of \$395.3 million, reflecting a decrease of \$169 thousand compared to the prior fiscal year. Of this amount, approximately \$388.7 million of this total, or 98.3%, is either nonspendable or are for specific uses; and \$6.6 million, or 1.7%, is unassigned and available to meet the County's current and future uses.
- The total fund balance in the County's primary operating fund, the General Fund, at year-end was \$181.9 million. Approximately \$175.3 million is either nonspendable or are for specific uses. The remaining \$6.6 million, which approximates to 3.6% of the General Fund's total expenditures for the year, is available for appropriation.

# COUNTY OF MARIN, CALIFORNIA

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

### II. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

In addition to these basic financial statements, this report also includes the Required Supplementary Information on pages 71 – 78.

#### **Government-wide Financial Statements**

The Government-wide financial statements provide readers with a broad overview of County finances, in a manner similar to a private-sector business, using the full accrual basis of accounting as required by Governmental Accounting Standard Board (GASB) Statement No. 34.

The *Statement of Net Assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes, and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural services. The business-type activities of the County include the Housing Authority of the County of Marin, Marin County Transit District, Gross Airport, Marin Center Box Office, and Marin County Fair.

Pages 19 – 21 of this report display the government-wide financial statements.

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating the County's near-term financing requirements.

Because the governmental funds' focus is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.



# COUNTY OF MARIN, CALIFORNIA

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balances for the General Fund, the Miscellaneous Special Revenue fund, and the Miscellaneous Capital Projects fund, which are considered to be major funds. Data from the remaining other governmental funds are combined into a single, aggregated presentation.

A budgetary comparison schedule has been provided for the General Fund and the Miscellaneous Special Revenue Fund to demonstrate compliance with the budget and is located in the required supplementary section of the report.

Pages 23 – 26 of this report display the governmental funds financial statements.

**Proprietary funds** – The County maintains two different types of proprietary funds: enterprise and internal service funds. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for Housing Authority, County Fair, Marin Center Box Office and Promotions, Gness Airport, Marin.Org and Transit. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County's internal service fund accounts for internal insurance activities (workers' compensation). Since these services predominantly benefit governmental rather than business-type functions, they are consolidated within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Housing Authority, which is considered a major fund. Data for the other proprietary funds are combined into a single, aggregated presentation. The County has one internal service fund, presented in a single presentation in the governmental activities of the proprietary funds.

Pages 27 – 30 of this report display the proprietary funds financial statements.

**Fiduciary funds** account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. Fiduciary fund accounting is similar to proprietary fund accounting. Fiduciary funds report the external portions of the Treasurer's investment pool and agency funds.

Pages 31 – 32 of this report display the fiduciary fund's financial statements.

**Notes to the Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Pages 33 – 71 of this report display the notes to the financial statements.

**Required Supplementary Information** presents certain actuarial information concerning the County's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees. Budgetary comparison schedules for the major governmental funds are also included as supplementary information to demonstrate compliance with expenditure limits set by the governing board.

Pages 73 – 78 of this report display the Required Supplementary Information.

Combining and individual fund statements and schedules referred to earlier provide information for nonmajor governmental funds, enterprise, internal service and fiduciary funds and are presented immediately following the required supplementary information.

Pages 79 – 159 of this report display the combining and individual fund statements and schedules.

# COUNTY OF MARIN, CALIFORNIA

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$1,547.5 million as of June 30, 2012. Further detail is provided in the table below.

#### Condensed Statement of Net Assets (in thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2012	2011	2012	2011	2012	2011	Dollar Change	Percent Change
<b>Assets:</b>								
Current and other assets	\$ 512,743	\$ 520,644	\$ 24,216	\$ 27,740	\$ 536,959	\$ 548,384	\$ (11,425)	-2.1%
Capital assets, net	1,408,713	1,397,402	35,468	34,660	1,444,181	1,432,062	12,119	0.8%
Total assets	<u>1,921,456</u>	<u>1,918,046</u>	<u>59,684</u>	<u>62,400</u>	<u>1,981,140</u>	<u>1,980,446</u>	<u>694</u>	<u>0.0%</u>
<b>Liabilities:</b>								
Current and other liabilities	48,011	47,230	7,753	5,547	55,764	52,777	2,987	5.7%
Noncurrent liabilities	373,723	370,810	4,187	5,421	377,910	376,231	1,679	0.4%
Total liabilities	<u>421,734</u>	<u>418,040</u>	<u>11,940</u>	<u>10,968</u>	<u>433,674</u>	<u>429,008</u>	<u>4,666</u>	<u>1.1%</u>
<b>Net Assets:</b>								
Invested in capital assets, net	1,276,775	1,313,949	30,730	28,317	1,307,505	1,342,266	(34,761)	-2.6%
Restricted	174,042	173,980	9,072	9,403	183,114	183,383	(269)	-0.1%
Unrestricted	48,905	12,077	7,942	13,712	56,847	25,789	31,058	120.4%
Total net assets	<u>\$ 1,499,722</u>	<u>\$ 1,500,006</u>	<u>\$ 47,744</u>	<u>\$ 51,432</u>	<u>\$ 1,547,466</u>	<u>\$ 1,551,438</u>	<u>\$ (3,972)</u>	<u>-0.3%</u>

#### Governmental Activities

**Total assets** for the governmental activities increased by \$3.4 million, or 0.2%, from the prior fiscal year. The overall current year asset increase was attributable to the following:

- Due from other agencies receivable decreased \$3.4 million in the current fiscal year, primarily due to an overall decrease in operating grants and contributions as compared to the prior fiscal year.
- Net pension asset decreased by \$4.7 million in the current fiscal year due to current year amortization of \$4.7 million.
- Capital assets, net of accumulated depreciation, increased \$12.1 million in the current fiscal year, which was primarily due to a \$30 million land and building acquisition at 1600 Los Gamos Blvd. in San Rafael, which is intended to serve as the County's new Emergency Operations Facility. In addition, there was a \$6.2 million increase due to a prior period adjustment pertaining to the current year recognition of Open Space land and corresponding debt. These increases were offset by current year depreciation of \$25.8 million, plus minor acquisitions of new assets.

**Total liabilities** from governmental activities increased \$3.7 million, or 0.9% from the prior fiscal year, primarily due to a \$3.5 million increase in accrued salaries and benefits payable, as the number of days subject to accrual increased from 5 days in the prior fiscal year to 7 days in the current fiscal year.

#### Business-type Activities

**Total assets** from the business-type activities decreased by \$2.7 million, or 4.4%, from the prior fiscal year. Significant changes are as follows:

- \$1.5 million decrease in Housing Authority cash and investments, specifically: \$700 thousand decrease in demand deposits with WestAmerica Bank, \$90 thousand decrease in demand deposits held by EAH Housing Inc. on behalf of the Authority, and a \$664 thousand decrease in Local Agency Investment Fund (LAIF) investments.

# COUNTY OF MARIN, CALIFORNIA

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

- \$1.1 million decrease in Housing Authority accounts receivable, mostly attributable to current year payments received from the California Housing Authority Risk Management Agency.

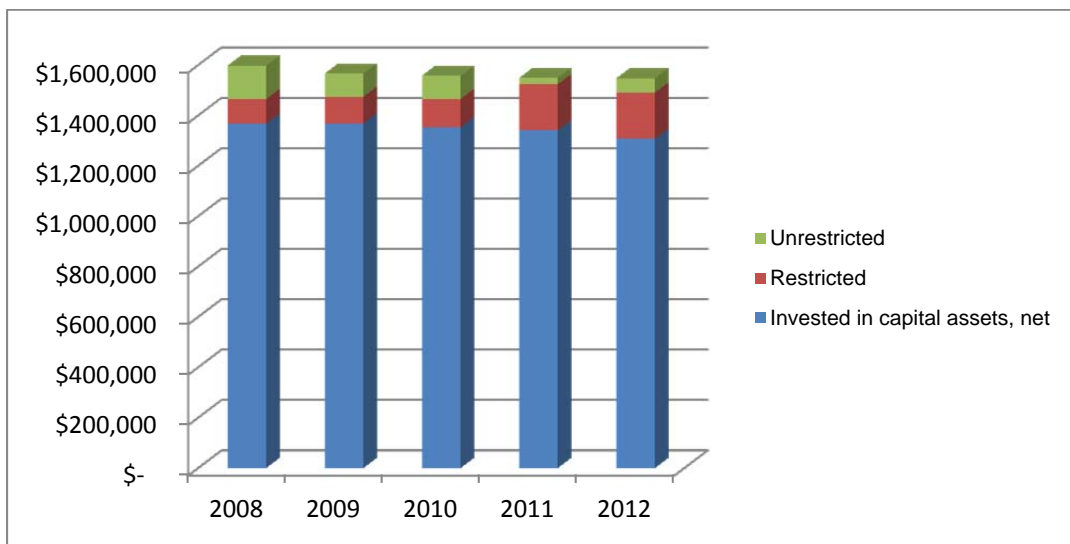
**Total liabilities** from business-type activities increased by \$972 thousand, or 8.9%, from the prior fiscal year. The significant change was primarily attributable to a \$876 thousand increase in Housing Authority deferred revenues, primarily due to current year program income received in excess of program expenditures for the Tiburon Affordable Housing Loan program in the amount of \$864 thousand.

### Analysis of Net Assets

The County's net assets overall decreased by \$4 million, or 0.3%, during the current fiscal year, compared to a decrease of \$11.1 million, or 0.6%, in the prior fiscal year. The County's total net assets from governmental and business-type activities can be divided into three portions: invested in capital assets less any related debt, restricted net assets, and unrestricted net assets.

- **Invested in capital assets, net of related debt** – The County's investments in capital assets (e.g. land, buildings, roads, bridges, flood control channels and debris basins, machinery, and equipment), less outstanding debt used to acquire those assets, is the largest portion of the County's net assets (\$1,307.5 million or 84.5%) of the County's net assets of \$1,547.5 million. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- **Restricted Net Assets** – Approximately \$183.1 million, or 11.8% of the County's net assets, represents resources that are subject to external restrictions on how they may be used. Restricted net assets are restricted to funds reserved for special purposes, legislation, and other outside sources. These restricted net assets decreased by \$269 thousand, or 0.2%, compared to prior year.
- **Unrestricted Net Assets** – 3.7% of the County's net assets, or \$56.8 million, represents funds which may be used to meet the County's ongoing obligations to citizens and creditors.

**Figure 1 – Net Assets  
(in thousands)**



# COUNTY OF MARIN, CALIFORNIA

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

The following table presents the revenues, expenses, and changes in net assets for governmental and business-type activities for the current and prior fiscal years:

### Statement of Activities (in thousands)

	2012	2011	2012	2011	2012	2011	Dollar Change	% Change
<b>Revenues:</b>								
Program revenues:								
Fees, fines, and charges for services	\$ 81,087	\$ 82,743	\$ 12,878	\$ 18,070	\$ 93,965	\$ 100,813	\$ (6,848)	-6.8%
Operating grants and contributions	169,408	167,333	49,918	50,103	219,326	217,436	1,890	0.9%
Capital grants and contributions	2,135	15,331	3,604	1,628	5,739	16,959	(11,220)	-66.2%
Program revenues subtotal:	<u>252,630</u>	<u>265,407</u>	<u>66,400</u>	<u>69,801</u>	<u>319,030</u>	<u>335,208</u>	<u>(16,178)</u>	<u>-4.8%</u>
General revenues:								
Property taxes	183,586	181,655	3,169	3,141	186,755	184,796	1,959	1.1%
Sales and use taxes	3,785	3,843	-	-	3,785	3,843	(58)	-1.5%
Other taxes	4,398	3,596	-	-	4,398	3,596	802	22.3%
Interest and investment earnings	2,956	4,785	289	41	3,245	4,826	(1,581)	-32.8%
Related party contribution	-	-	400	-	400	-	400	100.0%
Tobacco settlement revenues	2,243	2,200	-	-	2,243	2,200	43	2.0%
Other revenue	3,389	2,036	2,764	-	6,153	2,036	4,117	202.2%
General revenues subtotal:	<u>200,357</u>	<u>198,115</u>	<u>6,622</u>	<u>3,182</u>	<u>206,979</u>	<u>201,297</u>	<u>5,682</u>	<u>2.8%</u>
Total revenues	<u>452,987</u>	<u>463,522</u>	<u>73,022</u>	<u>72,983</u>	<u>526,009</u>	<u>536,505</u>	<u>(10,496)</u>	<u>-2.0%</u>
<b>Expenses:</b>								
General government	77,173	78,212	-	-	77,173	78,212	(1,039)	-1.3%
Public protection	158,130	160,691	-	-	158,130	160,691	(2,561)	-1.6%
Public ways and facilities	26,208	33,947	-	-	26,208	33,947	(7,739)	-22.8%
Health and sanitation	89,242	87,683	-	-	89,242	87,683	1,559	1.8%
Public assistance	68,794	73,445	-	-	68,794	73,445	(4,651)	-6.3%
Education	13,348	13,416	-	-	13,348	13,416	(68)	-0.5%
Recreation and cultural services	16,191	16,855	-	-	16,191	16,855	(664)	-3.9%
Interest on long-term debt	12,018	11,751	-	-	12,018	11,751	267	2.3%
Housing Authority	-	-	41,825	39,404	41,825	39,404	2,421	6.1%
Marin County Transit District	-	-	26,144	24,297	26,144	24,297	1,847	7.6%
Gross Airport	-	-	775	913	775	913	(138)	-15.1%
Marin County Fair	-	-	3,628	2,159	3,628	2,159	1,469	68.0%
Marin Center Box Office	-	-	-	3,787	-	3,787	(3,787)	-100.0%
Marin.Org	-	-	1,202	1,049	1,202	1,049	153	14.6%
Marin Commons Property Management	-	-	727	-	727	-	727	100.0%
Management	-	-	-	-	-	-	-	-
Total expenses	<u>461,104</u>	<u>476,000</u>	<u>74,301</u>	<u>71,609</u>	<u>535,405</u>	<u>547,609</u>	<u>(12,204)</u>	<u>-2.2%</u>
Change in net assets before transfers and extraordinary item	(8,117)	(12,478)	(1,279)	1,374	(9,396)	(11,104)	1,708	-15.4%
Transfers, net	20	86	(20)	(86)	-	-	-	0.0%
Change in net assets before extraordinary item	(8,097)	(12,392)	(1,299)	1,288	(9,396)	(11,104)	1,708	-15.4%
Extraordinary item	9,400	-	-	-	9,400	-	9,400	100.0%
Change in net assets	1,303	(12,392)	(1,299)	1,288	(11,089)	(11)	(11,078)	100709.1%
Net assets, beginning	1,497,062	1,507,525	51,432	49,854	1,548,494	1,557,379	(8,885)	-0.6%
Prior period adjustment	1,356	1,929	(2,389)	290	(1,033)	2,219	(3,252)	-146.6%
Net assets, beginning as restated	<u>1,498,418</u>	<u>1,509,454</u>	<u>49,043</u>	<u>50,144</u>	<u>1,547,461</u>	<u>1,559,598</u>	<u>(12,137)</u>	<u>-0.8%</u>
Net assets, ending	<u>\$ 1,499,721</u>	<u>\$ 1,497,062</u>	<u>\$ 47,744</u>	<u>\$ 51,432</u>	<u>\$ 1,547,465</u>	<u>\$ 1,548,494</u>	<u>\$ (1,029)</u>	<u>-0.1%</u>

### **Analysis of Governmental Activities:**

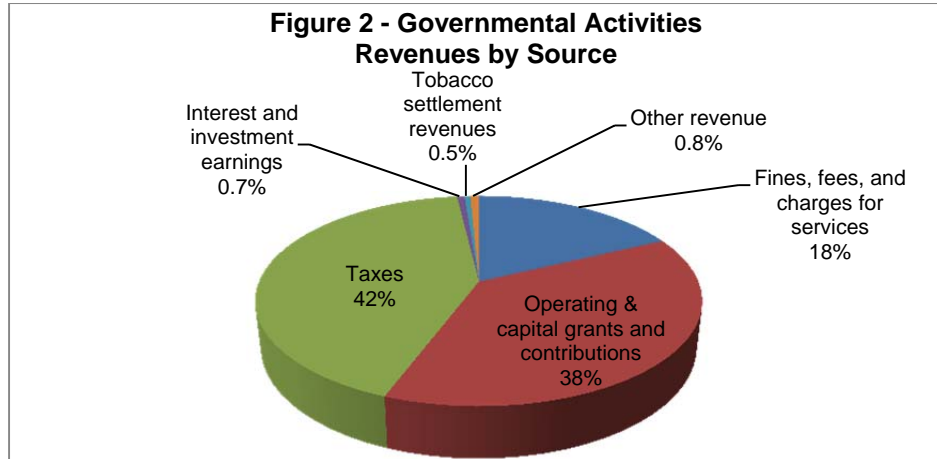
Governmental activities increased the County's net assets by \$2.7 million (which includes a prior period adjustment of \$1.4 million). The net increase was due primarily to decreased revenue in capital grants and contributions, offset by current year extraordinary gain on the dissolution of the former Redevelopment Agency. Corresponding decreases in expenses for public ways and facilities and public assistance programs further mitigated the effects reduced County revenues.

# COUNTY OF MARIN, CALIFORNIA

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

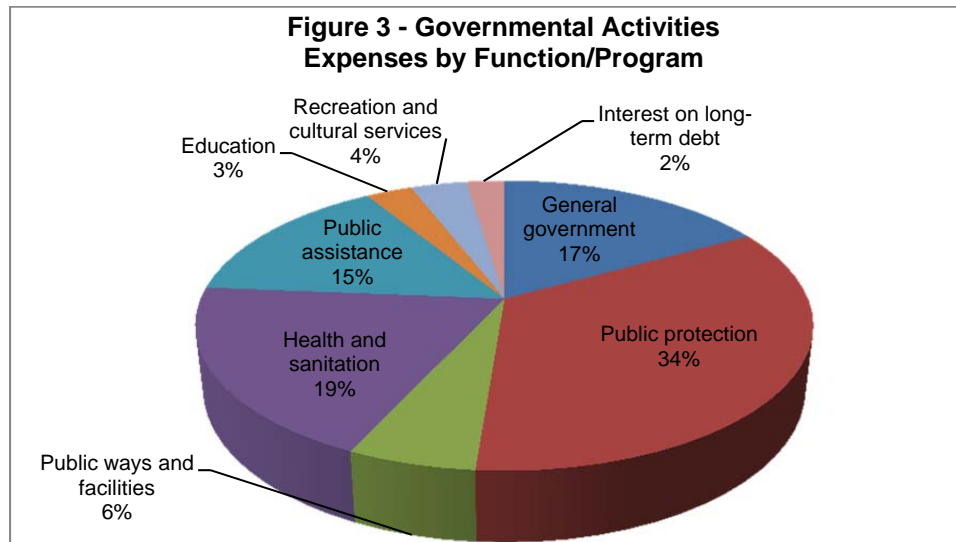
Key elements of the decrease in revenue for governmental activities are as follows:

- Operating and capital grants and contributions decreased by \$11.1 million, or 6.1%, from the prior fiscal year. The decrease was largely attributable to two significant grant programs: Temporary Assistance for Needy Families ARRA block grant, which provided \$6.8 million in federal funding, was discontinued in FY 2012. Furthermore, in FY 2011, the County's Cal Park Tunnel project was completed, which had previously contributed \$7.9 million in local grant funding to the County in FY 2011.



Key elements of the decreases in expenses for governmental activities are as follows:

- Public ways and facilities decreased \$9.3 million, or 28.3%, from the prior fiscal year. A majority of the decrease was due to the County's Cal Park Tunnel project, which was completed in FY 2011. The grant project incurred approximately \$7.9 million in public ways and facilities services in FY 2011, which are no longer present in FY 2012.
- Public assistance decreased \$5.8 million, or 7.9%, from the prior fiscal year, primarily resulting from a \$6.8 million reduction in services pertaining to the federal Temporary Assistance for Needy Families ARRA block grant, which ended in FY 2011.



# COUNTY OF MARIN, CALIFORNIA

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

Extraordinary gain increased by \$9.4 million, or 100%, from the prior fiscal year. In accordance with the decision of the California Supreme Court on December 29, 2011, all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. Prior to that date, the final seven months of activity of the former Agency was reported in the governmental funds and governmental activities of the City. After the date of dissolution, the assets, liabilities, and activities of the former Agency were reported in the Successor Agency to the County of Marin Redevelopment Agency (Successor Agency). The dissolution of all redevelopment agencies in the State of California qualifies as an extraordinary item, since this state-wide dissolution was both unusual in nature and infrequent in occurrence. Accordingly, the movement of the assets in excess of its liabilities of the former Agency as of February 1, 2012 from governmental funds of the County to Successor Agency was recorded as an extraordinary gain in the government-wide financial statements of \$9.4 million.

### **Analysis of Business-type Activities:**

Business-type activities decreased the County's net assets by \$3.7 million, compared to a prior year decrease in net assets of \$1.6 million. This decrease was primarily attributable to a current year prior period adjustment of \$2.4 million. Approximately \$1.4 million of this prior period adjustment was due to a current year reclassification of a fund from proprietary fund type to agency fund type. The remaining \$1 million component of the current year prior period adjustment pertains to the Housing Authority's removal of several component units from its reporting entity.

### **III. FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS**

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **Governmental Funds**

The general government's functions are reported in the general, special revenue, debt service, and capital project funds. Included in these funds are various special districts governed by the Board that are blended into nonmajor governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's current funding requirements. In particular, unassigned fund balance at the end of the fiscal year can serve as a useful measure of the County's net resources available for spending.

At June 30, 2012, the County's governmental funds reported total assets of \$418.2 million, total liabilities of \$22.9 million, and combined fund balance of \$395.3 million. Current year governmental fund balance of \$395.3 million reflects a \$1.8 million decrease from the prior year fund balance.

The **General Fund** is the main operating fund of the County. At June 30, 2012, total fund balance decreased by \$11.5 million, or 6%, to \$181.9 million. Of this total, \$3.9 million is not in spendable form, but rather held as prepaid expenses, inventory and advances. The remaining \$177.9 million of fund balance is in spendable form; however, \$12.1 million is in restricted fund balance, \$114.6 million of fund balance is committed, and \$44.6 million of fund balance is assigned. These fund balance categories may only be appropriated for expenditures that meet the specific level of constraint required by each category of fund balance. Only \$6.6 million of the total fund balance is unassigned, and therefore available to be appropriated without constraint.

The **Health and Sanitation Fund's** total fund balance increased \$1.3 million to \$30.4 million as of June 30, 2012. Of this amount, 100.0% is restricted to fund various grant program expenditures, such as health, mental health, and social services realignment, health studies, and adult vaccinations.

The **Miscellaneous Capital Projects Fund's** total fund balance increased \$504 thousand to \$59.5 million as of June 30, 2012. Of this amount, \$1 million, or 1.7% is nonspendable, \$39.7 million, or 66.7% is restricted to comply with the requirements stated in the debt instruments, particularly the 2010 Certificate of Participation, and \$4.7 thousand, or 0.01%, is committed. The remaining \$18.8 million, or 31.6%, is assigned to fund various capital projects.

# COUNTY OF MARIN, CALIFORNIA

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012

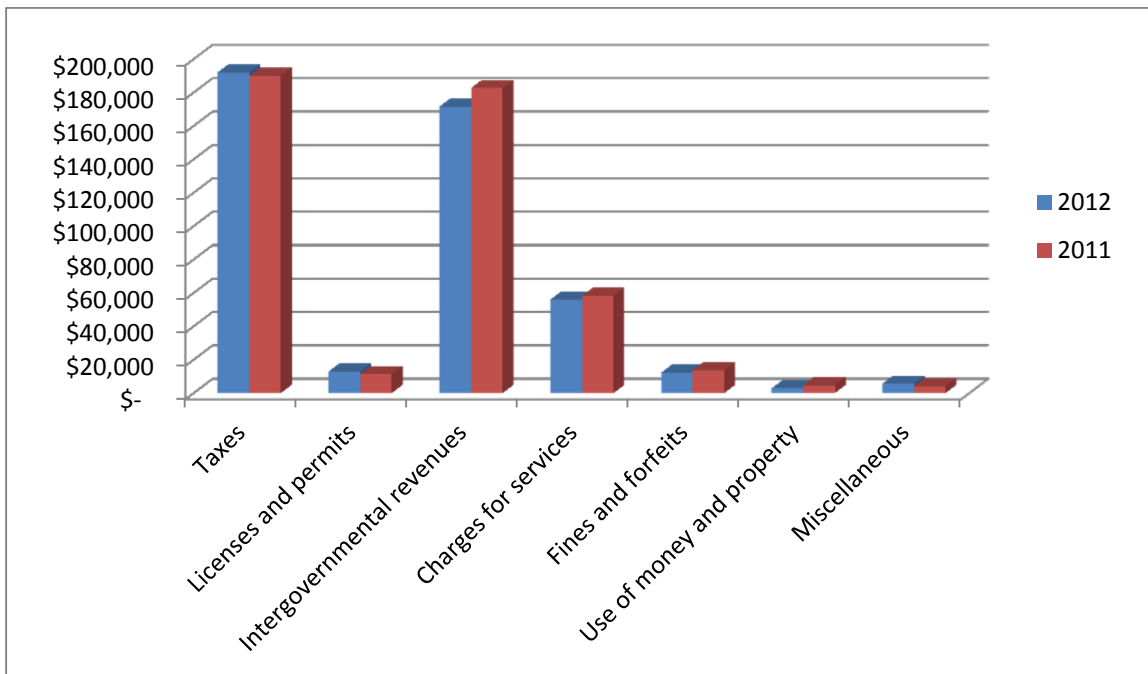
## Revenue

The following table presents revenue, in thousands, from specific sources as well as changes from the prior year. Further details are provided in Figures 4 and 5.

**Revenues Classified by Source  
Governmental Funds  
Fund Financial Statements  
For the Year Ended June 30, 2012  
(in thousands)**

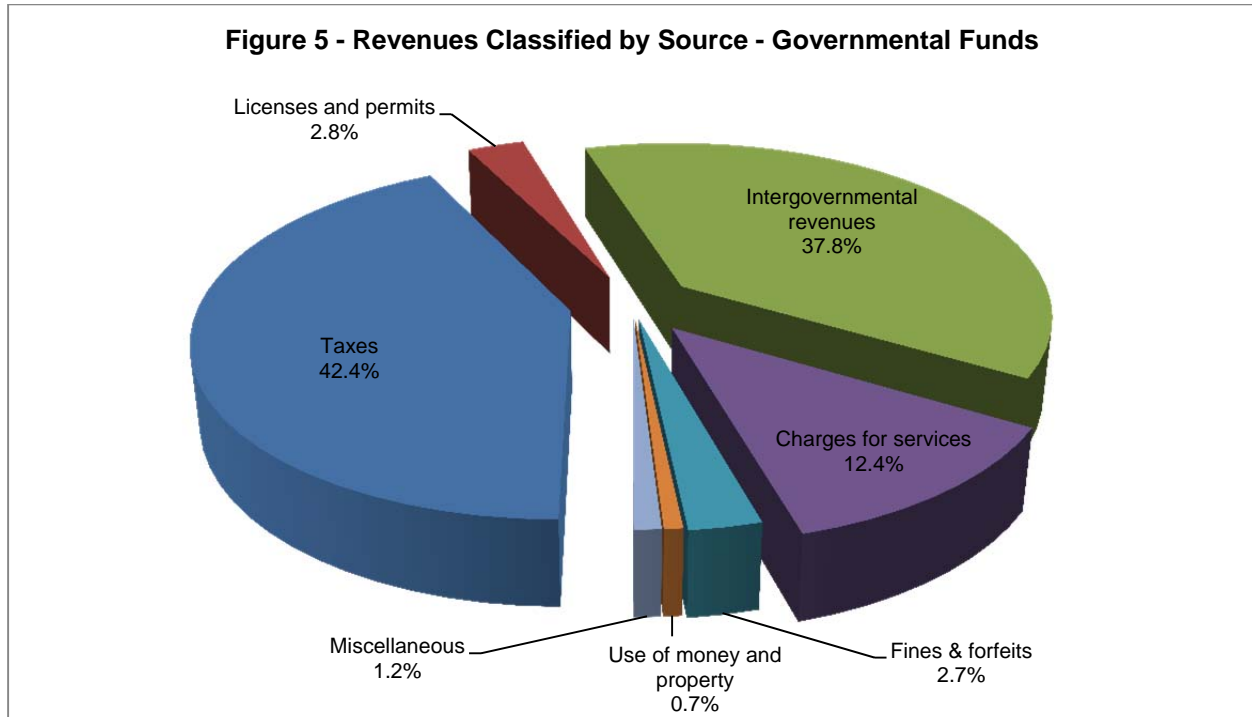
	FY 2012		FY 2011		Change	
	Amount	% of total	Amount	% of total	Amount	% of total
Taxes	\$ 192,014	42.4%	\$ 189,886	40.8%	\$ 2,128	1.1%
Licenses and permits	12,884	2.8%	11,395	2.5%	1,489	13.1%
Intergovernmental revenue	171,543	37.8%	182,664	39.3%	(11,121)	-6.1%
Charges for services	55,986	12.4%	58,234	12.5%	(2,248)	-3.9%
Fines and forfeits	12,217	2.7%	13,767	3.0%	(1,550)	-11.3%
Use of money and property	2,956	0.7%	4,785	1.0%	(1,829)	-38.2%
Miscellaneous	5,632	1.2%	4,181	0.9%	1,451	34.7%
<b>Total Revenues</b>	<b>\$ 453,232</b>	<b>100.0%</b>	<b>\$ 464,912</b>	<b>100.0%</b>	<b>\$ (11,680)</b>	<b>-2.5%</b>

**Figure 4 – Two Year Comparison of Governmental Fund Revenues  
(in thousands)**



# COUNTY OF MARIN, CALIFORNIA

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012



Significant changes in the governmental funds revenue sources are summarized as follows:

- Licenses and permits increased by \$1.5 million, or 13.1% from the prior fiscal year. Approximately \$920 thousand of this increase took place in the general fund, primarily due to a \$501 thousand increase in development review fees, attributable to a current year increase in individual applications. Additionally, there was a \$352 thousand increase in food permits, pertaining to a new Environmental Health Services fee ordinance authorized by the Board in the current year. The fee ordinance applied an additional \$10 technology fee per permit in order to maintain a new software system implemented by the County Development Agency.
- Intergovernmental revenue decreased by \$11.1 million, or 6.1% from the prior fiscal year. This decrease was due to decreases in grants and contributions received from external governmental entities, primarily from the Department of Transportation for the County's Cal Park Hill Tunnel project, which was completed in fiscal year 2011.
- Fines and forfeits decreased by \$1.6 million, or 11.3%, from the prior fiscal year. The decrease is primarily due to the current year increase in collectability of property taxes.
- Use of money and property decreased by \$1.8 million, or 38.3% from the prior fiscal year. This decrease is due to a sustained reduction in interest rates earned on investment options.
- Miscellaneous increased \$1.5 million, or 34.7%, from the prior fiscal year. The increase was primarily due to the August 2012 sale of Gateway Retail Plaza Shopping Center, to which the former Marin County Redevelopment Agency received 50% of net sale proceeds and excess proceeds amounting to \$1.5 million, from the Marin City Community Land Corporation, pursuant to an Agency-CLC Agreement dated July 2003.



# COUNTY OF MARIN, CALIFORNIA

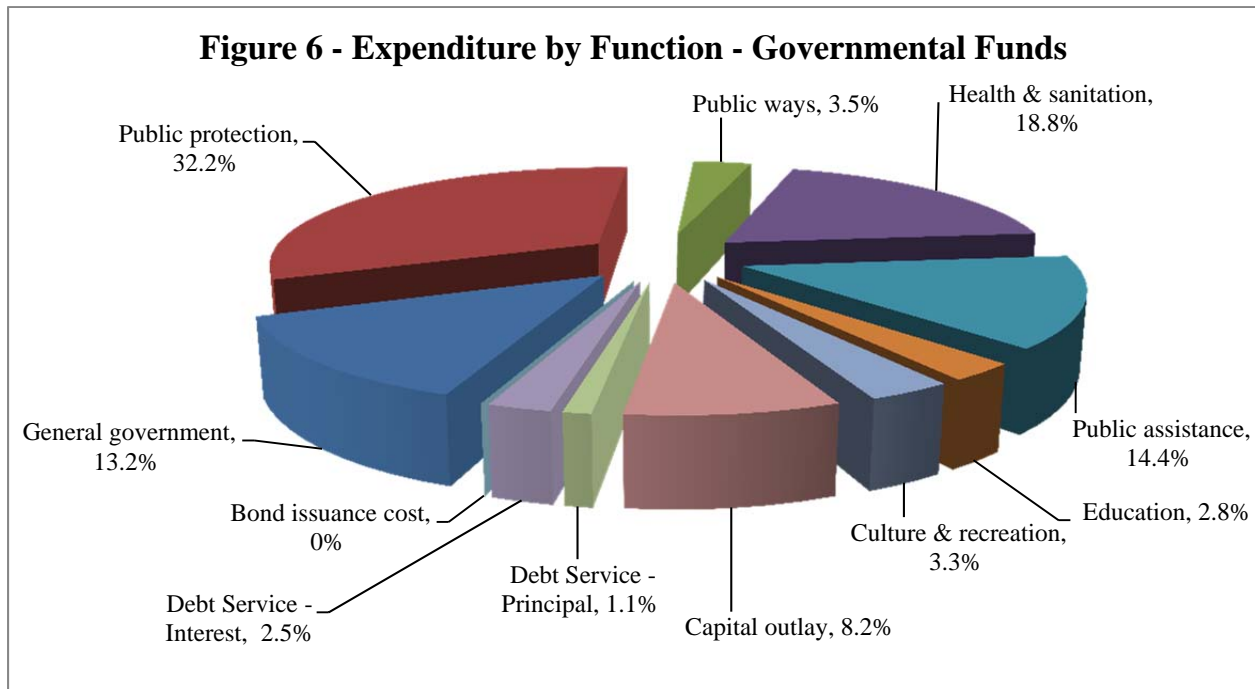
## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

### Expenditures:

The following table presents expenditures from specific sources as well as changes from the prior year in the governmental funds. Further detail is depicted in Figure 6.

### Expenditures by Function Including Capital Outlay Governmental Funds Fund Financial Statements For the Year Ended June 30, 2012 (in thousands)

	FY 2012		FY 2011		Change	
	Amount	% of total	Amount	% of total	Amount	% of total
Current:						
General government	\$ 60,063	13.2%	\$ 59,576	13.5%	\$ 487	0.8%
Public protection	147,075	32.2%	154,993	33.9%	(7,918)	-5.1%
Public ways & facilities	16,039	3.5%	23,885	5.2%	(7,846)	-32.8%
Health & sanitation	85,864	18.8%	85,285	18.7%	579	0.7%
Public assistance	65,988	14.4%	67,638	14.8%	(1,650)	-2.4%
Education	12,677	2.8%	12,898	2.8%	(221)	-1.7%
Culture and recreation	15,105	3.3%	15,870	3.5%	(765)	-4.8%
Capital outlay	37,594	8.2%	5,575	1.2%	32,019	574.33%
Debt service:						
Principal	5,129	1.1%	5,259	1.1%	(130)	-2.47%
Interest	11,261	2.5%	10,590	2.3%	671	6.34%
Bond issuance cost	-	0.0%	1,061	0.2%	(1,061)	100.0%
<b>Total Expenditures</b>	<b>\$ 456,795</b>	<b>100.0%</b>	<b>\$ 442,630</b>	<b>97.3%</b>	<b>\$ 14,165</b>	<b>3.2%</b>



# COUNTY OF MARIN, CALIFORNIA

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

Significant changes in the governmental funds expenditures are summarized as follows:

- Public protection expenditures decreased \$7.9 million, or 5.1% from the prior fiscal year, primarily due to a reduction in payroll costs, due to voluntary separation program, retirements, and hiring freeze.
- Public ways and facilities expenditures decreased \$7.8 million, or 32.8%, from the prior fiscal year, primarily due to an overall scale down in grant funded projects, most notably from the County's Cal Park Hill Tunnel project, which was completed in fiscal year 2011.
- Capital outlay expenditures increased by \$32 million, or 574.33% from the prior fiscal year. This increase was primarily due to a \$30 million land and building acquisition at 1600 Los Gamos Blvd. in San Rafael, which is intended to serve as the County's new Emergency Operations Facility.

### **Proprietary Funds**

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

#### **Housing Authority of the County of Marin**

- At June 30, 2012, unrestricted net assets of the housing authority were \$1.7 million, restricted net assets were \$9.1 million, and net assets invested in capital assets, net of related debt were \$18.4 million. As a measure of the Authority's liquidity, it may be useful to compare unrestricted net assets to total operating expenses. Unrestricted net assets represent 4% of the total operating expenses.
- Total net assets of the Authority decreased by \$619 thousand.
- The largest portion of the Authority's net assets \$18.4 million, or 63.2% reflects its investment in capital assets, net of related debt (e.g. land, buildings and improvements, furniture, equipment and machinery, less debt used to purchase these assets). The Authority uses these capital assets to provide services to clients; consequently, these assets are not available for future spending. At the end of the fiscal year, the Authority as a whole is able to report positive balances in all categories of Net Assets.

#### **IV. Capital Assets**

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2012 amounted to \$1,444.2 million (net of accumulated depreciation), an increase of \$12.1 million, or 0.9%. This investment is in a broad range of capital assets including land, assets under construction (AUC), structures and improvements, equipment, and infrastructure. The table below provides a comparison of the County's capital assets for the governmental and business-type activities for the current and prior years. Figures are presented net of depreciation.

# COUNTY OF MARIN, CALIFORNIA

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

### Capital Assets (Net of Depreciation) (in thousands)

	Governmental Activities		Business-type Activities		Total		Change Inc (Dec)
	2012	2011	2012	2011	2012	2011	
Land and infrastructure land	\$ 1,241,634	\$ 1,234,820	\$ 6,299	\$ 7,014	\$ 1,247,933	\$ 1,241,834	\$ 6,099
Easements	2,999	2,699	-	-	2,999	2,699	300
Construction in progress	4,173	5,160	5,991	4,188	10,164	9,348	816
Structures and improvements	113,933	99,366	17,674	18,740	131,607	118,106	13,501
Equipment	8,499	8,568	3,430	2,550	11,929	11,118	811
Infrastructure	37,475	46,789	-	-	37,475	46,789	(9,314)
Other property	-	-	2,074	2,168	2,074	2,168	(94)
<b>Total</b>	<b>\$ 1,408,713</b>	<b>\$ 1,397,402</b>	<b>\$ 35,468</b>	<b>\$ 34,660</b>	<b>\$ 1,444,181</b>	<b>\$ 1,432,062</b>	<b>\$ 12,119</b>

Major capital asset events during the current fiscal year included the following:

- Structures and improvements increased by \$13.5 million, or 11.4% from the prior fiscal year. The increase was primarily due to the current year acquisition of a \$20.5 million building located at 1600 Los Gamos Blvd. in San Rafael, which is intended to serve as the County's new Emergency Operations Facility. This increase was offset by current year depreciation expense of \$10.1 million.
- Infrastructure decreased by \$9.3 million, or 19.9% from the prior fiscal year, primarily the result of annual depreciation expense of \$10 million, offset by current year transfers from construction in progress of \$693 thousand.

Additional capital assets information, including depreciation and outstanding construction in progress as of June 30, 2012, can be found in Note 6 to the financial statements on pages 52 – 53.

## V. Debt Administration

### Outstanding Debt (in thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2012	2011	2012	2011	2012	2011	Dollar Change	Percent Change
Bonds payable	\$ 165,368	\$ 177,499	\$ -	\$ -	\$ 165,368	\$ 177,499	\$ (12,131)	-6.8%
Loans payable	4,722	3,453	5,169	6,061	9,891	9,514	377	4.0%
Certificates of participation	73,410	75,178	-	-	73,410	75,178	(1,768)	-2.4%
Capital leases payable	1,536	1,955	-	202	1,536	2,157	(621)	-28.8%
<b>Total</b>	<b>\$ 245,036</b>	<b>\$ 258,085</b>	<b>\$ 5,169</b>	<b>\$ 6,263</b>	<b>\$ 250,205</b>	<b>\$ 264,348</b>	<b>\$ (14,143)</b>	<b>-5.4%</b>

At June 30, 2012, the County's governmental and business-type activities had outstanding long-term debt in the amount of \$250.2 million as compared to \$264.3 million in the prior year, a decrease of \$14.1 million, or 5.4%. This amount was comprised of \$165.4 million in bonds payable, \$9.9 million in loans payable, \$73.4 million in certificates of participation (COP), and \$1.5 million in capital lease obligations. The County's current fiscal year debt payments totaled \$6.7 million.

Additional information on the County's long-term debt can be found in Note 8 to the financial statements on pages 55 – 60.

# COUNTY OF MARIN, CALIFORNIA

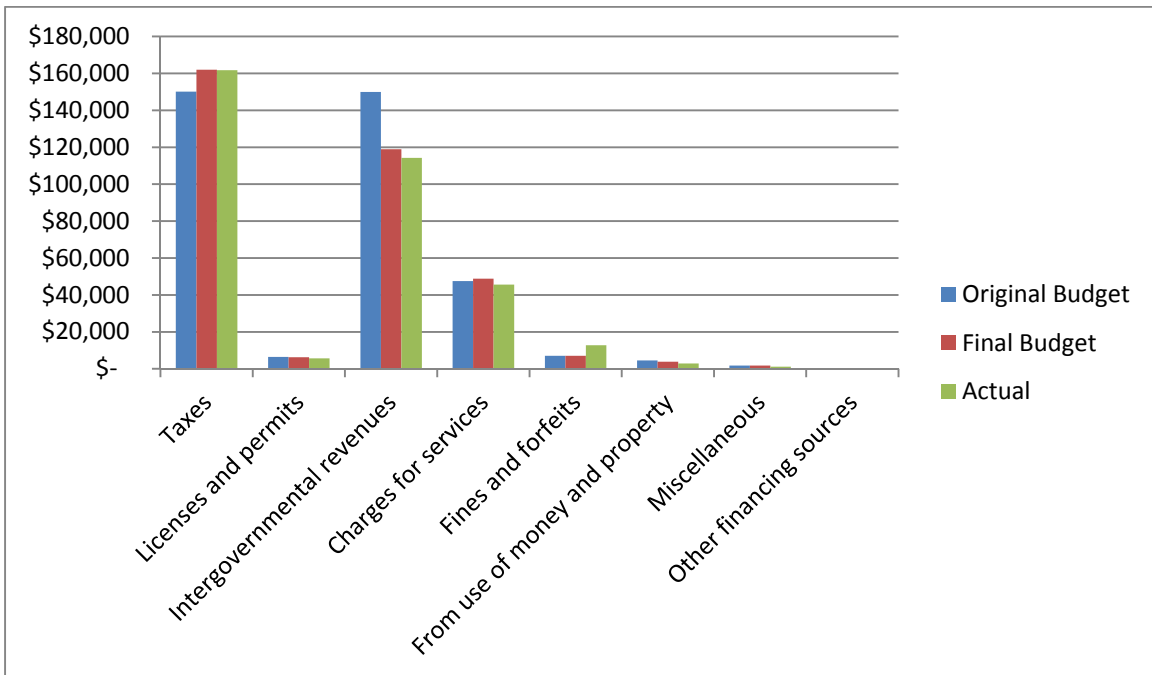
## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2012

### VI. GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$1.7 million, or 0.4% decrease in appropriations between the original budget and the final amended budget. The major components of the decrease were as follows:

- \$8.9 million decrease in general government functions. This decrease is primarily due to a \$1.5 million reclassification to transfers out appropriation, a \$2 million repurpose towards economic uncertainty balance sheet commitment, and a \$1 million carryforward of unspent encumbrances. The remaining decrease is due to various transfers to other funds and functions.
- \$10.5 million increase in expenditures for public protection. Approximately \$4 million of this increase was due to Safe Pathway to Schools program, Proposition 84 ASBS, and various storm damage projects. Additionally, there was a \$4.8 million reduction in encumbrance and corresponding project carryforwards into FY 2013 as compared to FY 2012.

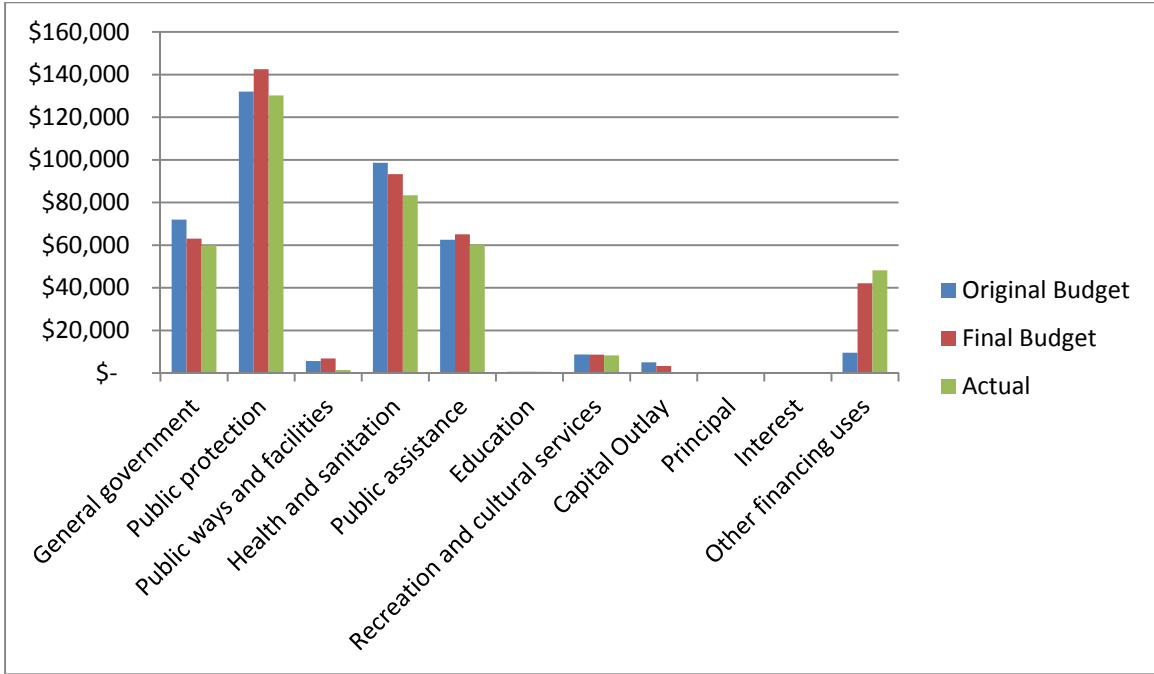
**Figure 7 - General Fund Revenue Comparison  
(in thousands)**



# COUNTY OF MARIN, CALIFORNIA

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012

**Figure 8 – General Fund Expenditure Comparison  
(in thousands)**



## ECONOMIC FACTORS AND THE OUTLOOK FOR FY 2012-13 BUDGET

Like communities across the nation, Marin County is adapting to a new economic reality. The economic downturn has resulted in reduced property tax revenues, increased employer contributions to pensions, and reduced support from the state and federal government. Over the past several years, the County has taken several actions adapt to our new economic reality. These efforts include: enacting a hiring freeze since 2007; adopting a lower-cost retiree health and pension plans for new employees; reducing our annual spending by over \$30 million, while eliminating 11% of our workforce; and setting aside funds to address our unfunded retiree health liabilities.

## VII. REQUEST FOR INFORMATION

This financial report is designed to demonstrate accountability by the Marin County government by providing both long-term and near-term views of the County's finances. Questions or comments regarding any of the information presented in this report or requests for additional financial information should be addressed to:

Director of Finance  
County of Marin  
3501 Civic Center Dr., Room 225  
San Rafael, CA 94903

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**BASIC FINANCIAL STATEMENTS –  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**COUNTY OF MARIN**

Statement of Net Assets  
June 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments in County pool	\$ 351,158,616	\$ 5,883,923	\$ 357,042,539
Restricted cash	--	6,017,998	\$ 6,017,998
Other outside investments	--	575,689	575,689
Receivables:			
Accounts and other - net	3,621,386	395,670	4,017,056
Taxes	2,067,109	--	2,067,109
Due from other agencies	22,603,915	5,500,097	28,104,012
Other loans	7,213,692	4,983,783	12,197,475
Other	--	57,659	57,659
Inventories	956,808	--	956,808
Prepaid items and other assets	1,586,125	490,062	2,076,187
Deposits with others	1,000,000	--	1,000,000
Restricted cash held with trustee	48,177,896	--	48,177,896
Deferred fiscal charges	3,685,172	--	3,685,172
Net pension asset	70,503,110	--	70,503,110
Internal balances	168,608	(168,608)	--
Property held for resale	--	479,534	479,534
Capital assets:			
Nondepreciable	1,248,806,577	12,289,530	1,261,096,107
Depreciable, net	159,906,604	23,178,823	183,085,427
<b>Total assets</b>	<b>\$ 1,921,455,618</b>	<b>\$ 59,684,160</b>	<b>\$ 1,981,139,778</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 6,470,087	\$ 2,398,166	\$ 8,868,253
Salaries and benefits payable	8,898,698	161,591	9,060,289
Accrued interest payable	3,986,986	978,563	4,965,549
Unearned revenues	3,435,147	1,274,145	4,709,292
Other liabilities	2,864,023	953,916	3,817,939
Security deposits and escrows payable	--	427,020	427,020
Estimated claims			
Due within one year	5,974,000	--	5,974,000
Due beyond one year	19,435,000	--	19,435,000
Compensated absences:			
Due within one year	11,070,681	105,895	11,176,576
Due beyond one year	2,977,629	220,694	3,198,323
Long-term liabilities:			
Due within one year	5,310,851	1,453,517	6,764,368
Due beyond one year	239,725,346	3,715,122	243,440,468
Liability for post-employment benefits	111,585,180	251,253	111,836,433
<b>Total liabilities</b>	<b>421,733,628</b>	<b>11,939,882</b>	<b>433,673,510</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,276,774,561	30,730,037	1,307,504,598
Restricted for:			
General government	16,522,047	--	16,522,047
Public protection	30,131,934	--	30,131,934
Public ways and facilities	10,485,035	--	10,485,035
Health and sanitation	70,371,979	--	70,371,979
Public assistance	9,205,736	--	9,205,736
Education	6,605,938	--	6,605,938
Recreation and cultural services	8,007,820	--	8,007,820
CSA projects	15,140,911	--	15,140,911
Debt service	4,709,709	--	4,709,709
Housing	--	9,071,725	9,071,725
Other purposes	2,861,133	--	2,861,133
Unrestricted	48,905,187	7,942,516	56,847,703
<b>Total net assets</b>	<b>1,499,721,990</b>	<b>47,744,278</b>	<b>1,547,466,268</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,921,455,618</b>	<b>\$ 59,684,160</b>	<b>\$ 1,981,139,778</b>

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

**COUNTY OF MARIN**

Statement of Activities  
For the Fiscal Year Ended June 30, 2012

	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<u>Functions/Programs</u>				
<b>Primary Government</b>				
Governmental Activities:				
General government	\$ 77,172,865	\$ 25,973,978	\$ 2,990,254	\$ 339,258
Public protection	158,129,592	36,397,954	38,773,992	241,173
Public ways and facilities	26,208,192	873,459	10,930,393	1,554,554
Health and sanitation	89,241,808	6,324,512	57,252,672	--
Public assistance	68,793,982	2,879,855	59,084,011	--
Education	13,348,168	5,364,669	137,541	--
Recreation and cultural services	16,191,066	3,272,591	238,921	--
Debt Service:				
Interest and fiscal charges	12,017,811	--	--	--
Total governmental activities	<u>461,103,484</u>	<u>81,087,018</u>	<u>169,407,784</u>	<u>2,134,985</u>
Business-Type Activities:				
Housing Authority	41,825,266	1,804,211	34,246,308	1,976,305
Marin County Transit District	26,144,031	5,982,991	15,126,207	1,627,422
Gross Airport	775,480	662,421	186,358	--
Marin County Fair	3,627,739	1,757,511	359,210	--
Marin Org	1,201,628	1,449,148	--	--
Marin Commons Property Management	726,801	1,222,146	--	--
Total business-type activities	<u>74,300,945</u>	<u>12,878,428</u>	<u>49,918,083</u>	<u>3,603,727</u>
Total primary government	<u>\$ 535,404,429</u>	<u>\$ 93,965,446</u>	<u>\$ 219,325,867</u>	<u>\$ 5,738,712</u>

General Revenues:

Taxes:

Property taxes

Sales and use taxes

Other

Unrestricted interest and investment earnings

Related party contribution

Tobacco settlement

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets before extraordinary item

Extraordinary item

Change in net assets

Net assets, beginning of year - restated

Net assets, end of year

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

Net (Expenses) Revenues and  
Changes in Net Assets

Primary Government		
Governmental Activities	Business- Type Activities	Total
\$ (47,869,375)	\$ --	\$ (47,869,375)
(82,716,473)		(82,716,473)
(12,849,786)	--	(12,849,786)
(25,664,624)	--	(25,664,624)
(6,830,116)	--	(6,830,116)
(7,845,958)	--	(7,845,958)
(12,679,554)	--	(12,679,554)
<u>(12,017,811)</u>	<u>--</u>	<u>(12,017,811)</u>
<u>(208,473,697)</u>	<u>--</u>	<u>(208,473,697)</u>
--	(3,798,442)	(3,798,442)
--	(3,407,411)	(3,407,411)
--	73,299	73,299
--	(1,511,018)	(1,511,018)
--	247,520	247,520
--	495,345	495,345
<u>--</u>	<u>(7,900,707)</u>	<u>(7,900,707)</u>
<u>(208,473,697)</u>	<u>(7,900,707)</u>	<u>(216,374,404)</u>
183,586,166	3,168,788	186,754,954
3,784,814	--	3,784,814
4,398,288	--	4,398,288
2,956,134	289,122	3,245,256
--	400,000	400,000
2,243,241	--	2,243,241
3,389,105	2,763,769	6,152,874
19,615	(19,615)	--
<u>200,377,363</u>	<u>6,602,064</u>	<u>206,979,427</u>
(8,096,334)	(1,298,643)	(9,394,977)
9,399,853	--	9,399,853
1,303,519	(1,298,643)	4,876
1,498,418,471	49,042,921	1,547,461,392
<u>\$ 1,499,721,990</u>	<u>\$ 47,744,278</u>	<u>\$ 1,547,466,268</u>

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

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**BASIC FINANCIAL STATEMENTS –  
FUND FINANCIAL STATEMENTS**

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**COUNTY OF MARIN**

Balance Sheet  
Governmental Funds  
June 30, 2012

	General	Health and Sanitation	Miscellaneous Capital Projects Fund	Other Governmental Funds	Total
<b>ASSETS</b>					
Cash and investments in County pool	\$171,032,124	\$30,133,544	\$ 18,622,091	\$110,047,713	\$329,835,472
Cash with fiscal agent	--	--	40,320,132	7,677,892	47,998,024
Receivables:					
Taxes	1,660,619	--	--	406,490	2,067,109
Accounts	3,258,945	117,169	--	245,272	3,621,386
Notes receivable - short term	--	--	--	5,871,000	5,871,000
Notes receivable - long term	1,342,692	--	--	--	1,342,692
Prepaid expenses	1,233,281	--	--	243,081	1,476,362
Due from other funds	758,105	--	--	139,593	897,698
Due from other governmental agencies	18,287,566	117,416	207,381	3,991,552	22,603,915
Advances to other funds	520,000	--	--	45,400	565,400
Deposits with others	--	--	1,000,000	--	1,000,000
Inventory of supplies	843,144	--	--	113,664	956,808
	<u>\$198,936,476</u>	<u>\$30,368,129</u>	<u>\$ 60,149,604</u>	<u>\$128,781,657</u>	<u>\$418,235,866</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	3,948,597	--	652,276	\$ 1,822,376	\$ 6,423,249
Accrued salaries and benefits	7,832,754	--	26,320	996,206	8,855,280
Due to other funds	176,333	--	690	609,109	786,132
Advances payable	--	--	--	565,400	565,400
Deferred revenue	3,006,404	--	--	428,743	3,435,147
Other liabilities	2,096,814	15,098	69	752,042	2,864,023
Total liabilities	<u>17,060,902</u>	<u>15,098</u>	<u>679,355</u>	<u>5,173,876</u>	<u>22,929,231</u>
<b>FUND BALANCES</b>					
Nonspendable	3,939,117	--	1,000,000	6,273,145	11,212,262
Restricted	12,093,012	30,353,031	39,669,936	91,926,263	174,042,242
Committed	114,628,535	--	4,700	2,459,990	117,093,225
Assigned	44,626,225	--	18,795,613	22,975,609	86,397,447
Unassigned	6,588,685	--	--	(27,226)	6,561,459
Total fund balances	<u>181,875,574</u>	<u>30,353,031</u>	<u>59,470,249</u>	<u>123,607,781</u>	<u>395,306,635</u>
	<u>\$198,936,476</u>	<u>\$30,368,129</u>	<u>\$ 60,149,604</u>	<u>\$128,781,657</u>	<u>\$418,235,866</u>
Total liabilities and fund balances	<u>\$198,936,476</u>	<u>\$30,368,129</u>	<u>\$ 60,149,604</u>	<u>\$128,781,657</u>	<u>\$418,235,866</u>

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

**COUNTY OF MARIN**

Reconciliation of the Governmental Funds Balance Sheet  
to the Government-Wide Statement of Net Assets - Governmental Activities  
June 30, 2012

Fund Balance - total governmental funds (page 23) \$ 395,306,635

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

These assets consist of:

Land	\$ 36,624,815	
Infrastructure land	1,205,009,639	
Easements	2,999,188	
Construction in progress	4,172,936	
Infrastructure, net of accumulated depreciation	37,474,811	
Structures and improvements, net of accumulated depreciation	113,932,852	
Equipment, net of accumulated depreciation	<u>8,498,940</u>	
Total capital assets		1,408,713,181

Long-term assets used in Governmental Activities, such as the net pension asset and deferred fiscal charges, are not current financial resources and, therefore, are not reported in the Governmental Funds. 74,188,282

Internal service funds are used by the County to charge the cost of worker's compensation insurance to individual funds. Net assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 1,763,565

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities are reported in the statement of net assets.

Balances as of June 30 are:

Certificates of participation, bonds and loans payable	(243,500,387)	
Capital leases	(1,535,810)	
Accrued interest on long-term debt	(3,986,986)	
Compensated absences	(14,048,310)	
Other post employment benefits payable	(111,585,180)	
Claims and judgments	<u>(5,593,000)</u>	
Total long-term liabilities		<u>(380,249,673)</u>

Net assets of governmental activities (page 19) \$ 1,499,721,990

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



**COUNTY OF MARIN**

Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2012

	General	Health and Sanitation	Miscellaneous Capital Projects Fund	Other Governmental Funds	Total
<b>Revenues:</b>					
Taxes	\$ 168,187,629	\$ --	\$ --	\$ 23,826,293	\$ 192,013,922
Licenses and permits	6,606,173	--	--	6,277,584	12,883,757
Intergovernmental revenues	84,431,466	59,786,339	388,283	26,936,681	171,542,769
Charges for services	42,761,404	114,996	55,336	13,054,496	55,986,232
Fines and forfeits	10,921,897	5,168	--	1,289,964	12,217,029
From use of money and property	2,483,171	83,704	20,233	369,026	2,956,134
Miscellaneous	1,095,893	800	20,929	4,514,724	5,632,346
Total revenues	<u>316,487,633</u>	<u>59,991,007</u>	<u>484,781</u>	<u>76,268,768</u>	<u>453,232,189</u>
<b>Expenditures:</b>					
Current:					
General government	56,609,492	--	3,405,755	47,822	60,063,069
Public protection	126,980,071	--	168,619	19,926,007	147,074,697
Public ways and facilities	2,961,271	--	280,338	12,796,880	16,038,489
Health and sanitation	82,889,188	--	--	2,974,868	85,864,056
Public assistance	59,649,761	--	--	6,338,479	65,988,240
Education	460,113	--	--	12,217,385	12,677,498
Recreation and cultural services	8,323,395	--	41,222	6,740,464	15,105,081
Capital outlay	3,291,356	--	32,101,777	2,200,741	37,593,874
Debt Service:					
Principal	75,743	--	--	5,053,709	5,129,452
Interest	42,464	--	--	11,218,543	11,261,007
Total expenditures	<u>341,282,854</u>	<u>--</u>	<u>35,997,711</u>	<u>79,514,898</u>	<u>456,795,463</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,795,221)</u>	<u>59,991,007</u>	<u>(35,512,930)</u>	<u>(3,246,130)</u>	<u>(3,563,274)</u>
Other Financing Sources (Uses):					
Issuance of debt	--	--	1,054,869	925,000	1,979,869
Sale of capital assets	--	--	1,989,370	--	1,989,370
Transfers in	62,532,069	--	32,998,314	18,508,617	114,039,000
Transfers out	(49,250,501)	(58,662,972)	(25,259)	(6,075,413)	(114,014,145)
Total other financing sources (uses)	<u>13,281,568</u>	<u>(58,662,972)</u>	<u>36,017,294</u>	<u>13,358,204</u>	<u>3,994,094</u>
Extraordinary Item					
RDA dissolution transactions	<u>--</u>	<u>--</u>	<u>--</u>	<u>(600,147)</u>	<u>(600,147)</u>
Net change in fund balances	(11,513,653)	1,328,035	504,364	9,511,927	(169,327)
Fund balances, beginning - restated	<u>193,389,227</u>	<u>29,024,996</u>	<u>58,965,885</u>	<u>114,095,854</u>	<u>395,475,962</u>
Fund balances, end	<u>\$ 181,875,574</u>	<u>\$ 30,353,031</u>	<u>\$ 59,470,249</u>	<u>\$ 123,607,781</u>	<u>\$ 395,306,635</u>

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

**COUNTY OF MARIN**

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Government-Wide Statement of Activities - Governmental Activities  
For the Fiscal Year Ended June 30, 2012

Net change to fund balance - total governmental funds (page 24) \$ (169,327)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation

Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	\$ 34,997,075	
Less: current year depreciation	<u>(23,685,447)</u>	11,311,628

Collections from prior year deferrals are recognized as revenues in the governmental funds but are not revenues in the statement of activities. (244,654)

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net assets.

Amortization of bond discount/premium	94,484	
Amortization of deferred fiscal charges	(228,690)	
Amortization of loss on refunding	(146,574)	
Accretion of loan payable	(687,782)	
Certificates of participation issued	(925,000)	
Loan payable	(1,387,596)	
Repayment on loan payable	118,730	
Reclassification of RDA bond to Successor Agency	10,000,000	
Repayment of bonds and certificates of participation	<u>5,416,898</u>	
Net adjustment		12,254,470

Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability.

Repayment on capital leases		418,921
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	(178,625)	
Amortization of net pension asset	(4,700,210)	
Other post employment benefits liability	(15,483,590)	
Change in claims liability	(108,000)	
Accrued interest on long-term debt	<u>138,307</u>	
Net adjustment		(20,332,118)

Internal service funds are used by the County to charge the cost of worker's compensation insurance to individual funds. The net revenue (expense) of internal service fund is reported with governmental activities.

(1,935,401)

Change in net assets of governmental activities (page 20)	<u>\$ 1,303,519</u>	
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The accompanying notes are an integral part of these financial statements.

**COUNTY OF MARIN**

Statement of Fund Net Assets  
Proprietary Funds  
June 30, 2012

	Business-type Activities			Governmental
	Housing Authority	Nonmajor Enterprise Funds	Total	Workers' Compensation Internal Service
<b>ASSETS</b>				
Current Assets:				
Cash and investments in County pool	\$ --	\$ 3,641,698	\$ 3,641,698	21,323,144
Cash with fiscal agent	--	575,689	575,689	179,872
Other cash	2,242,225	--	2,242,225	--
Receivables:				
Accounts	74,595	321,075	395,670	--
Other	--	57,659	57,659	--
Prepaid items and other assets	203,258	286,804	490,062	109,763
Short-term notes receivable	7,883	--	7,883	--
Due from other funds	--	--	--	57,182
Due from other governments	1,246,986	4,253,111	5,500,097	--
Assets held for resale	479,534	--	479,534	--
Total current assets	<u>4,254,481</u>	<u>9,136,036</u>	<u>13,390,517</u>	<u>21,669,961</u>
Noncurrent Assets:				
Restricted cash	6,017,998	--	6,017,998	--
Long-term notes receivable	4,975,900	--	4,975,900	--
Capital assets:				
Nondepreciable	6,415,994	5,873,536	12,289,530	--
Depreciable, net	16,758,714	6,420,109	23,178,823	--
Total noncurrent assets	<u>34,168,606</u>	<u>12,293,645</u>	<u>46,462,251</u>	<u>--</u>
<b>Total assets</b>	<u>\$ 38,423,087</u>	<u>\$ 21,429,681</u>	<u>\$ 59,852,768</u>	<u>\$ 21,669,961</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Vouchers and accounts payable	628,935	\$ 1,769,231	\$ 2,398,166	46,838
Interest payable	--	7,212	7,212	--
Accrued salaries and benefits	139,875	21,716	161,591	43,418
Due to other funds	--	168,608	168,608	140
Other liabilities	310,523	643,393	953,916	--
Deferred revenues	1,076,699	197,446	1,274,145	--
Compensated absences	70,380	35,515	105,895	--
Mortgages payable	1,453,517	--	1,453,517	--
Estimated Claims	--	--	--	4,441,000
Total current liabilities	<u>3,679,929</u>	<u>2,843,121</u>	<u>6,523,050</u>	<u>4,531,396</u>
Long-Term Liabilities:				
Security deposits and escrows payable (payable from restricted assets)	427,020	--	427,020	--
Compensated absences	211,141	9,553	220,694	--
Mortgages payable	3,715,122	--	3,715,122	--
Deferred interest due on long-term debt	971,351	--	971,351	--
Other post-employment benefits	251,253	--	251,253	--
Estimated claims	--	--	--	15,375,000
Total noncurrent liabilities	<u>5,575,887</u>	<u>9,553</u>	<u>5,585,440</u>	<u>15,375,000</u>
<b>Total liabilities</b>	<u>9,255,816</u>	<u>2,852,674</u>	<u>12,108,490</u>	<u>19,906,396</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	18,436,392	12,293,645	30,730,037	--
Restricted for housing	9,071,725	--	9,071,725	--
Unrestricted	1,659,154	6,283,362	7,942,516	1,763,565
Total net assets	<u>29,167,271</u>	<u>18,577,007</u>	<u>47,744,278</u>	<u>1,763,565</u>
<b>Total liabilities and net assets</b>	<u>\$ 38,423,087</u>	<u>\$ 21,429,681</u>	<u>\$ 59,852,768</u>	<u>\$ 21,669,961</u>

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

**COUNTY OF MARIN**

Statement of Revenues, Expenses and  
Changes in Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2012

	Business-Type Activities			Governmental Activities
	Housing Authority	Nonmajor Enterprise Funds	Total	Workers' Compensation Internal Service
<b>Operating Revenues:</b>				
Charges for services	\$ 1,804,211	\$ 11,074,217	\$ 12,878,428	\$ 2,964,569
Other revenue	2,681,971	81,798	2,763,769	--
<b>Total operating revenues</b>	<b>4,486,182</b>	<b>11,156,015</b>	<b>15,642,197</b>	<b>2,964,569</b>
<b>Operating Expenses:</b>				
Salaries and employee benefits	--	2,415,279	2,415,279	522,784
Services and supplies	--	6,912,979	6,912,979	5,748
Housing assistance	40,526,379	--	40,526,379	--
Claims expense	--	21,668,329	21,668,329	4,366,198
Depreciation	1,158,582	918,988	2,077,570	--
Other operating expense	--	548,492	548,492	--
<b>Total operating expenses</b>	<b>41,684,961</b>	<b>32,464,067</b>	<b>74,149,028</b>	<b>4,894,730</b>
<b>Operating Loss</b>	<b>(37,198,779)</b>	<b>(21,308,052)</b>	<b>(58,506,831)</b>	<b>(1,930,161)</b>
<b>Non-Operating Revenues (Expenses):</b>				
Property tax revenue	--	3,168,788	3,168,788	--
Intergovernmental revenue	34,246,308	15,671,775	49,918,083	--
Investment income - unrestricted	97,871	191,251	289,122	--
Interest expense	(140,305)	(11,612)	(151,917)	--
<b>Total non-operating revenues</b>	<b>34,203,874</b>	<b>19,020,202</b>	<b>53,224,076</b>	<b>--</b>
<b>Income (Loss) Before Capital Contributions</b>	<b>(2,994,905)</b>	<b>(2,287,850)</b>	<b>(5,282,755)</b>	<b>(1,930,161)</b>
Capital contributions	2,376,305	1,627,422	4,003,727	--
Transfers out	--	(19,615)	(19,615)	(5,240)
<b>Change in net assets</b>	<b>(618,600)</b>	<b>(680,043)</b>	<b>(1,298,643)</b>	<b>(1,935,401)</b>
Net assets, beginning - restated	29,785,871	19,257,050	49,042,921	3,698,966
<b>Net assets, end</b>	<b>\$ 29,167,271</b>	<b>\$ 18,577,007</b>	<b>\$ 47,744,278</b>	<b>\$ 1,763,565</b>

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

**COUNTY OF MARIN**

Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Housing Authority	Nonmajor Enterprise Funds	Total	Workers' Compensation Internal Service
<b>Cash Flows from Operating Activities</b>				
Cash receipts from customers	\$ 3,005,706	\$ 8,404,414	\$ 11,410,120	\$ --
Cash receipts from internal fund services provided	--	--	--	2,854,806
Cash paid to suppliers for goods and services	(32,394,442)	(18,953,149)	(51,347,591)	(3,781,108)
Cash paid to employees for salaries and benefits	(5,758,139)	(2,525,074)	(8,283,213)	(479,366)
Net cash used by operating activities	<u>(35,146,875)</u>	<u>(13,073,809)</u>	<u>(48,220,684)</u>	<u>(1,405,668)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Property tax revenues	--	3,159,284	3,159,284	--
Operating grants received	34,058,906	--	34,058,906	--
Funds returned to granting agencies	(5,000)	--	(5,000)	--
Intergovernmental revenues	--	11,597,716	11,597,716	--
Repayment of notes receivable	203,061	--	203,061	--
Other restricted receipts	863,875	--	863,875	--
Loan proceeds	--	(364,097)	(364,097)	--
Notes receivable issued	(289,219)	--	(289,219)	--
Interest received on notes receivable	47,804	--	47,804	--
Related party transactions	(84,749)	--	(84,749)	--
Internal activities - payment from other funds	--	--	--	(57,182)
Internal activities - payment to other funds	--	--	--	140
Transfers out	--	(3,497)	(3,497)	(5,240)
Net cash provided (used) by noncapital financing activities	<u>34,794,678</u>	<u>14,389,406</u>	<u>49,184,084</u>	<u>(62,282)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Principal repayments on long-term debt	(631,849)	(201,553)	(833,402)	--
Capital contributions	2,074,947	1,627,422	3,702,369	--
Debt issued	201,000	--	201,000	--
Interest repayments related to capital purposes	(78,770)	(11,612)	(90,382)	--
Proceeds from sale of capital assets	677,421	2,844	680,265	--
Payments related to the acquisition of capital assets	(2,481,671)	(2,204,962)	(4,686,633)	--
Net cash used by capital and related financing activities	<u>(238,922)</u>	<u>(787,861)</u>	<u>(1,026,783)</u>	<u>--</u>
<b>Cash Flows from Investing Activity</b>				
Interest and investments earnings received	<u>17,001</u>	<u>191,250</u>	<u>208,251</u>	<u>--</u>
Net increase (decrease) in cash and cash equivalents	(574,118)	718,986	144,868	(1,467,950)
Cash and cash equivalents, beginning of year, restated	<u>8,834,341</u>	<u>3,498,401</u>	<u>12,332,742</u>	<u>22,970,966</u>
Cash and cash equivalents, end of year	<u>\$ 8,260,223</u>	<u>\$ 4,217,387</u>	<u>\$ 12,477,610</u>	<u>\$ 21,503,016</u>

continued

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

**COUNTY OF MARIN**

Statement of Cash Flows (continued)  
 Proprietary Funds  
 For the Fiscal Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds			Governmental
	Housing Authority	Nonmajor	Total	Activities
		Enterprise Funds		Workers' Compensation Internal Service
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ (37,198,779)	\$ (21,308,052)	\$ (58,506,831)	\$ (1,930,161)
Depreciation	1,158,582	918,987	2,077,569	--
Prior period adjustment	(104,592)	--	(104,592)	--
Related party expenses	(30,875)	--	(30,875)	--
Bad debt written off	123,167	--	123,167	--
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	851,694	294,945	1,146,639	--
Due from other governments	--	4,495,505	4,495,505	--
Prepaid items and other assets	(24,024)	969,706	945,682	(109,763)
Increase (decrease) in:				
Accounts payable	(10,514)	1,098,407	1,087,893	46,838
Salaries payable	25,840	1,997	27,837	43,418
Deferred revenue	(54,908)	(188,725)	(243,633)	--
Liability for compensated absences	148,305	2,518	150,823	--
Other liabilities	(2,020)	640,903	638,883	544,000
Other post-employment benefits liability	91,000	--	91,000	--
Deposits and escrow	(119,751)	--	(119,751)	--
<b>Net Cash Used by Operating Activities</b>	<b>\$ (35,146,875)</b>	<b>\$ (13,073,809)</b>	<b>\$ (48,220,684)</b>	<b>\$ (1,405,668)</b>

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

**COUNTY OF MARIN**

Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2012

	Investment Trust	Agency Funds	Successor Agency Private Purpose Trust Fund
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 467,112,942	\$ 26,478,677	\$ 2,100,078
Cash with fiscal agent	160,000	1,080,040	66,063
Taxes receivable	--	23,610,274	619,730
Accounts receivables	--	221,316	--
Other receivable	--	--	8,000
Note receivables	--	--	110,000
Capital assets:			
Nondepreciable	--	--	30,014
Total current assets	<u>467,272,942</u>	<u>51,390,307</u>	<u>2,933,885</u>
<b>LIABILITIES:</b>			
Contracts and accounts payable	--	--	368,902
Accrued interest payable	--	--	188,987
Noncurrent liabilities:			
Due within one year	--	--	405,000
Due in more than one year	--	--	9,965,000
Agency funds held for others	--	51,390,307	--
Total liabilities	<u>                    </u>	<u>51,390,307</u>	<u>10,927,889</u>
<b>NET ASSETS</b>			
Net assets held in trust for investment pool participants	467,272,942	--	(7,994,004)
Total net assets	<u>467,272,942</u>	<u>                    </u>	<u>(7,994,004)</u>
<b>Total liabilities and net assets</b>	<u>\$ 467,272,942</u>	<u>\$ 51,390,307</u>	<u>\$ 2,933,885</u>

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

**COUNTY OF MARIN**

Statement of Changes in Fiduciary Net Assets  
For the Fiscal Year Ended June 30, 2012

	Investment Trust Fund	Successor Agency Private Purpose Trust Fund
	<u>                    </u>	<u>                    </u>
<b>Additions:</b>		
Tax increment	\$ --	\$ 619,730
Contributions to investment pool	2,040,679,909	--
Interest	1,216,860	9,555
Total additions	<u>2,041,896,769</u>	<u>629,285</u>
<b>Deductions:</b>		
Distributions from investment pool	2,040,101,144	--
Administrative and other	--	27,077
Contract services	--	50,000
Payments to Marin City CLC - Ridgeway Marin LP	--	128,010
Payments to County of Marin	--	8,000
Bond interest	--	236,000
Total deductions	<u>2,040,101,144</u>	<u>449,087</u>
Extraordinary item		
Loss on transfer from former RDA	--	(8,174,202)
Change in net assets	1,795,625	(7,994,004)
<b>Net assets, beginning</b>	<u>465,477,317</u>	<u>--</u>
<b>Net assets, ending</b>	<u>\$ 467,272,942</u>	<u>\$ (7,994,004)</u>

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



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**BASIC FINANCIAL STATEMENTS –  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Marin (the County) conform to accounting principles generally accepted in the United States of America, as applicable to governmental entities. The following is a summary of significant accounting policies:

#### A. *Description of the Reporting Entity*

The reporting entity refers to the scope of activities, organizations, and functions included in the financial statements. The County is a political subdivision created by the State of California, and as such, can exercise the powers specified by the Constitution and laws of the State of California. The County operates under the general laws of the State and is governed by an elected five member Board of Supervisors (the Board).

The governmental reporting entity consists of the County (primary government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County.

As required by generally accepted accounting principles, these financial statements present financial activity of the County and its component units. Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance part of the government's operations, and as such data from these units are combined with data of the primary government for financial reporting purposes. Discretely presented component units, if any, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the primary government. The County has no discretely presented component units.

#### B. *Blended Component Units*

The following blended component units, although legally separate entities, are considered to be part of the primary government for financial reporting purposes because their boards are comprised of County Board members, and/or they provide services exclusively to the County, and/or there exists a financial benefit or burden relationship:

##### *County of Marin Redevelopment Agency:*

The County of Marin Redevelopment Agency (the Agency) includes the accounts of the Gateway Improvement Authority, the Community Facilities District No. 1 Marin City U.S.A. Public Improvements, and the Gateway Refinancing Authority. The Agency was activated in June 1958 for the primary purpose of eliminating blighted areas by incentivizing development of the residential, commercial, industrial, recreational and public facilities. Until June 28, 2011, the Agency had the broad authority to acquire, rehabilitate, develop, administer, and sell or lease property in a "Redevelopment Area." Redevelopment projects are developed in cooperation with private developers. Public redevelopment projects are also developed under cooperation agreements between the Agency and the County or other public entity that will own the project.

On June 28, 2011, Assembly Bill X1 26 (AB X1 26) was enacted. The legislation is referred to herein as the Dissolution Act. On December 29, 2011, the California Supreme Court upheld the constitutionality of AB X1 26, and all redevelopment agencies in California were dissolved by operation of law effective February 1, 2012. The legislation provides for successor agencies and oversight boards that are responsible for overseeing the dissolution process and wind down of redevelopment activity. At the August 23, 2011 Board of Supervisors meeting, the Board adopted Resolution 2011-83 for the County to serve as the Successor Agency to the Redevelopment Agency of the County of Marin, effective February 1, 2012, and as such is a component unit of the County.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

#### *B. Blended Component Units, Continued*

##### *Successor Agency to the County of Marin Redevelopment Agency:*

The Successor Agency to the County of Marin Redevelopment Agency (Successor Agency) was created to serve as a custodian for the assets and to wind down the affairs of the former Agency. The Successor Agency is a separate public entity from the County, subject to the direction of an Oversight Board. The Oversight Board is comprised of seven-member representatives from local government bodies: one member appointed by the President of the County Board of Supervisors, one member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the redevelopment agency that is eligible to receive property tax revenues pursuant to Health and Safety Code Section 34188, the County Superintendent of Education, one member appointed by the County Superintendent of Education, one member appointed by the Chancellor of the California Community Colleges, one member of the public appointed by the President of the County Board of Supervisors, and one member representing the employees of the former redevelopment agency appointed by the President of the County Board of Supervisors.

In general, the Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, the Successor Agency will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former Agency until all enforceable obligations of the former Agency have been paid in full and all assets have been liquidated. Based upon the nature of the Agency's custodial role, the Successor Agency is reported in a fiduciary fund (private purpose trust fund). (See Note 14 for additional information). The financial statements of the Successor Agency are available at 3501 Civic Center Drive, Room 225, San Rafael, CA 94903.

##### *Golden Gate Tobacco Funding Corporation:*

The Golden Gate Tobacco Funding Corporation (the Funding Corporation) is a non-profit public benefit corporation established in June 2002 for the purpose of providing tobacco securitization financing to the County. The Funding Corporation is governed by a three-person board of directors consisting of two directors who are employees of the County and one independent director who is not. The Funding Corporation's asset-backed bonds are secured by tobacco revenues received per the Master Settlement Agreement.

##### *In Home Supportive Services (IHSS) Public Authority of Marin:*

The IHSS Public Authority of Marin assists IHSS clients in finding qualified in-home caregivers. Though a legally separate entity, the IHSS Public Authority is programmatically integrated into the County service systems for aged, blind, and disabled individuals (including children). Its authority is governed by an eleven member Governing Board appointed in its majority by the County of Marin Board of Supervisors.

##### *Marin County Fair:*

The Marin County Fair is a component unit with a December 31st year-end. The County's Board of Supervisors serves as the governing Board of Marin County Fair. County management conducts the activities of this component unit in essentially the same manner as it manages its own activities.

##### *Housing Authority of the County of Marin:*

The Housing Authority of the County of Marin (the Authority), pursuant to the state of California's Health and Safety Code, was formed in January 1942, by a resolution of the Marin County Board of Supervisors. Its governance structure is comprised of a seven member Board of Commissioners, five of which are the County's Board of Supervisors, plus two tenant Commissioners. The Authority is responsible for the development and implementation of housing programs and activities within the County of Marin. The Authority has a December 31st year-end and issues a separate financial report that can be obtained by contacting the Housing Authority at 4020 Civic Center Drive, San Rafael, CA 94903.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### B. *Blended Component Units, Continued*

##### *Marin County Law Library:*

The Marin County Law Library serves the general public by providing patrons with access to legal information resources in a variety of media with research assistance. Its governance structure is comprised of the County's Board of Supervisors. County management conducts the activities of this component unit in essentially the same manner as it manages its own activities.

##### *Marin County Open Space District:*

The Marin County Open Space District is responsible for planning, acquiring, and managing the County's approximately 15,000 acres of open space and 160 miles of public trails. Its governance structure is comprised of a seven member Parks & Open Space Commission, five seats of which are the County of Marin Board of Supervisors, plus two members of the general public.

##### *Marin County Transit District:*

The Marin County Transit District is an autonomous district created by the authority of the Marin County Transit District Act of 1964. The District's purpose is to develop, finance, organize, and operate local transit service. Its Board of Directors is comprised of the County's Board of Supervisors plus three City Council members. Transit District revenue is derived principally from property taxes, financial aid provided by other governmental entities, transportation contract revenue, and transit fare revenue. The financial statements of the Marin County Transit District are available at 711 Grand Avenue, Suite 110, San Rafael, CA 94901.

##### *Sewer Maintenance, County Service Areas, Lighting, Permanent Road, Flood Control Zone and Water Conservation, and other Special Districts:*

The County Board of Supervisors is the governing body of the Sewer Maintenance, County Service Areas, Lighting, Permanent Road, Flood Control Zone and Water Conservation, and other Special Districts (special districts). Among its duties, the County Board approves the budgets, special taxes, and fees of these special districts. As an integral part of the County, these special districts are reported as non-major special revenue funds in the County's financial statements.

#### C. *Basis of Presentation*

##### *Government-Wide Financial Statements*

*The Statement of Net Assets* and *the Statement of Activities* display information about the primary government and its blended component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a great extent on fees charged to external parties.

*The Statement of Activities* demonstrates the degree to which program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific program or function. Interest expense related to long-term debt is reported as a direct expense. Certain indirect costs, which cannot be identified and broken down, are included in the program expense reported for individual functions and activities. Interfund charges, which equal or approximate the external exchange value of services provided, are reported as program revenues. Interfund reimbursements, repayments from the funds responsible for particular expenses to the funds that initially paid for them, are treated as an adjustment to expenses.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### C. *Basis of Presentation. Continued*

Program revenues include 1) fees, fines and charges paid by the recipients of goods or services offered by the programs, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues. When both restricted and unrestricted net assets are available, unrestricted resources are used only after the restricted resources are depleted.

#### *Fund Financial Statements*

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as non-major funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Non-operating* revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education and recreation services.
- The *Health and Sanitation Special Revenue Fund* accounts for social service, public health, and mental health programs, which are primarily funded by state and federal agencies.
- The *Miscellaneous Capital Projects Fund* is used to account for the construction and acquisition of various fixed assets, a majority of which pertains to the County's Emergency Operations Facility.

The County reports the following major enterprise fund:

- The *Housing Authority of the County of Marin* accounts for the activities of the Authority, a blended component unit of the County. The Housing Authority provides housing assistance to low and moderate income residents of Marin County.

The County reports the following additional fund types:

- The *Internal Service Fund* accounts for the financing of goods and services provided by one department or agency to other departments or agencies of the County or other governmental units on a cost reimbursement basis. Activities relate to the County's workers' compensation self-insurance plan.
- *Investment Trust Funds* account for the assets of legally separate entities that deposit cash in the County Treasurer's investment pool. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass-through funds for tax collections for cities and towns. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### C. *Basis of Presentation. Continued*

- *Agency Funds* are custodial in nature and do not involve measurements of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds account for assets held by the County in an agency capacity for various local government units and individuals.
- *Private Purpose Trust Fund* is a fiduciary fund type used by the County to report trust arrangements under which principal and income benefits other governments. This fund reports the assets, liabilities, and activities of the Successor Agency to the County of Marin Redevelopment Agency.

#### D. *Basis of Accounting*

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when cash flow occurs. Non-exchange transactions, in which the County provides (or receives) value without directly receiving (or providing) equal value in exchange, include property and sales taxes, grants, entitlements and donations. Under the accrual basis, revenues from property taxes are recognized in the fiscal year for which taxes are levied. Revenues from sales taxes are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental funds* are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Most revenue sources, such as sales taxes, interest, certain state and federal grants and charges for services are accrued when services are provided or when taxes are levied. Property taxes revenue, however, is accrued only if funds are expected to be received within sixty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and therefore have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue in the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

For its business-type activities and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board (APB) or any Accounting Research Bulletins (ARB) issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### *E. Non-Current Governmental Assets/Liabilities*

GASB Statement No. 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide statement of net assets.

#### *F. Cash and Cash Equivalents*

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents.

#### *G. Investments*

Money market funds are carried at cost, which approximates fair value. All other investments are stated at fair value based on quoted market prices. Changes in fair value are recognized as investment gains or losses.

#### *H. Receivables*

Accounts receivable are reported net of allowance for uncollectible amounts. The estimated allowance is calculated based on historical experience and collectability analysis.

#### *I. Inventories*

Inventories are valued at the lower of average cost or market. Inventories in governmental funds are recorded as expenditures when consumed. Unconsumed inventories in governmental funds are equally offset by nonspendable fund balance to indicate that portion of fund balance is not in spendable form. Inventories are expensed as the supplies are consumed.

#### *J. Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. In the fund financial statements, prepaid items are offset by a corresponding nonspendable portion of fund balance to indicate that they are not available for appropriation and are not expendable available financial resources.

#### *K. Property Tax Revenue*

The County is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County including schools, cities and towns, and special districts. Property taxes, for which the lien date is January 1, are payable in two installments, November 1 and February 1, and become delinquent on December 10 and April 10, respectively. Property taxes receivable are recognized on the July 1<sup>st</sup> levy date.

Beginning in 1994, the County adopted the "Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds" provided for in Revenue and Taxation Code Sections 4701-4717, which is commonly known as the "Teeter Plan." The Teeter Plan has no impact on tax rates or collection procedures. It merely changes the way the collections of delinquent taxes and penalties are distributed among the taxing agencies. Those agencies participating in the Teeter Plan receive 100% of the secured property taxes billed each year without regard to delinquencies. The General Fund covers the delinquent amount to all agencies and, in return, receives the delinquent taxes, penalties and interest when collected. As a result of the Teeter Plan, secured property tax receivables are recorded in the General Fund only, and there is no allowance for uncollectible amounts. Penalties and interest are deposited into the Tax Loss Reserve Fund. Once the Tax Loss Reserve Fund balance exceeds 25% of the secured delinquent roll, the excess can be credited to the General Fund.



# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### K. *Property Tax Revenue, Continued*

Both unsecured property taxes and supplemental secured property taxes fall outside the perimeter of the Teeter Plan. Receivables for these two types of taxes are accrued to taxing agencies, net of the uncollectible amount which is estimated based on prior year collections.

#### L. *Long-Term Receivables*

Noncurrent portions of receivables for governmental fund types are reported on their balance sheets, despite their measurement focus. Special reporting treatments are used to indicate that they should not be considered "available spendable resources," since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current. Noncurrent portions of long-term loans receivables are reported as nonspendable fund balances.

#### M. *Capital Assets*

Capital assets (including infrastructure) are recorded at historical cost (or at estimated historical cost if actual historical cost is not available). Donated capital assets are valued at their estimated fair market value on the date donated. Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads, bridges, water/sewer, lighting systems, drainage systems, and flood control systems. The County defines capital assets as assets with an initial, unit cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and the proprietary funds.

The estimated useful lives are as follows:

Infrastructure	20 to 50 years
Structures and improvements	10 to 50 years
Equipment	5 to 25 years

#### N. *Compensated Absences*

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation and compensatory time-off balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The current portion of the liability for compensated absences has been estimated based on historical experience.

#### O. *Interfund Transactions*

Interfund transactions are reflected as loans, services provided or used, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation, and are referred to as either "due to/from other funds" (the current portion of interfund loans) or "advances to/from other funds" (the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in the applicable governmental funds to indicate that they are not in spendable form.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### O. *Interfund Transactions, Continued*

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

#### P. *Estimates*

The preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Q. *Reclassifications*

Certain reclassifications have been made to prior year amounts to conform to current year presentation.

#### R. *Net Assets and Fund Balances*

The government-wide and proprietary funds utilize a net asset presentation. Net assets are classified as follows:

- *Invested in capital assets, net of related debt* is the amount representing all capital assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of debt that are attributable to the acquisition, construction or improvement of those assets, net of unspent financing proceeds.
- *Restricted net assets* is the amount representing those net assets whose usage are subject to limitation and constraint imposed by either external parties (such as creditors, grantors, other governments) or law through constitutional provisions or enabling legislation.
- *Unrestricted net assets* is the amount representing portion of net assets that is neither restricted nor invested in capital assets (net of related debt).

As prescribed by Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental funds report fund balance in one of five classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. The five fund balance classifications are as follows:

- Nonspendable fund balances – Consist of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, if any.
- Restricted fund balances – Consist of amounts with constraints placed on their use, imposed either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### R. *Net Assets and Fund Balances, Continued*

- Committed fund balances – Consist of resource balances with constraints imposed by formal action of the Board of Supervisors (the Board) through resolution or public meeting minutes that specifically state the revenue source and purpose of the commitment. Commitments may be modified or rescinded only by the County taking the same formal action that imposed the constraint originally. Commitments can also include resources required to meet contractual obligations approved by the Board.
- Assigned fund balances – Consist of resource balances intended to be used by the County for specific purposes that do not meet the criteria to be classified as restricted or committed. The County Administrator and Director of Finance can assign fund balance to be used for specific purposes during budget preparation. Budgets recommended by departments require the County's Board approval.
- Unassigned fund balances – Consist of all resource balances in the General Fund not contained in other classifications. For other governmental funds, the unassigned classification is used only to report a deficit balance resulting from specific purposes for which amounts had been restricted, committed, or assigned.

Based on the County's policy regarding the fund balance classification as noted above, when both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it. When expenditures are incurred for purposes for which amounts in any unrestricted fund balance classifications could be used, committed funds are to be spent first, assigned funds second, and unassigned funds last.

#### S. *New Pronouncements*

The County is currently analyzing its accounting practices to determine the potential impact of the financial statements for the following GASB Statements:

In November 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The objective of this statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This statement requires disclosures about an SCA, including a general description of the arrangement and information about the associated assets, liabilities, and deferred inflows, the rights granted and retained, and guarantees and commitments. Application of this statement is effective for the County's fiscal year ending June 30, 2013.

In November 2010, GASB issued Statement No. 61, *The Financial reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. This statement modifies certain requirements for inclusion of component units in the financial reporting entity. The requirements for this statement result in financial reporting entity financial statements being more relevant by improving guidance for including, presenting and disclosing information about component units and equity interest transactions of a financial reporting entity. Application of this statement is effective for the County's fiscal year ending June 30, 2013.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### S. *New Pronouncements, Continued*

In November 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board ("FASB") Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure

Hereinafter, these pronouncements collectively are referred to as the "FASB and AICPA pronouncements." This statement will improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. Application of this statement is effective for the County's fiscal year ending June 30, 2013.

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. This Statement also amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as "net position," rather than "net assets." Application of this statement is effective for the County's fiscal year ending June 30, 2013.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is intended to clarify the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. Application of this statement is effective for the County's fiscal year ending June 30, 2014.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections – 2012—an amendment of GASB Statements No. 10 and No. 62*, to resolve conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. This statement amends Statement No. 10, *Codification of Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state and local government's risk financing activities to the general fund and the internal service fund type. This statement also amends Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current servicing fee rate. Application of this statement is effective for the County's fiscal year ending June 30, 2014.

In June 2012, the GASB issued two new standards, GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25* and GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* to improve the guidance for accounting and reporting on the pensions that governments provide to their employees.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

#### *S. New Pronouncements, Continued*

Key changes include:

- Separating how the accounting and financial reporting is determined from how pensions are funded.
- Employers with defined benefit pension plans will recognize a net pension liability, as defined by the standard, in their government-wide, proprietary and fiduciary fund financial statements.
- Incorporating ad hoc cost-of-living adjustments and other ad hoc postemployment benefit changes into projections of benefit payments, if an employer's past practice and future expectations of granting them indicate they are essentially automatic.
- Using a discount rate that applies (a) the expected long-term rate of return on pension plan investments for which plan assets are expected to be available to make projected benefit payments, and (b) the interest rate on a tax-exempt 20-year AA/Aa or higher rated municipal bond index to projected benefit payments for which plan assets are not expected to be available for long-term investment in a qualified trust.
- Adopting a single actuarial cost allocation method – entry age normal – rather than the current choice among six actuarial cost methods.
- Requiring more extensive note disclosures and required supplementary information.

The statements relate to accounting and financial reporting and do not apply to how governments approach the funding of their pension plans. At present, there generally is a close connection between the ways many governments fund pensions and how they account for and report information about them in audited financial reports. The statements would separate how the accounting and financial reporting is determined from how pensions are funded. Application of Statement 67 is effective for financial statements for the County's fiscal year ending June 30, 2014. Application of Statement 68 is effective for the County's fiscal year ending June 30, 2015.

### **NOTE 2: CASH AND INVESTMENTS**

The County maintains a cash and investment pool for the purpose of increasing interest earnings through pooled investment activities. Cash and investments for most County activities are included in the County investment pool. Interest earned on the investment pool is allocated quarterly to the participating funds using the average daily cash balance of each fund. This pool, which is available for use by all funds, is displayed in the financial statements as "Cash and investments in County pool." The funds required to be held by outside fiscal agents do not participate in the pool.

The County investment pool includes both voluntary and involuntary participation from external public entities. Certain special districts and entities are required under state statute to maintain their cash surplus in the pool. As of June 30, 2012, the net asset value of involuntary participation in the investment pool was \$738,018,688 or 87.1% of the pool.

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 structured in order of priority, safety, liquidity, yield, and public trust. The Board 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

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 2: CASH AND INVESTMENTS, Continued

California Government Code. The Treasury 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 to the investment pool participants on a monthly basis. The report covers the types of investments in the pool, maturity dates, par value, actual costs and fair value.

The County Pool has been rated since 1994 by Fitch Ratings and has maintained the highest rating of 'AAA' since inception. The pool's 'AAA' rating reflects the high credit quality of portfolio assets, appropriate management oversight, and operational capabilities. In addition, Fitch ratings rate the pool 'V1' for volatility. This rating reflects low market risk and a capacity to return stable principal value to participants, as well as to meet anticipated cash flow needs, even in adverse interest rate environments.

Fair values were obtained from the County's investment custodian statement for all investments having greater than 90 days to maturity.

Cash and investments at June 30, 2012, consist of the following:

Cash and Investments in County Pool:	
Cash	\$ 11,049,354
Investments	856,120,447
	<hr/>
	867,169,801
Less outstanding warrants and other reconciling items	(19,432,675)
Total Cash and Investments in County Pool	<hr/>
	847,737,126
Cash and Investments Outside County Pool:	
Other deposits	5,622,845
Investments of blended component unit	4,855,242
Investments with fiscal agent	49,162,990
Deposits with fiscal agent	913,545
Specific investments	520,174
Total Cash and Investments Outside County Pool	<hr/>
	61,074,796
Total Cash and Investments	<hr/> <hr/>
	\$ 908,811,922

Total cash and investments at June 30, 2012 were presented on the County's financial statements as follows:

Primary Government	\$ 411,814,122
Investment Trust Fund	467,272,942
Private Purpose Trust Fund	2,166,141
Agency Funds	27,558,717
	<hr/>
	\$ 908,811,922

### Investments

The following table identifies the investment types that are authorized for the County by the California Government Code or the County's Investment Policy, where more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, credit risk, and concentration risk.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 2: CASH AND INVESTMENTS, Continued

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	2 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
U.S. Agency Obligations	5 Years	None	None
State of California Obligations	2 Years	None	None
Banker's Acceptances	180 Days	30%	30%
Commercial Paper	270 Days	40%	10%
Negotiable Certificates of Deposit	2 Years	30%	None
Repurchase Agreements	1 Year	None	None
Medium Term Notes	2 Years	30%	None
Money Market Mutual Funds/Mutual Funds	N/A	20%	10%
Time Deposits	2 Years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

At June 30, 2012, the County's investments consist of the following:

	Interest Rates	Maturities	Par Value	Book Carrying Value	Fair Value	WAM (Years)
<b>Pooled Investments</b>						
Federal Agencies	.03% - 1.125%	7/2/12 to 6/26/15	\$ 837,162,000	\$ 836,861,571	\$ 837,189,612	0.68
Money Market	Variable	On Demand	19,023,984	19,023,984	19,023,984	-
California Local Agency Investment Fund (LAIF)	Variable	On Demand	234,892	234,892	234,892	-
<b>Total pooled investments</b>			<b>\$ 856,420,876</b>	<b>\$ 856,120,447</b>	<b>\$ 856,448,488</b>	<b>0.67</b>
<b>Investments outside Investment Pool</b>						
<i>Cash held with fiscal agent</i>						
Money market mutual funds	Variable	On Demand	46,476,141	46,495,022	46,476,141	-
Investment contracts	4.77%	6/1/2047	2,667,970	2,667,968	2,667,968	34.94
			49,144,111	49,162,990	49,144,109	1.90
<i>Investments in Blended Component Units</i>						
California Local Agency Investment Fund (LAIF)	Variable	On Demand	4,855,242	4,855,242	4,855,242	-
<b>Total investments outside investment pool</b>			<b>\$ 53,999,353</b>	<b>\$ 54,018,232</b>	<b>\$ 53,999,351</b>	<b>-</b>
<b>Specific Investments in Treasury - Non Pooled</b>						
California Local Agency Investment Fund (LAIF)	Variable	On Demand	\$ 520,174	\$ 520,174	\$ 520,174	-
			<b>\$ 520,174</b>	<b>\$ 520,174</b>	<b>\$ 520,174</b>	<b>-</b>

At June 30, 2012, the difference between the book and fair value of cash and investments was not material (book value was 99.97% of fair value). Therefore, an adjustment to fair value was not recorded.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 2: CASH AND INVESTMENTS, Continued

#### Interest Rate Risk

Interest rate risk is the risk where changes in interest rates might adversely affect the fair value of an investment. In accordance with County Investment Policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 1.5 years or less. At June 30, 2012, investment pool had a weighted average maturity of 0.67 years, or approximately 244 days.

#### Credit Risk

Credit risk is the risk where an issuer or other counterparty to an investment might not fulfill its obligations. State law and the County's Investment Policy limit the County's investments in commercial paper, corporate bonds, and medium term notes to the rating of "A" or higher as provided by Moody's Investors Service or Standard & Poor's Corporation. The County's Investment Policy limits investments purchased by Financial Institution Investment Accounts, a type of mutual fund, to United States Treasury and Agency obligations with a credit quality rating of "AAA."

#### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to magnitude of the County's investment in a single issuer of securities. At June 30, 2012, in accordance with State law and the County's Investment Policy, the County did not have 5% or more of its net investment in Negotiable Certificates of Deposit of a single organization, nor did it have 10% or more of its net investment in any one money market mutual fund.

At June 30, 2012, the County had the following investments in any one issuer that represent 5% or more of the total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded because they are not a concentration of credit risk.

Federal Home Loan Mortgage Corporation	34.25%
Federal National Mortgage Association	27.16%
Federal Home Loan Bank	34.82%

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of each pool's fair value at June 30, 2012.

	Moody's	S & P	% of Portfolio
<b>Investments in Investment Pool</b>			
Federal Agencies Coupon	Aaa	AAA	25.11%
Federal Agencies Discount: Fed Hom Ln Bk*	Unrated	Unrated	27.23%
Federal Agencies Discount: Fed Home Ln Mtg Corp*	Unrated	Unrated	33.08%
Federal Agencies Discount: Fed Natl Mgt Assn*	Unrated	Unrated	11.40%
Federal Agencies Discount: Fed Agric Mtg Corp**	Unrated	Unrated	0.93%
Money Market/Mutual Funds	Aaa	AAAm	2.22%
California Local Agency Investment Fund (LAIF)	Unrated	Unrated	0.03%
			100.00%



# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### **NOTE 2: CASH AND INVESTMENTS, Continued**

- \* Federal Home Loan Bank, Freddie Mac and Fannie Mac issue most of their short term debt as discount notes. Although Moody's and S & P rate their short term debt at 'P-1' and 'A-1+' respectively, their discount notes are not currently rated by individual CUSIP.
- \*\* The Federal Agricultural Mortgage Corporation is a government-sponsored enterprise. While not rated, its charter allows for the U.S. Treasury to provide up to \$1.5 billion in loans to support the guarantees the company extends on farm loans.

#### 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. The California Government Code and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits and securities lending transactions: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. At year end, the County's investment pool and cash with fiscal agents had no securities exposed to custodial credit risk.

#### Local Agency Investment Fund

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

At June 30, 2012, the County's pooled investment position in the State of California Local Agency Investment Fund (LAIF) was \$234,892 which approximates fair value and is the same as value of the pool shares. The total amount invested by all public agencies in LAIF on that day was \$60.50 billion. Of that amount, 96.5% was invested in non-derivative financial products and 3.5% in structured notes and asset-backed securities. Fair value is based on information provided by the State for the Local Agency Investment Fund.

#### Restricted cash

Cash held by the Housing Authority in the amount of \$6 million is restricted as to use by grantors.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 2: CASH AND INVESTMENTS, Continued

#### County Investment pool Condensed Financial Statements

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2012:

#### Statement of Net Assets

Equity of internal pool participants	381,278,991
Equity of external pool participants	469,196,173
Total net assets	\$ 850,475,164

#### Statement of Changes in Net Assets

Net assets, beginning of year	\$ 854,595,537
Net change in investments by pool participants	(4,120,373)
Net assets, end of year	\$ 850,475,164

### NOTE 3: NOTES RECEIVABLE

Notes receivable consists of following activities:

	Balance July 1, 2011	Notes Issued	Repayments	Adjustments	Balance June 30, 2012
<b>Governmental Activities:</b>					
<b>General Fund:</b>					
Amounts due from cities and towns for overpayment of court fines and fees. Amounts are being paid back over a five year period at an annual interest rate of 3.8%. Final payments are due November 2011.	\$ 244,685	\$ -	\$ (244,685)	\$ -	\$ -
Central Note for McInnis Park Golf Center for \$600,000 with accrued interest of \$3,167. Due date on the original note is July 30, 2014.	-	603,167	-	-	603,167
The County executed a long-term loan agreement with Buckelew Programs to fund the construction of a crisis residential facility funded with Mental Health Services Act (MHSA) funds. Note is due June 2057.	-	739,525	-	-	739,525
<b>Subtotal General Fund</b>	244,685	1,342,692	(244,685)	-	1,342,692
<b>Other Governmental Funds:</b>					
The County provided long-term financing to numerous local based non-profit organizations for affordable housing construction and rehabilitation. These notes are due at various time frames through 2066. Given the long-term nature of these loans, fund blaance reserves have been set-aside for the full amount of the loans.	6,081,000	682,000	(782,000)	(110,000)	5,871,000
<b>Total Governmental Activities</b>	\$ 6,325,685	\$ 2,024,692	\$ (1,026,685)	\$ (110,000)	\$ 7,213,692
<b>Business-Type Activities:</b>					
<b>Marin Housing Authority</b>					
Marin Housing Authority manages a portfolio for lending programs to assist qualified homeowners and renters with rehabilitation expenses, down payments on home purchases, and rental security deposits.	\$ 4,108,899	\$ 416,126	\$ (209,050)	\$ 667,808	\$ 4,983,783

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 4: DEFERRED REVENUE

Under both the accrual and modified accrual basis of accounting, revenues are recognized only when earned. Thus, the government-wide statement of net assets, governmental funds and enterprise funds defer revenue recognition for resources that have been received at year-end but not yet earned. Assets recognized before the earning process is complete are offset by a corresponding liability as unearned revenues. Under the modified accrual basis of accounting, revenues are recognized when earned and susceptible to accrual. Revenues are considered susceptible to accrual if they are measurable and available to finance expenditures of the current period. Thus, governmental funds defer revenue recognition for revenues not considered available to liquidate liabilities for the current period. As of June 30, 2012, the various components of deferred revenue for governmental funds were as follows:

	<u>Unearned</u>
<b>Governmental Activities:</b>	
<b>General Fund:</b>	
Reimbursable grants advances	\$ 2,507,527
Fees for services	<u>498,877</u>
Total General Fund	3,006,404
<b>Other Governmental Funds:</b>	
Reimbursable grants advances	<u>428,743</u>
Total Governmental Activities	<u><u>\$ 3,435,147</u></u>
<b>Business-Type Activities:</b>	
Fees for services	1,185,159
Prepaid rents	<u>88,986</u>
Total Business-Type Activities	<u><u>\$ 1,274,145</u></u>

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 5: INTERFUND TRANSACTIONS

Interfund receivables and payables may result from services rendered by one fund to another fund, or from interfund loans. "Due to other funds" balances are generally used to reflect short-term interfund receivables and payables, whereas "Advances to other funds" balances are for long-term. The composition of interfund balances as of June 30, 2012, is as follows:

#### Due to other funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Other Nonmajor Governmental Funds	\$ 589,497	Temporary loans to cover short-term operational deficit
	Enterprise Fund	<u>168,608</u>	Temporary loans to the Marin County Fair to cover a short-term operational deficit
		758,105	
Other Nonmajor Governmental Funds	General Fund	119,151	Debt Service
	Other Nonmajor Governmental Funds	19,612	Debt Service
	Miscellaneous Capital Projects	690	Debt Service
	Internal Service Funds	<u>140</u>	Debt Service
		139,593	
Internal Service Fund	General Fund	<u>57,182</u>	Debt Service
		<u><u>\$ 954,880</u></u>	

#### Advances to other funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Other Nonmajor Governmental Funds	\$ 520,000	Long-term portion of loan to Flood Control Zone #1 to construct Vineyard Creek Flood Control Project and Novato Creek Maintenance Dredging Project
Other Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	45,400	Long-term portion of loans for environmental health services
	Total	<u><u>\$ 565,400</u></u>	

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 5: INTERFUND TRANSACTIONS, Continued

#### Transfers

Transfers are indicative of funding for capital projects, lease or debt service payments, subsidies of various County operations and reallocations of special revenues. The following schedule summarizes the County's transfer activity:

Transfer from	Transfer to	Amount	Purpose
General Fund	Miscellaneous Capital Project Fund	\$ 26,293,742	Purchase building at 1600 Los Gamos
	Miscellaneous Capital Project Fund	1,500,000	Office renovation at 20 North San Pedro Rd.
	Miscellaneous Capital Project Fund	62,705	Landslide repairs
	Miscellaneous Capital Project Fund	5,000,000	Contributions to capital improvement program
		<u>32,856,447</u>	
		10,261,014	Debt service
		2,753,786	Road and bridges rehabilitation
		3,379,254	Various program contributions
		<u>16,394,054</u>	
	Miscellaneous Capital Project Fund	Other Nonmajor Governmental Funds	25,259
Health and Sanitation Fund	General Fund	41,170,969	Realignment
	General Fund	11,292,016	Mental health
	General Fund	3,927,166	Various program contributions
	General Fund	2,189,471	Drug and alcohol
	Other Nonmajor Governmental Funds	83,350	Debt service
	<u>58,662,972</u>		
Other Nonmajor Governmental Funds	Miscellaneous Capital Project Fund	141,868	Various program contributions
Other Nonmajor Governmental Funds	General Fund	3,952,447	Various program reimbursements
	Other Nonmajor Governmental Funds	1,034,829	Debt service
	Other Nonmajor Governmental Funds	946,269	Various program contributions
	<u>5,933,545</u>		
Internal Service Fund	Other Nonmajor Governmental Funds	5,240	Debt service
Enterprise Fund	Other Nonmajor Governmental Funds	19,615	Debt service
		<u>\$ 114,039,000</u>	

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	Restated Balance 7/1/2011	Additions	Deletions	Adjustments/ Transfers	Audited June 30, 2012 6/30/12
<b>Governmental Activities</b>					
Capital assets, not being depreciated					
Land	\$ 29,856,140	\$ 8,359,675	\$ (1,591,000)	\$ -	\$ 36,624,815
Infrastructure land	1,204,963,424	-	-	46,215	1,205,009,639
Easements	2,699,188	300,000	-	-	2,999,188
Construction in progress	5,159,809	5,221,198	-	(6,208,071)	4,172,936
Total capital assets not being depreciated	<u>1,242,678,561</u>	<u>13,880,873</u>	<u>(1,591,000)</u>	<u>(6,161,856)</u>	<u>1,248,806,578</u>
Capital assets, being depreciated					
Structures and improvements	200,436,593	20,466,787	(1,366,503)	5,468,873	225,005,750
Equipment	47,633,313	3,546,215	(2,276,672)	-	48,902,856
Infrastructure	302,714,262	-	-	692,983	303,407,245
Total capital assets being depreciated	<u>550,784,168</u>	<u>24,013,002</u>	<u>(3,643,175)</u>	<u>6,161,856</u>	<u>577,315,851</u>
Less accumulated depreciation for					
Structures and improvements	(101,070,922)	(10,081,689)	79,713	-	(111,072,898)
Equipment	(39,064,987)	(3,596,589)	2,257,660	-	(40,403,916)
Infrastructure	(255,925,265)	(10,007,169)	-	-	(265,932,434)
Total accumulated depreciation	<u>(396,061,174)</u>	<u>(23,685,447)</u>	<u>2,337,373</u>	<u>-</u>	<u>(417,409,248)</u>
Total capital assets being depreciated, net	<u>154,722,994</u>	<u>327,555</u>	<u>(1,305,802)</u>	<u>6,161,856</u>	<u>159,906,603</u>
Governmental activities capital assets, net	<u>\$ 1,397,401,555</u>	<u>\$ 14,208,428</u>	<u>\$ (2,896,802)</u>	<u>\$ -</u>	<u>\$ 1,408,713,181</u>
<b>Business-Type Activities</b>					
Capital assets, not being depreciated					
Land	\$ 7,013,765	\$ -	\$ (714,752)	\$ -	\$ 6,299,013
Construction in progress	4,188,452	2,503,205	-	(701,141)	5,990,516
Total capital assets not being depreciated	<u>11,202,217</u>	<u>2,503,205</u>	<u>(714,752)</u>	<u>(701,141)</u>	<u>12,289,529</u>
Capital assets, being depreciated					
Structures and improvements	44,279,816	-	(2,522,213)	664,860	42,422,463
Equipment	5,311,681	1,678,062	(394,806)	36,281	6,631,218
Other property	3,426,892	-	-	-	3,426,892
Total capital assets being depreciated	<u>53,018,389</u>	<u>1,678,062</u>	<u>(2,917,019)</u>	<u>701,141</u>	<u>52,480,573</u>
Less accumulated depreciation for					
Structures and improvements	(25,539,807)	(1,199,831)	1,991,785	-	(24,747,853)
Equipment	(2,762,016)	(783,693)	344,401	-	(3,201,308)
Other property	(1,258,541)	(94,047)	-	-	(1,352,588)
Total accumulated depreciation	<u>(29,560,364)</u>	<u>(2,077,571)</u>	<u>2,336,186</u>	<u>-</u>	<u>(29,301,749)</u>
Total capital assets being depreciated, net	<u>23,458,025</u>	<u>(399,509)</u>	<u>(580,833)</u>	<u>701,141</u>	<u>23,178,824</u>
Business-type activities capital assets, net	<u>\$ 34,660,242</u>	<u>\$ 2,103,696</u>	<u>\$ (1,295,585)</u>	<u>\$ --</u>	<u>\$ 35,468,353</u>

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 6: CAPITAL ASSETS, Continued

#### Depreciation

Depreciation expense was charged to functions of the primary government as follows:

#### Governmental activities:

General government	\$ 11,922,199
Public protection	1,481,760
Public ways and facilities	9,739,444
Health and sanitation	109,165
Public assistance	5,810
Recreation	312,592
Education	114,477
Total Depreciation Expense - Governmental Activities	\$ 23,685,447

#### Business-type activities:

Housing Authority	\$ 1,158,582
County Fair	73,745
Airport	99,785
Marin Org	94,116
Transit	651,343
Total Depreciation Expense - Business-Type Activities	\$ 2,077,571

### NOTE 7: RISK MANAGEMENT

#### Workers' Compensation

The County is permissibly self-insured for the first \$1,000,000 of workers' compensation claims per occurrence. The County provides for excess workers' compensation insurance above the \$1,000,000 retention through a policy with Arch Insurance Company (AM Best Rate A XV) with statutory limits (optimum no limit coverage per claim). The latest independent actuarial analysis (October 2011), concludes that given program assets, as of June 30, 2012 the program is funded above 90% confidence level.

The actuarially determined outstanding claims liability, including incurred but not reported claims at 80% confidence level, at June 30, 2012 is \$19,816,000.

The changes in the balance of claims liabilities are as follows:

#### Worker's Compensation

	2012	2011
Liability Balance, Beginning of Fiscal Year	\$ 19,272,000	\$ 19,906,618
Current year claims and changes in estimates	4,267,322	2,119,416
Claim payments	(3,723,322)	(2,754,034)
Liability Balance, End of Fiscal Year	\$ 19,816,000	\$ 19,272,000

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 7: RISK MANAGEMENT, Continued

#### General Liability

The County maintains a self-insured retention (SIR) of \$1,000,000 per occurrence for its general liability program. Losses, which exceed the SIR, are covered by an excess insurance policy through Starr Indemnity & Liability Company (AM Best Rated AX) first layer, National Casualty Company (AM Best A+ XV) second layer, and Endurance Risk Solutions Assurance Co. (AM Best Rated A XV) third layer, for a combined limit of \$25 Million. The latest independent actuarial analysis (September 2011), concludes that given program assets, as of June 30, 2012 the program is funded above the 90% confidence level.

The actuarially determined outstanding claims liability, including incurred but not reported claims at 80% confidence level, at June 30, 2012 is \$5,593,000.

The changes in the balance of claims liabilities are as follows:

#### **General Liability**

	<u>2012</u>	<u>2011</u>
Liability Balance, Beginning of Fiscal Year	\$ 5,485,000	\$ 5,658,000
Current year claims and changes in estimates	564,097	1,313,609
Claim payments	<u>(456,097)</u>	<u>(1,486,609)</u>
Liability Balance, End of Fiscal Year	<u><u>\$ 5,593,000</u></u>	<u><u>\$ 5,485,000</u></u>

Settled claims have not exceeded coverage in any of the past three years. Non incremental claims adjustment expenses are included as part of the claims liability.



# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 8: LONG-TERM OBLIGATIONS

The following table summarizes the changes in the County's long-term obligations for the fiscal year ended June 30, 2012:

	Restated Balance July 1, 2011	Additions	Deletions	Adjustments	Balance June 30, 2012	Amounts Due Within One Year
<b>Governmental Activities</b>						
Bonds payable						
Revenue bonds payable	\$ 17,240,000	\$ -	\$ 685,000	\$ (10,370,000)	\$ 6,185,000	\$ 325,000
Taxable pension obligation bonds 2003	111,480,000	-	1,295,000	-	110,185,000	1,785,000
Tobacco settlement asset-backed bonds 2007	49,400,632	-	530,000	687,782 *	49,558,414	411,765
Less: unamortized discount	(621,923)	-	(62,193)	-	(559,730)	(62,193)
Subtotal - Bonds Payable	<u>177,498,709</u>	<u>-</u>	<u>2,447,807</u>	<u>(9,682,218)</u>	<u>165,368,684</u>	<u>2,459,572</u>
Loans payable	<u>3,452,968</u>	<u>1,054,869</u>	<u>118,730</u>	<u>332,727 *</u>	<u>4,721,834</u>	<u>124,117</u>
Certificates of Participation						
Certificates of participation 2001	11,915,000	-	345,000	-	11,570,000	360,000
Certificates of participation 2010	61,540,000	-	2,175,000	-	59,365,000	1,760,000
Add: unamortized premium	1,723,443	-	156,677	-	1,566,766	156,677
Certificates of participation 2012	-	925,000	16,897	-	908,103	17,693
Subtotal - Certificates of Participation	<u>75,178,443</u>	<u>925,000</u>	<u>2,693,574</u>	<u>-</u>	<u>73,409,869</u>	<u>2,294,370</u>
Capital leases	1,954,731	-	418,921	-	1,535,810	432,792
Compensated absences	13,869,685	11,764,282	11,585,657	-	14,048,310	11,070,681
Claim liability	<u>24,757,000</u>	<u>4,831,419</u>	<u>4,179,419</u>	<u>-</u>	<u>25,409,000</u>	<u>5,974,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 296,711,536</u>	<u>\$ 18,575,570</u>	<u>\$ 21,444,108</u>	<u>\$ (9,349,491)</u>	<u>\$ 284,493,507</u>	<u>\$ 22,355,532</u>
<b>Business-Type Activities</b>						
Notes payable - HCD	\$ 2,861,319	\$ -	\$ -	\$ -	\$ 2,861,319	\$ -
Mortgages payable - Housing	2,008,963	-	33,802	(1,069,515)	905,646	905,646
Line of credit - Housing	210,000	175,000	385,000	-	-	-
Housing loans from other governmental agencies	981,020	897,982	388,047	(89,281)	1,401,674	547,871
Capital leases	201,553	-	201,553	-	-	-
Compensated absences	<u>165,811</u>	<u>205,619</u>	<u>44,841</u>	<u>-</u>	<u>326,589</u>	<u>105,895</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 6,428,666</u>	<u>\$ 1,278,601</u>	<u>\$ 1,053,243</u>	<u>\$ (1,158,796)</u>	<u>\$ 5,495,228</u>	<u>\$ 1,559,412</u>

\* Accretion expense on loan

The compensated absence liabilities attributable to the governmental activities are generally liquidated by the General Fund and related special revenue funds. Claims liability is liquidated by internal service funds for workers compensation claims and the General Fund for general liability claims. In prior years, typically the General Fund and related special revenue funds have been used to liquidate the OPEB obligation for the governmental activities.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 8: LONG-TERM OBLIGATIONS, Continued

The following table summarizes the County's long-term obligations as of June 30, 2012:

	Maturity	Date of Issue	Interest Rates	Annual Principal Installments	Amount Authorized	Outstanding at June 30, 2012
<b>Governmental Activities</b>						
<b>Revenue Bonds:</b>						
1998 Refunding Revenue Bonds - Marin County Redevelopment Agency	2025	1998	4.00%-5.50%	\$160,000-\$1,320,000	13,425,000	-
2002 Open Space Revenue Bonds	2028	2002	1.50%-5.125%	\$195,000-\$515,000	8,910,000	6,185,000
<b>Pension Obligation Bonds:</b>						
Taxable Pension Obligation Bonds Series A (fund pension liability)	2027	2003	4.60%-5.41%	\$50,000-\$14,940,000	112,805,000	110,185,000
<b>Asset-Backed Bonds:</b>						
Tobacco Settlement Asset-Backed Bonds Payable (Series 2007A through F)	2057	2007	4.63%-6.90%	\$485,000-\$8,350,986	49,870,081	49,558,414
Unamortized discount and issuance costs					(932,888)	(559,730)
<b>Loan Payable:</b>						
Energy Conservation Loan	2019	2009	3.95%	\$12,102-\$21,517	233,120	128,104
California Housing Finance Agency #1	2013	2003	3.00%	Due on Maturity	500,000	658,983
California Housing Finance Agency #2	2014	2004	3.00%	Due on Maturity	950,000	1,198,726
Energy Resource Conservation - Solar Panels	2023	2009	4.50%	\$28,373-\$49,287	553,345	438,274
1 Bank Loan	2027	2009	3.29%	\$47,681-\$49,088	681,600	597,649
Energy Resource Conservation - Auditorium	2025	2011	1.00%	\$12,419-\$15,732	410,781	384,549
Energy Resource Conservation - Exhibit Hall	2023	2008	4.50%	\$6,259-\$14,822	326,477	260,680
California Energy Commission	2023	2012	0.00%	Various	1,054,869	1,054,869
Loans Payable Subtotal					<u>4,710,192</u>	<u>4,721,834</u>
<b>Certificates of Participation:</b>						
2001 Issue (finance capital improvement projects)	2032	2001	4.70%-7.00%	\$215,000-\$880,000	\$ 14,100,000	\$ 11,570,000
2010 Issue (finance projects)	2040	2010	2.00%-4.375%	\$1,460,000-\$2,855,000	61,540,000	59,365,000
Unamortized Premium					1,880,120	1,566,766
2012 Issue (Homestead)	2027	2012	4.00%	\$16,897-\$45,853	925,000	908,103
<b>Certificates of Participation Subtotal:</b>					<u>78,445,120</u>	<u>73,409,869</u>
<b>Capital Leases:</b>						
CISCO Net work	2013	2008	3.17%	\$34,643-\$39,249	184,549	39,248
Server Upgrade	2014	2008	3.47%	\$56,798-\$65,109	304,413	128,032
Computer Infrastructure Upgrade	2016	2010	3.55%	\$320,066-\$353,820	1,688,596	1,368,530
<b>Capital Leases Subtotal</b>					<u>2,177,558</u>	<u>1,535,810</u>
Compensated absences					14,048,310	14,048,310
Claims liabilities					25,409,000	25,409,000
<b>Total Governmental Activities Long-Term Liabilities</b>					<u>\$ 299,957,373</u>	<u>\$ 284,493,507</u>
<b>Business-Type Activities</b>						
Notes payable - HCD	2014	2006	0%-3.00%	Deferred	\$ 2,861,319	\$ 2,861,319
Mortgages Payable - Office buildnig	2012	1997	5.82%	Various	1,200,000	905,646
Loans to other governmental agencies	2012	2010	0%	Various	-	1,401,674
Compensated absences					326,589	326,589
<b>Total Business-Type Activities Long-Term Liabilities</b>					<u>\$ 4,387,908</u>	<u>\$ 5,495,228</u>

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### **NOTE 8: LONG-TERM OBLIGATIONS, Continued**

#### *(a) 1998 Refunding Revenue Bonds*

In June 1998, the Marin County Redevelopment Agency issued \$13.4 million in revenue bonds for the purpose of refinancing \$10 million of outstanding 1995 Revenue Bonds Series A, and the remaining balance to finance certain capital improvement projects. The bonds carry an interest rate range of 4.00% to 5.50% and mature on September 1, 2025.

In FY 2012, the California Supreme Court upheld Assembly Bill (AB) 1x26 (Dissolution Act) that provides for the dissolution of all redevelopment agencies in the State of California. The Bill provides that upon dissolution, the entity that established the redevelopment agency may elect to serve as the “successor agency” to hold the assets of the former redevelopment agency until they are distributed to other units of state and local government after the payment of enforceable obligations that were in effect as of the signing of the Bill. On August 23, 2011, the County elected to serve as the Successor Agency of the Marin County Redevelopment Agency.

Under the Dissolution Act, each California redevelopment agency (each a “Dissolved RDA”) was dissolved as of February 1, 2012, and the Successor Agency have initiated the process to unwind the affairs of the dissolved RDA.

Under the Bill, agencies that accept the role of the successor agency will serve as a custodian for the assets of the dissolved redevelopment agency pending distribution to the appropriate taxing entities after the payment of enforceable obligations that were in effect as of the signing of the Bill. Based upon the nature of this custodial role, upon dissolution on February 1, 2012, the assets and liabilities of the dissolved redevelopment agency have been reported in a fiduciary fund of the County. Further details are provided in Note 14.

#### *(b) 2002 Open Space Revenue Bonds*

In May 2002, the Marin County Open Space Finance Authority issued \$8.9 million in revenue bonds, primarily for the purpose of refunding the following:

- \$212,000 outstanding principal amount of Open Space District’s Series 1995 limited obligation improvement bonds for Pacheco Valley Open Space Assessment District, originally issued in March 1995;
- \$419,000 outstanding principal amount of Open Space District’s Series 1995-2 limited obligation improvement bonds for Little Mountain Open Space Assessment District, originally issued in September 1995;
- \$3,285,000 outstanding principal amount of Open Space District’s Series A special tax bonds for the Community Facilities District No. 1993-1 Old St. Hilary’s Open Space, originally issued in January 1995; and
- \$3,730,000 outstanding principal amount of Open Space District’s 1997 Special tax bonds for the Community Facilities District No. 1997-1 Old St. Hilary’s Open Space, originally issued in August 1997

The bonds carry an interest rate range of 1.50% to 5.125%, and mature in September 2027.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### **NOTE 8: LONG-TERM OBLIGATIONS, Continued**

#### *(c) Pension Obligation Bonds Series 2003*

In May 2003, the County issued pension obligation bonds 2003 series in the amount \$112.8 million. The bonds were sold primarily to provide funds to refinance the County's actuarial accrued liability with respect to retirement benefits for County employees and retirees. The bonds are insured by National Public Finance Guarantee Corporation ("NPFGC"). The bonds have a Fitch rating of "AA+." The bonds carry an interest rate range of 4.60% – 5.41% and mature on August 1, 2026.

#### *(d) Tobacco Settlement Asset-Backed Bond Series 2007A-F*

The County is due a portion of receipts from the Tobacco Industry from the sale of tobacco products. This is a continual stream of funds based on the amount of tobacco sales. The County created a not-for-profit public benefit corporation, the Golden Gate Tobacco Funding Corporation (the Corporation), which in turn joined eight other counties in the State of California to form the California Tobacco Securitization Agency (the Agency). The Corporation acquired from the County all rights to future tobacco settlement payments and in June 2006 issued asset-backed bonds Series A through F. Proceeds from the Tobacco Industry are utilized to pay down these bonds. These bonds carry an interest rate range of 4.63% - 6.90% and mature between June 1, 2021 through June 1, 2057.

#### *(e) 2001 Certificates of Participation*

In November 2001, the County issued certificates of participation in the amount of \$14.1 million to finance a building acquisition and various capital projects within the County. The certificates are insured by a policy with Ambac Assurance Corporation, which guarantees the scheduled payments of principal and interest on the certificates when due. The certificates have a Fitch rating of "AA+." The certificates carry interest rates ranging from 4.70% - 7.00% and mature on July 15, 2031.

#### *(f) 2010 Certificates of Participation*

In September 2010, the County issued \$61.5 million in certificates of participation to finance capital improvement projects throughout the County, as well as to refund \$17.5 million of outstanding 1998 Certificates of Participation Series A and B. The certificates were rated "AA+" and "Aa2" from S&P and Moody's, respectively. The certificates carry interest ranging from 2.00% - 4.38% and mature on August 1, 2040.

#### *(g) 2012 Certificates of Participation*

In August 2011, the County issued \$925,000 in certificates of participation to finance improvements to County Service Area No. 14's Homestead Valley Community Center. The certificates carry interest rate of 4% per annum. Bi-annual payments are to be made in March and in September of each year with the last payment due on or before March 1, 2027.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 8: LONG-TERM OBLIGATIONS, Continued

As of June 30, 2012, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30:	Governmental Activities					
	Bonds Payable		Certificates of Participation		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	2,521,765	7,952,805	2,156,098	2,781,909	783,099	66,867
2014	3,114,096	7,827,302	2,209,020	2,720,186	128,223	50,329
2015	3,722,187	7,670,886	2,267,088	2,676,748	1,331,214	124,626
2016	4,394,124	7,481,384	2,325,311	2,611,975	136,841	42,863
2017	5,119,911	7,254,617	2,403,695	2,535,349	141,521	38,806
2018-2022	39,427,917	31,120,899	13,295,370	11,414,024	716,606	128,613
2023-2027	68,435,000	16,969,003	12,756,521	8,975,419	1,438,165	30,020
2028-2032	5,234,095	6,351,586	10,100,000	5,349,744	46,165	828
2033-2037	6,265,000	4,939,500	11,330,000	4,352,478	-	-
2038-2047	15,845,000	4,523,750	13,000,000	1,679,109	-	-
2048-2057	11,849,319	180,200,681	-	-	-	-
Less Unamortized Premium (Discount)	(559,730)	-	1,566,766	-	-	-
	<u>\$ 165,368,684</u>	<u>\$ 282,292,413</u>	<u>\$ 73,409,869</u>	<u>\$ 45,096,941</u>	<u>\$ 4,721,834</u>	<u>\$ 482,952</u>

Year Ending June 30:	Business-Type Activities			
	Mortgages Payable		Other Governments	
	Principal	Interest	Principal	Interest
2012	905,646	-	1,401,674	-
	<u>\$ 905,646</u>	<u>\$ -</u>	<u>\$ 1,401,674</u>	<u>\$ -</u>

#### Bond Discounts, Bond Premiums, and Issuance Costs

In the governmental funds, bond discounts, bond premiums and issuance costs are treated as period costs in the year of issue. In the proprietary funds (and for the governmental activities in the government-wide statements) bond discounts, bond premiums and issuance costs are deferred and amortized over the term of the debt using the straight line method. Bond discounts and premiums are presented as a reduction and increase, respectively, of the outstanding balance of bonds payable, whereas issuance costs are recorded as deferred charges.

#### Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 8: LONG-TERM OBLIGATIONS, Continued

#### Capital Lease Obligation

The County leases equipment, primarily for data processing and elections under lease obligations accounted for as capital leases. Included in the governmental funds are the following capital asset amounts under capital leases:

	Governmental Activities	Business-Type Activities
Equipment	\$ 747,291	\$ 308,135
Less: Accumulated depreciation	(484,193)	(123,254)
	\$ 263,098	\$ 184,881

The following is a schedule of future minimum lease payments under capital leases together with the present value of future minimum lease payments as of June 30, 2012:

	Year Ending June 30:	Governmental Activities
	2013	467,728
	2014	427,233
	2015	359,864
	2016	359,864
Total Debt Service Requirements		1,614,689
Less Amount Representing Interest		78,879
Present Value of Remaining Payments		\$ 1,535,810

#### Operating Lease Obligation

The County is committed under various operating leases for office space and computer equipment. The minimum future lease commitments in these leases are as follows:

	Year Ending June 30:	Office Space	Computers & Equipment	Total
	2013	2,569,500	740,581	3,310,081
	2014	2,396,328	638,669	3,034,997
	2015	2,108,904	520,029	2,628,933
	2016	947,496	317,668	1,265,164
	2017	590,590	245,400	835,990
	2018-2020	374,076	-	374,076
Total		\$ 8,986,893	\$ 2,462,348	\$ 11,449,241

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 9: EMPLOYEES' RETIREMENT PLAN

#### (a) Plan Description

The County's retirement plan is administered by the Board of Retirement of the Marin County Employees' Retirement Association (MCERA), a multiple-employer retirement system governed by the 1937 Act of the California Government Code. It covers employees eligible for membership and provides retirement, disability, death and survivor benefits based upon specified percentages of final compensation as well as annual cost-of-living adjustments after retirement. Contributions are made by both the County and the employees. Copies of MCERA annual financial reports which include required supplementary information (RSI) for each plan may be obtained from their office at One McInnis Parkway, Suite 100, San Rafael, CA 94903 or online at [http://www.co.marin.ca.us/depts/rt/main/reports/reports\\_main.cfm](http://www.co.marin.ca.us/depts/rt/main/reports/reports_main.cfm).

In addition to the County's retirement plan, MCERA administers the plans of the City of San Rafael, the Novato Fire Protection District, and several other special districts. Separate actuarial valuations are performed for these other agencies and districts, and the responsibility for funding their plans rest with those entities. Post-retirement benefits are administered by MCERA to qualified retirees.

#### (b) Funding Policy

- Members are required to contribute a percentage of their wages to the County's plan, based on their age at the time of entry into the Plan. Under the provisions of the County's pension plan, pension benefits vest after five years of credited service. The County's annual contributions are actuarially determined. The following assumptions were used in the most recent actuarial valuation as of June 30, 2011. Real rate of return is assumed to be 4.25% per year.
- Cost of Living Adjustment is capped maximum at 3.25%
- Rate of salary increase is assumed to be 3.25% for the general plan and safety plan.

The actuarial assumptions used in determining contribution requirements are the same as those used to compute the pension benefit obligation.

#### (c) Annual Pension Cost

For the fiscal year ended June 30, 2011, the County's annual pension cost was \$46,777,000.

Funding of the Plan is determined under the "entry age normal" method, which provides for funding of annual normal costs and the unfunded prior service costs (unfunded actuarial accrued liability) over a period of 17 years as a level percentage of payroll. This includes amortization of the unfunded present value of credited projected benefits.

A number of assumptions were changed as a result of the recent Experience Study, which covered the period from 2008-2011. Among the assumption changes implemented were new service retirement and termination rates, more conservative mortality assumptions, and reductions in the assumed rates of asset growth (from 7.75% to 7.5%), pay inflation (from 3.5% to 3.25%) and COLA increases (based on the maximum increase).

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 9: EMPLOYEES' RETIREMENT PLAN, Continued

#### Three-Year Trend Information (in thousands)

Year Ending June 30:	Annual Pension Cost (APC)	Percentage of APC Contributed
2011	\$46,777	103.0%
2010	39,437	100.0%
2009	36,638	100.0%

In addition to the annual required contribution, the County recognized an additional expense of \$4,700,210, the current year amortization relating to the County's net pension asset. The change in the pension asset is as follows:

Net pension asset, beginning of year	\$ 75,203,320
Net pension asset, end of year	\$ 70,503,110

#### Funded Status of County Defined Benefits Pension Plan (in thousands)

Valuation Date (Most Recent Data Available) June 30:	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Accrued Actuarial Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
2011	1,065,255	1,436,008	370,754	74.20%	175,397	211.40%
2010	1,018,082	1,402,358	384,276	72.60%	176,833	217.30%
2009	1,002,218	1,350,528	348,310	74.21%	178,027	195.65%

### NOTE 10: OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

#### A. *Plan Description*

The County of Marin sponsors, and MCERA provides administrative services for, a single-employer defined-benefit postemployment healthcare plan (the Plan) to provide medical and dental insurance benefits to eligible retired employees. Benefit provisions are established and may be amended by the County.

Under the current practice, the County allows eligible service and disability retirees and their dependents to continue health coverage in the County's medical and dental plans. The County pays a portion of the premiums based on date of hire.

- For retirees hired before October 1, 1987 (Plan 1), the County pays 100% of the eligible retiree's single health plan premiums.
- For retirees hired between October 1, 1987 and September 30, 1993 (Plan 2), the County pays the retiree's single health plan premiums up to \$2,275 per year.



# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### **NOTE 10: OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN, Continued**

#### *A. Plan Description, Continued*

- For retirees hired between October 1, 1993 and December 31, 2007 (Plan 3), the County pays a percentage of the retiree's single premium up to a dollar cap based on years of service at retirement, where the dollar cap is reviewed each year. Through January 1, 2007 the cap was increased to cover single Blue Cross Prudent Buyer Classic and Delta Dental premiums. Due to the amount of unfunded liability the County faces, the Board of Supervisors has implemented a policy to limit annual increases in the maximum allocation for Plan 3 to no more than 3%, subject to annual approval regarding whether any increase will be granted and, if so, the amount of the increase. Cap increases were 3% effective January 1, 2008 and January 1, 2009. No cap increases have been adopted since that time.
- For retirees hired on or after January 1, 2008 (Plan 4), the County pays \$150 per year of service up to \$3,000 per year for the retiree's single health plan premiums only.

Retirees eligible for Plans 1 and 2 may elect Plan 3 instead; and retirees eligible for Plans 1, 2, or 3 may elect Plan 4 instead.

Certain County medical plans have premium structures that result in subsidies of retiree claim costs from premiums paid for employees by the County.

The Housing Authority, which is a major fund, provides post-employment medical health care benefit to its retired employees and, in some instances, their spouses. Benefits include coverage in the CALPERS health plan. The Authority pays a portion of the premiums for the medial insurance for retirees. The majority of costs for this medical insurance costs is the responsibility of each retiree.

The Authority's retirees are eligible for membership in the plan upon retirement. Employees are eligible for retirement at age 50 and with 5 years of service or upon disability. As of December 31, 2011, the Authority had nine retirees who were eligible for the program and receiving benefits. The Authority had another sixty-one active employees, who are eligible for the program, but are not receiving benefits due to the fact that they are not yet retired from the Authority.

#### *B. Funding Policy*

The contribution policy is determined by the County. The County's Plan has been funded on a pay-as-you-go basis. For fiscal year 2011-12, the County contributed \$10,998,409 in premium payments for retirees.

In addition, the County is studying various options for funding the Plan, and has set aside a portion of the General Fund's fund balance for that purpose, accumulating \$40,800,000 as of June 30, 2012.

The Housing Authority has adopted an entry age normal cost method to determine the present value of benefits and actuarial accrued liability. The plan currently has no assets. The amortization method is a level percent of payroll, which is identical to CALPERS. The amortization period is thirty years. The Authority has adopted a pay-as-you-go policy and is not currently funding this liability above the monthly requirement. The Authority makes actual monthly payments to its healthcare provider for its portion of the retirees' premiums. The payments for 2011 totaled \$4,887. The Authority accrued the remaining actuarial determined liability of \$91,000, to recognize expense in the current fiscal year.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 10: OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN, Continued

#### C. Annual Other Postemployment Benefit Cost and Net Obligation

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the provisions of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) amortized over thirty years. Both the ARC and the funded status information have been based on the assumption that the Plan 3 cap would increase over time to cover increases in Blue Cross Prudent Buyer Classic and Delta Dental premiums.

The Housing Authority's annual OPEB costs (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. Interest on net OPEB obligation is based on the actuarial interest rate of 4.25% and is computed on the unfunded amount.

The following table presents the components of the County's Annual OPEB Cost for the year, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation.

	Governmental Activities	Business-Type Activities
Annual required contribution	\$ 27,182,000	\$ 104,000
Interest on net OPEB obligation	4,085,000	7,000
Adjustment to annual required contribution	(3,828,000)	(20,860)
Annual OPEB cost (expense)	27,439,000	90,140
Contributions made	(11,955,410)	(4,887)
Increase in net OPEB obligation	15,483,590	85,253
Net OPEB obligation - beginning of year	96,101,590	166,000
Net OPEB obligation - end of year	\$ 111,585,180	\$ 251,253

The County's annual OPEB cost, the percentage of Annual OPEB Cost contributed to the Plan, and the net postemployment healthcare plan obligation were as follows:

Fiscal Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	End of Year Net OPEB Obligation
2012	27,439,000	43.57%	111,585,180
2011	28,034,000	42.20%	96,101,590
2010	26,797,080	37.61%	79,898,485

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 10: OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN, Continued

#### C. Annual Other Postemployment Benefit Cost and Net Obligation, Continued

The Housing Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011.

Fiscal Year Ended December 31	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	End of Year Net OPEB Obligation
2011	90,140	5.42%	251,253
2010	89,294	4.80%	166,000
2009	84,800	5.10%	81,000

#### D. Funded Status

The funded status of the plan based on the most recent actuarial valuation as of July 1, 2011, is as follows:

Actuarial Accrued Liability (AAL)	\$ 382,720,000
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	382,720,000
Funded Ratio (Actuarial value of plan assets/AAL)	0.00%
Covered Payroll (active plan members)	150,405,000
UAAL as a Percentage of Covered Payroll	254.46%

For the Housing Authority, as of December 31, 2010, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$489,000, all of which is unfunded. The covered payroll (annual payroll of active employees covered by the plan) for the current fiscal year was \$4 million; therefore, unfunded actuarial accrued liability as a percentage of covered payroll is 12.2%.

#### E. Actuarial Methods and Assumptions

Actuarial calculations reflect a long-term perspective. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to constant revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 10: OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN, Continued

#### E. Actuarial Methods and Assumptions, Continued

Assumptions have been updated based on new actuarial assumptions adopted by the Marin County Employees Retirement Association in January of 2012. The actuarial assumptions were updated to reflect the results of the new Marin County Employees' Retirement Association Experience Study for July 1, 2008 through June 30, 2011, including the reduction in the assumed inflation rate from 3.50% to 3.25%. The assumed interest rate was reduced from 4.50% to 4.25% and the long-term medical trend rate was lowered from 5.50% to 5.25% to reflect the reduced inflation assumption. Also, the post-retirement mortality assumption was adjusted for future mortality improvement and minor changes were made to medical plan election assumption. No changes were made to actuarial methods.

The Unfunded Actuarial Accrued Liability (UAAL) was amortized over an open period of 30 years as a level percentage of projected payroll.

#### Schedule of Funding Progress Postemployment Healthcare Plan (in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/11	-	\$ 382,720	\$ 382,720	0.00%	\$ 150,405	254.46%
7/1/09	-	359,934	359,934	0.00%	161,948	222.25%
7/1/05	-	310,945	310,945	0.00%	129,763	239.63%

For the Housing Authority:

#### Schedule of Funding Progress Postemployment Healthcare Plan (in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/11	-	\$ 489	\$ 489	0.00%	\$ 4,000	12.23%
12/31/10	-	489	489	0.00%	3,800	12.87%
12/31/09	-	489	489	0.00%	3,774	12.96%

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 11: COMMITMENTS AND CONTINGENT LIABILITIES

#### Construction Commitments

At June 30, 2012, the County had ongoing construction commitments that totaled approximately \$3.5 million.

#### Other

Certain claims and legal actions have been made against the County. The County will contest and vigorously defend any significant legal actions. It is the County's opinion that insurance coverage and fund balances are sufficient to cover any potential losses.

### NOTE 12: FUND BALANCES/NET ASSETS

#### Restatement of Beginning Fund Balances/Net Assets

The following table is a summary of the restatement of beginning fund balances/net assets:

	Statement of Net Activities	Governmental Funds	
		Other	
<u>Governmental Activities</u>	Governmental Activities	Governmental Funds	
Net assets/fund balance, beginning of year, as originally reported	\$ 1,497,062,492	\$ 115,682,874	
Open Space Land & Long-Term Debt	2,094,999	--	
Reclassification of Agency Funds	(542,094)	(542,094)	
Restatement of beginning balance of OPEB liability	848,000	--	
Dissolution of RDA			
Debt service funds	(1,015,112)	(1,015,112)	
Capital project funds	(785,708)	(785,708)	
Open Space Debt Service	755,894	755,894	
Subtotal	1,355,979	(1,587,020)	
Net assets/fund balance, beginning of year, restated	\$ 1,498,418,471	\$ 114,095,854	
<u>Business-Type Activities</u>	Housing Authority	Nonmajor Enterprise Funds	Total Enterprise Funds
Net assets/fund balance, beginning of year, as originally reported	\$ 30,791,500	\$ 20,640,676	\$ 51,432,176
Removal of MCHDFC	(1,005,629)	--	(1,005,629)
Reclassification to Agency Fund	--	(1,383,626)	(1,383,626)
Net assets/fund balance, beginning of year, restated	\$ 29,785,871	\$ 19,257,050	\$ 49,042,921

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 12: FUND BALANCES/NET ASSETS, Continued

#### Net Assets, Invested in Capital

Net assets, invested in capital as of June 30, 2012 consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net of accumulated depreciation	\$ 1,408,713,181	\$ 35,468,353
Outstanding principal of capital-related debt	(131,938,620)	(5,168,639)
Unspent proceeds	--	430,323
	<u>                    </u>	<u>                    </u>
Net assets invested in capital assets, net of related debt	<u>\$ 1,276,774,561</u>	<u>\$ 30,730,037</u>

#### Fund Balance Classifications

In accordance with the provisions of GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### NOTE 12: FUND BALANCES, Continued

#### Fund Balance Classifications (continued)

Fund Balances are presented in the following categories: non-spendable, restricted, committed, assigned, and unassigned (See Note 1 for a description of these categories). A detailed schedule of fund balances as of June 30, 2012 is as follows:

	General Fund	Health and Sanitation	Miscellaneous Capital Project Fund	Other Governmental Funds	Total
Fund balances:					
Non-spendable					
Notes receivable - long term	\$ 1,342,692	\$ -	\$ -	\$ 5,871,000	\$ 7,213,692
Prepaid expenditures	1,233,281	-	-	243,081	1,476,362
Deposits with others	-	-	1,000,000	-	1,000,000
Advances to other funds	520,000	-	-	45,400	565,400
Inventory	843,144	-	-	113,664	956,808
Total Non-spendable	<u>3,939,117</u>	<u>-</u>	<u>1,000,000</u>	<u>6,273,145</u>	<u>11,212,262</u>
Restricted for:					
General government	11,353,612	-	-	1,486,375	12,839,987
Public protection	-	-	-	7,807,639	7,807,639
Public ways and facilities	-	-	-	7,324,121	7,324,121
Public assistance	739,400	-	-	-	739,400
Health and sanitation	-	30,353,031	-	-	30,353,031
Recreation and culture	-	-	-	256,584	256,584
Education	-	-	-	6,605,938	6,605,938
Road repairs	-	-	-	2,846,071	2,846,071
Courthouse constructions	-	-	-	833,036	833,036
Fish and game preservation	-	-	-	112,249	112,249
Child support services	-	-	-	128,915	128,915
Building inspection	-	-	-	507,788	507,788
Environmental health	-	-	-	294,777	294,777
Sewage district	-	-	-	595,702	595,702
Public utility projects	-	-	-	1,310,194	1,310,194
Miscellaneous CSA projects	-	-	-	15,140,911	15,140,911
Permanent Road district	-	-	-	314,843	314,843
Tobacco settlement security	-	-	-	3,682,060	3,682,060
In home supportive services	-	-	-	54,235	54,235
Open space district	-	-	-	7,751,236	7,751,236
Redevelopment help loan	-	-	-	2,622,646	2,622,646
Flood control zone projects	-	-	-	21,599,678	21,599,678
Affordable housing	-	-	-	5,843,690	5,843,690
Debt service reserve	-	-	-	4,709,709	4,709,709
Emergency operations facility	-	-	39,669,936	-	39,669,936
Other capital projects	-	-	-	97,866	97,866
Total Restricted	<u>12,093,012</u>	<u>30,353,031</u>	<u>39,669,936</u>	<u>91,926,263</u>	<u>174,042,242</u>
Committed to:					
Capital improvement projects	22,500,695	-	-	-	22,500,695
Retiree liability	41,227,000	-	-	1,934,898	43,161,898
Self Insurance	13,501,391	-	-	-	13,501,391
Economic uncertainties	27,839,648	-	-	25,092	27,864,740
New financial Systems	1,467,000	-	-	-	1,467,000
Open Space acquisition	500,000	-	-	-	500,000
Miscellaneous capital projects	7,592,801	-	4,700	-	7,597,501
Special litigation	-	-	-	500,000	500,000
	<u>114,628,535</u>	<u>-</u>	<u>4,700</u>	<u>2,459,990</u>	<u>117,093,225</u>
Assigned to:					
General government	8,302,029	-	-	686,009	8,988,038
Eliminate subsequent year budget deficit	28,154,711	-	-	-	28,154,711
Vehicle and equipment replacement	8,169,485	-	-	-	8,169,485
Public protection	-	-	-	289,427	289,427
Road repairs	-	-	-	666,751	666,751
Library	-	-	-	2,152,256	2,152,256
Low-income housing	-	-	-	250,000	250,000
Fishnet	-	-	-	20,121	20,121
Debt service	-	-	-	6,086,062	6,086,062
Other capital projects	-	-	18,795,613	12,824,983	31,620,596
	<u>44,626,225</u>	<u>-</u>	<u>18,795,613</u>	<u>22,975,609</u>	<u>86,397,447</u>
Unassigned:					
	6,588,685	-	-	(27,226)	6,561,459
Total fund balance	<u>\$ 181,875,574</u>	<u>\$ 30,353,031</u>	<u>\$ 59,470,249</u>	<u>\$ 123,607,781</u>	<u>\$ 395,306,635</u>

# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### **NOTE 13: RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES**

On June 28, 2011, Assembly Bill 1X 26 (the "Dissolution Act") was enacted as part of the FY 2012 State budget package. The Dissolution Act required each California redevelopment agency to suspend nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for impending dissolution.

The League of California Cities and the California Redevelopment Association (CRA) filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn the Dissolution Act on the grounds that these bills violate the California Constitution.

On December 29, 2011, the California Supreme Court upheld the Constitutionality of the Dissolution Act and all redevelopment agencies in California were dissolved by operation of the law effective February 1, 2012 (Dissolved RDA).

The Dissolution Act provides that upon dissolution of a redevelopment agency either the County or another unit of local government will agree to serve as the "Successor Agency" to hold the assets until they are distributed to other units of state and local government. On August 23, 2011, the County of Marin elected to serve as the Successor Agency of the Marin County Redevelopment Agency in accordance with the Dissolution Act as part of County Resolution No. 2011-83.

The Dissolution Act also created Oversight Boards, which monitor the activities of the Successor Agencies. The roles of the Successor Agencies and Oversight Boards is to administer the wind down of each Dissolved RDA, which includes making payments due on enforceable obligations in existence at the date of dissolution, disposing of the assets and remitting the unencumbered balances of the Dissolved RDAs to the County Auditor-Controller for distribution to the affected taxing entities.

In future fiscal years, Successor Agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the Former Redevelopment Agency until all enforceable obligations of the prior Redevelopment Agency have been paid in full and all assets have been liquidated.

The Dissolution Act allowed the sponsoring community that formed the Dissolved RDA to elect to assume the housing functions and take over the certain housing assets of the Dissolved RDA. If the sponsoring community does not elect to become the Successor Housing Agency and assume the Dissolved RDA's housing functions, such housing functions and all related housing assets will be transferred to the local housing authority in the jurisdiction. AB 1484 modified and provided some clarifications on the treatment of housing assets under the Dissolution Act. On August 23, 2011, the County of Marin elected to serve as the Housing Successor Agency of the Marin County Redevelopment Agency.

In accordance with the timeline set forth in the Dissolution Act (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of activity of the Dissolved RDA are reported in the accompanying financial statements under governmental funds. After the date of dissolution, all assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the County.



# COUNTY OF MARIN

## Notes to Financial Statements For the Year Ended June 30, 2012

### **NOTE 13: RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES, Continued**

The State Controller of the State of California has been directed to review the propriety of any transfers of assets between Dissolved RDA and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency.

Management believes, in consultation with legal counsel, that the obligations paid by the Dissolved RDA to the County and Marin City CLC are valid enforceable obligations payable by the Successor Agency Trust under the requirements of the Dissolution Act and AB 1484. The County's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the County.

### **NOTE 14: SUBSEQUENT EVENTS**

#### *A. The California Public Employees' Pension Reform Act of 2013 (PEPRA)*

The California Public Employees' Pension Reform Act of 2013 (PEPRA) was approved by the Legislature in September 2012. PEPRA was authorized with the passage of AB 340, and will change public employee retirement plans starting January 1, 2013. In addition, the legislature passed AB 197, which clarifies what is considered 'compensation earnable' for current members.

Although PEPRA does not create a lower cost hybrid plan for new employees, it does achieve several of the Board's pension reform goals – such as equal sharing of normal costs for new employees; limits on pension spiking; less costly pension benefit levels for new employees; and a pension benefit cap.

There are three general categories of cost savings that should be realized in the County as a result of PEPRA, including (1) lower normal costs as a result of the lower tiers; (2) greater employee cost sharing of normal costs; and (3) limiting pensionable earnings to prevent pension "spiking."

#### *B. Successor Agency to the County of Marin Redevelopment Agency Findings of the Agreed-Upon Procedures Report*

Pursuant to the California Health and Safety Code section §34182, the County Auditor-Controller was responsible to cause the performance of procedures to establish the former Agency's assets and liabilities, to document pass-through obligations, and to document the amount and terms of indebtedness incurred by the former Agency. The County issued its Agreed-Upon Procedures Report (AUP) on September 10, 2012 and submitted it to the State Controller's Office and the California Department of Finance. Other than as a reference to the California Department of Finance and the State Controller's Office, the AUP has no consequences in the dissolution process. The report did not identify any issues.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**COUNTY OF MARIN**

Schedule of Funding Progress  
For the Year Ended June 30, 2012

**County Employee's Retirement Plan (Defined Benefits Pension Plan)**

The table below shows a three-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability (UAAL) as a percentage of the annual covered payroll as of June 30:

Funded Status of County Defined Benefits Pension Plan (in thousands)

Valuation Date (Most Recent Data Available June 30:	Actuarial Value of Plan Assets	Actual Accrued Liability	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
2010	\$ 1,018,082	\$ 1,402,358	\$ 384,276	72.60%	\$ 176,833	217.30%
2009	1,002,218	1,350,528	348,310	74.21%	178,027	195.65%
2008	1,111,115	1,280,206	169,091	86.80%	173,735	97.33%

Copies of MCERA annual financial reports may be obtained from their office at One McInnis Parkway, Suite 100, San Rafael, CA 94903.

**Other Post Employment Benefits Plan**

The table below shows an analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial liability (UAAL) as a percentage of the annual covered payroll as of the most recent actuarial report:

Schedule of Funding Progress Postemployment Healthcare Plan (in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/11	-	\$ 382,720	382,720	0.00%	\$ 150,405	254.46%
7/1/09	-	359,934	359,934	0.00%	161,948	222.25%
7/1/05	-	310,945	310,945	0.00%	129,763	239.63%

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 150,786,429	\$ 165,694,429	\$ 168,187,629	\$ 2,493,200
Licenses and permits	5,607,970	5,857,989	6,606,173	748,184
Intergovernmental revenues	139,693,324	85,853,767	84,431,466	(1,422,301)
Charges for services	48,834,296	46,610,863	42,761,404	(3,849,459)
Fines and forfeits	6,313,361	8,617,615	10,921,897	2,304,282
From use of money and property	3,983,973	2,554,755	2,483,171	(71,584)
Miscellaneous	2,367,989	2,871,394	1,095,893	(1,775,501)
Total revenues	<u>357,587,342</u>	<u>318,060,812</u>	<u>316,487,633</u>	<u>(1,573,179)</u>
<b>Expenditures:</b>				
Current:				
General government				
Assessor-Recorder	8,982,172	8,739,862	8,154,390	585,472
Board of Supervisors	2,968,011	3,146,578	2,846,883	299,695
Community Development Agency	133,597	133,597	676,812	(543,215)
County Administrator	6,377,205	9,030,672	6,854,450	2,176,222
County Counsel	4,675,621	4,703,330	4,566,317	137,013
Department of Finance	4,866,013	4,678,392	4,032,479	645,913
Elections	3,045,382	3,101,944	2,822,551	279,393
Human Resources	4,874,733	5,035,706	4,763,426	272,280
Information Services & Technology	16,493,914	17,396,828	16,664,170	732,658
Non - Departmental	2,442,033	(8,115,574)	(7,935,334)	(180,240)
Public Works	14,617,438	12,671,691	10,844,667	1,827,024
Treasurer-Tax Collector-Registrar	2,502,092	2,516,562	2,318,681	197,881
Total general government	<u>71,978,211</u>	<u>63,039,588</u>	<u>56,609,492</u>	<u>6,430,096</u>
Public protection				
Agricultural Weights & Measures	1,952,943	2,197,659	2,142,586	55,073
Child Support Services	1,210,697	1,139,304	1,084,451	54,853
Community Development Agency	1,444,265	1,729,092	1,583,692	145,400
County Administrator	3,227,126	3,232,426	3,158,365	74,061
District Attorney	12,709,123	13,571,685	12,864,864	706,821
Fire Department	18,887,928	19,977,445	19,539,769	437,676
Health and Human Services	2,156,433	1,864,509	1,915,342	(50,833)
Information Service & Technology	886,537	1,892,077	687,711	1,204,366
Non - Departmental	2,659,940	3,197,621	3,039,208	158,413
Probation	16,042,432	16,153,967	15,238,627	915,340
Public Defender	6,846,473	6,900,253	6,467,738	432,515
Public Works	10,283,187	15,995,057	5,025,629	10,969,428
Sheriff	53,242,357	54,235,237	53,830,046	405,191
Treasurer-Tax Collector-Registrar	426,449	426,449	402,043	24,406
Total public protection	<u>131,975,890</u>	<u>142,512,781</u>	<u>126,980,071</u>	<u>15,532,710</u>

continued

**COUNTY OF MARIN**

Budgetary Comparison Schedule (continued)  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Expenditures (continued):</b>				
Public ways and facilities				
Non - Departmental	\$ 150,000	\$ 250,000	\$ 40,000	\$ 210,000
Public Works	5,461,208	6,611,244	2,921,271	3,689,973
Total public ways and facilities	<u>5,611,208</u>	<u>6,861,244</u>	<u>2,961,271</u>	<u>3,899,973</u>
Health and sanitation				
Health and Human Services	96,174,341	90,771,643	81,176,349	9,595,294
Non - Departmental	201,667	250,000	206,667	43,333
Sheriff	2,278,952	2,280,465	1,506,172	774,293
Total health and sanitation	<u>98,654,960</u>	<u>93,302,108</u>	<u>82,889,188</u>	<u>10,412,920</u>
Public assistance				
Community Development Agency	7,065,310	6,439,022	4,661,070	1,777,952
Health and Human Services	54,011,633	56,590,273	54,003,689	2,586,584
Non - Departmental	1,445,732	2,027,174	967,824	1,059,350
Public Works	--	21,252	17,178	4,074
Total public assistance	<u>62,522,675</u>	<u>65,077,721</u>	<u>59,649,761</u>	<u>5,427,960</u>
Education				
Farm Advisor/UC Coop Ext	272,407	293,653	217,125	76,528
Non - Departmental	349,405	349,510	242,988	106,522
Total education	<u>621,812</u>	<u>643,163</u>	<u>460,113</u>	<u>183,050</u>
Recreation and cultural services				
Culture and Visitor Services	3,220,548	3,238,867	2,963,257	275,610
Non - Departmental	85,000	80,000	78,000	2,000
Open Space	--	--	9,918	(9,918)
Parks	5,366,891	5,210,468	5,272,220	(61,752)
Public Works	25,234	111,234	--	111,234
Total recreation and cultural services	<u>8,697,673</u>	<u>8,640,569</u>	<u>8,323,395</u>	<u>317,174</u>
Capital Outlay	5,050,200	3,287,983	3,291,356	(3,373)
Debt Service:				
Principal	42,071	85,879	75,743	10,136
Interest	30,016	48,138	42,464	5,674
Total debt service	<u>72,087</u>	<u>134,017</u>	<u>118,207</u>	<u>15,810</u>
Total expenditures	<u>385,184,716</u>	<u>383,499,174</u>	<u>341,282,854</u>	<u>42,216,320</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,597,374)</u>	<u>(65,438,362)</u>	<u>(24,795,221)</u>	<u>(40,643,141)</u>

continued

**COUNTY OF MARIN**

Budgetary Comparison Schedule (continued)  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Other Financing Sources (Uses):				
Transfers in	\$ 4,175,047	\$ 75,946,124	\$ 62,532,069	\$ (13,414,055)
Transfers out	(9,530,366)	(42,133,598)	(49,250,501)	(7,116,903)
Total other financing sources (uses), net	<u>(5,355,319)</u>	<u>33,812,526</u>	<u>13,281,568</u>	<u>(20,530,958)</u>
Net change in fund balances	(32,952,693)	(31,625,836)	(11,513,653)	20,112,183
Fund balances, beginning of year	<u>193,389,227</u>	<u>193,389,227</u>	<u>193,389,227</u>	<u>--</u>
Fund balances, end of year	<u><u>\$ 160,436,534</u></u>	<u><u>\$ 161,763,391</u></u>	<u><u>\$ 181,875,574</u></u>	<u><u>\$ 20,112,183</u></u>



**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Health and Sanitation  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental revenues	\$ --	\$ 67,152,023	\$ 59,786,339	\$ (7,365,684)
Charges for services	--	149,000	114,996	(34,004)
Fines and forfeits	--	--	5,168	5,168
From use of money and property	--	--	83,704	83,704
Miscellaneous	--	--	800	800
Total revenues	--	67,301,023	59,991,007	(7,310,016)
<b>Expenditures:</b>				
Current:				
Public assistance				
Health and Human Services	--	12,443	--	12,443
Total public assistance	--	12,443	--	12,443
Total expenditures	--	12,443	--	12,443
Excess of revenues over expenditures	--	67,288,580	59,991,007	7,297,573
Other Financing Uses:				
Transfers out	--	(67,440,205)	(58,662,972)	8,777,233
Total other financing sources (uses)	--	(67,440,205)	(58,662,972)	8,777,233
Net change in fund balances	--	(151,625)	1,328,035	1,479,660
Fund balances, beginning of year	29,024,996	29,024,996	29,024,996	--
Fund balances, end of year	\$ 29,024,996	\$ 28,873,371	\$ 30,353,031	\$ 1,479,660

## COUNTY OF MARIN

### Note to Required Supplementary Information For the Fiscal Year Ended June 30, 2012

#### **BUDGETARY BASIS OF ACCOUNTING**

In accordance with the provisions of Sections 29000 through 29144 of the California Government Code, commonly known as the County Budget Act, the County prepares and adopts a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for Governmental Funds. The legal level of control for appropriations is at the departmental fund level. Appropriations at this level may only be changed with the approval of the Board. The County Administrator may make adjustments at their discretion below that level. Budgeted amounts in the budgeted financial schedules are reported as originally adopted and as amended during the fiscal year by the Board of Supervisors and the County Administrator.

The County uses an encumbrances system as an extension of normal budgetary accounting for the general, special revenue, and other debt service funds and to assist in controlling expenditures of the capital projects funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as either restricted, committed, or assigned fund balance since they do not constitute expenditures or liabilities. Encumbrances are not combined with expenditures for budgetary comparison purposes. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

The budget to actual comparison schedules are shown using the financial statement approach and GAAP basis.

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**SUPPLEMENTARY INFORMATION**  
**Combining and Individual**  
**Fund Statements and Schedules**

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**NONMAJOR GOVERNMENTAL FUNDS**

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**COUNTY OF MARIN**

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and investments in County pool	\$ 89,981,018	\$ 6,706,017	\$ 13,360,678	\$ 110,047,713
Cash with fiscal agent	--	7,677,892	--	7,677,892
Receivables:				
Accounts	245,272	--	--	245,272
Taxes	406,490	--	--	406,490
Notes receivable - short term	5,871,000	--	--	5,871,000
Due from other governmental agencies	3,377,835	--	613,717	3,991,552
Due from other funds	--	139,593	--	139,593
Prepaid expenses	243,081	--	--	243,081
Advances to other funds	45,400	--	--	45,400
Inventory of supplies	113,664	--	--	113,664
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 100,283,760</u>	<u>\$ 14,523,502</u>	<u>\$ 13,974,395</u>	<u>\$ 128,781,657</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,598,684	\$ 5,181	\$ 218,511	\$ 1,822,376
Accrued salaries and benefits	993,590	2,616	--	996,206
Due to other funds	609,109	--	--	609,109
Advances payable	520,000	45,400	--	565,400
Deferred revenue	428,743	--	--	428,743
Other liabilities	752,042	--	--	752,042
Total liabilities	<u>4,902,168</u>	<u>53,197</u>	<u>218,511</u>	<u>5,173,876</u>
<b>FUND BALANCES</b>				
Nonspendable	6,273,145	--	--	6,273,145
Restricted	82,611,119	8,384,242	930,902	91,926,263
Committed	2,459,990	--	--	2,459,990
Assigned	4,064,564	6,086,063	12,824,982	22,975,609
Unassigned	(27,226)	--	--	(27,226)
Total fund balances	<u>95,381,592</u>	<u>14,470,305</u>	<u>13,755,884</u>	<u>123,607,781</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u>\$ 100,283,760</u>	<u>\$ 14,523,502</u>	<u>\$ 13,974,395</u>	<u>\$ 128,781,657</u>

**COUNTY OF MARIN**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2012

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
<b>Revenues:</b>				
Taxes	\$ 23,063,494	\$ 762,799	\$ --	\$ 23,826,293
Licenses and permits	6,277,584	--	--	6,277,584
Intergovernmental revenues	24,785,270	--	2,151,411	26,936,681
Charges for services	12,328,292	715,501	10,703	13,054,496
Fines and forfeits	818,224	--	471,740	1,289,964
From use of money and property	201,616	139,101	28,309	369,026
Miscellaneous	342,014	2,398,887	1,773,823	4,514,724
Total revenues	<u>67,816,494</u>	<u>4,016,288</u>	<u>4,435,986</u>	<u>76,268,768</u>
<b>Expenditures:</b>				
Current:				
General government	18,352	29,470	--	47,822
Public protection	19,913,315	7,742	4,950	19,926,007
Public ways and facilities	11,546,247	--	1,250,633	12,796,880
Health and sanitation	2,974,868	--	--	2,974,868
Public assistance	5,061,697	103,119	1,173,663	6,338,479
Education	12,217,385	--	--	12,217,385
Recreation and cultural services	6,711,333	29,131	--	6,740,464
Capital outlay	2,200,741	--	--	2,200,741
Debt Service:				
Principal	16,897	5,036,812	--	5,053,709
Interest	24,132	11,194,411	--	11,218,543
Total expenditures	<u>60,684,967</u>	<u>16,400,685</u>	<u>2,429,246</u>	<u>79,514,898</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,131,527</u>	<u>(12,384,397)</u>	<u>2,006,740</u>	<u>(3,246,130)</u>
Other Financing Sources (Uses):				
Debt issued	925,000	--	--	925,000
Transfers in	3,867,183	12,488,624	2,152,810	18,508,617
Transfers out	(4,674,640)	(152,810)	(1,247,963)	(6,075,413)
Total other financing sources (uses)	<u>117,543</u>	<u>12,335,814</u>	<u>904,847</u>	<u>13,358,204</u>
Extraordinary Item				
RDA dissolution transactions	--	154,744	(754,891)	(600,147)
Net change in fund balances	<u>7,249,070</u>	<u>106,161</u>	<u>2,156,696</u>	<u>9,511,927</u>
Fund balances, beginning of year - restated	88,132,522	14,364,144	11,599,188	114,095,854
Fund balances, end of year	<u>\$ 95,381,592</u>	<u>\$ 14,470,305</u>	<u>\$ 13,755,884</u>	<u>\$ 123,607,781</u>



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**SPECIAL REVENUE FUNDS**

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **NONMAJOR SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes other than capital projects or debt service.

#### Road

The Road fund provides for the County Road Program, which protects, preserves, enhances and improves the existing County road system. This fund pays for the construction and maintenance of the road system in the unincorporated area.

#### Fire

The Fire fund provides fire protection services in the unincorporated areas of the County. This fund provides funds for the department's operations and contracts with the California Department of Forestry and Fire Protection (CalFire).

#### Library

The Marin County Free Library (Library) is a special district that operates ten branch libraries in Marin under the authority of the Board of Supervisors. It provides public library services to the residents of the special library district as well as the Town of Corte Madera through a contractual agreement.

#### Fish and Game

This fund is completely supported by fines from Fish and Game Code violations. It provides for expenditures related to the propagation and conservation of local fish and game and their habitats.

#### Child Support

Child support is a non-general fund department with state and federal dollars constituting its revenues. Its mission is to serve the community and enhance the lives of children through establishing paternity, establishing child support orders and collecting support.

#### Building Inspection

The Building Inspection fund is responsible for managing the County's responsibility for building code enforcement. Any revenues collected in excess of expenditures received in a given year are retained in fund balance and can be used to help cover building inspection costs in future years.

#### Environmental Health

The Environmental Health fund receives funds from the issuance of permits and licenses to fund its inspections to protect public health and the well-being of all Marin County residents, workers, and visitors by preventing injury and the spread of disease by identifying potential dangerous and unhealthy situations and the promotion of sound environmental health practices through education and the enforcement of public health statutes and regulations.

#### Fishnet

Fishnet is a County-based salmon protection and restoration program that brings together the Central California Coastal Counties of Mendocino, Sonoma, Marin, San Mateo, Santa Cruz and Monterey. Funds are provided by federal, state, regional, and local governments as well as other private and public organizations.

## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

### HUD Funds

HUD funds are federal grants used to provide funds for the development of affordable housing units within the County.

### High Tech Theft

The High Technology Theft Apprehension and Prosecution (HTTAP) program is supported by two grants from the Governor's Office of Emergency Services. The HTTAP program seeks to assist local law enforcement and District Attorneys in providing the tools necessary to successfully interdict high technology crime in the jurisdiction of the five task forces. Investigation and prosecution of identity theft crimes is also included under this program, including Internet tracing and computer forensics, conducting identity theft "sting" operations and shutting down fraudulent document printers employed as paper mills.

### Sewer Districts

The Sewer Districts fund is used to account for the accumulation of tax assessments and user charges to provide service relative to sewer maintenance and other services to specific geographic areas that utilize their own discrete tax base and specific revenue sources dedicated to their own purposes within their geographic location.

### County Service Areas (CSA's)

The CSA's fund is used to account for the accumulation of tax assessments and user charges to provide a variety of services to specific geographic areas that utilize their own discreet tax base and specific revenue sources dedicated to their own purposes within their geographic location.

### Lighting Districts

The Lighting Districts fund is used to account for the accumulation of tax assessments and user charges to provide service relative to lighting and other services to specific geographic areas that utilize their own discreet tax base and specific revenue sources dedicated to their own purposes within their geographic location.

### Permanent Road Districts (PRD's)

The Permanent Road Districts (PRD) fund is used to account for the accumulation of tax assessments and user charges to provide service relative to road maintenance to specific geographic areas that utilize their own discrete tax base and specific revenue sources dedicated to their own purposes within their geographic location.

### Tobacco Settlement

The Tobacco Settlement Fund, pursuant to California Health and Safety Code Sections 104555 through 104557 and Senate Bill Number 822, the State of California has collected funds from tobacco manufacturers and apportioned a percentage to the County of Marin. Funds collected are used to increase educational efforts related to the health effects of tobacco usage.

### In-Home Supportive Services (IHSS)

In-Home Supportive Services (IHSS) provides in-home care to those eligible aged, blind and disabled individuals (including children) who are unable to remain safely in their own homes without assistance. IHSS is an alternative to out-of-home care and is a state-mandated program funded through a combination of federal, state and local funds.

## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

### Bay Area Stormwater Management

The Bay Area Stormwater Management Agencies Association (BASMAA), is a consortium of eight San Francisco Bay Area municipal storm water programs. BASMAA is designed to encourage information sharing and cooperation, and to develop products and programs that would be more cost-effective if done regionally than could be accomplished locally. In addition, BASMAA provides a forum for representing and advocating the common interests of member programs at the regional and state level.

### Open Space District

The Open Space District fund provides support for the Marin County Open Space District. The District is responsible for planning, acquiring, and managing the county's approximately 15,000 acres of open space and 160 miles of public trails.

### RDA Low-Income Housing

RDA HELP Loan program is used to account for a \$1.5 million loan received from the State of California. The purpose of the loan is to re-loan the money, at lower than market interest rates, to assist private organizations in financing the construction of low-income housing units to Marin County residents.

### Flood Control Zones

The Flood Control Zones are used to account for the activities of various special districts whose primary purpose is flood control and water conservation.

### Miscellaneous Special Revenue Fund

This fund is used to account for various grant program expenditures, such as adult vaccinations and health studies.

- Social Services Realignment

The Social Services Realignment fund receives dedicated tax revenues from the sales tax and vehicle license fee, based on altered program cost-sharing ratios, to pay for various social service programs transferred from state to county control.

- Health Services Realignment

The Health Services Realignment fund receives dedicated tax revenues from the sales tax and vehicle license fee, based on altered program cost-sharing ratios, to pay for various health service programs transferred from state to county control.

- Mental Health Realignment

The Mental Health Realignment fund receives dedicated tax revenues from the sales tax and vehicle license fee, based on altered program cost-sharing ratios, to pay for various mental health programs transferred from state to county control.

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

### Public Protection

- District Attorney Sundry Trust – In accordance with Health & Safety Code section 11489, when the Department participates in an arrest in which property is seized and forfeited to a local governmental entity, the money forfeited or the proceeds of sale, and any interest accrued thereon, shall be distributed by the state or local governmental entity according to the rules of the Code.
- Proposition 64 Civil Penalties – Business & Professions Code 17206 penalties received by the District Attorney to be used for the enforcement of consumer protection laws.
- Fingerprint ID – Proceeds from vehicle licensing fees to be used for fingerprinting equipment and processes.
- Asset Forfeiture, Sheriff – In accordance with Health & Safety Code section 11489, when the Department participates in an arrest in which property is seized and forfeited to a local governmental entity, the money forfeited or the proceeds of sale, and any interest accrued thereon, shall be distributed by the state or local governmental entity according to the rules of the Code. The proceeds can be utilized to supplement and not supplant the Department's expenses.
- CLEEP Law Enforcement Equipment – State funds to be used for the purchase of high-technology equipment.
- COPS Juvenile Justice (odd & even years) – AB1913 (2000) created the Crime Prevention Act of 2000 which has been re-titled the Juvenile Justice Crime Prevention Act (JJCPA). The JJCPA supports community-based programs that are effective in reducing crime and delinquency among at-risk youth and young offenders.

### Public Ways and Facilities

- Traffic Mitigation Fees – Funds paid by developers to be used to finance construction, improvement and maintenance of County roads.
- Marin County Stormwater Pollution Prevention Program(MCSTOPPP) – Formed in 1993, MCSTOPPP is a joint effort of Marin's cities, towns and unincorporated areas. Their goal is to prevent stormwater pollution, protect and enhance water quality in creeks and wetlands, preserve beneficial uses of local waterways, and comply with State and Federal regulations.

### Restricted Housing

The Restricted Housing Fund is used to provide funds for the development of affordable housing units within the County.

### Recreation and Cultural Services

- Marin County Tourism Business Improvement District – The District receives a percentage of hotel revenues to finance tourism management and marketing efforts in the district.
- Marin Wildlife Grants – State and Federal grants to be used for the protection of wildlife in the County of Marin.

**COUNTY OF MARIN**

Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2012

	<u>Road</u>	<u>Fire</u>	<u>Library</u>	<u>Fish and Game</u>
<b><u>ASSETS</u></b>				
Cash and investments in County pool	\$ 3,933,162	\$ --	\$ 9,695,852	\$ 23,586
Receivables:				
Accounts	40,808	--	177	--
Taxes	--	73,419	117,107	--
Notes receivable - short term	--	--	--	--
Due from other governmental agencies	255,714	--	--	--
Prepaid expenses	--	--	143,081	--
Advances to other funds	--	--	--	--
Inventory of supplies	<u>113,664</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets	<u>\$ 4,343,348</u>	<u>\$ 73,419</u>	<u>\$ 9,956,217</u>	<u>\$ 23,586</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 105,582	\$ --	\$ 95,081	\$ --
Accrued salaries and benefits	145,004	--	242,929	--
Due to other funds	3,635	--	5,569	--
Advances payable	--	--	--	--
Deferred revenue	--	--	--	--
Other liabilities	2,550	--	18,363	650
Total liabilities	<u>256,771</u>	<u>--</u>	<u>361,942</u>	<u>650</u>
<b><u>FUND BALANCES</u></b>				
Nonspendable	113,664	--	143,081	--
Restricted	2,846,071	73,419	6,605,938	22,936
Committed	460,092	--	693,000	--
Assigned	666,750	--	2,152,256	--
Unassigned	--	--	--	--
Total fund balances	<u>4,086,577</u>	<u>73,419</u>	<u>9,594,275</u>	<u>22,936</u>
Total liabilities and fund balances	<u>\$ 4,343,348</u>	<u>\$ 73,419</u>	<u>\$ 9,956,217</u>	<u>\$ 23,586</u>

continued

**COUNTY OF MARIN**

Combining Balance Sheet (continued)  
 Nonmajor Special Revenue Funds  
 June 30, 2012

	<u>Child Support</u>	<u>Building Inspection</u>	<u>Environmental Health</u>	<u>Fishnet</u>
<b><u>ASSETS</u></b>				
Cash and investments in County pool	\$ 518,870	\$ 762,672	\$ 547,408	\$ 115,518
Receivables:				
Accounts	124,195	25,897	24,075	--
Taxes	--	--	--	--
Notes receivable - short term	--	--	--	--
Due from other governmental agencies	--	1,320	78,722	--
Prepaid expenses	--	--	--	--
Advances to other funds	--	--	45,400	--
Inventory of supplies	--	--	--	--
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 643,065</u>	<u>\$ 789,889</u>	<u>\$ 695,605</u>	<u>\$ 115,518</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 5,135	\$ 5,939	\$ 12,707	\$ 6,085
Accrued salaries and benefits	354,115	91,890	34,563	--
Due to other funds	2,161	1,299	2,974	--
Advances payable	--	--	--	--
Deferred revenue	--	--	85,000	--
Other liabilities	1,739	473	184	--
Total liabilities	<u>363,150</u>	<u>99,601</u>	<u>135,428</u>	<u>6,085</u>
<b><u>FUND BALANCES</u></b>				
Nonspendable	--	--	45,400	--
Restricted	128,915	507,786	294,777	89,312
Committed	151,000	164,000	220,000	--
Assigned	--	18,502	--	20,121
Unassigned	--	--	--	--
Total fund balances	<u>279,915</u>	<u>690,288</u>	<u>560,177</u>	<u>109,433</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u>\$ 643,065</u>	<u>\$ 789,889</u>	<u>\$ 695,605</u>	<u>\$ 115,518</u>

continued



**COUNTY OF MARIN**

Combining Balance Sheet (continued)  
 Nonmajor Special Revenue Funds  
 June 30, 2012

	<u>HUD Funds</u>	<u>High Tech Theft</u>	<u>Sewer Districts</u>
<b><u>ASSETS</u></b>			
Cash and investments in County pool	\$ --	\$ 281,530	\$ 599,003
Receivables:			
Accounts	--	--	--
Taxes	--	--	825
Notes receivable - short term	--	--	--
Due from other governmental agencies	300,193	--	--
Prepaid expenses	--	--	--
Advances to other funds	--	--	--
Inventory of supplies	--	--	--
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 300,193</u>	<u>\$ 281,530</u>	<u>\$ 599,828</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 249,241	\$ 266,874	\$ 3,270
Accrued salaries and benefits	8,336	1,983	--
Due to other funds	69,842	23	--
Advances payable	--	--	--
Deferred revenue	--	--	--
Other liabilities	--	90	856
Total liabilities	<hr/> <u>327,419</u>	<hr/> <u>268,970</u>	<hr/> <u>4,126</u>
<b><u>FUND BALANCES</u></b>			
Nonspendable	--	--	--
Restricted	--	12,560	595,702
Committed	--	--	--
Assigned	--	--	--
Unassigned	(27,226)	--	--
Total fund balances	<hr/> <u>(27,226)</u>	<hr/> <u>12,560</u>	<hr/> <u>595,702</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 300,193</u>	<u>\$ 281,530</u>	<u>\$ 599,828</u>

continued

**COUNTY OF MARIN**

Combining Balance Sheet (continued)  
 Nonmajor Special Revenue Funds  
 June 30, 2012

	<u>CSA's</u>	<u>Lighting</u>	<u>PRDs</u>
<b><u>ASSETS</u></b>			
Cash and investments in County pool	\$ 15,136,223	\$ 1,323,855	\$ 313,998
Receivables:			
Accounts	--	--	--
Taxes	49,948	9,187	845
Notes receivable - short term	--	--	--
Due from other governmental agencies	--	--	--
Prepaid expenses	--	--	--
Advances to other funds	--	--	--
Inventory of supplies	--	--	--
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 15,186,171</u>	<u>\$ 1,333,042</u>	<u>\$ 314,843</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 45,197	\$ 14,045	\$ --
Accrued salaries and benefits	--	--	--
Due to other funds	--	--	--
Advances payable	--	--	--
Deferred revenue	60	--	--
Other liabilities	3	8,803	--
Total liabilities	<hr/> <u>45,260</u>	<hr/> <u>22,848</u>	<hr/> <u>--</u>
<b><u>FUND BALANCES</u></b>			
Nonspendable	--	--	--
Restricted	15,140,911	1,310,194	314,843
Committed	--	--	--
Assigned	--	--	--
Unassigned	--	--	--
Total fund balances	<hr/> <u>15,140,911</u>	<hr/> <u>1,310,194</u>	<hr/> <u>314,843</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 15,186,171</u>	<u>\$ 1,333,042</u>	<u>\$ 314,843</u>

continued

**COUNTY OF MARIN**

Combining Balance Sheet (continued)  
 Nonmajor Special Revenue Funds  
 June 30, 2012

	<u>Tobacco Settlement</u>	<u>IHSS</u>	<u>Bay Area Stormwater Management</u>
<b><u>ASSETS</u></b>			
Cash and investments in County pool	\$ 7,527	\$ 91,630	\$ 50
Receivables:			
Accounts	--	--	--
Taxes	--	--	--
Notes receivable - short term	--	--	--
Due from other governmental agencies	--	--	--
Prepaid expenses	--	--	--
Advances to other funds	--	--	--
Inventory of supplies	--	--	--
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 7,527</u>	<u>\$ 91,630</u>	<u>\$ 50</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ --	\$ 26,602	\$ --
Accrued salaries and benefits	--	8,352	--
Due to other funds	--	--	--
Advances payable	--	--	--
Deferred revenue	--	--	--
Other liabilities	--	2,441	--
Total liabilities	<hr/>	<hr/>	<hr/>
	--	37,395	--
<b><u>FUND BALANCES</u></b>			
Nonspendable	--	--	--
Restricted	7,527	54,235	50
Committed	--	--	--
Assigned	--	--	--
Unassigned	--	--	--
Total fund balances	<hr/>	<hr/>	<hr/>
	7,527	54,235	50
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 7,527</u>	<u>\$ 91,630</u>	<u>\$ 50</u>

continued

**COUNTY OF MARIN**

Combining Balance Sheet (continued)  
 Nonmajor Special Revenue Funds  
 June 30, 2012

	<u>Open Space District</u>	<u>RDA Low-Income Housing</u>	<u>Flood Control Zones</u>
<b><u>ASSETS</u></b>			
Cash and investments in County pool	\$ 8,561,151	\$ 6,090,494	\$ 22,878,822
Receivables:			
Accounts	--	4,990	--
Taxes	89,852	--	65,307
Notes receivable - short term	--	4,825,325	--
Due from other governmental agencies	--	--	--
Prepaid expenses	100,000	--	--
Advances to other funds	--	--	--
Inventory of supplies	--	--	--
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 8,751,003</u>	<u>\$ 10,920,809</u>	<u>\$ 22,944,129</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 59,425	\$ 1,794	\$ 30,997
Accrued salaries and benefits	62,471	--	--
Due to other funds	2,777	--	520,000
Advances payable	--	--	520,000
Deferred revenue	180	--	--
Other liabilities	3,016	--	2,527
Total liabilities	<hr/> <u>127,869</u>	<hr/> <u>1,794</u>	<hr/> <u>1,073,524</u>
<b><u>FUND BALANCES</u></b>			
Nonspendable	100,000	4,825,325	--
Restricted	7,751,236	5,843,690	21,599,678
Committed	771,898	--	--
Assigned	--	250,000	270,927
Unassigned	--	--	--
Total fund balances	<hr/> <u>8,623,134</u>	<hr/> <u>10,919,015</u>	<hr/> <u>21,870,605</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 8,751,003</u>	<u>\$ 10,920,809</u>	<u>\$ 22,944,129</u>

continued

**COUNTY OF MARIN**

Combining Balance Sheet (continued)  
 Nonmajor Special Revenue Funds  
 June 30, 2012

	Miscellaneous Special Revenue Fund	Public Protection	Public Ways and Facilities
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b><u>ASSETS</u></b>			
Cash and investments in County pool	\$ 2,211,761	\$ 8,423,903	\$ 5,841,346
Receivables:			
Accounts	19,015	--	6,115
Taxes	--	--	--
Notes receivable - short term	--	--	--
Due from other governmental agencies	443,103	--	1,836,912
Prepaid expenses	--	--	--
Advances to other funds	--	--	--
Inventory of supplies	--	--	--
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 2,673,879</u>	<u>\$ 8,423,903</u>	<u>\$ 7,684,373</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 97,828	\$ 8,075	\$ 359,510
Accrued salaries and benefits	649	43,298	--
Due to other funds	--	829	--
Advances payable	--	--	--
Deferred revenue	342,761	--	742
Other liabilities	60,256	650,091	--
Total liabilities	<u>501,494</u>	<u>702,293</u>	<u>360,252</u>
<b><u>FUND BALANCES</u></b>			
Nonspendable	--	--	--
Restricted	1,486,377	7,721,610	7,324,121
Committed	--	--	--
Assigned	686,008	--	--
Unassigned	--	--	--
Total fund balances	<u>2,172,385</u>	<u>7,721,610</u>	<u>7,324,121</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balances	<u>\$ 2,673,879</u>	<u>\$ 8,423,903</u>	<u>\$ 7,684,373</u>

continued

**COUNTY OF MARIN**

Combining Balance Sheet (continued)  
 Nonmajor Special Revenue Funds  
 June 30, 2012

	<u>Restricted Housing</u>	<u>Recreation and Cultural Services</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and investments in County pool	\$ 2,160,776	\$ 461,881	\$ 89,981,018
Receivables:			
Accounts	--	--	245,272
Taxes	--	--	406,490
Notes receivable - short term	1,045,675	--	5,871,000
Due from other governmental agencies	461,871	--	3,377,835
Prepaid expenses	--	--	243,081
Advances to other funds	--	--	45,400
Inventory of supplies	--	--	113,664
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 3,668,322</u>	<u>\$ 461,881</u>	<u>\$ 100,283,760</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ --	\$ 205,297	\$ 1,598,684
Accrued salaries and benefits	--	--	993,590
Due to other funds	--	--	609,109
Advances payable	--	--	520,000
Deferred revenue	--	--	428,743
Other liabilities	--	--	752,042
Total liabilities	<u>                    </u>	<u>                    </u>	<u>                    </u>
	--	205,297	4,902,168
<b><u>FUND BALANCES</u></b>			
Nonspendable	1,045,675	--	6,273,145
Restricted	2,622,647	256,584	82,611,119
Committed	--	--	2,459,990
Assigned	--	--	4,064,564
Unassigned	--	--	(27,226)
Total fund balances	<u>                    </u>	<u>                    </u>	<u>                    </u>
	3,668,322	256,584	95,381,592
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balances	<u>\$ 3,668,322</u>	<u>\$ 461,881</u>	<u>\$ 100,283,760</u>

**COUNTY OF MARIN**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2012

	<u>Road</u>	<u>Fire</u>	<u>Library</u>	<u>Fish and Game</u>
<b>Revenues:</b>				
Taxes	--	72,785	8,412,762	--
Licenses and permits	--	--	--	--
Intergovernmental revenues	7,085,694	--	137,541	--
Charges for services	692,259	--	5,134,778	--
Fines and forfeits	--	--	230,611	9,675
From use of money and property	10,083	--	18,971	45
Miscellaneous	78,265	--	129,529	--
Total revenues	<u>7,866,301</u>	<u>72,785</u>	<u>14,064,192</u>	<u>9,720</u>
<b>Expenditures:</b>				
Current:				
General government	--	--	--	--
Public protection	--	--	--	9,060
Public ways and facilities	10,354,251	--	--	--
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Education	--	--	12,217,385	--
Recreation and cultural services	--	--	--	--
Capital outlay	532,514	--	72,363	--
Debt Service:				
Principal	--	--	--	--
Interest	--	--	--	--
Total expenditures	<u>10,886,765</u>	<u>--</u>	<u>12,289,748</u>	<u>9,060</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,020,464)</u>	<u>72,785</u>	<u>1,774,444</u>	<u>660</u>
Other Financing Sources (Uses):				
Transfers in	757,799	--	152,211	--
Transfers out	(133,971)	(28,564)	(187,500)	--
Debt issued	--	--	--	--
Total other financing sources (uses)	<u>623,828</u>	<u>(28,564)</u>	<u>(35,289)</u>	<u>--</u>
Net change in fund balances	(2,396,636)	44,221	1,739,155	660
Fund balances, beginning of year, restated	<u>6,483,213</u>	<u>29,198</u>	<u>7,855,120</u>	<u>22,276</u>
Fund balances, end of year	<u>\$ 4,086,577</u>	<u>\$ 73,419</u>	<u>\$ 9,594,275</u>	<u>\$ 22,936</u>

continued

**COUNTY OF MARIN**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances (continued)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2012

	<u>Child Support</u>	<u>Building Inspection</u>	<u>Environmental Health</u>	<u>Fishnet</u>
<b>Revenues:</b>				
Taxes	--	--	--	--
Licenses and permits	--	2,261,895	3,235,023	--
Intergovernmental revenues	3,591,288	--	115,808	60,561
Charges for services	107,981	39,127	201,217	--
Fines and forfeits	--	9,226	12,353	--
From use of money and property	1,320	1,326	1,242	260
Miscellaneous	20,683	--	--	--
Total revenues	<u>3,721,272</u>	<u>2,311,574</u>	<u>3,565,643</u>	<u>60,821</u>
<b>Expenditures:</b>				
Current:				
General government	--	--	--	--
Public protection	3,645,388	2,013,180	3,153,407	68,429
Public ways and facilities	--	--	--	--
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Education	--	--	--	--
Recreation and cultural services	--	--	--	--
Capital outlay	--	--	--	--
Debt Service:				
Principal	--	--	--	--
Interest	--	--	--	--
Total expenditures	<u>3,645,388</u>	<u>2,013,180</u>	<u>3,153,407</u>	<u>68,429</u>
Excess (deficiency) of revenues over (under) expenditures	<u>75,884</u>	<u>298,394</u>	<u>412,236</u>	<u>(7,608)</u>
Other Financing Sources (Uses):				
Transfers in	--	--	--	--
Transfers out	(83,350)	(55,167)	(77,294)	--
Debt issued	--	--	--	--
Total other financing sources (uses)	<u>(83,350)</u>	<u>(55,167)</u>	<u>(77,294)</u>	<u>--</u>
Net change in fund balances	(7,466)	243,227	334,942	(7,608)
Fund balances, beginning of year, restated	<u>287,381</u>	<u>447,061</u>	<u>225,235</u>	<u>117,041</u>
Fund balances, end of year	<u>\$ 279,915</u>	<u>\$ 690,288</u>	<u>\$ 560,177</u>	<u>\$ 109,433</u>

continued



**COUNTY OF MARIN**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances (continued)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2012

	<u>HUD Funds</u>	<u>High Tech Theft</u>	<u>Sewer Districts</u>
<b>Revenues:</b>			
Taxes	--	--	55,020
Licenses and permits	--	--	--
Intergovernmental revenues	4,670,618	1,980,125	326
Charges for services	--	--	63,720
Fines and forfeits	--	--	--
From use of money and property	--	709	1,203
Miscellaneous	--	--	(6)
Total revenues	<u>4,670,618</u>	<u>1,980,834</u>	<u>120,263</u>
<b>Expenditures:</b>			
Current:			
General government	--	--	--
Public protection	--	1,972,544	--
Public ways and facilities	--	--	--
Health and sanitation	--	--	20,737
Public assistance	4,759,604	--	--
Education	--	--	--
Recreation and cultural services	--	--	--
Capital outlay	--	7,990	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total expenditures	<u>4,759,604</u>	<u>1,980,534</u>	<u>20,737</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(88,986)</u>	<u>300</u>	<u>99,526</u>
Other Financing Sources (Uses):			
Transfers in	29,036	--	--
Transfers out	(8,825)	--	--
Debt issued	--	--	--
Total other financing sources (uses)	<u>20,211</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(68,775)	300	99,526
Fund balances, beginning of year, restated	<u>41,549</u>	<u>12,260</u>	<u>496,176</u>
Fund balances, end of year	<u>\$ (27,226)</u>	<u>\$ 12,560</u>	<u>\$ 595,702</u>

continued

**COUNTY OF MARIN**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances (continued)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2012

	<u>CSAs</u>	<u>Lighting</u>	<u>PRDs</u>
<b>Revenues:</b>			
Taxes	3,612,313	709,463	51,422
Licenses and permits	--	--	--
Intergovernmental revenues	19,716	3,624	334
Charges for services	1,725,290	83,336	29,829
Fines and forfeits	--	--	--
From use of money and property	35,773	3,177	652
Miscellaneous	368	--	--
Total revenues	<u>5,393,460</u>	<u>799,600</u>	<u>82,237</u>
<b>Expenditures:</b>			
Current:			
General government	--	--	--
Public protection	2,270,945	--	--
Public ways and facilities	33,698	801,992	59,075
Health and sanitation	36,958	--	--
Public assistance	--	--	--
Education	--	--	--
Recreation and cultural services	946,421	--	--
Capital outlay	--	--	--
Debt Service:			
Principal	16,897	--	--
Interest	18,603	--	--
Total expenditures	<u>3,323,522</u>	<u>801,992</u>	<u>59,075</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,069,938</u>	<u>(2,392)</u>	<u>23,162</u>
Other Financing Sources (Uses):			
Transfers in	--	--	--
Transfers out	(923,000)	--	--
Debt issued	925,000	--	--
Total other financing sources (uses)	<u>2,000</u>	<u>--</u>	<u>--</u>
Net change in fund balances	2,071,938	(2,392)	23,162
Fund balances, beginning of year, restated	<u>13,068,973</u>	<u>1,312,586</u>	<u>291,681</u>
Fund balances, end of year	<u>\$ 15,140,911</u>	<u>\$ 1,310,194</u>	<u>\$ 314,843</u>

continued

**COUNTY OF MARIN**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances (continued)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2012

	<u>Tobacco Settlement</u>	<u>IHSS</u>	<u>Bay Area Stormwater Management</u>
<b>Revenues:</b>			
Taxes	--	--	--
Licenses and permits	--	--	--
Intergovernmental revenues	150,000	--	--
Charges for services	--	--	--
Fines and forfeits	--	--	--
From use of money and property	155	1,213	20
Miscellaneous	--	--	--
Total revenues	<u>150,155</u>	<u>1,213</u>	<u>20</u>
<b>Expenditures:</b>			
Current:			
General government	--	--	13,355
Public protection	--	--	--
Public ways and facilities	--	--	--
Health and sanitation	--	2,054,805	--
Public assistance	--	--	--
Education	--	--	--
Recreation and cultural services	--	--	--
Capital outlay	--	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total expenditures	<u>--</u>	<u>2,054,805</u>	<u>13,355</u>
Excess (deficiency) of revenues over (under) expenditures	<u>150,155</u>	<u>(2,053,592)</u>	<u>(13,335)</u>
Other Financing Sources (Uses):			
Transfers in	--	1,896,962	--
Transfers out	(150,965)	--	--
Debt issued	--	--	--
Total other financing sources (uses)	<u>(150,965)</u>	<u>1,896,962</u>	<u>--</u>
Net change in fund balances	(810)	(156,630)	(13,335)
Fund balances, beginning of year, restated	<u>8,337</u>	<u>210,865</u>	<u>13,385</u>
Fund balances, end of year	<u>\$ 7,527</u>	<u>\$ 54,235</u>	<u>\$ 50</u>

continued

**COUNTY OF MARIN**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances (continued)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2012

	Open Space District	RDA Low-Income Housing	Flood Control Zones
<b>Revenues:</b>			
Taxes	5,563,895	--	4,475,232
Licenses and permits	8,414	--	--
Intergovernmental revenues	194,558	--	40,262
Charges for services	10,000	321,975	2,411,559
Fines and forfeits	--	--	--
From use of money and property	8,926	13,324	50,019
Miscellaneous	97,982	--	5,752
Total revenues	<u>5,883,775</u>	<u>335,299</u>	<u>6,982,824</u>
<b>Expenditures:</b>			
Current:			
General government	--	--	--
Public protection	--	--	4,493,366
Public ways and facilities	--	--	--
Health and sanitation	--	--	--
Public assistance	--	139,905	--
Education	--	--	--
Recreation and cultural services	5,559,615	--	--
Capital outlay	--	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	5,529
Total expenditures	<u>5,559,615</u>	<u>139,905</u>	<u>4,498,895</u>
Excess (deficiency) of revenues over (under) expenditures	<u>324,160</u>	<u>195,394</u>	<u>2,483,929</u>
Other Financing Sources (Uses):			
Transfers in	516,000	250,000	265,175
Transfers out	(237,377)	(175,047)	--
Debt issued	--	--	--
Total other financing sources (uses)	<u>278,623</u>	<u>74,953</u>	<u>265,175</u>
Net change in fund balances	602,783	270,347	2,749,104
Fund balances, beginning of year, restated	<u>8,020,351</u>	<u>10,648,668</u>	<u>19,121,501</u>
Fund balances, end of year	<u>\$ 8,623,134</u>	<u>\$ 10,919,015</u>	<u>\$ 21,870,605</u>

continued

**COUNTY OF MARIN**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances (continued)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2012

	Miscellaneous Special Revenue Fund	Public Protection	Public Ways and Facilities
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Revenues:</b>			
Taxes	--	--	--
Licenses and permits	--	--	772,252
Intergovernmental revenues	2,624,037	1,982,555	2,128,223
Charges for services	687,658	210,457	609,106
Fines and forfeits	--	556,359	--
From use of money and property	6,695	16,640	24,315
Miscellaneous	--	--	9,441
Total revenues	<u>3,318,390</u>	<u>2,766,011</u>	<u>3,543,337</u>
<b>Expenditures:</b>			
Current:			
General government	--	--	4,997
Public protection	984,280	660,945	641,771
Public ways and facilities	--	--	297,231
Health and sanitation	862,368	--	--
Public assistance	162,188	--	--
Education	--	--	--
Recreation and cultural services	--	--	--
Capital outlay	110,207	47,409	1,430,258
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total expenditures	<u>2,119,043</u>	<u>708,354</u>	<u>2,374,257</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,199,347</u>	<u>2,057,657</u>	<u>1,169,080</u>
Other Financing Sources (Uses):			
Transfers in	--	--	--
Transfers out	(752,898)	(1,167,834)	(577,871)
Debt issued	--	--	--
Total other financing sources (uses)	<u>(752,898)</u>	<u>(1,167,834)</u>	<u>(577,871)</u>
Net change in fund balances	446,449	889,823	591,209
Fund balances, beginning of year, restated	<u>1,725,936</u>	<u>6,831,787</u>	<u>6,732,912</u>
Fund balances, end of year	<u>\$ 2,172,385</u>	<u>\$ 7,721,610</u>	<u>\$ 7,324,121</u>

continued

**COUNTY OF MARIN**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances (continued)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2012

	<u>Restricted Housing</u>	<u>Recreation and Cultural Services</u>	<u>Total</u>
<b>Revenues:</b>			
Taxes	--	110,602	23,063,494
Licenses and permits	--	--	6,277,584
Intergovernmental revenues	--	--	24,785,270
Charges for services	--	--	12,328,292
Fines and forfeits	--	--	818,224
From use of money and property	4,417	1,131	201,616
Miscellaneous	--	--	342,014
Total revenues	<u>4,417</u>	<u>111,733</u>	<u>67,816,494</u>
<b>Expenditures:</b>			
Current:			
General government	--	--	18,352
Public protection	--	--	19,913,315
Public ways and facilities	--	--	11,546,247
Health and sanitation	--	--	2,974,868
Public assistance	--	--	5,061,697
Education	--	--	12,217,385
Recreation and cultural services	--	205,297	6,711,333
Capital outlay	--	--	2,200,741
Debt Service:			
Principal	--	--	16,897
Interest	--	--	24,132
Total expenditures	<u>--</u>	<u>205,297</u>	<u>60,684,967</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,417</u>	<u>(93,564)</u>	<u>7,131,527</u>
Other Financing Sources (Uses):			
Transfers in	--	--	3,867,183
Transfers out	--	(114,977)	(4,674,640)
Debt issued	--	--	925,000
Total other financing sources (uses)	<u>--</u>	<u>(114,977)</u>	<u>117,543</u>
Net change in fund balances	4,417	(208,541)	7,249,070
Fund balances, beginning of year, restated	<u>3,663,905</u>	<u>465,125</u>	<u>88,132,522</u>
Fund balances, end of year	<u>\$ 3,668,322</u>	<u>\$ 256,584</u>	<u>\$ 95,381,592</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Road Fund  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental revenues	\$ 9,919,171	\$ 7,446,068	\$ 7,085,694	\$ (360,374)
Charges for services	1,695,961	1,179,683	692,259	(487,424)
Fines and forfeits	--	--	--	--
From use of money and property	44,000	2,753,260	10,083	(2,743,177)
Miscellaneous	7,500	55,296	78,265	22,969
Total revenues	<u>11,666,632</u>	<u>11,434,307</u>	<u>7,866,301</u>	<u>(3,568,006)</u>
<b>Expenditures:</b>				
Current:				
Public ways and facilities				
Public Works	13,282,305	12,650,205	10,354,251	2,295,954
Total public ways and facilities	<u>13,282,305</u>	<u>12,650,205</u>	<u>10,354,251</u>	<u>2,295,954</u>
Capital Outlay	1,422,308	532,514	532,514	--
Total expenditures	<u>14,704,613</u>	<u>13,182,719</u>	<u>10,886,765</u>	<u>2,295,954</u>
Deficiency of revenues under expenditures	<u>(3,037,981)</u>	<u>(1,748,412)</u>	<u>(3,020,464)</u>	<u>(1,272,052)</u>
Other Financing Sources (Uses):				
Transfers in	753,786	753,786	757,799	4,013
Transfers out	--	--	(133,971)	(133,971)
Total other financing sources (uses)	<u>753,786</u>	<u>753,786</u>	<u>623,828</u>	<u>(129,958)</u>
Net change in fund balances	(2,284,195)	(994,626)	(2,396,636)	(1,402,010)
Fund balances, beginning of year	<u>6,483,213</u>	<u>6,483,213</u>	<u>6,483,213</u>	<u>--</u>
Fund balances, end of year	<u>\$ 4,199,018</u>	<u>\$ 5,488,587</u>	<u>\$ 4,086,577</u>	<u>\$ (1,402,010)</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
 Fire Fund  
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 4,000,000	\$ --	\$ 72,785	\$ 72,785
Total revenues	<u>4,000,000</u>	<u>--</u>	<u>72,785</u>	<u>72,785</u>
Excess of revenues over expenditures	<u>4,000,000</u>	<u>--</u>	<u>72,785</u>	<u>72,785</u>
<b>Other Financing Uses:</b>				
Transfers out	(4,000,000)	(28,564)	(28,564)	--
Total other financing uses	<u>(4,000,000)</u>	<u>(28,564)</u>	<u>(28,564)</u>	<u>--</u>
Net change in fund balances	--	(28,564)	44,221	72,785
Fund balances, beginning of year	<u>29,198</u>	<u>29,198</u>	<u>29,198</u>	<u>--</u>
Fund balances, end of year	<u>\$ 29,198</u>	<u>\$ 634</u>	<u>\$ 73,419</u>	<u>\$ 72,785</u>



**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Library Fund  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 8,303,630	\$ 8,307,630	\$ 8,412,762	\$ 105,132
Intergovernmental revenues	116,500	178,500	137,541	(40,959)
Charges for services	5,012,780	5,066,415	5,134,778	68,363
Fines and forfeits	250,000	265,360	230,611	(34,749)
From use of money and property	100,300	30,300	18,971	(11,329)
Miscellaneous	91,000	149,017	129,529	(19,488)
Total revenues	<u>13,874,210</u>	<u>13,997,222</u>	<u>14,064,192</u>	<u>66,970</u>
<b>Expenditures:</b>				
Current:				
Education				
Marin County Free Library	14,448,405	14,324,378	12,217,385	2,106,993
Total education	<u>14,448,405</u>	<u>14,324,378</u>	<u>12,217,385</u>	<u>2,106,993</u>
Capital Outlay	506,445	276,165	72,363	203,802
Total expenditures	<u>14,954,850</u>	<u>14,600,543</u>	<u>12,289,748</u>	<u>2,310,795</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,080,640)</u>	<u>(603,321)</u>	<u>1,774,444</u>	<u>2,377,765</u>
Other Financing Sources (Uses):				
Transfers in	160,000	161,000	152,211	(8,789)
Transfers out	--	--	(187,500)	(187,500)
Total other financing sources (uses)	<u>160,000</u>	<u>161,000</u>	<u>(35,289)</u>	<u>(196,289)</u>
Net change in fund balances	(920,640)	(442,321)	1,739,155	2,181,476
Fund balances, beginning of year, restated	<u>7,855,120</u>	<u>7,855,120</u>	<u>7,855,120</u>	<u>--</u>
Fund balances, end of year	<u>\$ 6,934,480</u>	<u>\$ 7,412,799</u>	<u>\$ 9,594,275</u>	<u>\$ 2,181,476</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Fish and Game Fund  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Fines and forfeits	\$ 19,293	\$ 19,293	\$ 9,675	\$ (9,618)
From use of money and property	--	--	45	45
Miscellaneous	5,000	5,000	--	(5,000)
Total revenues	<u>24,293</u>	<u>24,293</u>	<u>9,720</u>	<u>(14,573)</u>
<b>Expenditures:</b>				
Current:				
Public protection				
Non - Departmental	24,293	24,293	9,060	15,233
Total public protection	<u>24,293</u>	<u>24,293</u>	<u>9,060</u>	<u>15,233</u>
Total expenditures	<u>24,293</u>	<u>24,293</u>	<u>9,060</u>	<u>15,233</u>
Excess of revenues over expenditures	<u>--</u>	<u>--</u>	<u>660</u>	<u>660</u>
Net change in fund balances	--	--	660	660
Fund balances, beginning of year	<u>22,276</u>	<u>22,276</u>	<u>22,276</u>	<u>--</u>
Fund balances, end of year	<u>\$ 22,276</u>	<u>\$ 22,276</u>	<u>\$ 22,936</u>	<u>\$ 660</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
 Child Support Fund  
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental revenues	\$ 3,748,271	\$ 3,775,095	\$ 3,591,288	\$ (183,807)
Charges for services	208,708	109,837	107,981	(1,856)
From use of money and property	8,000	3,000	1,320	(1,680)
Miscellaneous	1,250	35,085	20,683	(14,402)
Total revenues	<u>3,966,229</u>	<u>3,923,017</u>	<u>3,721,272</u>	<u>(201,745)</u>
<b>Expenditures:</b>				
Current:				
Public protection				
Child Support Services	3,815,229	3,728,981	3,645,388	83,593
Total public protection	<u>3,815,229</u>	<u>3,728,981</u>	<u>3,645,388</u>	<u>83,593</u>
Total expenditures	<u>3,815,229</u>	<u>3,728,981</u>	<u>3,645,388</u>	<u>83,593</u>
Excess (deficiency) of revenues over (under) expenditures	<u>151,000</u>	<u>194,036</u>	<u>75,884</u>	<u>(118,152)</u>
Other Financing Sources (Uses):				
Sale of capital assets	--	14,112	--	(14,112)
Transfers out	--	--	(83,350)	(83,350)
Total other financing sources (uses)	<u>--</u>	<u>14,112</u>	<u>(83,350)</u>	<u>(97,462)</u>
Net change in fund balances	151,000	208,148	(7,466)	(215,614)
Fund balances, beginning of year	<u>287,381</u>	<u>287,381</u>	<u>287,381</u>	<u>--</u>
Fund balances, end of year	<u>\$ 438,381</u>	<u>\$ 495,529</u>	<u>\$ 279,915</u>	<u>(215,614)</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
 Building Inspection Fund  
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ 2,538,789	\$ 2,424,000	\$ 2,261,895	\$ (162,105)
Charges for services	53,141	53,141	39,127	(14,014)
Fines and forfeits	--	--	9,226	9,226
From use of money and property	--	--	1,326	1,326
Miscellaneous	2,500	2,500	--	(2,500)
Total revenues	<u>2,594,430</u>	<u>2,479,641</u>	<u>2,311,574</u>	<u>(168,067)</u>
<b>Expenditures:</b>				
Current:				
Public protection				
Community Development Agency	2,529,779	2,477,182	2,013,180	464,002
Total public protection	<u>2,529,779</u>	<u>2,477,182</u>	<u>2,013,180</u>	<u>464,002</u>
Total expenditures	<u>2,529,779</u>	<u>2,477,182</u>	<u>2,013,180</u>	<u>464,002</u>
Excess of revenues over expenditures	<u>64,651</u>	<u>2,459</u>	<u>298,394</u>	<u>295,935</u>
Other Financing Uses:				
Transfers out	--	--	(55,167)	(55,167)
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>(55,167)</u>	<u>(55,167)</u>
Net change in fund balances	64,651	2,459	243,227	240,768
Fund balances, beginning of year	<u>447,061</u>	<u>447,061</u>	<u>447,061</u>	<u>--</u>
Fund balances, end of year	<u>\$ 511,712</u>	<u>\$ 449,520</u>	<u>\$ 690,288</u>	<u>\$ 240,768</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
 Environmental Health Fund  
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ 3,315,492	\$ 3,274,492	\$ 3,235,023	\$ (39,469)
Intergovernmental revenues	110,000	110,000	115,808	5,808
Charges for services	225,816	151,200	201,217	50,017
Fines and forfeits	--	--	12,353	12,353
From use of money and property	--	--	1,242	1,242
Total revenues	<u>3,651,308</u>	<u>3,535,692</u>	<u>3,565,643</u>	<u>29,951</u>
<b>Expenditures:</b>				
Current:				
General government				
Community Development Agency	589,194	499,194	--	499,194
Total general government	<u>589,194</u>	<u>499,194</u>	<u>--</u>	<u>499,194</u>
Public protection				
Community Development Agency	2,933,114	2,917,384	3,153,407	(236,023)
Total public protection	<u>2,933,114</u>	<u>2,917,384</u>	<u>3,153,407</u>	<u>(236,023)</u>
Total expenditures	<u>3,522,308</u>	<u>3,416,578</u>	<u>3,153,407</u>	<u>263,171</u>
Excess of revenues over expenditures	<u>129,000</u>	<u>119,114</u>	<u>412,236</u>	<u>293,122</u>
Other Financing Uses:				
Transfers out	--	--	(77,294)	(77,294)
Total other financing uses	<u>--</u>	<u>--</u>	<u>(77,294)</u>	<u>(77,294)</u>
Net change in fund balances	129,000	119,114	334,942	215,828
Fund balances, beginning of year	<u>225,235</u>	<u>225,235</u>	<u>225,235</u>	<u>--</u>
Fund balances, end of year	<u>\$ 354,235</u>	<u>\$ 344,349</u>	<u>\$ 560,177</u>	<u>\$ 215,828</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Fishnet Fund  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental revenues	\$ 124,760	\$ 142,432	\$ 60,561	\$ (81,871)
From use of money and property	--	--	260	260
Total revenues	<u>124,760</u>	<u>142,432</u>	<u>60,821</u>	<u>(81,611)</u>
<b>Expenditures:</b>				
Current:				
Public protection				
County Administrator	198,898	68,429	68,429	--
Total public protection	<u>198,898</u>	<u>68,429</u>	<u>68,429</u>	<u>--</u>
Total expenditures	<u>198,898</u>	<u>68,429</u>	<u>68,429</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(74,138)</u>	<u>74,003</u>	<u>(7,608)</u>	<u>(81,611)</u>
Other Financing Sources:				
Transfers in	--	5,000	--	(5,000)
Total other financing sources	<u>--</u>	<u>5,000</u>	<u>--</u>	<u>(5,000)</u>
Net change in fund balances	(74,138)	79,003	(7,608)	(86,611)
Fund balances, beginning of year	<u>117,041</u>	<u>117,041</u>	<u>117,041</u>	<u>--</u>
Fund balances, end of year	<u>\$ 42,903</u>	<u>\$ 196,044</u>	<u>\$ 109,433</u>	<u>\$ (86,611)</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
 HUD Funds  
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental revenues	\$ 2,978,000	\$ 6,932,534	\$ 4,670,618	\$ (2,261,916)
Total revenues	<u>2,978,000</u>	<u>6,932,534</u>	<u>4,670,618</u>	<u>(2,261,916)</u>
<b>Expenditures:</b>				
Current:				
Public assistance				
Community Development Agency	473,604	6,922,731	4,759,604	2,163,127
Total public assistance	<u>473,604</u>	<u>6,922,731</u>	<u>4,759,604</u>	<u>2,163,127</u>
Capital Outlay	<u>2,486,396</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>2,960,000</u>	<u>6,922,731</u>	<u>4,759,604</u>	<u>2,163,127</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,000</u>	<u>9,803</u>	<u>(88,986)</u>	<u>(98,789)</u>
Other Financing Sources (Uses):				
Transfers in	--	--	29,036	29,036
Transfers out	<u>--</u>	<u>--</u>	<u>(8,825)</u>	<u>(8,825)</u>
Total other financing uses	<u>--</u>	<u>--</u>	<u>20,211</u>	<u>20,211</u>
Net change in fund balances	18,000	9,803	(68,775)	(78,578)
Fund balances, beginning of year	<u>41,549</u>	<u>41,549</u>	<u>41,549</u>	<u>--</u>
Fund balances, end of year	<u>\$ 59,549</u>	<u>\$ 51,352</u>	<u>\$ (27,226)</u>	<u>\$ (78,578)</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
High Tech Theft Fund  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental revenues	\$ 3,079,748	\$ 3,079,748	\$ 1,980,125	\$ (1,099,623)
From use of money and property	--	--	709	709
Total revenues	<u>3,079,748</u>	<u>3,079,748</u>	<u>1,980,834</u>	<u>(1,098,914)</u>
<b>Expenditures:</b>				
Current:				
Public protection				
District Attorney	3,085,790	3,065,716	1,972,544	1,093,172
Total public protection	<u>3,085,790</u>	<u>3,065,716</u>	<u>1,972,544</u>	<u>1,093,172</u>
Capital Outlay	--	7,990	7,990	--
Total expenditures	<u>3,085,790</u>	<u>3,073,706</u>	<u>1,980,534</u>	<u>1,093,172</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,042)</u>	<u>6,042</u>	<u>300</u>	<u>(5,742)</u>
Other Financing Uses:				
Transfers out	--	(205,721)	--	205,721
Total other financing uses	<u>--</u>	<u>(205,721)</u>	<u>--</u>	<u>205,721</u>
Net change in fund balances	(6,042)	(199,679)	300	199,979
Fund balances, beginning of year	<u>12,260</u>	<u>12,260</u>	<u>12,260</u>	<u>--</u>
Fund balances, end of year	<u>\$ 6,218</u>	<u>\$ (187,419)</u>	<u>\$ 12,560</u>	<u>\$ 199,979</u>



**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Sewer Districts  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 60,064	\$ 60,064	\$ 55,020	\$ (5,044)
Intergovernmental revenues	220	220	326	106
Charges for services	70,370	70,370	63,720	(6,650)
From use of money and property	1,836	1,836	1,203	(633)
Miscellaneous	--	--	(6)	(6)
Total revenues	<u>132,490</u>	<u>132,490</u>	<u>120,263</u>	<u>(12,227)</u>
<b>Expenditures:</b>				
Current:				
Health and sanitation				
SMD Murray Park	95,598	95,598	2,232	93,366
SMD San Quentin	105,955	57,077	18,505	38,572
Total health and sanitation	<u>201,553</u>	<u>152,675</u>	<u>20,737</u>	<u>131,938</u>
Total expenditures	<u>201,553</u>	<u>152,675</u>	<u>20,737</u>	<u>131,938</u>
Net change in fund balances	(69,063)	(20,185)	99,526	119,711
Fund balances, beginning of year	<u>496,176</u>	<u>496,176</u>	<u>496,176</u>	<u>--</u>
Fund balances, end of year	<u>\$ 427,113</u>	<u>\$ 475,991</u>	<u>\$ 595,702</u>	<u>\$ 119,711</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
 CSA's  
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 3,524,596	\$ 3,524,596	\$ 3,612,313	\$ 87,717
Intergovernmental revenues	11,810	11,810	19,716	7,906
Charges for services	1,763,632	1,763,632	1,725,290	(38,342)
From use of money and property	93,074	93,074	35,773	(57,301)
Miscellaneous	--	--	368	368
<b>Total revenues</b>	<b>5,393,112</b>	<b>5,393,112</b>	<b>5,393,460</b>	<b>348</b>
<b>Expenditures:</b>				
Current:				
Public protection	2,816,559	2,758,662	2,270,945	487,717
<b>Total public protection</b>	<b>2,816,559</b>	<b>2,758,662</b>	<b>2,270,945</b>	<b>487,717</b>
Public ways and facilities	111,010	113,743	33,698	80,045
<b>Total public ways and facilities</b>	<b>111,010</b>	<b>113,743</b>	<b>33,698</b>	<b>80,045</b>
Health and sanitation	42,200	42,200	36,958	5,242
<b>Total health and sanitation</b>	<b>42,200</b>	<b>42,200</b>	<b>36,958</b>	<b>5,242</b>
Recreation and cultural services	1,454,390	1,334,079	946,421	387,658
<b>Total recreation and cultural svcs</b>	<b>1,454,390</b>	<b>1,334,079</b>	<b>946,421</b>	<b>387,658</b>
Capital Outlay	743,125	524,330	--	524,330
Debt Service:				
Principal	--	16,898	16,897	1
Interest	--	18,603	18,603	--
<b>Total debt service</b>	<b>--</b>	<b>35,501</b>	<b>35,500</b>	<b>1</b>
<b>Total expenditures</b>	<b>5,167,284</b>	<b>4,808,515</b>	<b>3,323,522</b>	<b>1,484,993</b>
<b>Excess of revenues over expenditures</b>	<b>225,828</b>	<b>584,597</b>	<b>2,069,938</b>	<b>1,485,341</b>
Other Financing Sources (Uses):				
Issuance of debt	--	--	925,000	(925,000)
Transfers out	(939,000)	(939,000)	(923,000)	16,000
<b>Total other financing sources (uses)</b>	<b>(939,000)</b>	<b>(939,000)</b>	<b>2,000</b>	<b>(909,000)</b>
<b>Net change in fund balances</b>	<b>(713,172)</b>	<b>(354,403)</b>	<b>2,071,938</b>	<b>2,426,341</b>
Fund balances, beginning of year	13,068,973	13,068,973	13,068,973	--
<b>Fund balances, end of year</b>	<b>\$ 12,355,801</b>	<b>\$ 12,714,570</b>	<b>\$ 15,140,911</b>	<b>\$ 2,426,341</b>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Lighting  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 578,902	\$ 578,902	\$ 709,463	\$ 130,561
Intergovernmental revenues	3,569	3,569	3,624	55
Charges for services	83,512	83,512	83,336	--
From use of money and property	10,898	10,898	3,177	(7,721)
Total revenues	<u>676,881</u>	<u>676,881</u>	<u>799,600</u>	<u>122,895</u>
<b>Expenditures:</b>				
Current:				
Public ways and facilities	888,026	886,170	801,992	84,178
Total public ways and facilities	<u>888,026</u>	<u>886,170</u>	<u>801,992</u>	<u>84,178</u>
Capital Outlay	20,000	20,000	--	20,000
Total expenditures	<u>908,026</u>	<u>906,170</u>	<u>801,992</u>	<u>104,178</u>
Deficiency of revenues under expenditures	<u>(231,145)</u>	<u>(229,289)</u>	<u>(2,392)</u>	<u>226,897</u>
Net change in fund balances	(231,145)	(229,289)	(2,392)	226,897
Fund balances, beginning of year	<u>1,312,586</u>	<u>1,312,586</u>	<u>1,312,586</u>	<u>--</u>
Fund balances, end of year	<u>\$ 1,081,441</u>	<u>\$ 1,083,297</u>	<u>\$ 1,310,194</u>	<u>\$ 226,897</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
PRD's  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 46,201	\$ 46,201	\$ 51,422	\$ 5,221
Intergovernmental revenues	178	178	334	156
Charges for services	36,249	36,249	29,829	(6,420)
From use of money and property	2,313	2,313	652	(1,661)
Total revenues	<u>84,941</u>	<u>84,941</u>	<u>82,237</u>	<u>(2,704)</u>
<b>Expenditures:</b>				
Current:				
Public ways and facilities				
PRD Bolinas Highland	16,150	16,150	174	15,976
PRD Inverness Div#2	20,050	20,050	7,028	13,022
PRD Monte Cristo	35,070	35,070	--	35,070
PRD Mt. View Ave. Lagunitas	7,040	7,040	--	7,040
PRD Paradise Estates	78,200	78,200	51,873	26,327
Total public ways and facilities	<u>156,510</u>	<u>156,510</u>	<u>59,075</u>	<u>97,435</u>
Total expenditures	<u>156,510</u>	<u>156,510</u>	<u>59,075</u>	<u>97,435</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(71,569)</u>	<u>(71,569)</u>	<u>23,162</u>	<u>94,731</u>
Net change in fund balances	(71,569)	(71,569)	23,162	94,731
Fund balances, beginning of year	<u>291,681</u>	<u>291,681</u>	<u>291,681</u>	<u>--</u>
Fund balances, end of year	<u>\$ 220,112</u>	<u>\$ 220,112</u>	<u>\$ 314,843</u>	<u>\$ 94,731</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Tobacco Settlement Fund  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental revenues	\$ --	\$ 158,124	\$ 150,000	\$ (8,124)
From use of money and property	--	--	155	155
Total revenues	<u>--</u>	<u>158,124</u>	<u>150,155</u>	<u>(7,969)</u>
Excess of revenues over expenditures	<u>--</u>	<u>158,124</u>	<u>150,155</u>	<u>(7,969)</u>
Other Financing Uses:				
Transfers out	--	(158,124)	(150,965)	7,159
Total other financing sources (uses)	<u>--</u>	<u>(158,124)</u>	<u>(150,965)</u>	<u>7,159</u>
Net change in fund balances	--	--	(810)	(810)
Fund balances, beginning of year	<u>8,337</u>	<u>8,337</u>	<u>8,337</u>	<u>--</u>
Fund balances, end of year	<u>\$ 8,337</u>	<u>\$ 8,337</u>	<u>\$ 7,527</u>	<u>\$ (810)</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
 IHSS Fund  
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental revenues	\$ 2,224,785	\$ --	\$ --	\$ --
From use of money and property	3,000	3,000	1,213	(1,787)
Total revenues	<u>2,227,785</u>	<u>3,000</u>	<u>1,213</u>	<u>(1,787)</u>
<b>Expenditures:</b>				
Current:				
Health and sanitation				
IHSS Public Auth	2,227,785	2,227,785	2,054,805	172,980
Total health and sanitation	<u>2,227,785</u>	<u>2,227,785</u>	<u>2,054,805</u>	<u>172,980</u>
Total expenditures	<u>2,227,785</u>	<u>2,227,785</u>	<u>2,054,805</u>	<u>172,980</u>
Deficiency of revenues under expenditures	<u>--</u>	<u>(2,224,785)</u>	<u>(2,053,592)</u>	<u>171,193</u>
Other Financing Sources:				
Transfers in	--	2,224,785	1,896,962	(327,823)
Total other financing sources	<u>--</u>	<u>2,224,785</u>	<u>1,896,962</u>	<u>(327,823)</u>
Net change in fund balances	--	--	(156,630)	(156,630)
Fund balances, beginning of year	<u>210,865</u>	<u>210,865</u>	<u>210,865</u>	<u>--</u>
Fund balances, end of year	<u>\$ 210,865</u>	<u>\$ 210,865</u>	<u>\$ 54,235</u>	<u>\$ (156,630)</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
 Bay Area Stormwater Management Fund  
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
From use of money and property	\$ --	\$ --	\$ 20	\$ 20
Total revenues	<u>--</u>	<u>--</u>	<u>20</u>	<u>20</u>
<b>Expenditures:</b>				
Current:				
General government				
Public Works	--	13,355	13,355	--
Total general government	<u>--</u>	<u>13,355</u>	<u>13,355</u>	<u>--</u>
Total expenditures	<u>--</u>	<u>13,355</u>	<u>13,355</u>	<u>--</u>
Deficiency of revenues under expenditures	<u>--</u>	<u>(13,355)</u>	<u>(13,335)</u>	<u>20</u>
Net change in fund balances	--	(13,355)	(13,335)	20
Fund balances, beginning of year	<u>13,385</u>	<u>13,385</u>	<u>13,385</u>	<u>--</u>
Fund balances, end of year	<u>\$ 13,385</u>	<u>\$ 30</u>	<u>\$ 50</u>	<u>\$ 20</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Open Space District  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 5,418,107	\$ 5,418,107	\$ 5,563,895	\$ 145,788
Licenses and permits	--	--	8,414	8,414
Intergovernmental revenues	270,252	720,252	194,558	(525,694)
Charges for services	120,000	120,000	10,000	(110,000)
From use of money and property	78,129	78,129	8,926	(69,203)
Miscellaneous	2,000	2,000	97,982	95,982
Total revenues	<u>5,888,488</u>	<u>6,338,488</u>	<u>5,883,775</u>	<u>(454,713)</u>
<b>Expenditures:</b>				
Current:				
Recreation and cultural services				
Open Space	6,940,963	6,245,337	5,559,615	685,722
Total recreation and cultural svcs	<u>6,940,963</u>	<u>6,245,337</u>	<u>5,559,615</u>	<u>685,722</u>
Capital Outlay	450,000	100,000	--	100,000
Total expenditures	<u>7,390,963</u>	<u>6,345,337</u>	<u>5,559,615</u>	<u>785,722</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,502,475)</u>	<u>(6,849)</u>	<u>324,160</u>	<u>331,009</u>
Other Financing Sources (Uses):				
Transfers in		516,000	516,000	--
Transfers out		(141,867)	(237,377)	(95,510)
Total other financing sources, net	<u>--</u>	<u>374,133</u>	<u>278,623</u>	<u>(95,510)</u>
Net change in fund balances	(1,502,475)	367,284	602,783	235,499
Fund balances, beginning of year	<u>8,020,351</u>	<u>8,020,351</u>	<u>8,020,351</u>	<u>--</u>
Fund balances, end of year	<u>\$ 6,517,876</u>	<u>\$ 8,387,635</u>	<u>\$ 8,623,134</u>	<u>\$ 235,499</u>



**COUNTY OF MARIN**

Budgetary Comparison Schedule  
RDA Low-Income Housing Fund  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ --	\$ --	\$ 321,975	\$ 321,975
From use of money and property	--	--	13,324	13,324
Miscellaneous	100,000	100,000	--	(100,000)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>335,299</u>	<u>235,299</u>
<b>Expenditures:</b>				
Current:				
Public assistance				
Community Development Agency	179,314	173,858	139,905	33,953
Total public assistance	<u>179,314</u>	<u>173,858</u>	<u>139,905</u>	<u>33,953</u>
Total expenditures	<u>179,314</u>	<u>173,858</u>	<u>139,905</u>	<u>33,953</u>
Excess of revenues over expenditures	<u>(79,314)</u>	<u>(73,858)</u>	<u>195,394</u>	<u>269,252</u>
Other Financing Sources (Uses):				
Transfers in	250,000	250,000	250,000	--
Transfers out	<u>(175,047)</u>	<u>(175,047)</u>	<u>(175,047)</u>	--
Total other financing sources, net	<u>74,953</u>	<u>74,953</u>	<u>74,953</u>	--
Net change in fund balances	(4,361)	1,095	270,347	269,252
Fund balances, beginning of year	<u>10,648,668</u>	<u>10,648,668</u>	<u>10,648,668</u>	--
Fund balances, end of year	<u>\$ 10,644,307</u>	<u>\$ 10,649,763</u>	<u>\$ 10,919,015</u>	<u>\$ 269,252</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Flood Control Zones  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 4,161,640	\$ 4,161,640	\$ 4,475,232	\$ 313,592
Intergovernmental revenues	54,940	54,940	40,262	(14,678)
Charges for services	2,456,100	2,456,100	2,411,559	(44,541)
From use of money and property	88,600	88,600	50,019	(38,581)
Miscellaneous	900	900	5,752	4,852
Total revenues	<u>6,762,180</u>	<u>6,762,180</u>	<u>6,982,824</u>	<u>220,644</u>
<b>Expenditures:</b>				
Current:				
Public protection				
FCZ#1 Novato	3,157,740	3,206,060	1,555,920	1,650,140
FCZ#10 Inverness	16,693	14,860	4,925	9,935
FCZ#3 Richardson By	1,169,111	1,433,922	1,428,783	5,139
FCZ#4 and FCZ#4A	755,912	667,745	430,124	237,621
FCZ#5 Stinson Beach	67,006	52,193	50,621	1,572
FCZ#6 S R Meadows	20,410	18,210	8,506	9,704
FCZ#7 Santa Venetia	529,131	325,503	312,320	13,183
FCZ#9 and FCZ#9A	1,701,040	1,546,624	702,167	844,457
Total public protection	<u>7,417,043</u>	<u>7,265,117</u>	<u>4,493,366</u>	<u>2,771,751</u>
Capital Outlay	18,000	14,129	--	14,129
Debt Service:				
Principal	686,667	686,667	--	686,667
Interest	86,917	86,917	5,529	81,388
Total debt service	<u>773,584</u>	<u>773,584</u>	<u>5,529</u>	<u>768,055</u>
Total expenditures	<u>8,208,627</u>	<u>8,052,830</u>	<u>4,498,895</u>	<u>3,553,935</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,446,447)</u>	<u>(1,290,650)</u>	<u>2,483,929</u>	<u>3,774,579</u>
Other Financing Sources:				
Transfers in	--	265,175	265,175	--
Total other financing sources	<u>--</u>	<u>265,175</u>	<u>265,175</u>	<u>--</u>
Net change in fund balances	(1,446,447)	(1,025,475)	2,749,104	3,774,579
Fund balances, beginning of year	<u>19,121,501</u>	<u>19,121,501</u>	<u>19,121,501</u>	<u>--</u>
Fund balances, end of year	<u>\$ 17,675,054</u>	<u>\$ 18,096,026</u>	<u>\$ 21,870,605</u>	<u>\$ 3,774,579</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Miscellaneous Special Revenue Fund  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental revenues	\$ --	\$ 3,526,413	\$ 2,624,037	\$ (902,376)
Charges for services	--	804,192	687,658	(116,534)
From use of money and property	--	(279)	6,695	6,974
Total revenues	<u>--</u>	<u>4,330,326</u>	<u>3,318,390</u>	<u>(1,011,936)</u>
<b>Expenditures:</b>				
Current:				
Public protection	158,135	1,579,325	984,280	595,045
Total public protection	<u>158,135</u>	<u>1,579,325</u>	<u>984,280</u>	<u>595,045</u>
Health and sanitation				
Health and Human Services	128,622	1,175,643	862,368	313,275
Total health and sanitation	<u>128,622</u>	<u>1,175,643</u>	<u>862,368</u>	<u>313,275</u>
Public assistance				
Health and Human Services	--	217,634	162,188	55,446
Total public assistance	<u>--</u>	<u>217,634</u>	<u>162,188</u>	<u>55,446</u>
Capital Outlay	73,603	315,987	110,207	205,780
Total expenditures	<u>360,360</u>	<u>3,288,589</u>	<u>2,119,043</u>	<u>1,169,546</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(360,360)</u>	<u>1,041,737</u>	<u>1,199,347</u>	<u>157,610</u>
Other Financing Uses:				
Transfers out	--	(868,499)	(752,898)	115,601
Total other financing uses	<u>--</u>	<u>(868,499)</u>	<u>(752,898)</u>	<u>115,601</u>
Net change in fund balances	(360,360)	173,238	446,449	273,211
Fund balances, beginning of year, restated	<u>1,725,936</u>	<u>1,725,936</u>	<u>1,725,936</u>	<u>--</u>
Fund balances, end of year	<u>\$ 1,365,576</u>	<u>\$ 1,899,174</u>	<u>\$ 2,172,385</u>	<u>\$ 273,211</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Public Protection  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental revenues	\$ --	\$ 1,065,132	\$ 1,982,555	\$ 917,423
Charges for services	--	15,000	210,457	195,457
Fines and forfeits	540,000	540,000	556,359	16,359
From use of money and property	--	--	16,640	16,640
Total revenues	<u>540,000</u>	<u>1,620,132</u>	<u>2,766,011</u>	<u>1,145,879</u>
<b>Expenditures:</b>				
Current:				
Public protection	<u>83,876</u>	<u>1,120,157</u>	<u>660,945</u>	<u>459,212</u>
Total public protection	<u>83,876</u>	<u>1,120,157</u>	<u>660,945</u>	<u>459,212</u>
Capital Outlay	<u>--</u>	<u>48,408</u>	<u>47,409</u>	<u>999</u>
Total expenditures	<u>83,876</u>	<u>1,168,565</u>	<u>708,354</u>	<u>460,211</u>
Excess of revenues over expenditures	<u>456,124</u>	<u>451,567</u>	<u>2,057,657</u>	<u>1,606,090</u>
Other Financing Sources (Uses):				
Transfers out	<u>(540,000)</u>	<u>(943,639)</u>	<u>(1,167,834)</u>	<u>(224,195)</u>
Total other financing uses	<u>(540,000)</u>	<u>(943,639)</u>	<u>(1,167,834)</u>	<u>(224,195)</u>
Net change in fund balances	(83,876)	(492,072)	889,823	1,381,895
Fund balances, beginning of year	<u>6,831,787</u>	<u>6,831,787</u>	<u>6,831,787</u>	<u>--</u>
Fund balances, end of year	<u>\$ 6,747,911</u>	<u>\$ 6,339,715</u>	<u>\$ 7,721,610</u>	<u>\$ 1,381,895</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Public Ways and Facilities  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ --	\$ 767,859	\$ 772,252	\$ 4,393
Intergovernmental revenues	1,292,293	3,651,812	2,128,223	(1,523,589)
Charges for services	590,112	687,874	609,106	(78,768)
From use of money and property	5,000	41,983	24,315	(17,668)
Miscellaneous	5,500	5,500	9,441	3,941
Total revenues	<u>1,892,905</u>	<u>5,155,028</u>	<u>3,543,337</u>	<u>(1,611,691)</u>
<b>Expenditures:</b>				
Current:				
General government				
Public Works	--	62,858	4,997	57,861
Total general government	<u>--</u>	<u>62,858</u>	<u>4,997</u>	<u>57,861</u>
Public protection				
Public Works	958,148	1,003,445	641,771	361,674
Total public protection	<u>958,148</u>	<u>1,003,445</u>	<u>641,771</u>	<u>361,674</u>
Public ways and facilities				
Public Works	2,433,845	2,532,356	297,231	2,235,125
Total public ways and facilities	<u>2,433,845</u>	<u>2,532,356</u>	<u>297,231</u>	<u>2,235,125</u>
Health and sanitation				
Public Works	46,323	4,893	--	4,893
Total health and sanitation	<u>46,323</u>	<u>4,893</u>	<u>--</u>	<u>4,893</u>
Capital Outlay				
Public Works	--	--	1,430,258	(1,430,258)
Total expenditures	<u>3,438,316</u>	<u>3,603,552</u>	<u>2,374,257</u>	<u>1,229,295</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,545,411)</u>	<u>1,551,476</u>	<u>1,169,080</u>	<u>(382,396)</u>
Other Financing Uses:				
Transfers out	--	(1,323,929)	(577,871)	746,058
Total other financing uses	<u>--</u>	<u>(1,323,929)</u>	<u>(577,871)</u>	<u>746,058</u>
Net change in fund balances	(1,545,411)	227,547	591,209	363,662
Fund balances, beginning of year	<u>6,732,912</u>	<u>6,732,912</u>	<u>6,732,912</u>	<u>--</u>
Fund balances, end of year	<u>\$ 5,187,501</u>	<u>\$ 6,960,459</u>	<u>\$ 7,324,121</u>	<u>\$ 363,662</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
 Restricted Low-Income Housing  
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
From use of money and property	\$ --	\$ --	\$ 4,417	\$ 4,417
Total revenues	<u>--</u>	<u>--</u>	<u>4,417</u>	<u>4,417</u>
Excess of revenues over expenditures	<u>--</u>	<u>--</u>	<u>4,417</u>	<u>4,417</u>
Net change in fund balances	<u>--</u>	<u>--</u>	<u>4,417</u>	<u>4,417</u>
Fund balances, beginning of year	<u>3,663,905</u>	<u>3,663,905</u>	<u>3,663,905</u>	<u>--</u>
Fund balances, end of year	<u><u>\$ 3,663,905</u></u>	<u><u>\$ 3,663,905</u></u>	<u><u>\$ 3,668,322</u></u>	<u><u>\$ 4,417</u></u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Recreational and Cultural Services  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ --	\$ --	\$ 110,602	\$ 110,602
From use of money and property	--	--	1,131	1,131
Total revenues	<u>--</u>	<u>--</u>	<u>111,733</u>	<u>111,733</u>
<b>Expenditures:</b>				
Current:				
Recreation and cultural services	--	--	205,297	(205,297)
Total recreation and cultural svcs	<u>--</u>	<u>--</u>	<u>205,297</u>	<u>(205,297)</u>
Total expenditures	<u>--</u>	<u>--</u>	<u>205,297</u>	<u>(205,297)</u>
Excess of revenues over expenditures	<u>--</u>	<u>--</u>	<u>(93,564)</u>	<u>(93,564)</u>
Other Financing Uses:				
Transfers out	--	(114,977)	(114,977)	--
Total other financing uses	<u>--</u>	<u>(114,977)</u>	<u>(114,977)</u>	<u>--</u>
Net change in fund balances	--	(114,977)	(208,541)	(93,564)
Fund balances, beginning of year	<u>465,125</u>	<u>465,125</u>	<u>465,125</u>	<u>--</u>
Fund balances, end of year	<u>\$ 465,125</u>	<u>\$ 350,148</u>	<u>\$ 256,584</u>	<u>\$ (93,564)</u>

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**CAPITAL PROJECTS FUNDS**

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **NONMAJOR CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for financial resources to be used for the acquisition of major capital assets other than those financed by proprietary funds.

#### Marin County Redevelopment Agency (MCRDA)

This fund is used primarily to finance or reimburse the financing of various Marin County Redevelopment Agency improvements including the renovation, acquisition and construction of capital projects.

#### Courthouse Construction

This fund provides for the appropriation of Court Construction Funds, restricted by law to be used for the development or enhancement of Court facilities.

#### Other Capital Projects

This fund is used primarily to finance or reimburse the financing of various County improvements including the renovation, acquisition and construction of capital projects.

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**COUNTY OF MARIN**

Combining Balance Sheet  
 Nonmajor Capital Project Funds  
 June 30, 2012

	<u>Courthouse Construction</u>	<u>Other Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments in County pool	\$ 833,036	\$ 12,527,642	\$ 13,360,678
Due from other governmental agencies	--	613,717	613,717
	<u>\$ 833,036</u>	<u>\$ 13,141,359</u>	<u>\$ 13,974,395</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	--	218,511	218,511
Total liabilities	--	218,511	218,511
<b>FUND BALANCES</b>			
Restricted	833,036	97,866	930,902
Assigned	--	12,824,982	12,824,982
Total fund balances	<u>833,036</u>	<u>12,922,848</u>	<u>13,755,884</u>
Total liabilities and fund balances	<u>\$ 833,036</u>	<u>\$ 13,141,359</u>	<u>\$ 13,974,395</u>

**COUNTY OF MARIN**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Capital Project Funds  
June 30, 2012

	<u>MCRDA</u>	<u>Courthouse Construction</u>	<u>Other Capital Projects</u>	<u>Total</u>
<b>Revenues:</b>				
Intergovernmental revenues	\$ --	\$ --	\$ 2,151,411	\$ 2,151,411
Charges for services			10,703	10,703
Fines and forfeits	--	471,740	--	471,740
Use of money and property	1,921	1,558	24,830	28,309
Other revenue	1,773,823	--	--	1,773,823
Total revenues	<u>1,775,744</u>	<u>473,298</u>	<u>2,186,944</u>	<u>4,435,986</u>
<b>Expenditures:</b>				
Current:				
General government	--	--	--	--
Public protection	--	--	4,950	4,950
Public ways and facilities	--	--	1,250,633	1,250,633
Public assistance	1,173,663	--	--	1,173,663
Total expenditures	<u>1,173,663</u>	<u>--</u>	<u>1,255,583</u>	<u>2,429,246</u>
Excess (deficiency) of revenues over (under) expenditures	<u>602,081</u>	<u>473,298</u>	<u>931,361</u>	<u>2,006,740</u>
Other Financing Sources (Uses):				
Transfers in	152,810	--	2,000,000	2,152,810
Transfers out	--	(450,000)	(797,963)	(1,247,963)
Total other financing sources (uses)	<u>152,810</u>	<u>(450,000)</u>	<u>1,202,037</u>	<u>904,847</u>
Extraordinary Item				
RDA dissolution transactions	<u>(754,891)</u>	<u>--</u>	<u>--</u>	<u>(754,891)</u>
Net change in fund balances	--	23,298	2,133,398	2,156,696
Fund balances, beginning of year - restated	<u>--</u>	<u>809,738</u>	<u>10,789,450</u>	<u>11,599,188</u>
Fund balances, end of year	<u>\$ --</u>	<u>\$ 833,036</u>	<u>\$ 12,922,848</u>	<u>\$ 13,755,884</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Miscellaneous Capital Project Fund  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental revenues	\$ (4,306)	\$ 442,444	\$ 388,283	\$ (54,161)
Charges for services	1,823,646	32,812	55,336	22,524
From use of money and property	--	113,087	20,233	(92,854)
Miscellaneous	(2,170)	20,929	20,929	--
Total revenues	<u>1,817,170</u>	<u>609,272</u>	<u>484,781</u>	<u>(124,491)</u>
<b>Expenditures:</b>				
Current:				
General government				
County Administrator	--	320	96,046	(95,726)
Non - Departmental	--	1,010,275	988,431	21,844
Public Works	16,974,788	45,685,344	2,321,278	43,364,066
Total general government	<u>16,974,788</u>	<u>46,695,939</u>	<u>3,405,755</u>	<u>43,290,184</u>
Public protection				
Public Works	3,758,484	1,223,020	168,619	1,054,401
Total public protection	<u>3,758,484</u>	<u>1,223,020</u>	<u>168,619</u>	<u>1,054,401</u>
Public ways and facilities				
Public Works	302,314	315,570	280,338	35,232
Total public ways and facilities	<u>302,314</u>	<u>315,570</u>	<u>280,338</u>	<u>35,232</u>
Health and sanitation				
Public Works	79,557	79,557	--	79,557
Total health and sanitation	<u>79,557</u>	<u>79,557</u>	<u>--</u>	<u>79,557</u>
Education				
Public Works	89,357	84,347	--	84,347
Total education	<u>89,357</u>	<u>84,347</u>	<u>--</u>	<u>84,347</u>
Recreation and cultural services				
Parks	1,209,569	1,317,515	35,410	1,282,105
Public Works	479,743	652,669	5,812	646,857
Total recreation and cultural svcs	<u>1,689,312</u>	<u>1,970,184</u>	<u>41,222</u>	<u>1,928,962</u>
Capital Outlay	2,965,525	300,000	32,101,777	(31,801,777)
Total expenditures	<u>25,859,337</u>	<u>50,668,617</u>	<u>35,997,711</u>	<u>14,670,906</u>
Deficiency of revenues under expenditures	<u>(24,042,167)</u>	<u>(50,059,345)</u>	<u>(35,512,930)</u>	<u>(14,546,415)</u>

continued

**COUNTY OF MARIN**

Budgetary Comparison Schedule (continued)  
 Miscellaneous Capital Project Fund  
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Other Financing Sources (Uses):				
Loan Proceeds	\$ (294,187)	\$ 1,732,822	\$ 1,054,869	\$ (677,953)
Sale of capital assets	--	1,010,275	1,989,370	979,095
Transfers in	4,015,000	32,013,314	32,998,314	985,000
Transfers out	--	--	(25,259)	(25,259)
Total other financing sources, net	<u>3,720,813</u>	<u>34,756,411</u>	<u>36,017,294</u>	<u>1,260,883</u>
Net change in fund balances	(20,321,354)	(15,302,934)	504,364	15,807,298
Fund balances, beginning of year	<u>58,965,885</u>	<u>58,965,885</u>	<u>58,965,885</u>	<u>--</u>
Fund balances, end of year	<u>\$ 38,644,531</u>	<u>\$ 43,662,951</u>	<u>\$ 59,470,249</u>	<u>\$ 15,807,298</u>



**COUNTY OF MARIN**

Budgetary Comparison Schedule  
MCRDA  
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted</u>	<u>Amounts</u>	<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>Revenues:</b>				
From use of money and property	\$ 6,000	\$ 14,000	\$ 1,921	(12,079)
Miscellaneous	--	1,758,932	1,773,823	14,891
Total revenues	<u>6,000</u>	<u>1,772,932</u>	<u>1,775,744</u>	<u>2,812</u>
<b>Expenditures:</b>				
Current:				
Public assistance	817,628	650,311	1,173,663	(523,352)
Total expenditures	<u>817,628</u>	<u>650,311</u>	<u>1,173,663</u>	<u>(523,352)</u>
Excess (deficiency) of revenues over Deficiency of revenues under expenditures	<u>(811,628)</u>	<u>1,122,621</u>	<u>602,081</u>	<u>(520,540)</u>
Other Financing Sources (Uses):				
Transfers in	501,214	501,214	152,810	(348,404)
Transfers out	--	(943,958)	--	943,958
Total other financing sources (uses), net	<u>501,214</u>	<u>(442,744)</u>	<u>152,810</u>	<u>595,554</u>
Extraordinary Item				
RDA dissolution transactions	--	--	(754,891)	(754,891)
Net change in fund balances	(310,414)	679,877	--	(679,877)
Fund balances, beginning of year	--	--	--	--
Fund balances, end of year	<u>\$ (310,414)</u>	<u>\$ 679,877</u>	<u>\$ --</u>	<u>\$ (679,877)</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
 Courthouse Construction  
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Fines and forfeits	\$ 450,000	\$ 450,000	\$ 471,740	\$ 21,740
From use of money and property	--	--	1,558	1,558
Total revenues	<u>450,000</u>	<u>450,000</u>	<u>473,298</u>	<u>23,298</u>
Excess of revenues under expenditures	<u>450,000</u>	<u>450,000</u>	<u>473,298</u>	<u>23,298</u>
Other Financing Uses:				
Transfers out	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>--</u>
Total other financing uses	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>--</u>
Net change in fund balances	--	--	23,298	23,298
Fund balances, beginning of year	<u>809,738</u>	<u>809,738</u>	<u>809,738</u>	<u>--</u>
Fund balances, end of year	<u>\$ 809,738</u>	<u>\$ 809,738</u>	<u>\$ 833,036</u>	<u>\$ 23,298</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Other Capital Projects  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental revenues	\$ 1,355,179	\$ 7,419,513	\$ 2,151,411	\$ (5,268,102)
From use of money and property	--	--	24,830	24,830
Miscellaneous	--	--	10,703	10,703
Total revenues	<u>1,355,179</u>	<u>7,419,513</u>	<u>2,186,944</u>	<u>(5,232,569)</u>
<b>Expenditures:</b>				
Current:				
Public protection				
Community Development Agency	--	4,949	4,950	(1)
Total public protection	<u>--</u>	<u>4,949</u>	<u>4,950</u>	<u>(1)</u>
Public ways and facilities				
Public Works	14,429,753	21,615,596	1,250,633	20,364,963
Total public ways and facilities	<u>14,429,753</u>	<u>21,615,596</u>	<u>1,250,633</u>	<u>20,364,963</u>
Total expenditures	<u>14,429,753</u>	<u>21,620,545</u>	<u>1,255,583</u>	<u>20,364,962</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,074,574)</u>	<u>(14,201,032)</u>	<u>931,361</u>	<u>15,132,393</u>
Other Financing Sources (Uses):				
Transfers in	--	2,000,000	2,000,000	--
Transfers out	--	(797,963)	(797,963)	--
Total other financing sources, net	<u>--</u>	<u>1,202,037</u>	<u>1,202,037</u>	<u>--</u>
Net change in fund balances	(13,074,574)	(12,998,995)	2,133,398	15,132,393
Fund balances, beginning of year	<u>10,789,450</u>	<u>10,789,450</u>	<u>10,789,450</u>	<u>--</u>
Fund balances, end of year	<u>\$ (2,285,124)</u>	<u>\$ (2,209,545)</u>	<u>\$ 12,922,848</u>	<u>\$ 15,132,393</u>

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**DEBT SERVICE FUNDS**

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## NONMAJOR GOVERNMENTAL FUNDS

### DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs.

#### Marin County Redevelopment Agency (MCRDA) Refunding Revenue Bonds

The MCRDA Refunding Revenue Bonds debt service fund is used to account for the accumulation of resources for the payment of the 1998 Refunding Revenue Bonds debt principal, interest and related costs.

#### Pension Obligation Bonds (POB)

The Pension Obligation Bond fund is used to accumulate resources for the payment of the Taxable Pension Obligation Bonds of 2003 debt principal, interest and related costs. The bonds were sold primarily to provide funds to refinance the County's actuarial accrued liability with respect to retirement benefits for County employees and retirees.

#### Debt Service

The Debt Service fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs not accounted for in another debt service fund.

#### Tobacco Securitization

The Tobacco Securitization debt service fund is used to account for the County's portion of receipts from the Tobacco Industry from the sale of tobacco products and the payment of Tobacco Settlement Asset-Backed Bonds of 2007 debt principal, interest and related costs.

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**COUNTY OF MARIN**

Combining Balance Sheet  
Nonmajor Debt Service Funds  
June 30, 2012

	Open Space Debt Service	2003 POB	Debt Service	Tobacco Securitization	Total
<b>ASSETS</b>					
Cash and investments in County pool	\$ 772,911	\$ 5,833,553	\$ 99,548	\$ 5	\$ 6,706,017
Cash with fiscal agent	--	--	4,003,364	3,674,528	7,677,892
Due from other funds		139,593			139,593
	<u>772,911</u>	<u>5,973,146</u>	<u>4,102,912</u>	<u>3,674,533</u>	<u>14,523,502</u>
Total assets	<u>\$ 772,911</u>	<u>\$ 5,973,146</u>	<u>\$ 4,102,912</u>	<u>\$ 3,674,533</u>	<u>\$ 14,523,502</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 5,181	\$ --	\$ --	\$ --	\$ 5,181
Accrued salaries and benefits	2,616	--	--	--	2,616
Advances payable	--	--	45,400	--	45,400
Total liabilities	<u>7,797</u>	<u>--</u>	<u>45,400</u>	<u>--</u>	<u>53,197</u>
<b>FUND BALANCES</b>					
Restricted	765,114	--	3,944,595	3,674,533	8,384,242
Assigned	--	5,973,146	112,917	--	6,086,063
Total fund balances	<u>765,114</u>	<u>5,973,146</u>	<u>4,057,512</u>	<u>3,674,533</u>	<u>14,470,305</u>
Total liabilities and fund balances	<u>\$ 772,911</u>	<u>\$ 5,973,146</u>	<u>\$ 4,102,912</u>	<u>\$ 3,674,533</u>	<u>\$ 14,523,502</u>

**COUNTY OF MARIN**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Fiscal Year Ended June 30, 2012

	<u>MCRDA Rfdg. Rev. Bonds</u>	<u>Open Space Debt Service</u>	<u>2003 POB</u>	<u>Debt Service</u>	<u>Tobacco Securitization</u>	<u>Total</u>
<b>Revenues:</b>						
Taxes	\$ 762,799	\$ --	\$ --	\$ --	\$ --	\$ 762,799
Charges for services	--	658,505	--	56,996	--	715,501
From use of money and property	974	1,256	8,641	945	127,285	139,101
Miscellaneous	--	--	155,646	--	2,243,241	2,398,887
Total revenues	<u>763,773</u>	<u>659,761</u>	<u>164,287</u>	<u>57,941</u>	<u>2,370,526</u>	<u>4,016,288</u>
<b>Expenditures:</b>						
Current:						
General government	--	--	4,290	5,447	19,733	29,470
Public protection	--	--	--	7,742	--	7,742
Public assistance	103,119	--	--	--	--	103,119
Recreation and cultural services	--	29,131	--	--	--	29,131
Debt Service:						
Principal	370,000	293,000	1,295,000	2,548,812	530,000	5,036,812
Interest	292,588	328,410	5,841,499	2,817,689	1,914,225	11,194,411
Total expenditures	<u>765,707</u>	<u>650,541</u>	<u>7,140,789</u>	<u>5,379,690</u>	<u>2,463,958</u>	<u>16,400,685</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,934)</u>	<u>9,220</u>	<u>(6,976,502)</u>	<u>(5,321,749)</u>	<u>(93,432)</u>	<u>(12,384,397)</u>
Other Financing Sources (Uses):						
Transfers in	--	--	7,168,666	5,319,958	--	12,488,624
Transfers out	(152,810)	--	--	--	--	(152,810)
Total other financing sources (uses)	<u>(152,810)</u>	<u>--</u>	<u>7,168,666</u>	<u>5,319,958</u>	<u>--</u>	<u>12,335,814</u>
Extraordinary Item						
RDA dissolution transactions	<u>154,744</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>154,744</u>
Net change in fund balances	--	9,220	192,164	(1,791)	(93,432)	106,161
Fund balances, beginning of year - restated	--	755,894	5,780,982	4,059,303	3,767,965	14,364,144
Fund balances, end of year	<u>\$ --</u>	<u>\$ 765,114</u>	<u>\$ 5,973,146</u>	<u>\$ 4,057,512</u>	<u>\$ 3,674,533</u>	<u>\$ 14,470,305</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
MCRDA Refunding Revenue Bonds  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 1,886,108	\$ 1,886,108	\$ 762,799	(1,123,309)
Intergovernmental revenues	11,686	11,686	--	(11,686)
From use of money and property	7,278	7,278	974	(6,304)
Total revenues	<u>1,905,072</u>	<u>1,905,072</u>	<u>763,773</u>	<u>(1,141,299)</u>
<b>Expenditures:</b>				
Current:				
Public assistance	174,800	174,800	103,119	71,681
Total public assistance	<u>174,800</u>	<u>174,800</u>	<u>103,119</u>	<u>71,681</u>
Debt Service:				
Principal	240,000	240,000	370,000	(130,000)
Interest	708,350	708,350	292,588	415,762
Total debt service	<u>948,350</u>	<u>948,350</u>	<u>662,588</u>	<u>285,762</u>
Total expenditures	<u>1,123,150</u>	<u>1,123,150</u>	<u>765,707</u>	<u>357,443</u>
Excess (deficiency) of revenues over (under) expenditures	<u>781,922</u>	<u>781,922</u>	<u>(1,934)</u>	<u>(783,856)</u>
Other Financing Sources (Uses):				
Transfers out	<u>(501,214)</u>	<u>(501,214)</u>	<u>(152,810)</u>	<u>348,404</u>
Total other financing sources (uses)	<u>(501,214)</u>	<u>(501,214)</u>	<u>(152,810)</u>	<u>348,404</u>
Extraordinary Item				
RDA dissolution transactions	<u>-</u>	<u>-</u>	<u>154,744</u>	<u>154,744</u>
Net change in fund balances	280,708	280,708	--	(435,452)
Fund balances, beginning of year, restated	--	--	--	(435,452)
Fund balances, end of year	<u>\$ 280,708</u>	<u>\$ 280,708</u>	<u>\$ --</u>	<u>\$ (280,708)</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
 Open Space Debt Service Fund  
 For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ --	\$ --	\$ 658,505	\$ 658,505
From use of money and property	--	--	1,256	1,256
Total revenues	<u>--</u>	<u>--</u>	<u>659,761</u>	<u>659,761</u>
<b>Expenditures:</b>				
Current:				
Recreation and cultural services				
Non - Departmental	-	-	29,131	(29,131)
Total general government	<u>--</u>	<u>--</u>	<u>29,131</u>	<u>(29,131)</u>
Debt Service:				
Principal	-	-	293,000	(293,000)
Interest	-	-	328,410	(328,410)
Total debt service	<u>--</u>	<u>--</u>	<u>621,410</u>	<u>(621,410)</u>
Total expenditures	<u>--</u>	<u>--</u>	<u>650,541</u>	<u>(650,541)</u>
Deficiency of revenues under expenditures	<u>--</u>	<u>--</u>	<u>9,220</u>	<u>9,220</u>
Net change in fund balances	--	--	9,220	9,220
Fund balances, beginning of year	<u>--</u>	<u>--</u>	<u>755,894</u>	<u>755,894</u>
Fund balances, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 765,114</u>	<u>\$ 765,114</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
2003 POB  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
From use of money and property	\$ 20,000	\$ 20,000	\$ 8,641	\$ (11,359)
Miscellaneous	7,126,500	7,126,500	155,646	(6,970,854)
Total revenues	<u>7,146,500</u>	<u>7,146,500</u>	<u>164,287</u>	<u>(6,982,213)</u>
<b>Expenditures:</b>				
Current:				
General government				
Non - Departmental	10,000	10,000	4,290	5,710
Total general government	<u>10,000</u>	<u>10,000</u>	<u>4,290</u>	<u>5,710</u>
Debt Service:				
Principal	1,295,000	1,295,000	1,295,000	--
Interest	5,841,500	5,841,500	5,841,499	1
Total debt service	<u>7,136,500</u>	<u>7,136,500</u>	<u>7,136,499</u>	<u>1</u>
Total expenditures	<u>7,146,500</u>	<u>7,146,500</u>	<u>7,140,789</u>	<u>5,711</u>
Deficiency of revenues under expenditures	<u>--</u>	<u>--</u>	<u>(6,976,502)</u>	<u>(6,976,502)</u>
Other Financing Sources:				
Transfers in	--	--	7,168,666	7,168,666
Total other financing sources	<u>--</u>	<u>--</u>	<u>7,168,666</u>	<u>7,168,666</u>
Net change in fund balances	--	--	192,164	192,164
Fund balances, beginning of year	<u>5,780,982</u>	<u>5,780,982</u>	<u>5,780,982</u>	<u>--</u>
Fund balances, end of year	<u>\$5,780,982</u>	<u>\$ 5,780,982</u>	<u>\$ 5,973,146</u>	<u>\$ 192,164</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Other Debt Service  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 58,200	\$ 58,200	\$ 56,996	\$ (1,204)
From use of money and property	--	--	945	945
Total revenues	<u>58,200</u>	<u>58,200</u>	<u>57,941</u>	<u>(259)</u>
<b>Expenditures:</b>				
Current:				
General government				
Non - Departmental	32,980	32,980	5,447	27,533
Total general government	<u>32,980</u>	<u>32,980</u>	<u>5,447</u>	<u>27,533</u>
Public protection				
Community Development Agency	10,200	10,200	7,742	2,458
Total public protection	<u>10,200</u>	<u>10,200</u>	<u>7,742</u>	<u>2,458</u>
Debt Service:				
Principal	2,549,000	2,549,000	2,548,812	188
Interest	2,822,600	2,822,600	2,817,689	4,911
Total debt service	<u>5,371,600</u>	<u>5,371,600</u>	<u>5,366,501</u>	<u>5,099</u>
Total expenditures	<u>5,414,780</u>	<u>5,414,780</u>	<u>5,379,690</u>	<u>35,090</u>
Excess (deficiency) of revenues over Deficiency of Revenues under expenditures	<u>(5,356,580)</u>	<u>(5,356,580)</u>	<u>(5,321,749)</u>	<u>34,831</u>
Other Financing Sources:				
Transfers in	5,356,580	5,356,580	5,319,958	(36,622)
Total other financing sources	<u>5,356,580</u>	<u>5,356,580</u>	<u>5,319,958</u>	<u>(36,622)</u>
Net change in fund balances	--	--	(1,791)	(1,791)
Fund balances, beginning of year	<u>4,059,303</u>	<u>4,059,303</u>	<u>4,059,303</u>	<u>--</u>
Fund balances, end of year	<u>\$ 4,059,303</u>	<u>\$ 4,059,303</u>	<u>\$ 4,057,512</u>	<u>\$ (1,791)</u>

**COUNTY OF MARIN**

Budgetary Comparison Schedule  
Tobacco Securitization  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
From use of money and property	\$ --	\$ 125,000	\$ 127,285	\$ 2,285
Miscellaneous	--	2,213,000	2,243,241	30,241
Total revenues	<u>--</u>	<u>2,338,000</u>	<u>2,370,526</u>	<u>32,526</u>
<b>Expenditures:</b>				
Current:				
General government				
Non - Departmental	--	45,000	19,733	25,267
Total general government	<u>--</u>	<u>45,000</u>	<u>19,733</u>	<u>25,267</u>
Debt Service:				
Principal	--	515,000	530,000	(15,000)
Interest	--	1,915,000	1,914,225	775
Total debt service	<u>--</u>	<u>2,430,000</u>	<u>2,444,225</u>	<u>(14,225)</u>
Total expenditures	<u>--</u>	<u>2,475,000</u>	<u>2,463,958</u>	<u>11,042</u>
Deficiency of revenues under expenditures	<u>--</u>	<u>(137,000)</u>	<u>(93,432)</u>	<u>43,568</u>
Net change in fund balances	--	(137,000)	(93,432)	43,568
Fund balances, beginning of year	<u>3,767,965</u>	<u>3,767,965</u>	<u>3,767,965</u>	<u>--</u>
Fund balances, end of year	<u>\$ 3,767,965</u>	<u>\$ 3,630,965</u>	<u>\$ 3,674,533</u>	<u>\$ 43,568</u>

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**NONMAJOR ENTERPRISE FUNDS**

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## NONMAJOR ENTERPRISE FUNDS

### ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the County has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

#### County Fair

The County Fair fund is used to account for both revenues and expenses generated by the annual Marin County Fair.

#### Gross Airport

The Gross Airport fund is used to fund general airport operations, office and administrative expenses and the maintenance of airport facilities, including the replacement of exterior lighting fixtures, runway, taxiway and ramp lighting, heating and air conditioning service. Major revenue sources include fuel flow fees, rents, land leases, airport royalties and interest earnings.

#### Marin.Org

Marin.Org was initially created from the use of grant funds to inform Marin County citizens and visitors of government services provided in the County as well as a community calendar of events. Once the grant funding was used, the County established Marin.Org as an enterprise fund and began charging a membership fee for both government and business members for their participation in the community calendar of events.

#### Marin Transit District

The Transit District Fund accounts for activities related to the provision of transit services within the County.

#### Marin Commons Property Management

The Marin Commons Property Management enterprise fund was established to account for the property management activities of 1600 Los Gamos Blvd. in San Rafael, a newly-acquired building intended for the County's future Emergency Operations Facility.

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**COUNTY OF MARIN**

Combining Statement of Fund Net Assets  
Nonmajor Enterprise Funds  
June 30, 2012

	County Fair	Gross Airport	Marin Org	Marin Transit District	Marin Commons Property Management	Total
<b>ASSETS</b>						
Current Assets:						
Cash and investments in County pool	\$ 42,459	\$ 287,465	\$ 585,888	\$ 2,439,083	\$ 286,803	\$ 3,641,698
Cash with a fiscal agent	--	--	--	--	575,689	575,689
Prepaid items and other assets	36,804	--	--	250,000	--	286,804
Accounts receivable	321,075	--	--	--	--	321,075
Other receivables	--	--	--	0	57,659	57,659
Due from other governments	--	10,873	115,746	3,908,148	218,344	4,253,111
<b>Total current assets</b>	<u>400,338</u>	<u>298,338</u>	<u>701,634</u>	<u>6,597,231</u>	<u>1,138,495</u>	<u>9,136,036</u>
Noncurrent Assets:						
Capital assets:						
Nondepreciable	1,777,659	3,579,958	--	515,919	--	5,873,536
Depreciable, net	958,681	2,108,350	273,844	3,079,234	--	6,420,109
<b>Total noncurrent assets</b>	<u>2,736,340</u>	<u>5,688,308</u>	<u>273,844</u>	<u>3,595,153</u>	<u>--</u>	<u>12,293,645</u>
<b>Total assets</b>	<u>\$ 3,136,678</u>	<u>\$ 5,986,646</u>	<u>\$ 975,478</u>	<u>\$ 10,192,384</u>	<u>\$ 1,138,495</u>	<u>\$ 21,429,681</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Vouchers and accounts payable	889,425	13,985	121,896	743,925	--	\$ 1,769,231
Interest payable	--	--	7,212	--	--	7,212
Accrued salaries and benefits	--	4,640	--	17,076	--	21,716
Due to other funds	168,499	109	--	--	--	168,608
Deferred revenues	189,240	--	--	8,206	--	197,446
Other liabilities	243	--	--	--	643,150	643,393
Compensated absences	--	9,120	--	26,395	--	35,515
<b>Total current liabilities</b>	<u>1,247,407</u>	<u>27,854</u>	<u>129,108</u>	<u>795,602</u>	<u>643,150</u>	<u>2,843,121</u>
Long-Term Liabilities:						
Compensated absences	--	2,454	--	7,099	--	9,553
<b>Total noncurrent liabilities</b>	<u>--</u>	<u>2,454</u>	<u>--</u>	<u>7,099</u>	<u>--</u>	<u>9,553</u>
<b>Total liabilities</b>	<u>1,247,407</u>	<u>30,308</u>	<u>129,108</u>	<u>802,701</u>	<u>643,150</u>	<u>2,852,674</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	2,736,340	5,688,308	273,844	3,595,153	--	12,293,645
Unrestricted	(847,069)	268,030	572,526	5,794,530	495,345	6,283,362
<b>Total net assets</b>	<u>1,889,271</u>	<u>5,956,338</u>	<u>846,370</u>	<u>9,389,683</u>	<u>495,345</u>	<u>18,577,007</u>
<b>Total liabilities and net assets</b>	<u>\$ 3,136,678</u>	<u>\$ 5,986,646</u>	<u>\$ 975,478</u>	<u>\$ 10,192,384</u>	<u>\$ 1,138,495</u>	<u>\$ 21,429,681</u>

**COUNTY OF MARIN**

Combining Statement of Revenues, Expenses and  
Changes in Fund Net Assets  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2012

	County Fair	Gross Airport	Marin Org	Marin Transit District	Marin Commons Property Management	Total
<b>Operating Revenues:</b>						
Charges for services	\$ 1,757,511	\$ 662,421	\$ 1,449,148	\$ 5,982,991	\$ 1,222,146	\$ 11,074,217
Other revenue	58,430	10,138	--	13,230	--	81,798
<b>Total operating revenues</b>	<b>1,815,941</b>	<b>672,559</b>	<b>1,449,148</b>	<b>5,996,221</b>	<b>1,222,146</b>	<b>11,156,015</b>
<b>Operating Expenses:</b>						
Salaries and employee benefits	890,933	181,827	--	1,342,519	--	2,415,279
Services and supplies	2,663,061	493,869	1,095,900	1,933,348	726,801	6,912,979
Claims expense				21,668,329	--	21,668,329
Depreciation	73,745	99,784	94,116	651,343	--	918,988
Other				548,492	--	548,492
<b>Total operating expenses</b>	<b>3,627,739</b>	<b>775,480</b>	<b>1,190,016</b>	<b>26,144,031</b>	<b>726,801</b>	<b>32,464,067</b>
<b>Operating Income (Loss)</b>	<b>(1,811,798)</b>	<b>(102,921)</b>	<b>259,132</b>	<b>(20,147,810)</b>	<b>495,345</b>	<b>(21,308,052)</b>
<b>Non-Operating Revenues (Expenses):</b>						
Property tax revenue	--	300	--	3,168,488	--	3,168,788
Intergovernmental revenue	359,210	186,358	--	15,126,207	--	15,671,775
Investment income - unrestricted	183,038	640	1,100	6,473	--	191,251
Interest expense	--	--	(11,612)	--	--	(11,612)
<b>Total non-operating revenues (expenses)</b>	<b>542,248</b>	<b>187,298</b>	<b>(10,512)</b>	<b>18,301,168</b>	<b>--</b>	<b>19,020,202</b>
<b>Income (Loss) Before Capital Contributions and Transfers:</b>	<b>(1,269,550)</b>	<b>84,377</b>	<b>248,620</b>	<b>(1,846,642)</b>	<b>495,345</b>	<b>(2,287,850)</b>
Capital contributions	--	--	--	1,627,422	--	1,627,422
Transfers in	--	--	--	--	--	--
Transfers out	--	(3,497)	--	(16,118)	--	(19,615)
<b>Change in net assets</b>	<b>(1,269,550)</b>	<b>80,880</b>	<b>248,620</b>	<b>(235,338)</b>	<b>495,345</b>	<b>(680,043)</b>
Net assets, beginning of year - restated	3,158,821	5,875,458	597,750	9,625,021	--	19,257,050
Net assets, end of year	<b>\$ 1,889,271</b>	<b>\$ 5,956,338</b>	<b>\$ 846,370</b>	<b>\$ 9,389,683</b>	<b>\$ 495,345</b>	<b>\$ 18,577,007</b>

**COUNTY OF MARIN**

Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2012

	County Fair	Gross Airport	Marin Org
<b>Cash Flows from Operating Activities</b>			
Cash receipts from customers	\$ 2,431,348	\$ 690,557	\$ 1,333,402
Cash paid to suppliers for goods and services	(1,934,815)	(481,909)	(974,005)
Cash paid to employees for salaries and benefits	(890,933)	(177,312)	--
	<u>(394,400)</u>	<u>31,336</u>	<u>359,397</u>
Net cash provided (used) by operating activities			
<b>Cash Flows from Noncapital Financing Activities</b>			
Property tax revenues	--	300	--
Intergovernmental revenues	359,210	186,358	--
Interfund loans	(364,206)	109	--
Transfers out	--	(3,497)	--
	<u>(4,996)</u>	<u>183,270</u>	<u>--</u>
Net cash provided (used) by noncapital financing activities			
<b>Cash Flows from Capital and Related Financing Activities</b>			
Payments related to the acquisition of capital assets	--	(207,833)	--
Capital contributions			
Interest repayments related to capital purposes		--	(11,612)
Proceeds from sale of assets			
Principal payments on long term debt	--	--	(201,553)
	<u>--</u>	<u>--</u>	<u>(201,553)</u>
Net cash provided (used) by capital and related financing activities			
	<u>--</u>	<u>(207,833)</u>	<u>(213,165)</u>
<b>Cash Flows from Investing Activity</b>			
Interest and investments earnings received	183,038	640	1,100
	<u>183,038</u>	<u>640</u>	<u>1,100</u>
Net increase (decrease) in cash and cash equivalents	(216,358)	7,413	147,332
Cash and cash equivalents, beginning of year	258,817	280,052	438,556
	<u>258,817</u>	<u>280,052</u>	<u>438,556</u>
Cash and cash equivalents, end of year	\$ 42,459	\$ 287,465	\$ 585,888
	<u>\$ 42,459</u>	<u>\$ 287,465</u>	<u>\$ 585,888</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (1,811,798)	\$ (102,921)	\$ 259,132
Depreciation	73,745	99,784	94,115
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(114,574)	17,998	--
Due from other governments	--	--	(115,746)
Prepaid items and other assets	918,706	--	--
Increase (decrease) in:			
Accounts payable	730,493	11,960	121,896
Salaries payable	--	1,997	--
Deferred revenue	(188,725)	--	--
Other liabilities	(2,247)	--	--
Liability for compensated absences	--	2,518	--
	<u>--</u>	<u>2,518</u>	<u>--</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (394,400)</u>	<u>\$ 31,336</u>	<u>\$ 359,397</u>

continued

**COUNTY OF MARIN**

Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2012

	Transit District	Marin Commons Property Management	Total
<b>Cash Flows from Operating Activities</b>			
Cash receipts from customers	\$ 2,359,814	\$ 1,589,293	\$ 8,404,414
Cash paid to suppliers for goods and services	(14,835,619)	(726,801)	(18,953,149)
Cash paid to employees for salaries and benefits	(1,456,829)	--	(2,525,074)
Net cash provided (used) by operating activities	<u>(13,932,634)</u>	<u>862,492</u>	<u>(13,073,809)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Property tax revenues	3,158,984	--	3,159,284
Intergovernmental revenues	11,052,148	--	11,597,716
Interfund loans	--	--	(364,097)
Transfers out	--	--	(3,497)
Net cash provided (used) by noncapital financing activities	<u>14,211,132</u>	<u>--</u>	<u>14,389,406</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Payments related to the acquisition of capital assets	(1,997,129)	--	(2,204,962)
Capital contributions	1,627,422	--	1,627,422
Interest repayments related to capital purposes	--	--	(11,612)
Proceeds from sale of assets	2,844	--	2,844
Principal payments on long term debt	--	--	(201,553)
Net cash provided (used) by capital and related financing activities	<u>(366,863)</u>	<u>--</u>	<u>(787,861)</u>
<b>Cash Flows from Investing Activity</b>			
Interest and investments earnings received	6,472	--	191,250
Net increase (decrease) in cash and cash equivalents	(81,893)	862,492	718,986
Cash and cash equivalents, beginning of year	2,520,976	--	3,498,401
Cash and cash equivalents, end of year	<u>\$ 2,439,083</u>	<u>\$ 862,492</u>	<u>\$ 4,217,387</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (20,147,810)	\$ 495,345	\$ (21,308,052)
Depreciation	651,343	--	918,987
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	667,524	(276,003)	294,945
Due from other governments	4,611,251	--	4,495,505
Prepaid items and other assets	51,000	--	969,706
Increase (decrease) in:			
Accounts payable	234,058	--	1,098,407
Salaries payable	--	--	1,997
Deferred revenue	--	--	(188,725)
Other liabilities	--	643,150	640,903
Liability for compensated absences	--	--	2,518
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (13,932,634)</u>	<u>\$ 862,492</u>	<u>\$ (13,073,809)</u>



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## **FIDUCIARY FUNDS**

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## **FIDUCIARY FUNDS**

### **INVESTMENT TRUST FUNDS**

These funds are used by the County to account for the assets of legally separate entities who deposit cash with the County Treasurer. These include school and community college districts, other special districts governed by local boards, regional boards and authorities, courts and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.

#### **School Districts**

The school districts are legally separate primary governmental units. The financial reporting for these governmental entities, which are independent of the County of Marin, is limited to the total amount of cash and investments and the related fiduciary responsibilities of the County for disbursement of these assets. Activities of the school districts are administered by boards which are separately elected and which are independent of the County Board of Supervisors and have been excluded from the County's basic financial statements.

#### **Special Districts**

The special districts are legally separate primary governmental units. The financial reporting for these governmental entities, which are independent of the County of Marin, is limited to the total amount of cash and investments and the related fiduciary responsibilities of the County for disbursement of these assets. Activities of the local board governed districts are administered by boards which are separately elected and which are independent of the County Board of Supervisors and have been excluded from the County's basic financial statements.

### **AGENCY FUNDS**

Agency funds account for assets held by the County as an agent for various local governments and individuals.

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**COUNTY OF MARIN**

Combining Statement of Fiduciary Net Assets  
Investment Trust Funds  
June 30, 2012

	<u>Special Districts</u>	<u>School Districts</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 130,856,774	\$ 336,256,168	\$ 467,112,942
Cash with fiscal agent	160,000	--	160,000
Total assets	<u>131,016,774</u>	<u>336,256,168</u>	<u>467,272,942</u>
<b>NET ASSETS</b>			
Net assets held in trust for investment pool participants	131,016,774	336,256,168	467,272,942
Total net assets	<u>\$ 131,016,774</u>	<u>\$ 336,256,168</u>	<u>\$ 467,272,942</u>

**COUNTY OF MARIN**

Combining Statement of Changes in Fiduciary Net Assets  
Investment Trust Funds  
For the Year Ended June 30, 2012

	<u>Special Districts</u>	<u>School Districts</u>	<u>Total</u>
<b>Additions:</b>			
Contributions to investment pool	\$ 908,395,526	\$ 1,131,067,523	\$ 2,039,463,049
Interest	517,357	699,503	1,216,860
Total additions	<u>908,912,883</u>	<u>1,131,767,026</u>	<u>2,040,679,909</u>
<b>Deductions:</b>			
Distributions from investment pool	907,946,032	1,130,938,252	2,038,884,284
Total deductions	<u>907,946,032</u>	<u>1,130,938,252</u>	<u>2,038,884,284</u>
Change in net assets	966,851	828,774	1,795,625
<b>Net assets, beginning of the year</b>	<u>130,049,923</u>	<u>335,427,394</u>	<u>465,477,317</u>
<b>Net assets, ending of the year</b>	<u><b>\$ 131,016,774</b></u>	<u><b>\$ 336,256,168</b></u>	<u><b>\$ 467,272,942</b></u>

**COUNTY OF MARIN**

Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<b>MCRDA Marin City Mello-Roos</b>				
Assets				
Cash	\$ 15,065	\$ 11	\$ (22,642)	\$ 37,718
Cash with fiscal agent	1,115,560	--	35,520	1,080,040
Total assets	<u>1,130,625</u>	<u>11</u>	<u>12,878</u>	<u>1,117,758</u>
Agency funds held for others	<u>1,130,625</u>	<u>11</u>	<u>12,878</u>	<u>1,117,758</u>
Total Liabilities	<u>1,130,625</u>	<u>11</u>	<u>12,878</u>	<u>1,117,758</u>
<b>County Agency Funds</b>				
Assets				
Cash	35,360,323	25,032,085,099	25,041,004,463	26,440,959
Cash with fiscal agent	1,195,302	--	1,195,302	-
Taxes receivable	26,493,067	774,661,560	777,544,353	23,610,274
Other Receivables	--	221,316	--	221,316
Total assets	<u>63,048,692</u>	<u>25,806,967,975</u>	<u>25,819,744,118</u>	<u>50,272,549</u>
Agency funds held for others	<u>63,048,692</u>	<u>25,806,967,975</u>	<u>25,819,744,118</u>	<u>50,272,549</u>
Total Liabilities	<u>60,087,570</u>	<u>25,819,744,118</u>	<u>25,806,967,975</u>	<u>50,272,549</u>
<b>Agency Funds combined</b>				
Assets				
Cash	35,375,388	25,032,085,110	25,040,981,821	26,478,677
Cash with fiscal agent	2,310,862	--	1,230,822	1,080,040
Taxes receivable	26,493,067	774,661,560	777,544,353	23,610,274
Accounts receivable	--	221,316	--	221,316
Total assets	<u>64,179,317</u>	<u>25,806,967,986</u>	<u>25,819,756,996</u>	<u>51,390,307</u>
Agency funds held for others	<u>64,179,317</u>	<u>25,806,967,986</u>	<u>25,819,756,996</u>	<u>51,390,307</u>
Total Liabilities	<u>\$ 64,179,317</u>	<u>\$ 25,819,756,996</u>	<u>\$ 25,806,967,986</u>	<u>\$ 51,390,307</u>

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**STATISTICAL SECTION**

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## Statistical Section

This part of the County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

### CONTENTS

<u>Financial Trends</u>	Pages
This segment contains trend information to help the reader understand how the County's financial performance and well-being have changed over time.	160-164
<u>Revenue Capacity</u>	
This segment includes information to help the reader assess the County's most significant local revenue source, property tax.	165-168
<u>Debt Capacity</u>	
This segment presents information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	169-171
<u>Economic and Demographic Information</u>	
This segment depicts demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	172-174
<u>Operating information</u>	
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial reports relates to the services the County provides and the activities it performs.	175-176

Sources: Unless otherwise noted, the information in this section is derived from the Comprehensive Annual Financial Reports for the relevant year.

**COUNTY OF MARIN, CALIFORNIA**

**Government-wide Net Assets by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Governmental activities</b>										
Invested in capital assets, net of related debt <sup>1</sup>	\$ 1,380,299,286	\$ 1,369,858,192	\$ 1,361,328,015	\$ 1,353,606,333	\$ 1,366,596,633	\$ 1,339,735,080	\$ 1,340,606,232	\$ 1,323,738,129	\$ 1,311,853,403	\$ 1,276,774,561
Restricted	30,969,087	82,349,488	105,940,775	95,461,868	106,455,016	90,025,545	96,059,870	104,933,566	173,980,351	174,042,242
Unrestricted	20,816,083	(71,068,415)	(45,913,888)	102,481,396	106,421,484	120,604,017	77,080,634	78,853,651	11,266,738	48,905,187
<b>Total governmental activities net assets</b>	<b>\$ 1,432,084,456</b>	<b>\$ 1,381,139,265</b>	<b>\$ 1,421,354,902</b>	<b>\$ 1,551,549,597</b>	<b>\$ 1,579,473,133</b>	<b>\$ 1,550,364,642</b>	<b>\$ 1,513,746,736</b>	<b>\$ 1,507,525,346</b>	<b>\$ 1,497,100,492</b>	<b>\$ 1,499,721,990</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 6,624,716	\$ 6,482,593	\$ 6,479,735	\$ 7,945,295	\$ 26,603,775	\$ 26,484,886	\$ 27,414,256	\$ 28,492,170	\$ 28,317,111	\$ 30,730,037
Restricted	-	-	-	-	5,504,054	8,346,472	9,883,350	8,565,480	9,403,055	9,071,725
Unrestricted	702,339	888,772	1,133,630	1,298,644	8,661,640	12,108,240	14,933,495	12,796,903	13,712,010	7,942,516
<b>Total business-type activities net assets</b>	<b>\$ 7,327,055</b>	<b>\$ 7,371,365</b>	<b>\$ 7,613,365</b>	<b>\$ 9,243,939</b>	<b>\$ 40,769,469</b>	<b>\$ 46,939,598</b>	<b>\$ 52,231,101</b>	<b>\$ 49,854,553</b>	<b>\$ 51,432,176</b>	<b>\$ 47,744,278</b>
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ 1,386,924,002	\$ 1,376,340,785	\$ 1,367,807,750	\$ 1,361,551,628	\$ 1,393,200,408	\$ 1,366,219,966	\$ 1,368,020,488	\$ 1,352,230,299	\$ 1,340,170,514	\$ 1,307,504,598
Restricted	30,969,087	82,349,488	105,940,775	95,461,868	111,959,070	98,372,017	105,943,220	113,499,046	183,383,406	183,113,967
Unrestricted	21,518,422	(70,179,643)	(44,780,258)	103,780,040	115,083,124	132,712,257	92,014,129	91,650,554	24,978,748	56,847,703
<b>Total primary government net assets<sup>2</sup></b>	<b>\$ 1,439,411,511</b>	<b>\$ 1,388,510,630</b>	<b>\$ 1,428,968,267</b>	<b>\$ 1,560,793,536</b>	<b>\$ 1,620,242,602</b>	<b>\$ 1,597,304,240</b>	<b>\$ 1,565,977,837</b>	<b>\$ 1,557,379,899</b>	<b>\$ 1,548,532,668</b>	<b>\$ 1,547,466,268</b>
Percent of increase (decrease) in primary government net assets	-5.05%	-3.54%	2.91%	9.23%	3.81%	-1.42%	-1.96%	-0.55%	-1.11%	-0.64%

Notes:

<sup>1</sup> Capital assets include land, easements, infrastructure, construction in progress, structures and improvements, and equipment

<sup>2</sup> Accounting standards require that net assets be reported in three components in the government-wide financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted only when an external party, such as the state or federal government, places a restriction on how the resources may be used, or through

Source: Comprehensive Annual Financial Reports - County of Marin, California

COUNTY OF MARIN, CALIFORNIA

Changes in Net Assets  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Expenses										
Governmental activities										
General government	\$ 62,335,548	\$ 72,130,131	\$ 69,162,557	\$ 106,491,393	\$ 89,662,322	\$ 95,010,097	\$ 78,944,173	\$ 71,617,475	\$ 78,174,626	\$ 77,172,865
Public protection	118,420,904	122,909,289	121,678,566	153,128,925	128,292,008	159,494,067	169,921,297	169,011,775	160,691,198	158,129,592
Public ways and facilities	27,725,566	16,135,911	15,768,290	17,253,370	36,194,234	41,518,385	40,003,824	35,134,260	33,946,789	26,208,192
Health and sanitation	101,593,679	88,972,261	81,599,867	105,809,981	86,269,400	97,826,891	96,157,874	94,895,462	87,682,812	89,241,808
Public assistance	75,733,290	50,485,261	51,926,504	53,549,563	53,747,450	61,789,547	64,310,157	73,137,027	73,445,107	68,793,982
Education	651,019	660,288	9,840,596	10,525,176	12,685,835	13,346,183	13,376,491	13,025,776	13,415,872	13,348,168
Recreational and cultural services	17,065,841	16,383,912	8,091,660	9,106,603	14,395,195	17,274,181	17,060,038	15,941,380	16,854,659	16,191,066
Debt service:										
Interest and fiscal charges	3,167,057	11,326,408	9,698,538	10,713,008	8,816,207	12,155,613	11,312,313	11,190,274	11,751,268	12,017,811
Total governmental activities expense	406,692,904	379,003,461	367,766,578	466,578,019	430,062,651	498,414,964	491,086,167	483,953,429	475,962,331	461,103,484
Business-type activities										
Housing authority	-	544,024	804,556	557,785	33,441,426	33,585,123	36,119,347	36,591,718	39,403,887	41,825,266
Other business-type activities	1,914,384	1,590,404	1,544,819	1,706,708	27,634,512	27,413,673	30,357,102	31,891,178	32,205,334	32,475,679
Total business-type activities expenses	1,914,384	2,134,428	2,349,375	2,264,493	61,075,938	60,998,796	66,476,449	68,482,896	71,609,221	74,300,945
Total primary government expenses	\$ 408,607,288	\$ 381,137,889	\$ 370,115,953	\$ 468,842,512	\$ 491,138,589	\$ 559,413,760	\$ 557,562,616	\$ 552,436,325	\$ 547,571,552	\$ 535,404,429
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 15,345,614	\$ 14,922,987	\$ 15,749,638	\$ 14,530,721	\$ 27,098,290	\$ 29,213,708	\$ 29,853,998	\$ 24,023,409	\$ 28,148,514	\$ 25,973,978
Public protection	11,545,261	12,015,877	13,666,453	15,379,202	23,839,244	28,126,901	31,585,415	38,555,176	38,912,554	36,397,954
Other activities	5,808,176	6,125,888	6,106,578	6,197,439	10,642,233	11,772,651	11,220,698	15,028,100	15,681,773	18,715,086
Operating grants and contributions	226,659,884	173,012,145	188,916,073	200,849,076	179,763,216	178,914,115	165,629,111	172,043,483	167,332,764	169,407,784
Capital grants and contributions	-	774,259	-	-	-	-	10,764,586	21,165,980	15,331,128	2,134,985
Total governmental activities program revenues	259,358,935	206,851,156	224,438,742	236,956,438	241,342,983	248,027,375	249,053,808	270,816,148	265,406,733	252,629,787
Business-type activities										
Charges for services										
Housing authority	-	612,294	573,632	581,770	2,492,476	2,804,727	3,880,406	2,960,138	4,359,716	1,804,211
Other business-type activities	1,958,522	1,466,071	1,661,001	1,640,641	12,020,341	11,754,323	12,705,975	12,119,158	13,710,708	11,074,217
Operating grants and contributions	-	-	-	-	44,180,894	47,461,190	48,705,910	45,471,438	50,103,335	49,918,083
Capital grants and contributions	-	-	346,708	1,652,309	1,085,801	548,994	13,659,585	2,138,810	1,628,485	3,603,727
Total business-type activities program revenues	1,958,522	2,078,365	2,581,341	3,874,720	59,779,512	62,569,234	78,951,876	62,689,544	69,802,244	66,400,238
Total primary government program revenues	\$ 261,317,457	\$ 208,929,521	\$ 227,020,083	\$ 240,831,158	\$ 301,122,495	\$ 310,596,609	\$ 328,005,684	\$ 333,505,692	\$ 335,208,977	\$ 319,030,025

Source: Comprehensive Annual Financial Reports - County of Marin, California

COUNTY OF MARIN, CALIFORNIA

Changes in Net Assets (continued)  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Net (Expense)/Revenue <sup>1</sup>										
Governmental activities	\$ (147,333,969)	\$ (172,152,305)	\$ (143,327,836)	\$ (229,621,581)	\$ (188,719,668)	\$ (250,387,589)	\$ (242,032,359)	\$ (213,137,281)	\$ (210,555,598)	\$ (208,473,697)
Business-type activities	44,138	(54,063)	231,966	1,610,227	(1,296,426)	1,570,438	1,710,841	(5,793,352)	(1,806,977)	(7,900,707)
Total primary government net expense	\$ (147,289,831)	\$ (172,206,368)	\$ (143,095,870)	\$ (228,011,354)	\$ (190,016,094)	\$ (248,817,151)	\$ (240,321,518)	\$ (218,930,633)	\$ (212,362,575)	\$ (216,374,404)
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property taxes	\$ 98,176,244	\$ 89,009,662	\$ 96,073,467	\$ 129,167,317	\$ 165,848,803	\$ 195,047,145	\$ 183,657,725	\$ 189,146,127	\$ 181,655,215	\$ 183,586,166
Sales and use taxes	3,744,422	3,300,049	2,610,033	2,204,765	2,980,581	2,920,483	2,627,825	2,617,299	3,843,242	3,784,814
Other	3,864,519	20,930,873	36,675,385	10,221,974	9,830,520	8,438,480	3,952,498	3,912,590	3,595,633	4,398,288
Motor Vehicle in-lieu taxes <sup>2</sup>	-	-	-	-	-	-	-	-	-	-
Unrestricted interest and investment earnings	6,814,231	5,452,762	8,084,787	12,126,671	14,711,655	13,928,177	9,082,873	6,053,144	4,785,362	2,956,134
Miscellaneous	39,766,776	37,289,448	40,099,801	83,885,177	14,525,509	3,538,084	2,962,336	2,561,688	2,036,152	3,389,105
Tobacco Settlement	(82,655,231)	-	-	-	2,545,345	2,856,389	3,131,196	2,632,091	2,199,785	2,243,241
Transfers	(197,864)	(56,113)	-	-	-	-	(7,048)	86,461	19,615	-
Total governmental activities	69,513,097	155,926,681	183,543,473	237,605,904	210,442,413	226,728,758	205,414,453	206,915,891	198,201,850	200,377,363
Business-type activities										
Taxes	-	-	-	-	2,906,523	3,233,545	3,225,852	3,258,947	3,141,177	3,168,788
Investment earnings	-	-	10,034	20,347	534,171	382,508	803,328	150,809	40,958	289,122
Related party contribution	-	-	-	-	-	-	-	-	-	400,000
Miscellaneous	-	-	-	-	-	-	-	-	-	2,763,769
Transfers	197,864	56,113	-	-	-	510,973	64,679	-	(86,461)	(19,615)
Total business-type activities	197,864	56,113	10,034	20,347	3,440,694	4,127,026	4,093,859	3,416,804	3,095,674	6,602,064
Total primary government	\$ 69,710,961	\$ 155,982,794	\$ 183,553,507	\$ 237,626,251	\$ 213,883,107	\$ 230,855,784	\$ 209,508,312	\$ 210,332,695	\$ 201,297,524	\$ 206,979,427
Change in Net Assets										
Governmental activities	\$ (77,820,872)	\$ (16,225,624)	\$ 40,215,637	\$ 7,984,323	\$ 21,722,745	\$ (23,658,831)	\$ (36,617,906)	\$ (6,221,390)	\$ (12,353,748)	\$ (8,096,334)
Business-type activities	242,002	2,050	242,000	1,630,574	2,144,268	5,697,464	5,804,700	(2,376,548)	1,288,697	(1,298,643)
Total primary government	\$ (77,578,870)	\$ (16,223,574)	\$ 40,457,637	\$ 9,614,897	\$ 23,867,013	\$ (17,961,367)	\$ (30,813,206)	\$ (8,597,938)	\$ (11,065,051)	\$ (9,394,977)

Notes:

<sup>1</sup> Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses are net revenues, indicating program revenues were greater than expenses.

<sup>2</sup> Beginning in 2006, motor vehicle in-lieu fee revenue is reported under property tax due to "Triple Flip," a State legislation enacted to replace 0.25% sales tax revenue to local governments via a temporary reduction to the Educational Revenue Augmentation Fund (ERAF) until the State's recovery loan is fully paid.

Source: Comprehensive Annual Financial Reports - County of Marin, California

County of Marin

Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(in thousands)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 <sup>2</sup>	2011-12
General Fund										
Reserved	\$ 68,500	\$ 41,889	\$ 62,111	\$ 46,361	\$ 18,454	\$ 16,378	\$ 28,289	\$ 32,956		
Unreserved	60,566	78,299	88,686	162,990	125,326	142,742	143,216	156,096		
Total general fund	\$ 129,066	\$ 120,188	\$ 150,797	\$ 209,351	\$ 143,780	\$ 159,120	\$ 171,505	\$ 189,052		
Capital Projects Fund										
Reserved	\$ 2,724	\$ 993	\$ 1,500	\$ 3,429	\$ 9,178	\$ 5,155	\$ -	\$ -		
Unreserved	25,737	27,209	39,334	22,121	51,384	33,334	-	-		
Total capital projects fund	\$ 28,461	\$ 28,202	\$ 40,834	\$ 25,550	\$ 60,562	\$ 38,489	\$ -	\$ -		
Flood Control Zones										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,225	\$ 866		
Unreserved	-	-	-	-	-	-	11,828	15,446		
Total flood control zones	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,053	\$ 16,312		
All Other Governmental Funds <sup>1</sup>										
Reserved	\$ 1,300	\$ 954	\$ 791	\$ 1,094	\$ 11,627	\$ 11,469	\$ 14,479	\$ 14,547		
Unreserved, reported in	23,789	31,379	34,173	36,864	78,178	85,570	4,485	-		
Special revenue funds	-	-	-	-	-	-	61,455	76,563		
Capital projects funds	-	-	-	-	-	-	11,865	15,968		
Debt service funds	-	-	-	-	-	-	11,699	12,209		
Total all other governmental funds	\$ 25,089	\$ 32,333	\$ 34,964	\$ 37,958	\$ 89,805	\$ 97,039	\$ 103,983	\$ 119,287		
General Fund										
Nonspendable									\$ 1,765	\$ 3,939,117
Restricted									10,097	12,093,012
Committed									118,593	114,628,535
Assigned									48,097	44,626,225
Unassigned									14,837	6,588,685
Total general fund									\$ 193,389	\$ 181,875,574
Other Major Special Revenue Funds										
Restricted									1,637	30,353,031
Total miscellaneous special revenue fund									\$ 1,637	\$ 30,353,031
Miscellaneous Capital Projects Fund										
Nonspendable									\$ -	\$ 1,000,000
Restricted									39,282	39,669,936
Committed									-	4,700
Assigned									19,684	18,795,613
Total miscellaneous capital projects fund									\$ 58,966	\$ 59,470,249
All Other Governmental Funds										
Nonspendable									\$ 6,327	\$ 6,273,145
Restricted									114,873	91,926,263
Committed									1,164	2,459,990
Assigned									20,708	22,975,609
Total all other governmental funds									\$ 143,072	\$ 123,635,007

<sup>1</sup> Governmental funds include general fund, special revenue funds, debt service funds, and capital project funds.

<sup>2</sup> GASB Statement No. 54, which became effective in fiscal year 2010-11, requires that fund balance be categorized on a prospective basis as either: nonspendable, restricted, committed, assigned, or unassigned.

Source: Comprehensive Annual Financial Reports - County of Marin, California

County of Marin

Changes in Fund Balance, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(in thousands)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Revenues</b>										
Taxes	\$ 105,785	\$ 113,241	\$ 135,359	\$ 141,594	\$ 177,646	\$ 206,032	\$ 190,740	\$ 195,676	\$ 189,886	\$ 192,014
Licenses, fees and permits	8,823	8,504	9,037	9,631	8,921	9,272	9,280	10,385	11,395	12,884
Fines, forfeits and penalties	7,321	9,021	9,276	8,861	8,177	7,566	176,194	188,421	13,768	12,217
Use of money and property	6,547	5,282	7,822	11,555	14,712	13,928	54,587	56,828	4,785	2,956
Aid from other governments	226,670	173,786	188,916	200,849	170,387	188,291	9,559	12,695	182,664	171,543
Charges for services	15,439	15,537	16,266	17,616	41,554	52,907	9,083	6,053	58,234	55,986
Miscellaneous	39,767	37,289	40,100	83,885	17,050	6,394	6,093	4,726	4,181	5,632
<b>Total revenues</b>	<b>410,352</b>	<b>362,660</b>	<b>406,776</b>	<b>473,991</b>	<b>438,447</b>	<b>484,390</b>	<b>455,536</b>	<b>474,784</b>	<b>464,913</b>	<b>453,232</b>
<b>Expenditures</b>										
<b>Current</b>										
General government	59,246	63,881	63,276	99,450	84,264	83,507	62,051	54,432	59,576	60,063
Public protection	117,300	119,368	121,202	149,988	125,217	145,944	153,674	155,404	154,993	147,075
Public ways and facilities	19,610	6,673	6,111	7,937	26,947	29,552	27,787	24,321	23,885	16,038
Health and sanitation	101,207	88,454	81,457	104,075	85,683	93,272	90,416	91,008	85,285	85,864
Public assistance	75,614	50,272	51,892	52,128	53,709	57,190	59,671	68,972	67,638	65,988
Education	770	537	9,734	10,161	12,689	12,276	12,589	12,136	12,898	12,677
Recreational and cultural studies	16,409	15,812	7,768	8,329	13,830	15,411	15,116	14,722	15,869	15,105
<b>Capital outlay</b>	<b>10,706</b>	<b>5,586</b>	<b>4,812</b>	<b>4,712</b>	<b>29,087</b>	<b>28,837</b>	<b>25,312</b>	<b>4,550</b>	<b>5,575</b>	<b>37,594</b>
<b>Debt service:</b>										
Principal	2,355	3,399	3,754	3,901	3,893	4,243	4,657	4,744	5,259	5,129
Interest	2,461	9,340	10,896	10,732	8,496	10,313	10,227	10,162	10,590	11,261
Bond issuance costs	-	-	-	-	-	-	-	-	1,062	-
Administration and arbitrage fees	1,053	-	-	-	628	-	-	-	-	-
<b>Total expenditures</b>	<b>406,731</b>	<b>363,322</b>	<b>360,902</b>	<b>451,413</b>	<b>444,443</b>	<b>480,545</b>	<b>461,500</b>	<b>440,451</b>	<b>442,630</b>	<b>456,795</b>
Excess of revenue over (under) expenditures	3,621	(662)	45,874	22,578	(5,996)	3,845	(5,964)	34,333	22,283	(3,563)
<b>Other Financing Sources (Uses)</b>										
Inception of capital lease	1,472	56	-	974	-	-	-	96	1,689	-
Tobacco tax proceeds	27,171	-	-	-	-	-	-	-	-	-
Pension (MCERA) payment	(109,826)	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	20	5	-	-	-	1,989
Debt refunding to escrow agent	-	-	-	-	(32,767)	-	-	-	(17,465)	-
Proceeds from borrowing	112,805	-	-	-	48,937	-	858	682	63,885	1,980
Transfers in	16,463	13,649	19,010	35,698	78,075	41,235	21,824	33,776	136,668	114,039
Transfers out	(16,661)	(13,705)	(19,010)	(35,698)	(78,075)	(41,235)	(21,824)	(33,778)	(136,577)	(114,014)
<b>Total other financing sources (uses)</b>	<b>31,424</b>	<b>-</b>	<b>-</b>	<b>974</b>	<b>16,190</b>	<b>5</b>	<b>858</b>	<b>776</b>	<b>48,200</b>	<b>3,994</b>
<b>Net change in fund balances before extraordinary items</b>	<b>35,045</b>	<b>(662)</b>	<b>45,874</b>	<b>23,552</b>	<b>10,194</b>	<b>3,850</b>	<b>(5,106)</b>	<b>35,109</b>	<b>70,483</b>	<b>431</b>
<b>Extraordinary item:</b>										
RDA dissolution	-	-	-	-	-	-	-	-	-	(600)
<b>Net change in fund balances</b>	<b>\$ 35,045</b>	<b>\$ (662)</b>	<b>\$ 45,874</b>	<b>\$ 23,552</b>	<b>\$ 10,194</b>	<b>\$ 3,850</b>	<b>\$ (5,106)</b>	<b>\$ 35,109</b>	<b>\$ 70,483</b>	<b>\$ (169)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>1.22%</b>	<b>3.56%</b>	<b>4.11%</b>	<b>3.28%</b>	<b>2.98%</b>	<b>3.22%</b>	<b>3.41%</b>	<b>3.42%</b>	<b>3.63%</b>	<b>3.91%</b>

Source: Comprehensive Annual Financial Reports - County of Marin, California



**County of Marin**

**Assessed Valuation of Taxable Property  
Last Ten Fiscal Years  
(in thousands)**

<b>Fiscal Year</b>	<b>Secured<sup>1</sup></b>	<b>Unsecured<sup>2</sup></b>	<b>Exempt<sup>3</sup></b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
2002-03	35,949,965	1,409,348	1,274,278	36,085,035	1.00%
2003-04	38,529,253	1,447,403	1,324,645	38,652,011	1.00%
2004-05	41,305,379	1,455,846	1,397,808	41,363,417	1.00%
2005-06	45,027,710	1,475,509	1,480,652	45,022,567	1.00%
2006-07	49,034,110	1,429,601	1,591,866	48,871,845	1.00%
2007-08	52,421,716	1,409,966	1,669,047	52,162,635	1.00%
2008-09	55,451,069	1,449,359	1,731,004	55,169,424	1.00%
2009-10	56,421,874	1,488,475	1,825,610	56,084,739	1.00%
2010-11	55,762,678	1,467,396	1,850,867	55,379,207	1.00%
2011-12	56,212,206	1,462,190	1,906,079	55,768,317	1.00%

Notes:

- <sup>1</sup> Secured property is generally real property, defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines
- <sup>2</sup> Unsecured property is generally personal property including machinery, equipment, office tools, and supplies.
- <sup>3</sup> Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.

Source: Department of Finance - County of Marin, California

**County of Marin**

**Direct and Overlapping Property Tax Rates<sup>1</sup>  
Last Ten Fiscal Years  
(rate per \$100 of assessed value)**

<b>Fiscal Year</b>	<b>County Direct Rate</b>	<b>Overlapping Rates<sup>2</sup></b>			<b>Total Direct and Overlapping<sup>2</sup></b>
		<b>Local Special Districts</b>	<b>Schools</b>	<b>Cities</b>	
2002-03	1.0000%	0.3550%	0.5324%	0.2363%	2.1237%
2003-04	1.0000%	0.4610%	0.5284%	0.2336%	2.2230%
2004-05	1.0000%	0.6010%	0.6010%	0.2606%	2.4626%
2005-06	1.0000%	0.6258%	0.5872%	0.2508%	2.4638%
2006-07	1.0000%	0.6782%	0.6230%	0.2679%	2.5691%
2007-08	1.0000%	0.6924%	0.6186%	0.2778%	2.5888%
2008-09	1.0000%	0.7121%	0.5836%	0.2734%	2.5691%
2009-10	1.0000%	0.6741%	0.6468%	0.2757%	2.5966%
2010-11	1.0000%	0.7677%	0.7423%	0.2860%	2.7960%
2011-12	1.0000%	0.8093%	0.7808%	0.2523%	2.8424%

Notes:

<sup>1</sup> On June 6, 1978, California voters approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the taxing power of California public agencies. Legislation enacted by the California Legislature to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that notwithstanding any other law, local agencies may not levy property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978 and that each County will levy the maximum tax permitted by Article XIII A of \$1 per \$100 of full cash value. Full cash value is equivalent to assessed value, pursuant to Senate Bill 1656, Statutes of 1978. The rates shown above are percentages of assessed valuation.

<sup>2</sup> These rates represent the maximum rate charged to taxpayers if all rates applied to them. In reality, the rates applicable to tax rate areas will vary at amounts lower than these totals.

Source: Department of Finance - County of Marin, California

**County of Marin**

**Principal Revenue Taxpayers  
Current Year and Nine Years Ago**

**June 30, 2012**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Total Taxes<sup>1</sup></u>	<u>Percentage of Total County Taxes</u>
Pacific Gas and Electric Company	Utilities	\$ 4,134,483	0.54%
Skywalker Properties LTD	Film and Entertainment	2,210,900	0.29%
JCC Cal Properties LLC	Commercial Rental Property	1,849,220	0.24%
Novato FF Property LLC	Commercial Rental Property	1,725,313	0.23%
Corte Madera Village LLC	Commercial Rental Property	1,672,236	0.22%
Hamilton Marin LLC	Commercial Rental Property	1,526,140	0.20%
SR Corp Center Phase 1&2 LLC	Commercial Rental Property	1,462,458	0.19%
Spieker Properties	Commercial Rental Property	1,345,594	0.18%
Northgate Mall Association	Mall	1,344,142	0.18%
Stellar Larkspur Partners	Residential Rental Property	1,220,784	0.16%
Total		<u>\$ 18,491,270</u>	
<b>Total taxes of all taxpayers</b>		<u>\$ 765,684,898</u>	

**June 30, 2003**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Total Taxes<sup>1</sup></u>	<u>Percentage of Total County Taxes</u>
McVay W H Trust L/L ETAL	Commercial Rental Property	\$ 1,839,093	0.41%
San Marin Assurance Company	Insurance	1,796,516	0.40%
Pacific Gas and Electric Company	Utilities	1,726,481	0.38%
Lucasfilm LTD	Film and Entertainment	1,527,103	0.34%
Macerich CM Village LTD	Mall	1,323,201	0.29%
Spieker Properties	Commercial Rental Property	1,305,077	0.29%
Pacific Bell	Utilities	1,263,838	0.28%
Northgate Mall Association	Mall	726,261	0.16%
770 Tamalpais Dr. Inc.	Commercial Rental Property	686,628	0.15%
Hamilton Marin LLC	Commercial Rental Property	683,167	0.15%
Total		<u>\$ 12,877,365</u>	
<b>Total taxes of all taxpayers</b>		<u>\$ 452,653,808</u>	

Notes:

<sup>1</sup> Taxable assessed secured amounts

Source: Department of Finance - County of Marin, California

**County of Marin**

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>		<b>Total Cumulative Uncollected Taxes</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>	<b>Amount</b>	<b>Percentage of Levy</b>
2003	456,588,194	449,392,171	98.42%	7,084,251	456,476,422	99.98%	111,772	0.02%
2004	489,467,224	482,841,226	98.65%	6,456,843	489,298,069	99.97%	169,155	0.03%
2005	529,139,506	523,219,068	98.88%	5,596,591	528,815,659	99.94%	323,847	0.06%
2006	582,453,699	574,813,365	98.69%	7,132,177	581,945,542	99.91%	508,157	0.09%
2007	635,311,778	624,278,658	98.26%	9,734,131	634,012,789	99.80%	1,298,989	0.20%
2008	684,007,251	667,706,143	97.62%	14,758,438	682,464,581	99.77%	1,542,670	0.23%
2009	717,958,385	696,748,890	97.05%	17,229,308	713,978,198	99.45%	3,980,187	0.55%
2010	746,290,576	727,942,762	97.54%	14,915,194	742,857,956	99.54%	3,432,620	0.46%
2011	755,085,588	740,943,048	98.13%	10,316,392	751,259,440	99.49%	3,826,148	0.51%
2012	769,537,466	757,441,903	98.43%	0	757,441,903	98.43%	12,095,563	1.57%

Source: Department of Finance - County of Marin, California

County of Marin

Ratios of Total Debt Outstanding by Type  
Last Ten Fiscal Years  
(dollars in thousands, except per capita)

<b>Fiscal Year</b>	<b>Revenue Bonds</b>	<b>Pension Obligation Bonds</b>	<b>Asset Backed Bonds</b>	<b>Certificates of Participation</b>	<b>Term Loan Payable</b>	<b>Total</b>	<b>Business-type Term Loan Payable</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income<sup>1</sup></b>	<b>Per Capita<sup>1</sup></b>
2002-03	12,695	112,805	0	52,815	65	178,380	0	178,380	1.06%	\$728
2003-04	12,535	112,805	32,824	50,300	0	208,464	0	208,464	1.12%	\$855
2004-05	12,355	112,805	32,196	47,675	0	205,031	0	205,031	1.03%	\$840
2005-06	12,150	112,805	31,369	44,940	213	201,477	0	201,477	0.92%	\$825
2006-07	11,925	112,805	48,999	42,085	1,803	217,617	3,998	221,615	0.98%	\$901
2007-08	11,670	112,805	48,884	39,110	1,838	214,307	5,150	219,457	0.95%	\$884
2008-09	11,390	112,755	48,502	36,005	2,398	211,050	5,107	216,157	0.97%	\$862
2009-10	11,080	112,325	48,481	32,760	3,062	207,708	5,674	213,382	1.02%	\$844
2010-11	10,740	111,480	48,779	75,178	3,453	249,630	6,061	255,691	1.17%	\$1,003
2011-12 <sup>2</sup>	6,185	110,185	48,999	73,410	3,667	242,446	5,169	247,615	unavailable	unavailable

Notes:

<sup>1</sup> See the Demographic and Economic Statistics Schedule for personal income and population data used to calculate these ratios. Details regarding the County's outstanding debt can be found in the notes to the financial statements.

<sup>2</sup> In accordance with the Redevelopment Agency Dissolution Act, the Marin County Redevelopment Agency (RDA) was dissolved on February 1, 2012. Upon dissolution, all assets and liabilities of the former RDA were removed from the County's financial statements and transferred to the successor agency, which is not a component unit of the County.

Source: Comprehensive Annual Financial Reports - County of Marin, California

**County of Marin**

**Legal Debt Margin Information  
As of June 30, 2012  
(in thousands)**

	<b>Fiscal Year 2012</b>	
	<b>1.25%</b>	<b>3.75%</b>
Debt limit	\$ 697,104	\$ 2,091,312
Total net debt applicable to limit	228,844	228,844
Legal debt margin	<u>\$ 468,260</u>	<u>\$ 1,862,468</u>
Total net debt applicable to the limit as a percentage of debt limit	32.83%	10.94%

**Legal Debt Margin Calculation for Fiscal Year 2012**

Assessed value	\$ 57,674,396	\$ 57,674,396
Less: Exempt real property	(1,906,079)	(1,906,079)
Total assessed value	<u>\$ 55,768,317</u>	<u>\$ 55,768,317</u>

**CERTIFICATES OF PARTICIPATION**

Debt limit (1.25% and 3.75% of total assessed value) <sup>1</sup>	\$ 697,104	\$ 2,091,312
Debt applicable to limit:		
Certificates of Participation	73,410	73,410
Less: Amount set aside for repayment of outstanding debt	(4,103)	(4,103)
Total net debt applicable to limit	<u>69,307</u>	<u>69,307</u>

**OTHER BONDED DEBT**

Debt applicable to limit:		
Revenue Bonds	6,185	6,185
Pension Obligation Bonds	110,185	110,185
Tobacco Settlement Asset-Backed Bonds	48,999	48,999
Less: Amount set aside for repayment of outstanding debt	(5,832)	(5,832)
Total net debt applicable to limit	<u>159,537</u>	<u>159,537</u>
Legal debt margin	<u>\$ 468,260</u>	<u>\$ 1,862,468</u>

Notes:

<sup>1</sup> Using the California Attorney General's Opinion regarding Revenue and Tax Code section 135 and applying that opinion to the California Government Code section 29909, the County of Marin's outstanding bonded debt should not exceed 1.25% of total assessed property value. However, for flood control purposes, Marin County's outstanding bonded debt may exceed 1.25% but shall not exceed 3.75% of the total assessed property value. By law, the bonded debt subject to these limitations may be offset by amounts set aside for repaying bonded debt. Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Source: Department of Finance - County of Marin, California

**County of Marin**  
**Direct and Overlapping Debt**  
**As of June 30, 2012**

Assessed Valuation (including unitary utility valuation)	\$ 56,603,761,609
Less: Redevelopment incremental valuation	3,779,183,710
Adjusted assessed valuation	\$ 52,824,577,899

	Percentage Applicable (1)	County's Share of Overlapping Debt
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT</u></b>		
School Districts		
Marin Community College District	100.000%	\$ 178,950,000
Novato Unified School District	100.000%	91,450,000
Shoreline Joint Unified School District	55.361%	8,063,330
Petaluma Joint Union High School District	1.161%	348,484
San Rafael High School District	100.000%	50,185,315
Tamalpais Union High School District	100.000%	158,100,000
Kentfield School District	100.000%	18,220,000
Mill Valley School District	100.000%	68,736,036
Reed Union School District	100.000%	39,200,000
San Rafael School District	100.000%	58,296,382
Other School Districts	various	107,080,825
Cities		
Town of Fairfax	100.000%	6,248,400
City of Novato	100.000%	18,105,000
City of San Anselmo	100.000%	8,210,000
City of Sausalito	100.000%	15,038,894
Special Districts		
Strawberry Recreation and Park District Zone No. 4	100.000%	1,210,000
Public Utility Districts	100.000%	185,037
County Water Districts	100.000%	214,000
Community Facilities Districts	100.000%	87,988,000
1915 Act Bonds	100.000%	26,362,043
Total Overlapping Tax and Assessment Debt		942,191,746
<b><u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</u></b>		
Direct General Fund Obligation Debt		
<b>Marin County General Fund Obligations</b>	<b>100.000%</b>	<b>\$ 77,042,312 (2)</b>
<b>Marin County Pension Obligations</b>	<b>100.000%</b>	<b>110,185,000</b>
Total Direct General Fund Obligation Debt		187,227,312
Overlapping General Fund Obligation Debt		
School Districts		
Marin Community College District General Fund Obligations	100.000%	2,800,834
Novato Unified School District Certificates of Participation	100.000%	255,000
San Rafael School District General Fund Obligations	100.000%	3,980,000
Sausalito School District Certificates of Participation	100.000%	1,820,000
Other School District General Fund Obligations	various	86,869
Cities		
Town of Corte Madera General Fund Obligations	100.000%	10,064,525
City of Novato Certificates of Participation and Pension Obligations	100.000%	19,708,278
City of San Rafael General Fund and Pension Obligations	100.000%	13,873,112
Other Cities and Towns General Fund and Pension Obligations	100.000%	12,795,435
Special Districts		
Marin County Transit District General Fund Obligations	100.000%	205,025
Marinwood Community Services District Certificates of Participation	100.000%	754,425
Fire Protection District Certificates of Participation	100.000%	6,828,728
Other Special District General Fund Obligations	100.000%	823,575
Total Gross Direct and Overlapping General Fund Obligation Debt		261,223,118
Less: City of San Rafael supported obligations		6,445,000
Total Net Direct and Overlapping General Fund Obligation Debt		\$ 254,778,118
<b>TOTAL DIRECT DEBT</b>		<b>\$ 187,227,312</b>
TOTAL GROSS OVERLAPPING DEBT		\$ 1,016,187,552
TOTAL NET OVERLAPPING DEBT		\$ 1,009,742,552
GROSS COMBINED TOTAL DEBT		\$ 1,203,414,864 (3)
NET COMBINED TOTAL DEBT		\$ 1,196,969,864

Notes:

- (1) Percentage of overlapping agency's assessed valuation located within boundaries of the county.
- (2) Includes share of Marin's Emergency Radio Authority Bonds.
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratio to 2011-12 Assessed Valuation:  
Total Overlapping Tax and Assessment Debt ..... 1.66%

Ratios to Adjusted Assessed Valuation:  
**Total Direct Debt** ..... **0.35%**  
Gross Combined Total Debt ..... 2.28%  
Net Combined Total Debt ..... 2.27%

Source: California Municipal Statistics, Inc.

**County of Marin**

**Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>1</sup></b>	<b>Per Capita Personal Income<sup>1</sup></b>	<b>School Enrollment<sup>2</sup></b>	<b>Unemployment Rate<sup>3</sup></b>
2003	245,030	16,887,249,000	68,919	28,597	5.30%
2004	243,677	18,594,679,000	76,309	28,506	4.70%
2005	244,024	19,919,117,000	81,628	28,429	4.00%
2006	244,336	21,793,982,000	89,197	28,764	3.80%
2007	246,100	22,574,434,000	91,729	29,081	3.70%
2008	248,345	23,161,297,000	93,263	29,100	4.70%
2009	250,750	22,351,575,000	89,139	29,615	8.10%
2010	252,789	20,854,466,000	82,498	30,140	8.20%
2011	255,031	21,871,623,000	85,761	30,574	8.10%
2012	unavailable	unavailable	unavailable	unavailable	7.00%

Sources:

<sup>1</sup> US Department of Commerce, Bureau of Economic Analysis - [www.bea.gov](http://www.bea.gov)

<sup>2</sup> California Department of Education, Educational Demographics Office - [www.ed-data.k12.ca.us](http://www.ed-data.k12.ca.us)

<sup>3</sup> Employment Development Department, Labor Market Information - [www.labormarketinfo.edd.ca.gov](http://www.labormarketinfo.edd.ca.gov)



**County of Marin**  
**Principal Employers**  
**Current Year and Nine Years Ago**

<b>2012</b>			<b>2003</b>		
<b>Employer</b>	<b>Employees</b>	<b>Percentage of Total County Employment</b>	<b>Employer</b>	<b>Employees</b>	<b>Percentage of Total County Employment</b>
County of Marin	2,033	1.57%	County of Marin	2,000	1.61%
Kaiser Permanente Medical Center	1,803	1.40%	Fireman's Fund	1,700	1.37%
San Quentin State Prison	1,802	1.39%	San Quentin Prison	1,550	1.25%
Marin General Hospital	1,100	0.85%	Kaiser Permanente	1,500	1.21%
Fireman's Fund Insurance Co.	950	0.74%	Lucasfilm Ltd.	1,400	1.13%
Autodesk, Inc.	878	0.68%	Marin General Hospital	1,300	1.05%
BioMarin Pharmaceutical	871	0.67%	Autodesk, Inc.	1,100	0.89%
Safeway, Inc.	840	0.65%	Novato Unified School District	1,097	0.88%
Novato Unified School District	813	0.63%	Golden Gate Transit	900	0.72%
Comcast	620	0.48%	Safeway, Inc.	820	0.66%
Total	<u>11,710</u>	<u>9.06%</u>	Total County Employment	<u>13,367</u>	<u>10.76%</u>
Total County Employment	<u>129,200</u>		Total County Employment	<u>124,200</u>	

Sources:  
Community Profile, County of Marin  
Employment Development Department, Labor Market Information - [www.Labormarketinfo.edd.ca.gov](http://www.Labormarketinfo.edd.ca.gov)

**County of Marin**

**Full-time Equivalent County Government Employees by Function  
Last Ten Fiscal Years**

Function/program	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
General government	328.65	326.52	331.92	345.87	362.12	363.12	362.82	362.57	356.73	354.15
Public protection	761.55	732.90	720.46	727.11	731.90	740.70	723.29	709.97	681.58	663.16
Public ways and facilities	270.33	285.93	284.93	300.08	314.58	315.83	324.10	321.03	304.53	300.78
Health and sanitation	377.15	365.99	368.64	375.33	388.20	387.33	391.53	376.34	352.66	338.50
Public assistance	251.44	244.00	245.76	250.22	258.80	258.22	261.02	250.89	235.10	225.67
Education	81.42	81.45	89.16	89.91	92.12	95.12	96.76	95.93	94.83	94.95
Recreational and cultural studies	23.50	74.00	74.00	76.00	78.00	82.25	81.75	81.00	77.50	76.50
Total full-time equivalent employees	<u>2,094.04</u>	<u>2,110.79</u>	<u>2,114.87</u>	<u>2,164.52</u>	<u>2,225.72</u>	<u>2,242.57</u>	<u>2,241.27</u>	<u>2,197.73</u>	<u>2,102.93</u>	<u>2,053.71</u>

Source: Department of Finance - County of Marin, California

**County of Marin  
Operating Indicators by Function  
Last Five Fiscal Years**

	Fiscal Year				
	2007-08	2008-09	2009-2010	2010-11	2011-12
<b>Public Protection</b>					
<u>Sheriff</u>					
Jail Bookings	8,060	8,034	7,881	7,638	7,761
Jail Average Daily Population	302	330	288	295	289
Average Daily Dispatch Calls	81	87	82	82	83
Number of Major Crimes Task Force Cases Assigned	191	243	235	144	134
Physical Arrests	8,060	8,034	7,881	7,638	7,761
Parking Violations	5,752	5,466	4,442	5,454	5,650
Traffic Violations	1,497	1,267	924	1,209	745
Number of Fire or Emergency Medical Calls Received	23,174	26,747	26,661	23,718	23,739
<u>District Attorney</u>					
Number of Felony Referrals	3,009	2,969	3,099	3,172	2,912
Number of Misdemeanor Referrals	5,749	5,875	5,795	5,374	5,706
Number of Felony Cases Filed	927	826	883	853	832
Number of Misdemeanor Cases Filed	4,391	4,519	4,645	4,357	3,705
DUT's Cases Referred	1,610	1,593	1,544	1,436	1,251
DUT's Cases Filed	1,464	1,570	1,424	1,343	1,155
Domestic Violence Cases Referred	775	799	861	828	874
Domestic Violence Cases Filed	320	336	404	308	329
<u>Probation</u>					
Probation Investigations and Reports	952	814	538	582	536
Juvenile Hall Average Daily Population	24	25	22	22	16
Number of Adult Probation Cases Supervised	2,978	3,174	2,754	2,522	2,566
<u>Public Defender</u>					
Number of Requests for Public Defender Assistance at Arraignments	3,000	3,009	3,029	3,091	1,975
Number of Cases Settled Through Negotiation at Arraignment	25	6	29	191	264
<u>Environmental Health</u>					
Food Facility Operating Permits Issued	1,519	1,532	1,615	1,680	1,535
Housing and Institution Operating Permits Issued	623	617	630	646	686
Recreational Health Operating Permits Issued	550	552	548	549	548
Liquid Waste Operating Permits Issued	232	249	265	295	307
<b>Health and Sanitation</b>					
<u>Youth and Family Services</u>					
Number of Children Assessed who Need Treatment	475	467	485	435	450
Number of Children Placed in Residential Treatment	28	29	30	20	19
Total Days in Residential Treatment	6,539	5,754	5,699	3,516	5,850
<u>Mental Health</u>					
Total Number of Medi-Cal beneficiaries	19,148	19,973	21,646	22,963	24,147
Number of Children and Adolescents Admitted to Psychiatric Emergency Services	185	155	118	147	112
Number of Adults Admitted to Psychiatric Emergency Services	1,200	983	961	931	924
<b>Public Ways and Facilities</b>					
<u>Roads</u>					
Street Resurfacing (miles)	7	7	2	13	6.4
Potholes Repaired	1,800	1,800	1,800	1,800	1,800
<b>Public Assistance</b>					
<u>Social Services</u>					
Number of new applications received for food stamps	3,742	5,056	5,285	7,713	5,850
Percent of new food stamp applications approved	64%	62%	63%	61%	62%
Number of new applications received for Medi-Cal	8,922	9,808	9,356	13,709	8,950
Percent of new Medi-Cal applications approved	55%	56%	57%	62%	57%
Number of Children Served by Child Welfare Services	98	127	105	99	176
Number of Adoptive parents served in Adoption Assitant Program Families	221	221	221	235	207
<b>Education</b>					
<u>Library</u>					
Number of virtual visits	390,000	513,900	721,361	883,862	300,304
Number of community outreach activities	140	386	359	300	989
Number of community partnerships	12	16	34	35	75
Number of items circulated	1,693,242	1,931,476	2,081,173	2,100,000	1,717,470
Number of visits to all branch libraries	1,099,000	1,143,414	1,179,867	1,450,000	1,134,067
<b>Recreation and Cultural Services</b>					
<u>Parks</u>					
Number of Park Passes Issued	193	225	291	321	315
<b>Transit District</b>					
<u>Buses</u>					
Total Number of Passengers	3,444,300	3,406,115	3,327,621	3,376,520	3,382,802
Service Hours	175,084	189,921	192,318	188,287	198,803
Total Number of Routes	31	32	26	26	23

Source: Various Marin County departments

County of Marin

Capital Asset Statistics by Function  
Last Four Years

Function	Fiscal Year				
	2007-08	2008-09	2009-10	2010-11	2011-12
Public Protection					
Sheriff					
Stations (Headquarters and Substations)	4	4	4	4	4
Patrol Units	31	31	31	31	31
Marine Crafts	2	2	2	2	2
Fire Stations					
Stations	6	6	6	6	6
Lookouts	2	2	2	2	2
Type 1 Fire Engines	7	8	7	7	7
Type 3 Fire Engines	12	12	11	12	11
Type 4 Fire Engines	1	1	1	1	1
Ambulances	5	5	5	5	5
Graders	1	1	1	1	1
Dozers	1	1	1	1	1
Water Tenders	3	3	3	3	3
USAR Support Vehicles	1	1	1	1	1
Heavy Rescue Vehicles	2	2	2	2	2
Transport	1	1	1	1	1
Crew Carrier	-	1	1	1	-
Utilities/Support Vehicles	23	23	24	23	23
ATV	-	-	-	-	2
Corrections					
Capacity of All Correctional Facilities	376	376	376	376	376
Public Ways and Facilities					
Roads					
Streets (Miles)	420	420	420	420	420
Bridges	65	65	65	65	65
Street Light	2,025	2,025	2,025	2,025	2,025
Traffic Signals	13	13	13	13	13
Education					
Library					
Number of Library Branches	12	12	11	11	11
Recreation and Cultural Services					
Parks & Open Space					
Number of Open Space Acres Maintained	15,513	15,299	15,299	15,067	15,087
Number of Parks Acres Maintained	916	921	923	934	934
Transit District					
Buses					
Total Number of Buses	49	50	49	50	51

Source: Various Marin County departments