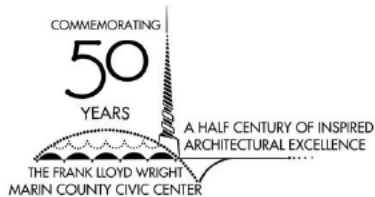


COUNTY OF MARIN, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013



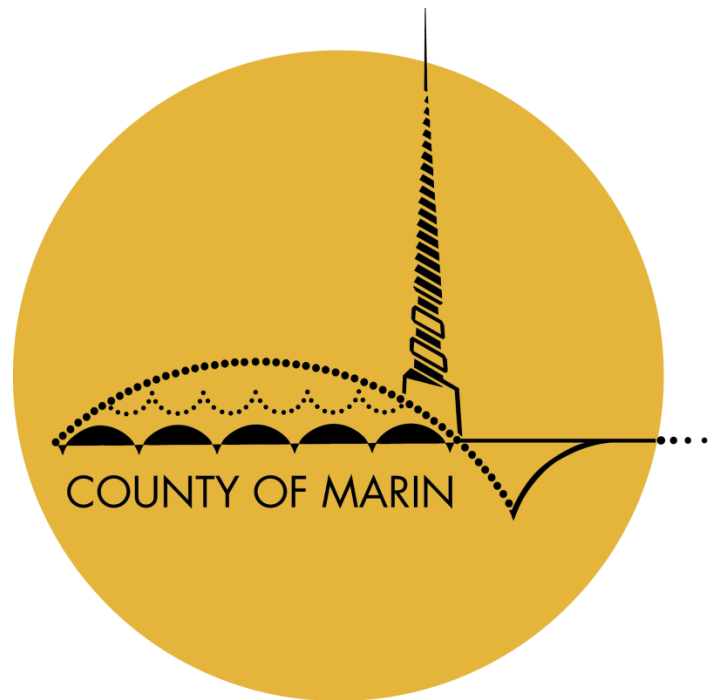
COUNTY OF MARIN DEPARTMENT OF FINANCE



COUNTY OF MARIN, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013



County of Marin
Department of Finance



If you are a person with a disability and require information or materials in alternative formats (such as, Braille, large print, audiocassette or CD-ROM), or if you require accommodation to participate in a county program, service or activity, please contact department staff at 415-473-6154; Voice/CRS dial 711.

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COUNTY OF MARIN

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2013

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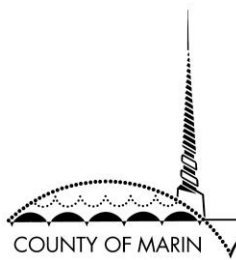
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INTRODUCTORY SECTION

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DEPARTMENT OF FINANCE

Excellent and responsive fiscal leadership.

Roy Given, CPA
DIRECTOR

January 31, 2014

Cristine Alilovich
ASSISTANT DIRECTOR

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

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We are pleased to present the County of Marin's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. 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, 2013.

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, 2013 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. The independent auditor rendered an unqualified opinion on the County's financial statements for the fiscal year ended June 30, 2013. 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.

The CAFR is organized into three sections:

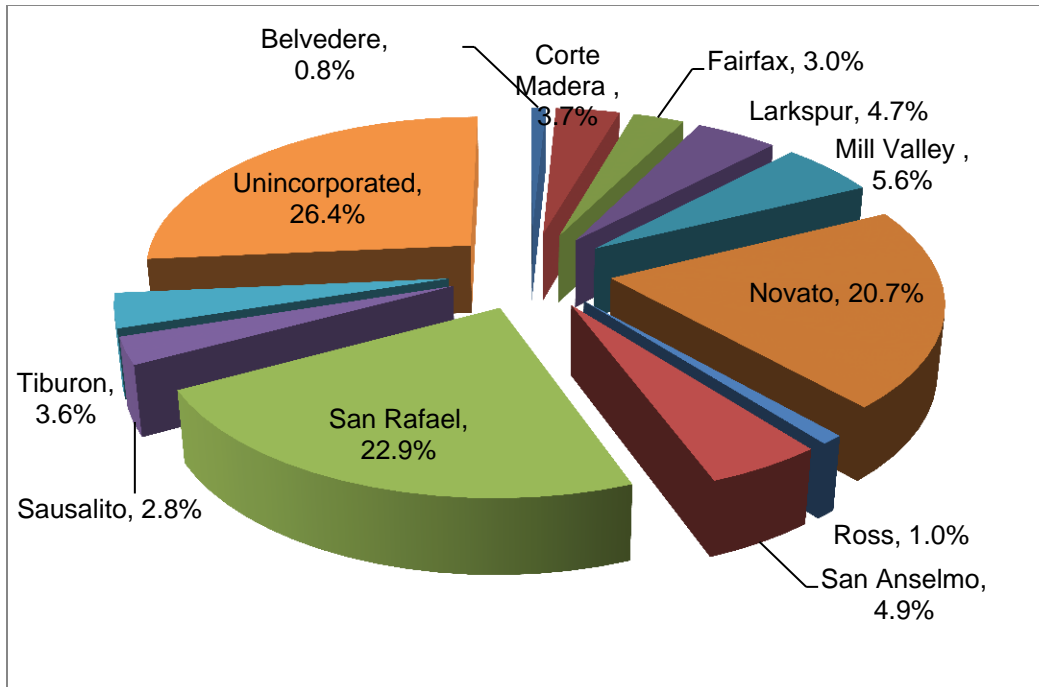
- *The Introductory Section* is intended to familiarize the reader with the organizational structure of the County, the nature and scope of the services it provides, and the specifics of its legal operating environment.
- *The Financial Section* includes the independent auditor's report on financial statements, MD&A, audited financial statements, note disclosures and supporting statements, and schedules necessary to provide readers with a comprehensive understanding of the County's financial activities of the past fiscal year.
- *The Statistical Section* provides the reader with additional historic perspective, context, and detail to assist in using the information contained within the financial statements.

PROFILE OF THE GOVERNMENT

The County of Marin is one of the nine counties in the San Francisco-Oakland Bay Area, and 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 includes 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 254,007 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 assessments, tax collection, criminal prosecution, administration of the elections, public safety, library services, road maintenance, and fire protection.

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 in the chart below, the unincorporated area, for which the County of Marin provides municipal services, represents 26.4% of the total County population. The rest of Marin County's residents of the incorporated areas, as illustrated in the chart below, receive services from one of the 11 different municipal governments within the County.



California Department of Finance May 2013

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 County has three elected department heads: the Assessor-Recorder, District Attorney, and Sheriff-Coroner.

The Board also serves as the governing board for several special districts, including the Open Space District, the Flood Control District, the Housing Authority, and the Marin Transit District. Each special district is separate from the County and has distinct roles, budgets, and staff. The Supervisors also serve on the boards of regional agencies and as ex-officio members on the boards of County service districts.

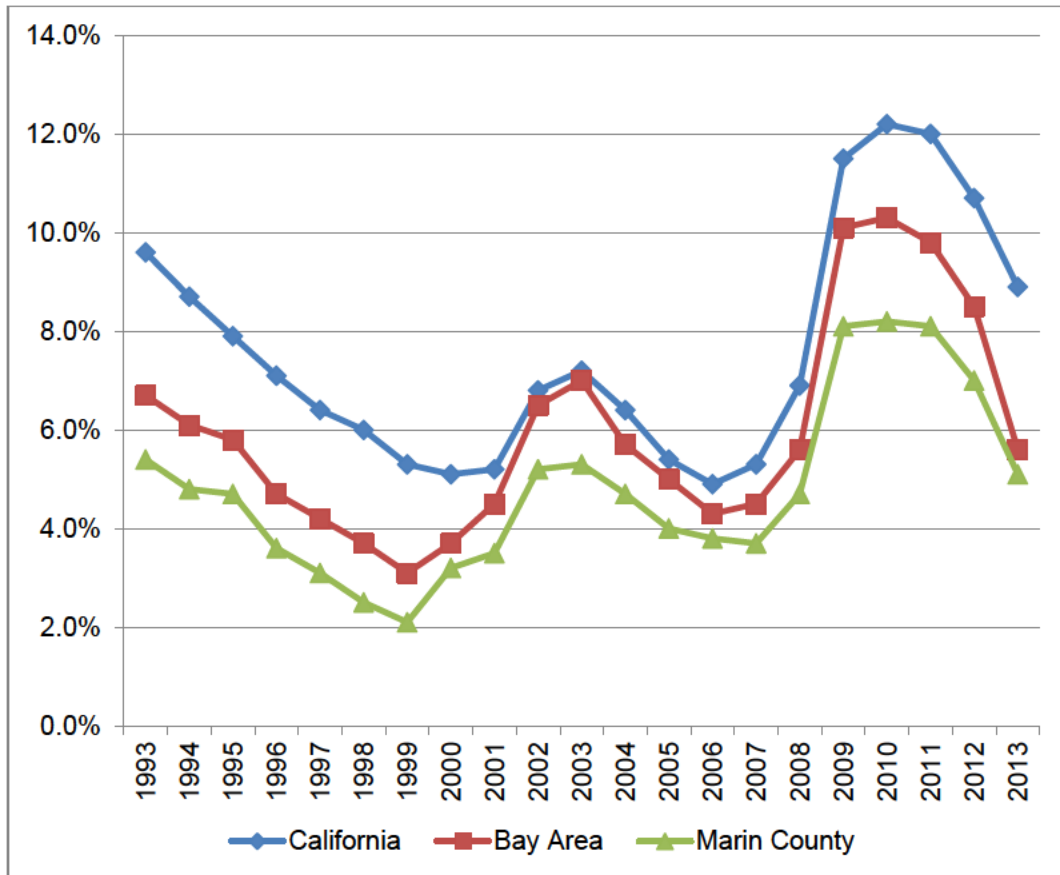
The County's principal functions include seven major areas: general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural services. The State and Federal government mandate certain minimum levels of health and public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

FINANCIAL CONDITION

Economic Indicators

Like other California counties, Marin County felt the ill effects of the latest economic recession, but overall, has fared relatively better than most of its counterparts. The local economy in 2013 continues to be in an economic recovery after signs of stabilization appeared in 2011 for the first time since the economic recession began in 2007.

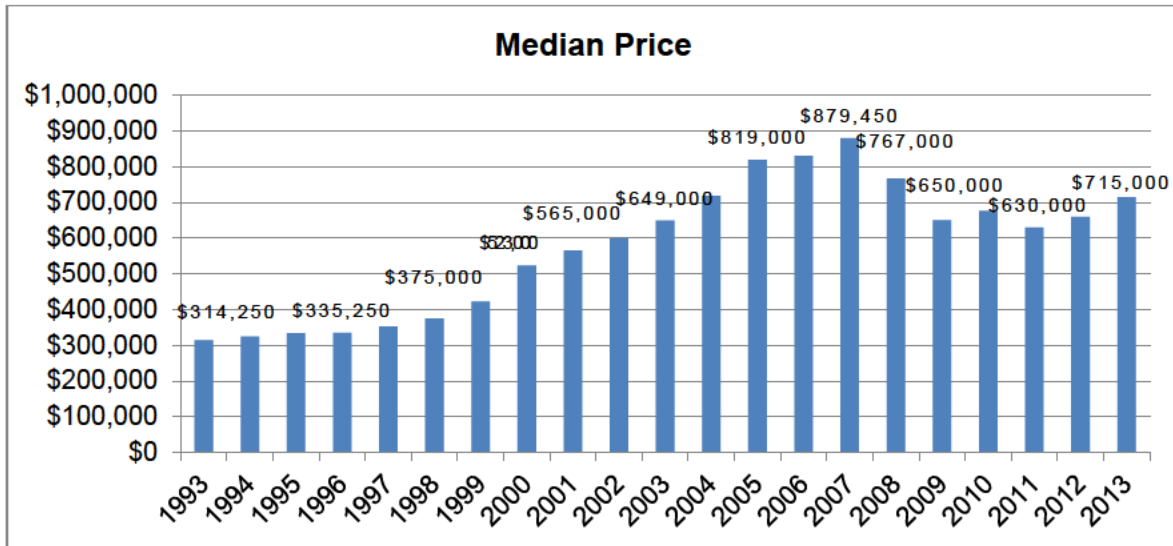
- **Employment:** By June 30, 2013, the County's unemployment rate was 5.1% (not seasonally adjusted), a 1.6% decline from June 30, 2012, and continues to be lower than the annual national average of 7.5%. The chart below illustrates Marin County's relatively low unemployment rate compared to the Bay Area and California from 1993 through 2013.



U.S. Department of Labor Statistics, 2013

At the time of the publication, Marin's December 2014 unemployment rate had fallen to 4.2% - the lowest unemployment rate of all Counties in the State.

- **Real Estate:** Given that property tax revenues make up the County's largest source of revenue, 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 since 2007. The real estate market is recovering in Marin County and the home prices are increasing again, which will result in higher tax revenue in the upcoming years.



Marin County Assessor, 2013

Bond Rating Upgrade

Over the past several years, the County has cut ongoing expenses by over \$30 million and reduced the workforce by 11%. As a result of these long-term restructuring actions, the independent bond rating agency Moody's recently gave Marin County a rating upgrade to 'AAA,' making Marin one of only two California counties with an 'AAA' rating. Below is an excerpt from their upgrade statement:

"The Issuer Rating upgrade primarily reflects the county's sound financial management, demonstrated throughout the economic downturn, and its proactive approach to reducing financial pressures posed by pensions and post-employment benefits. The county's financial profile has consistently compared very favorably with other major metropolitan counties in California and the US, and these recent cost-cutting measures position the county well to maintain that comparative advantage. The county's financial health and sound management is reflected in ample General Fund liquidity and reserves, a low debt burden, and sustained structural budgetary balance."

This accomplishment indicates that, by working together, we can keep the County in sound financial shape and still achieve excellent results. Although the County will certainly face future challenges, we are confident that, given our past accomplishments, we will continue to stay ahead of the curve.

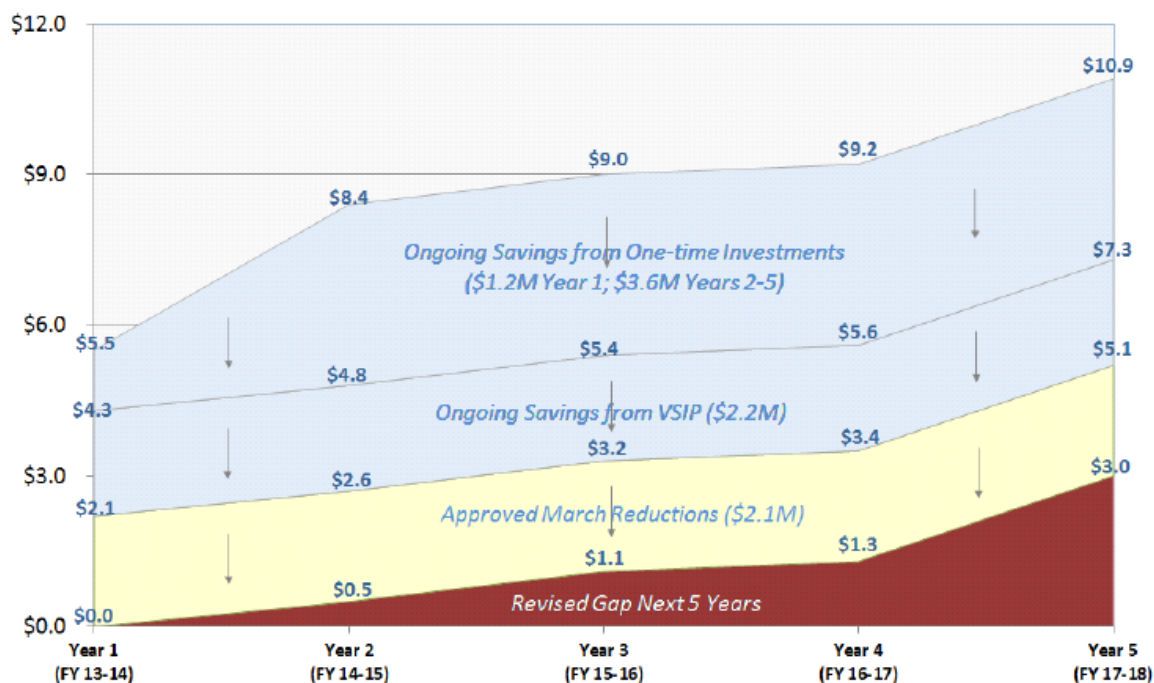
A Balanced Budget

The Board has already taken three separate budget actions since the prior fiscal year to balance next year's budget. They include the following:

- Accelerating payments to pay down the County's unfunded retiree liability by \$46 million, which reduces the County's ongoing costs by over \$3 million annually;
- Approving \$2.2 million in ongoing savings by eliminating 14.80 FTE General Fund positions through the Voluntary Separation Incentive (VSIP) Program; and
- Approving budget adjustments of \$2.1 million to close the County's remaining budget gap for FY 2013-14, including the elimination of an additional 1.50 FTE General Fund vacant positions.

The chart below illustrates the County's budget projections over the next five years, including the estimated ongoing savings of the above budget actions:

Projected 5-Year General Fund Operating Gap FY 2013-14 to 2017-18 (\$Millions)*

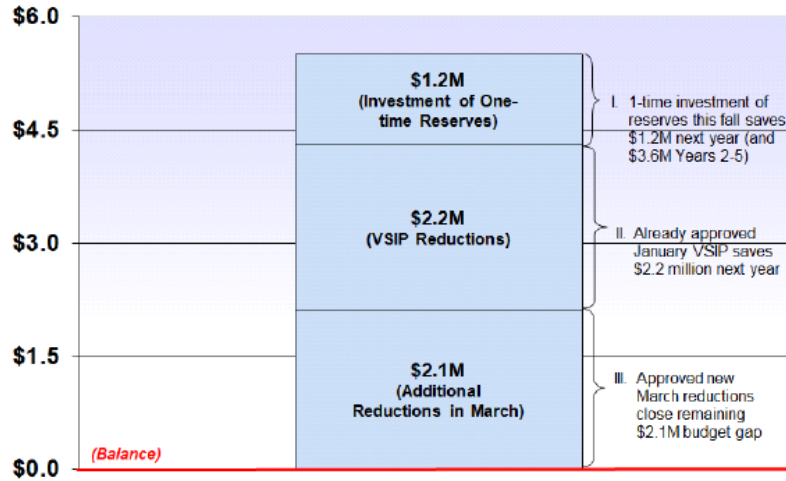


*Salary and benefit projections assume known COLA's FY 2013-14 and FY 2014-15 consistent with annual Consumer Price Index (CPI) adjustments per California Dept of Finance forecasts. Most bargaining unit agreements expire June, 2015. Approximately 2.0% CPI projections beyond FY 2014-15 are for planning purposes only and do not indicate a commitment or ability to fund. In fact, not funding future COLA's could be part of the budget solution going forward. (For discussion purposes, every 1% COLA equals approximately \$2.0M additional General Fund cost.) Projections do not include any state or federal budget reductions, and assume continued slow growth in the economy.

In the prior year, the County faced a \$5.5 million General Fund operating gap for FY 2013-14, or approximately 1.5% of the General Fund Budget – driven largely by slowed property tax growth and increased benefit costs, particularly employer pension costs. We now forecast slow but steady growth in property tax collections ahead as the housing market gradually recovers, as well as flattening to reduced employer pension costs in future years. Despite the slowness of the economic recovery since 2008, the County can anticipate greater stability going forward.

The graphic below illustrates at a high level the steps taken since the summer of 2012 toward balancing the County's initial \$5.5 million FY 2013-14 budget gap:

**Closing the FY 2013-14 Budget Gap (\$Millions)
Total \$5.5 Million in Solutions since Summer, 2012**



The investment of one-time reserves and set-asides to save ongoing costs in a countywide effort to reduce our future year operating gaps. These included the following investments:

- Paying down approximately \$32 million of our unfunded pension liability this year to reduce the County's required pension contribution by an additional \$2.4 million effective FY 2014-15;
- Paying down retiree health unfunded liability by approximately \$14 million this fiscal year to reduce the County's annual required contribution by an estimated \$0.6 million effective FY 2013-14; and
- Utilizing one-time reserves to facilitate new ongoing revenues to the County from private lessees at the new Marin Commons facility will generate an additional \$0.6 million to the General Fund.

The investment of these one-time reserves set aside over the course of the past five years represents a savings of \$1.2 million next year and \$3.6 million ongoing in years 2 through 5 of the five-year forecast. These actions reduced the County's overall FY 2013-14 budget gap to \$4.3 million.

The Board authorized a 5th phase of the VSIP program to incent voluntary attrition. In recognition that departments have been reducing their budgets for the past several years, the VSIP program was modified to allow departments to utilize the VSIP as long as the reduction achieved an ongoing savings of at least 50% of the value of the separating employee's position. This modification to the program guidelines provided more flexibility in ensuring a successful program, as well as better enabling reorganization or restructuring opportunities for departments. The Board approved voluntary separations that ultimately resulted in the reduction of 14.80 FTE General Fund positions, saving \$2.2 million beginning next fiscal year. These actions reduced the County's budget gap from \$4.3 million to \$2.1 million, illustrated in the charts on the preceding pages.

LONG-TERM FINANCIAL PLANNING

Like most local governments, due to the economic downturn, the County has faced many budget challenges over the past five years. However, it is apparent that the County's long-term restructuring efforts and hard work of its employees has paid off, returning the County towards fiscal stability. The County has worked with its many community partners to achieve excellent outcomes. Within California, for example, Marin County has the following:

- Second lowest rate of those living in poverty;
- Lowest level of violent crime;

- Highest ranking in health outcomes;
- Highest voter turnout;
- Highest rate of waste diversion; and
- AAA bond ratings by Moody's, Fitch and Standard & Poor's, the three major credit rating agencies.

However, just as the County has planned its response to the greatest recession since the Great Depression, the County must now look ahead and consider the emerging issues that will need to be addressed in the years ahead. We must remain open to new and better ways of achieving our vision of a safe, healthy and sustainable community. What follows is a brief discussion of some of the major policy issues facing the County in the next few years.

Preparing for the "Silver Tsunami"

The fastest growing age group within Marin is those individuals over 60 years old. Approximately 25% of our residents are now over 60 years of age. More than half of those over 65 live in owner-occupied homes. The County must plan for a set-aside to address the increased demand for aging services, including funds for a community planning process to effectively respond to the challenges of providing a safety net for the community and help prepare those with limited means and fixed incomes.

Addressing Gaps in Health and Education Outcomes

On an overall basis, the County shares some of the highest rankings in the State, but within the County there are examples of gaps in educational and health outcomes that require greater focus. For example, the County is the healthiest County in the State, but life expectancy can vary by as much as 17 years within Marin. How can we improve longevity and health outcomes for all of our residents, especially those that are less fortunate? Health Care Reform provides an opportunity to improve health access and the quality of the care provided, but creating healthy and safe communities that support healthy eating and active, tobacco-free lifestyles may be even more important. And, since research demonstrates the critical importance of school readiness and reading skills to later success in life, how can we ensure that all Marin students are reading at or above grade level by the time they are in 3rd grade? Over the next few years, we will need to better partner with our schools, parents, our child care and early learning programs to focus on those children that need our support so they can succeed in the future.

Continuing Efforts to Reduce Unfunded Retiree Liabilities

The County's pension and retiree liabilities came about based on many decisions that were made over the last 40 years. These liabilities cannot be eliminated in five years, but many steps have been taken to reduce them now and for future generations. Specifically, the County has achieved the following:

- Created a lower cost retiree health plan for all employees hired after 2008;
- Negotiated with miscellaneous bargaining units a less costly 2% at age 61.25 retirement tier for new employees that became effective 2012;
- Capped the County's contribution to employees' share of cost to 2% (for miscellaneous) and 3% (for safety) of salary;
- Began implementing the California Public Employees' Pension Reform Act of 2013 (PEPRA), which, among other statewide reforms, mandates for new, non-reciprocal employees after January 1, 2013 a 2.0% at age 62 pension plan for non-safety employees and a 2.7% at age 57 formula for new safety employees;
- Adopted a policy to dedicate County PEPRA savings for first five years toward reducing the County's unfunded liability, estimated to save up to \$3 million over PEPRA's first 5 years;
- Utilized \$46 million in one-time reserves to pay down our unfunded pension liability and created a retiree health trust to eliminate our unfunded retiree health liability over the next 30 years; and

- Directed staff to begin exploring an employee optional hybrid defined benefit/defined contribution plan to address newer generation interest in the portability of retirement benefits while also better sharing market risk.

As the graph on the following page illustrates, although the County's General Fund contribution toward pension costs are anticipated to increase in FY 2013-14, costs are anticipated to decline beginning in FY 2014-15. Ongoing cost savings of \$2.4 million are anticipated because of a \$32 million contribution from reserves to pay down the County's unfunded pension liability.

Employer Pension Costs Are Expected to Decrease in Future Years
(\$Millions)



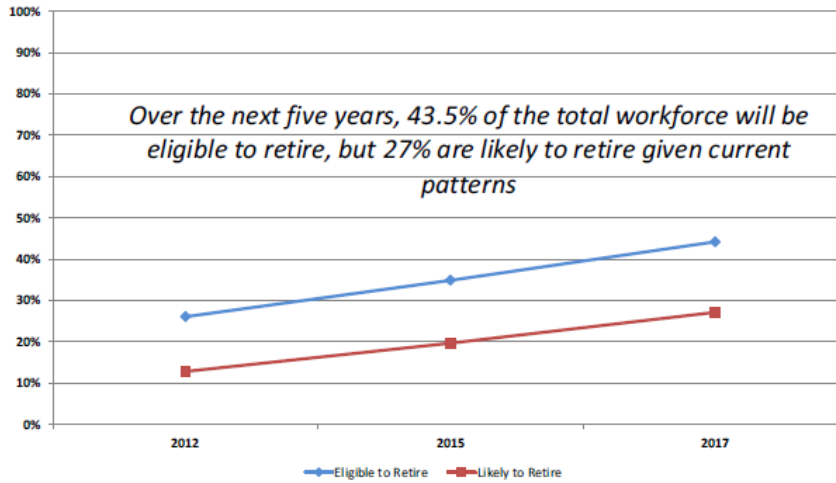
Road and Bridge Improvements

The County maintains 421 miles of road, consisting of 1,100 lane miles. Maintaining infrastructure for all modes of public mobility is an essential service and affects nearly every county resident. Over the past four years, the County has contributed over \$19 million from the General Fund to support the road and bridges capital program. In March of 2013, the Board adopted a policy that, for the next 5 years, allocates to the road and bridge capital program 50% of any available year-end General Fund balance in excess of what's required to support the General Fund operating budget. These additional investments are intended to improve the County's Pavement Condition Index (PCI) from its FY 2012-13 level of 54. This proposed budget includes an allocation of \$2.9 million toward additional deferred road and bridge maintenance in FY 2013-14, bringing the County's investments over a five year period to approximately \$22.2 million.

Adapting to Changes in the Workforce

The workforce within the County of Marin has decreased by over 200 positions over the past several years (approximately 11%). Looking ahead, the risk of retirements remains high and in line with the national trends that are driven by the aging "Baby Boomer" generation. The risk of retirements with our miscellaneous (or non-safety) employees is higher than that of safety employees (these employee groups have different retirement eligibility requirements). We are likely to lose at least one quarter of our miscellaneous employees in the next five years, while the projection is 18% for safety employees. Please refer to the following page for corresponding graph.

Percentage of Workforce Eligible and Likely to Retire



State and Federal Risk Remains

Not included in the Projected 5-Year General Fund Operating Gap are the unknown impacts of future State and Federal revenue reductions. Many of the County's safety net services are largely supported by state and Federal funds. Because more than 30% of County services are funded by the State, any additional budget cuts are likely to result in a reduced level of safety net and other services that the County is able to provide to residents. While the County's budget is now more structurally balanced than it has been for some time, the County simply does not have the capacity to backfill the portfolio of programs currently funded by, and often performed on behalf of, the State, while continuing to maintain that structural balance.

The State budget appears to be more stable than at any time in recent memory with an improved economy and voter approval last fall of Proposition 30, Governor Brown's revenue ballot measure which will generate an additional \$6 billion in new State revenue through FY 2018-19 through an increased quarter cent sales tax for four years and increased personal income tax rates on upper-income taxpayers for seven years.

The County will also continue to monitor efforts in Sacramento as legislators consider the State's approach toward implementation of the Federal Affordable Care Act (ACA) health care reform. While the ACA is anticipated to increase access to health care, California's decision to implement a State-based or local-based implementation of Federal health care reform could have important consequences to the County's budget as we anticipate proposals to realign current State funding streams to implement the ACA in California.

It has become clear that Federal reductions are likely in coming years as pressure builds to address the nation's growing debt burden. The President and Congress earlier this year allowed \$85 billion in Federal reductions to be implemented via 'sequestration' cuts, anticipated to save over \$1 trillion over the next 10 years. The County will continue to monitor local impacts of these sequestration cuts, or alternatives negotiated by Congress in coming months. Approximately 10% of the County's budget is dependent upon federal revenues, thus the County's exposure is less than that of State reductions.

The County maintains approximately \$5 million in one-time reserves to help establish a glide path in the event the County suffers significant cuts to critical State or Federally-funded programs without sufficient time to transition to a lower level of service.

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

Managing for Results (MFR) is designed to achieve the Board's vision of being a results-oriented and customer-focused organization whose resources are aligned with its overall mission, values, and goals. MFR helps the County by continuously improving its services to ensure we that the County is doing the most important things well.

A primary focus of MFR is the development and use of performance measures to help assess the quality of County programs and overall progress in achieving the County's most important priorities. Departments have enhanced their efforts in developing meaningful measures to provide key results of program performance. Throughout the year, departments will measure their success and make any necessary adjustments to achieve their program objectives.

Departments have identified 3-5 Key Measures that communicate important outcomes and information related to department programs. These high level performance measures are intended to highlight information that is important to County residents, departments, and County policymakers for achieving specific County-wide goals. These measures are located within the department sections of the Proposed Budget document.

With the County having reached a relative level of budget stability after several years of fiscal challenge, the County intends to explore efforts to improve the MFR program to better communicate outcomes, including work with the Board and departments to develop countywide indicators. In addition, the County will conduct a community survey to obtain resident satisfaction with County services - and will seek resident input to help inform our future priorities.

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.

The annual budget serves as the foundation for the County's financial planning and control of expenditures. The legal level of budgetary control, where expenditures may not exceed appropriations, is at the object level (e.g., salaries and benefits) within a budget unit in a fund. Budget expenditures are enacted into law through the passage of an Appropriation Ordinance.

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 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 the 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.

Pursuit of New Revenues/Maximizing Use of Non-General Fund Revenues

County departments will pursue revenue sources, when reasonable, in support of the countywide goals. Where not prohibited by law, departments will maximize use of non-General Fund revenues prior to using General Fund money to fund programs. In any case, the Board expects that revenues will only be budgeted when there is substantial assurance of their receipt in the fiscal year that is being considered. The County will continue to advocate for more discretion over its revenue sources and to diversify and maximize discretionary revenue sources to improve the County's ability to manage revenue fluctuations.

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. When applying for grants for ongoing programs (as opposed to planning or capital grants), departments should consider how funding will be provided for the duration of the program. To the extent legally possible, all grant applications should be based on full costing, including overhead and indirect costs. Where matching funds are required for grant purposes, departments should provide as much "in-kind" contribution as allowed instead of hard-dollar matches. Unless long-term funding is secure, departments should avoid adding staff to support new grant-supported programs. If it is necessary to add staff, limited term positions should be used to support programs.

Interest Earnings

Unless otherwise prohibited by law or Generally Accepted Accounting Principles (GAAP), interest earnings in County operating funds are retained in the General Fund.

Matching Funds/Backfill

In general, federal and state program reductions will not be backfilled with County discretionary revenues except by Board direction. The Board typically does not backfill these programs due to their size and impact on the County's financial position. The Board, at its discretion, may provide County "overmatches" to under-funded programs to ensure or enhance specified levels of service.

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.

Budget Reductions

Reductions shall be evaluated on a programmatic basis to reach the appropriations level required within the available means of financing. When budget reductions are necessary, departments will prioritize their services and programs and propose reductions in areas that have the least impact in achieving countywide and departmental goals. Departments must also consider the potential effects on interrelated or cross-departmental programs when developing budget reductions.

Non-Emergency Mid-Year Requests

Mid-year budget and capital project requests of a non-immediate nature requiring the use of fund balance are recommended to be referred to the next year's budget deliberations to accommodate prioritization relative to countywide and departmental goals and available financing sources. Midyear requests with other funding sources, or which can be absorbed within a department's budget, will be considered as a component of the County's "Actuals & Expectations" ("A&E") mid-year budget review process. This process is authorized annually by the Board of Supervisors.

Per Government Code §29125, the County Administrator is authorized to approve transfers and revisions of appropriations within a department and fund if overall appropriations of the department are not increased. The Board of Supervisors designates a budget unit at the department and fund level.

Appropriations from Unanticipated Revenues

Appropriations from departmental unanticipated revenues will not be recommended unless the department is either reaching or exceeding its total departmental revenue estimates on a monthly or quarterly basis, or its revenues are in line with historical revenue trends for that department and the appropriation is consistent with departmental and countywide goals. Grant program revenues and appropriations will be handled separately.

General Fund Support/Net County Cost

General Fund Support is the amount of General Fund money to a given budget after revenues and other funding sources are subtracted from expenditures. Significant variances from budgeted General Fund Support/Net County Cost (NCC) amounts during the fiscal year may result in a recommendation to reduce expenditures to ensure that the budgeted net costs are achieved by the end of the fiscal year.

Debt Financing

Debt is incurred for the purpose of spreading capital project costs over the years in which the improvement will provide benefits. Debt is also incurred to reduce future costs such as refinancing (pension obligation bonds, general obligation bonds, certificates of participation) at lower interest rates. The County will consider, finance, and administer debt consistent with Marin County's Debt Policy.

Workers Compensation Funding

Marin County initiated a self-insured liability program for workers compensation on July 1, 1993. The Board of Supervisors has adopted a funding policy that program assets be maintained at or above the 70% confidence level, including recognition of anticipated investment income.

General Fund Balance

General Fund balance that is available at the end of any given fiscal year is estimated during the final stages of the budget development process for the following year. Much of this amount is derived from salary savings and other unencumbered balances that are generated in departmental operating budgets. Fund balance will be used to achieve and maintain the County's reserve goals and to balance the next year's budget. Reliance upon fund balance for budget balancing will be monitored and will not materially deviate from past actual activity. It is the policy of the Board that the County should strive to reduce its reliance upon the prior year's remaining fund balance to finance the next year's operations.

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, 2012. 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,

A handwritten signature in black ink that reads "Roy Given". The signature is written in a cursive, flowing style.

Roy Given, CPA
Director of Finance



Government Finance Officers Association

**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, 2012

Executive Director/CEO

COUNTY OF MARIN
Elected and Appointed Public Officials
June 30, 2013

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
County Counsel	Steven M. Woodside
Director of Community Development	Brian Crawford
Director of Cultural & Visitors' Services	James Farley III
Department of Finance	Roy Given, CPA
Director of Health & Human Services	Larry Meredith, Ph.D.
Director of Library Services	Sara Jones
Director of Parks and Open Space	Linda Dahl
Director of Public Works	Bob Beaumont
Farm Advisor/U.C. Cooperative Extension	David Lewis
Interim 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, 2013

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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

Report on the Financial Statements

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 (County), California, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of 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, 2013:

Opinion Unit	Assets	Revenues/ Additions
Business-Type Activities	82.85%	91.38%

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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Board of Supervisors
County of Marin

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County'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 is 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 was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2014 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 grant agreements 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Roseville, California
January 31, 2014

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, 2013

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, 2013. 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, 2013, the assets of the County, \$1,931.9 million, exceeded its liabilities by \$1,509.2 million. Of this amount, \$30.8 million in unrestricted net position may be used to meet the County's ongoing obligations to its citizens and creditors; whereas, \$172.1 million is restricted for functional programs with external constraints, debt service, and other restrictions; and \$1,306.3 million is invested in capital assets, net of related debt.
- The County's total net position decreased by \$38.8 million, or 2.5%, during the current fiscal year. The decrease in net position represents the degree to which expenses exceeded revenues plus special and extraordinary items (if any), and net transfers.
- The County's total revenue was less than total expenses by \$38.8 million. Annual governmental activities resulted in a \$42.7 million shortfall in revenues as compared to expenses, whereas annual business activities resulted in a \$3.9 million excess in revenues over expenses.
- The program revenues of the primary government's governmental activities was \$263.5 million, which included fees, fines, charges for services, grants and contributions, and general revenue was \$201.7 million, which included taxes, unrestricted interest and investment earnings, tobacco settlement funds, and other miscellaneous revenue, with overall expenses equal to \$507.9 million. The resulting \$42.7 million decrease in net position was primarily attributable to the County's one-time \$32.2 million contribution towards the County's unfunded pension liability and a \$26.3 million contribution towards the County's Other Post-Employment Benefits (OPEB) liability.
- The business-type activities of the County posted net program losses of \$2.5 million before general revenues, contributions and transfers from other funds, primarily due to a \$3.4 million program loss for Housing Authority due to a \$1.3 million decrease in federal grants and subsidies, as well as a \$0.3 million decrease in rental and other income. In the prior year, total business activities reported net program losses of \$7.9 million.

Capital assets and debt administration

- The County's capital assets, net of accumulated depreciation, decreased by \$3.9 million, from \$1,444.2 million to \$1,440.3 million. The decrease was largely due to a current year depreciation expense of \$26.8 million for existing capital assets, offset by \$14.5 million in current year additions to construction in progress (CIP) projects, \$0.6 million in land donations, and \$7.7 million in current year additions to depreciable assets, primarily equipment. Of the \$14.5 million in current year additions to CIP projects, approximately \$6.2 million was due to the County's future Emergency Operations Facility, \$1.1 million was due to the Tennessee Valley Road and Manzanita connector pathway project, and \$1.2 million was due to the Housing Authority. Of the \$7.7 million in current year additions to depreciable assets, approximately \$2.5 million was due to the County's vehicle replacement program, and \$1.1 million was for equipment purchased in accordance with the County's UASI grant.
- The County's total outstanding balance on long-term debt (e.g. bonds, loans, certificates of participation, and capital leases) decreased by \$6.3 million, from \$250.1 million to \$243.8 million. The decrease is primarily due to current year scheduled debt service payments of \$8.3 million for governmental activities, offset by the Housing Authority's \$2.2 million capital lease for energy conservation improvements to Public Housing properties.

COUNTY OF MARIN, CALIFORNIA

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

Governmental funds financial analysis

- At June 30, 2013, the County's governmental funds reported combined fund balances of \$343.7 million, which is a decrease of \$51.6 million compared to the prior fiscal year. Of this amount, approximately \$339.5 million of this total, or 98.8%, is either non-spendable or are for specific uses; and \$4.2 million, or 1.2%, is unassigned and available to meet the County's current and future uses.
- The fund balance in the County's primary operating fund, the General Fund, at year-end was \$125.3 million, which is a decrease of \$56.6 million compared to the prior fiscal year. Of this amount, approximately \$121.2 million, or 96.7%, is either non-spendable or are for specific uses. The remaining \$4.2 million, or 3.3%, which approximates to 1% of the General Fund's total expenditures for the year, is available for appropriation.

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 the following 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 – 76.

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

The *Statement of Activities* presents information of how the County's net position changed during the fiscal year. All changes in net position 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 include not only the County itself (known as the primary government), but also legally separate entities for which the County is financially accountable (known as component units). Some of these entities, although legally separate, function for all practical purposes as departments of the County and therefore have been included as an integral part of the primary government.

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, Marin County Fair, Marin Center Promotions, Gness Airport, Marin.Org, Marin Commons Property Management and Marin Transit.

COUNTY OF MARIN, CALIFORNIA

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

Pages 21 – 23 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.

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 Health and Sanitation fund, and the Miscellaneous Capital Projects fund, which are considered to be major funds. Data from the remaining nonmajor governmental funds are combined into a single, aggregate presentation.

A budgetary comparison schedule has been provided for the General Fund and the Health and Sanitation fund to demonstrate compliance with the budget and is located in the Required Supplementary Information section of the report.

Pages 25 – 28 of this report display the governmental funds financial statements.

Proprietary funds – The County maintains two different types of proprietary funds: enterprise funds and an internal service fund. 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 the Housing Authority, Marin County Fair, Marin Center Promotions, Gness Airport, Marin.Org, Marin Commons Property Management and Marin 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 the 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 and Marin Transit District, which are considered to be major funds. Data for the nonmajor proprietary funds are combined into a single, aggregate presentation. The County has one internal service fund, presented in a separate column in the governmental activities of the proprietary funds.

Pages 29 – 32 of this report display the proprietary funds financial statements.

COUNTY OF MARIN, CALIFORNIA

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

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 33 – 34 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 35 – 70 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 71 – 76 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 funds, internal service fund and fiduciary funds and are presented immediately following the required supplementary information.

Pages 77 – 151 of this report display the combining and individual fund statements and schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$1,509.2 million as of June 30, 2013. Further details are provided in the table below.

Condensed Statement of Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2013	2012	2013	2012	2013	2012	Dollar Change	Percent Change
Assets:								
Current and other assets	\$ 463,481	\$ 512,743	\$ 28,125	\$ 24,216	\$ 491,606	\$ 536,959	\$ (45,353)	-8.4%
Capital assets, net	1,402,334	1,408,713	37,932	35,468	1,440,266	1,444,181	\$ (3,915)	-0.3%
Total assets	1,865,815	1,921,456	66,057	59,684	1,931,872	1,981,140	(49,268)	-2.5%
Liabilities:								
Current and other liability:	54,200	48,011	7,412	7,753	61,612	55,764	5,848	10.5%
Noncurrent liabilities	354,482	373,606	6,615	4,187	361,097	377,793	(16,696)	-4.4%
Total liabilities	408,682	421,617	14,027	11,940	422,709	433,557	(10,848)	-2.5%
Net position:								
Net investment in capital assets	1,273,345	1,276,775	32,935	30,730	1,306,280	1,307,505	(1,225)	-0.1%
Restricted	164,730	174,159	7,344	9,072	172,074	183,231	(11,157)	-6.1%
Unrestricted	19,059	48,905	11,751	7,942	30,810	56,847	(26,037)	-45.8%
Total net position	\$ 1,457,134	\$ 1,499,839	\$ 52,030	\$ 47,744	\$ 1,509,164	\$ 1,547,583	\$ (38,419)	-2.5%

COUNTY OF MARIN, CALIFORNIA

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

The County implemented one new Governmental Accounting Standards Board (GASB) Statement in the current fiscal year that has changed the current year's presentation.

- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides financial reporting guidance for two new financial statement elements – deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources are defined as a consumption of net assets that is applicable to a future reporting period. Deferred inflows or resources are defined as an acquisition of net assets that is applicable to a future reporting period. This Statement also incorporates deferred outflows of resources and deferred inflows of resources into the residual measure as net position, rather than net assets.

Governmental Activities

Total assets for governmental activities decreased by \$55.6 million, or 2.9%, from the prior fiscal year. The overall decrease was attributable to the following:

- Cash and investments in County pool decreased by \$44.3 million, from \$351.2 million in the prior year as compared to \$306.9 million in the current year. The decrease was primarily the result of the County's one-time \$32.2 million contribution towards the County's unfunded pension liability and a \$26.3 million contribution towards the County's Other Post-Employment Benefits (OPEB) liability during the current fiscal year.
- Restricted cash held with trustee decreased by \$4.2 million, from \$48.2 million in the prior year as compared to \$44M in the current year. The decrease was primarily attributable to the current year draw-down of funds from the 2010 Certificates of Participation loan proceeds for the purpose of construction costs related to the County's future Emergency Operations Facility.
- Net pension asset decreased by \$4.7 million as a result of current year amortization of \$4.7 million.

Total liabilities from governmental activities decreased by \$12.9 million, or 3.1%, from the prior fiscal year. The overall decrease was primarily attributable to the \$13.7 million decrease in liability for post-employment benefits as a result of the County's \$26.3 million contribution towards the County's Other Post-Employment Benefits (OPEB) liability during the current fiscal year, in addition to the County's regular pay-as-you-go current year contributions of \$11.3 million. As a result, the aggregate \$37.6 million in actual current year OPEB contributions was greater than the annual OPEB cost of \$25.2 million, thus resulting in a net decrease to the net OPEB obligation balance.

Business-type Activities

Total assets from the business-type activities increased by \$6.4 million, or 10.7%, from the prior fiscal year. The overall increase was attributable to the following:

- Other cash increased by \$2.2 million, from \$2.2 million in the prior fiscal year as compared to \$4.4 million in the current fiscal year. The increase was due to the Housing Authority's issuance of \$2.2 million in Energy Performance Contract debt for energy conservation improvements to Public Housing properties.
- Due from other governments increased by \$3 million, from \$5.5 million in the prior fiscal year as compared to \$8.5 million in the current fiscal year, primarily attributable to Marin Transit District's end of year billings for Federal and State grants.

Total liabilities from the business-type activities increased by \$2.1 million, or 17.5%, from the prior fiscal year, primarily due to the Housing Authority's \$2.1 million increase in capital leases from their issuance of \$2.2 million in Energy Performance Contract debt for energy conservation improvements to Public Housing properties.

COUNTY OF MARIN, CALIFORNIA

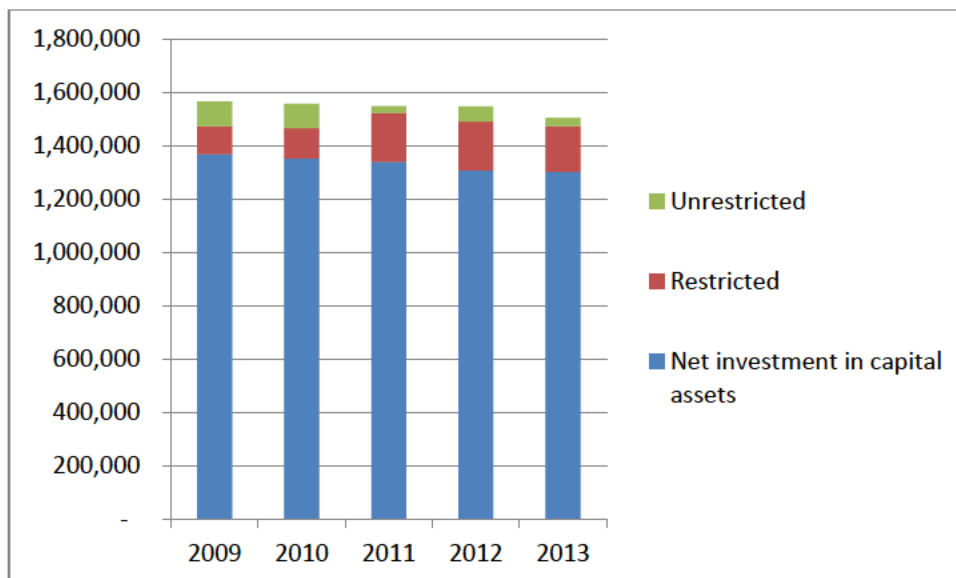
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

Analysis of Net Position

The County's overall net position decreased by \$38.8 million, or 2.5%, during the current fiscal year, compared to a \$5 thousand decrease in the prior fiscal year. The County's total net position from governmental and business-type activities can be divided into three portions: net investment in capital assets, restricted net position, and unrestricted net position.

- **Net investment in capital assets** – The County's net investment in capital assets (e.g. land, buildings, roads, bridges, flood control channels and debris basins, machinery, and equipment), is the largest portion of the County's net position, which is \$1,306.3 million, or 86.6%, of the County's total net position of \$1,509.2 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 corresponding liabilities.
- **Restricted Net Position** – Approximately \$172.1 million, or 11%, of the County's net position, represents resources that are subject to external restrictions on how they may be used. Restricted net position funds are restricted for special purposes, enabling legislation, and other outside sources. The restricted net position decreased by \$11.2 million, or 6.1%, compared to the prior fiscal year.
- **Unrestricted Net Position** – Approximately \$30.8 million, or 2.0%, of the County's net position, represents funds which may be used to meet the County's ongoing obligations to citizens and creditors.

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



COUNTY OF MARIN, CALIFORNIA

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

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

Change in Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2013	2012	2013	2012	2013	2012	Dollar Change	% Change
Revenues:								
Program revenues:								
Fees, fines, and charges for services	\$ 81,414	\$ 81,087	\$ 12,753	\$ 12,878	\$ 94,167	\$ 93,965	\$ 202	0.2%
Operating grants and contributions	176,335	169,408	50,580	49,918	226,915	219,326	7,589	3.5%
Capital grants and contributions	5,790	2,135	4,358	3,604	10,148	5,739	4,409	76.8%
Program revenues subtotal:	<u>263,539</u>	<u>252,630</u>	<u>67,691</u>	<u>66,400</u>	<u>331,230</u>	<u>319,030</u>	<u>12,200</u>	<u>3.8%</u>
General revenues:								
Property taxes	179,526	183,586	3,230	3,169	182,756	186,755	(3,999)	-2.1%
Sales and use taxes	3,881	3,785	-	-	3,881	3,785	96	2.5%
Other taxes	6,380	4,398	-	-	6,380	4,398	1,982	45.1%
Unrestricted interest & investment earnings	2,989	2,956	616	289	3,605	3,245	360	11.1%
Related party contribution	-	-	-	400	-	400	(400)	100.0%
Tobacco settlement	3,411	2,243	-	-	3,411	2,243	1,168	52.1%
Miscellaneous	5,497	3,389	2,531	2,764	8,028	6,153	1,875	30.5%
General revenues subtotal:	<u>201,684</u>	<u>200,357</u>	<u>6,377</u>	<u>6,622</u>	<u>208,061</u>	<u>206,979</u>	<u>1,082</u>	<u>0.5%</u>
Total revenues	<u>465,223</u>	<u>452,987</u>	<u>74,068</u>	<u>73,022</u>	<u>539,291</u>	<u>526,009</u>	<u>13,282</u>	<u>2.5%</u>
Expenses:								
General government	121,259	77,173	-	-	121,259	77,173	44,086	57.1%
Public protection	156,065	158,129	-	-	156,065	158,129	(2,064)	-1.3%
Public ways and facilities	32,538	26,208	-	-	32,538	26,208	6,330	24.2%
Health and sanitation	90,854	89,242	-	-	90,854	89,242	1,612	1.8%
Public assistance	63,600	68,794	-	-	63,600	68,794	(5,194)	-7.6%
Education	15,522	13,348	-	-	15,522	13,348	2,174	16.3%
Recreation and cultural services	17,140	16,191	-	-	17,140	16,191	949	5.9%
Interest and fiscal charges	10,937	12,018	-	-	10,937	12,018	(1,081)	-9.0%
Housing Authority	-	-	39,920	41,825	39,920	41,825	(1,905)	-4.6%
Marin County Transit District	-	-	24,781	26,144	24,781	26,144	(1,363)	-5.2%
Gross Airport	-	-	677	775	677	775	(98)	-12.6%
Marin County Fair	-	-	1,517	3,628	1,517	3,628	(2,111)	-58.2%
Marin Org	-	-	1,358	1,202	1,358	1,202	156	13.0%
Marin Commons Property Management	-	-	1,419	727	1,419	727	692	95.2%
Marin Center Promotions	-	-	536	-	536	-	536	100.0%
Total expenses	<u>507,915</u>	<u>461,103</u>	<u>70,208</u>	<u>74,301</u>	<u>578,123</u>	<u>535,404</u>	<u>42,719</u>	<u>8.0%</u>
Excess (deficiency) before special item, transfers and extraordinary item	(42,692)	(8,116)	3,860	(1,279)	(38,832)	(9,395)	(29,437)	313.3%
Transfers, net	(50)	20	50	(20)	-	-	-	0.0%
Change in net position before Special item	(42,742)	(8,096)	3,910	(1,299)	(38,832)	(9,395)	(29,437)	313.3%
Special item	21	-	-	-	21	-	21	100.0%
Extraordinary item	-	9,400	-	-	-	9,400	(9,400)	100.0%
Change in net position	<u>(42,721)</u>	<u>1,304</u>	<u>3,910</u>	<u>(1,299)</u>	<u>(38,811)</u>	<u>5</u>	<u>(38,816)</u>	<u>-776320.0%</u>
Net position, beginning	1,499,722	1,497,062	47,744	51,432	1,547,466	1,548,494	(1,028)	-0.1%
Prior period adjustment	133	1,356	376	(2,389)	509	(1,033)	1,542	-149.3%
Net position, beginning as restated	<u>1,499,855</u>	<u>1,498,418</u>	<u>48,120</u>	<u>49,043</u>	<u>1,547,975</u>	<u>1,547,461</u>	<u>514</u>	<u>0.0%</u>
Net position, ending	<u>\$ 1,457,134</u>	<u>\$ 1,499,722</u>	<u>\$ 52,030</u>	<u>\$ 47,744</u>	<u>\$ 1,509,164</u>	<u>\$ 1,547,466</u>	<u>\$ (38,302)</u>	<u>-2.5%</u>

COUNTY OF MARIN, CALIFORNIA

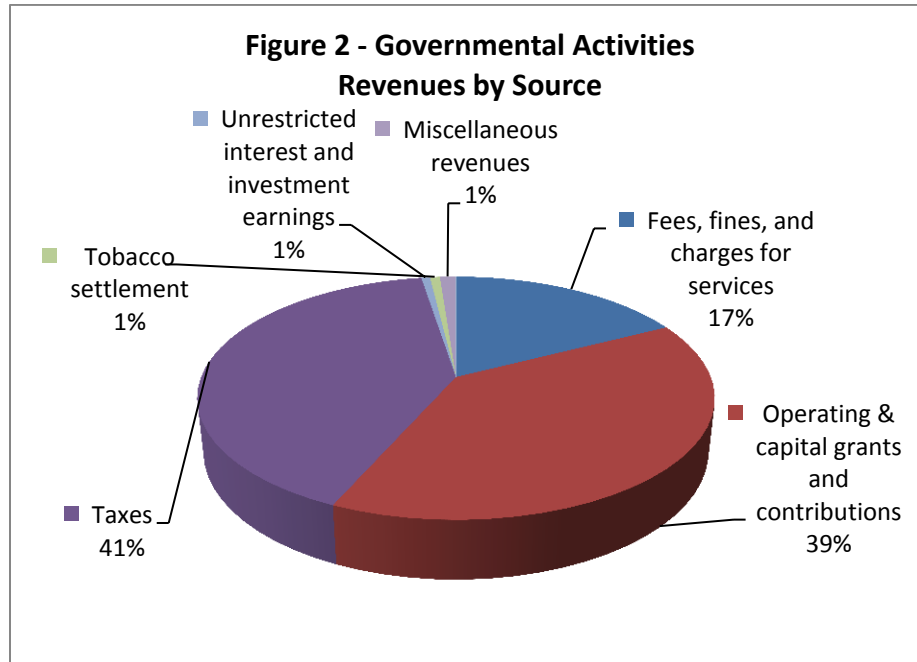
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

Analysis of Governmental Activities:

Governmental activities reduced the County's net position by \$42.7 million, which includes a prior period adjustment of \$133 thousand.

Total revenues from governmental activities increased by \$12.2 million, which was mostly due to a \$10.6 million increase in operating and capital grants and contributions. The increase was largely attributable to the following items:

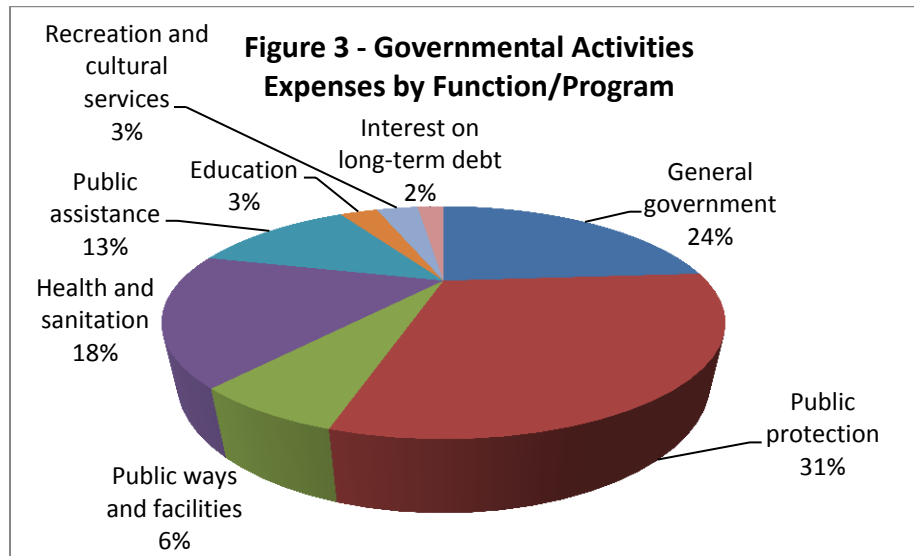
- State funding for various realignment programs, including social services, health services, mental health, increased by \$3.4 million as compared to the prior year. Realignment funding is based on sales tax and vehicle license fees collected by the State. The funding increase was primarily due to sales tax growth from an improved economy.
- Funding per the Mental Health Services Act (Prop 63) experienced a \$3.4 million increase as compared to prior year.
- The County received pass-through grant revenue of \$3.4 million from the former San Rafael Redevelopment Agency, now known as the San Rafael Successor Agency, in accordance with H&S code section 34183(a)(1).



Total expenses for governmental activities increased by \$46.8 million from the prior fiscal year. The overall increase was primarily due to a \$44 million increase in general government expenses, mostly attributable to the County's one-time \$32.2 million contribution towards the County's unfunded pension liability and a \$26.3 million contribution towards the County's Other Post-Employment Benefits (OPEB) liability.

COUNTY OF MARIN, CALIFORNIA

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013



Analysis of Business-type Activities:

Business-type activities increased the County's net position by \$3.9 million, compared to a prior year decrease in net position of \$1.3 million. This increase was primarily attributable to a current year increase in revenue by \$1 million, coupled with a \$4.1 million decrease in expenses. The \$1 million increase in revenue is primarily due to \$750 thousand in additional Federal and State grant funding towards public transportation modernization, improvement and service enhancement for the Marin Transit District, and additional interest income of \$330 thousand as a result of a doubled investment in securities for the Housing Authority. The decrease in expenses is primarily attributable to a \$1.9 million reduction in operating costs due to the Housing Authority's internal system improvements, and a \$2.1 million reduction in the operating costs of the Marin County Fair.

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, 2013, the County's governmental funds reported total assets of \$371.5 million, total liabilities of \$27.7 million, and combined fund balance of \$343.7 million. Current year governmental fund balance of \$343.7 million represents a \$51.6 million decrease from the prior fiscal year fund balance.

The General Fund is the primary operating fund of the County. At June 30, 2013, total fund balance decreased by \$56.5 million, or 31.1%, to \$125.3 million. Of this amount, \$4.7 million is not in a spendable form, but rather held as deposits, prepaid expenses, and inventory. The remaining \$120.6 million of fund balance is in a spendable form; however, \$10.7 million of fund balance is restricted, \$68.6 million of fund balance is committed, and \$37.1 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 \$4.2 million of the total general fund balance is unassigned, and therefore available to be appropriated without constraint.

COUNTY OF MARIN, CALIFORNIA

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

The Health and Sanitation Fund's total fund balance increased by \$674 thousand, or 2.3%, to \$30 million as of June 30, 2013. Of this amount, \$13 thousand is non-spendable, \$18.7 million, or 62.6%, is restricted to various grant program expenditures (such as health, mental health, and social services realignment), and \$11.2 million, or 37.4%, is assigned.

The Miscellaneous Capital Projects Fund's total fund balance increased by \$3.6 million, or 6.1%, to \$63.1 million as of June 30, 2013. Of this amount, \$1 million, or 1.6%, is non-spendable in the form of a deposit with a third party, \$24.6 million, or 39%, is restricted to comply with the covenants stipulated in the debt instruments, and \$37.4 million, or 59.4%, is assigned to fund various capital projects. This fund is used to account for major capital improvement projects and provide Board of Supervisor designated reserves for future capital needs.

Revenue:

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

Revenues Classified by Source Governmental Funds Fund Financial Statements For the Year Ended June 30, 2013 (in thousands)

	FY 2013		FY 2012		Change	
	Amount	% of total	Amount	% of total	Amount	% of total
Taxes	\$ 189,788	40.8%	\$ 192,014	42.4%	\$ (2,226)	-1.2%
Licenses and permits	13,655	2.9%	12,884	2.8%	771	6.0%
Intergovernmental revenues	182,124	39.1%	171,543	37.8%	10,581	6.2%
Charges for services	56,322	12.1%	55,986	12.4%	336	0.6%
Fines and forfeits	11,505	2.5%	12,217	2.7%	(712)	-5.8%
Use of money and property	2,989	0.6%	2,956	0.7%	33	1.1%
Miscellaneous	8,908	1.9%	5,632	1.2%	3,276	58.2%
Total Revenues	\$ 465,291	100.0%	\$ 453,232	100.0%	\$ 12,059	2.7%

COUNTY OF MARIN, CALIFORNIA

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

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

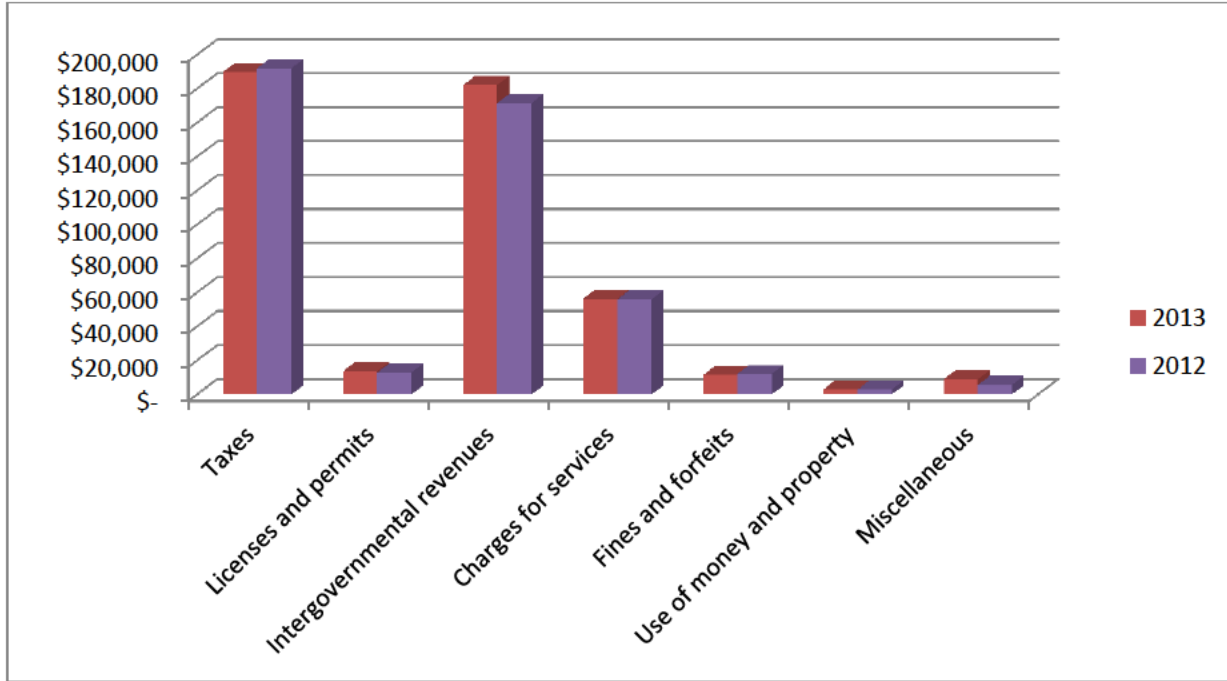
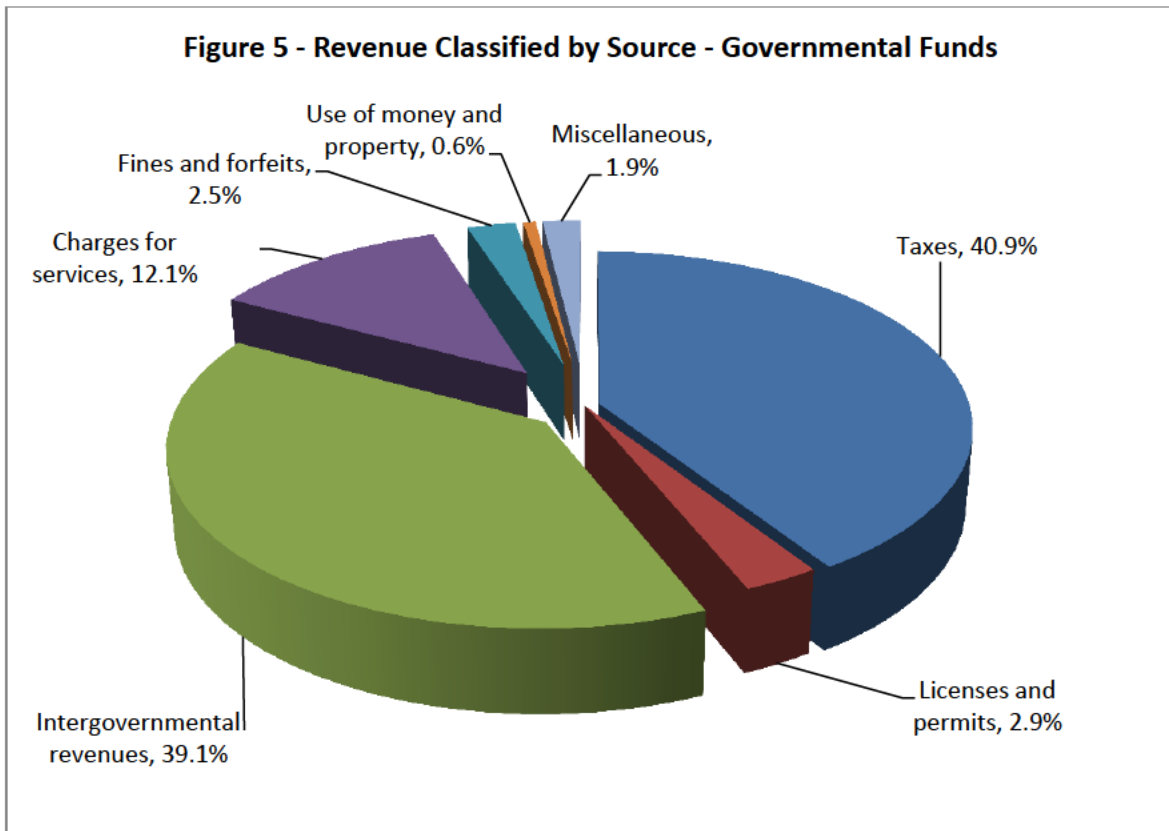


Figure 5 - Revenue Classified by Source - Governmental Funds



COUNTY OF MARIN, CALIFORNIA

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

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

- Licenses and permits increased by \$771 thousand, or 6%, from the prior fiscal year. Most of this increase was primarily due to a \$490 thousand increase in Community Development Agency's development review fees, attributable to a current year increase in individual applications. Additionally, there was a \$250 thousand increase in food permits, pertaining to an Environmental Health Services fee ordinance authorized by the Board last 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 increased by \$10.6 million, or 6.2%, from the prior fiscal year. The increase was largely attributable to the following items:
 - State funding for various realignment programs, including social services, health services, mental health, increased by \$3.4 million as compared to the prior year. Realignment funding is based on sales tax and vehicle license fees collected by the State. The funding increase was primarily due to sales tax growth from an improved economy.
 - Funding per the Mental Health Services Act (Prop 63) experienced a \$3.4 million increase as compared to prior year.
 - County received pass-through grant revenue of \$3.4 million from the former San Rafael Redevelopment Agency, now known as the San Rafael Successor Agency, in accordance with H&S code section 34183(a)(1).
- Miscellaneous revenue increased by \$3.3 million, or 58.2%, from the prior fiscal year. The increase was primarily due to a \$3.9 million lawsuit settlement the County received from Deloitte Consulting LLP.

Expenditures:

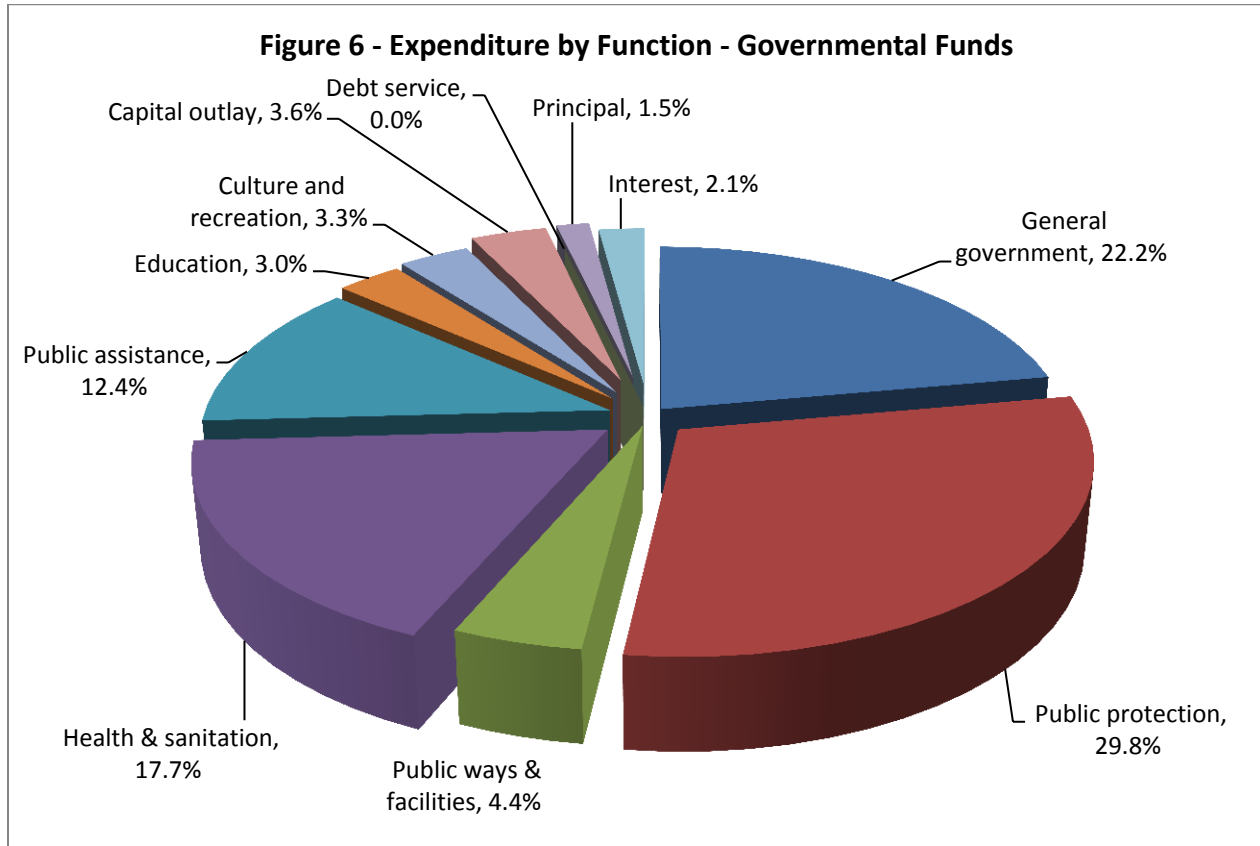
The following table provides a comparison of expenditures by function for governmental funds for the current and prior years. Further details are provided in Figure 6 table.

Expenditures by Function Including Capital Outlay Governmental Funds Fund Financial Statements For the Year Ended June 30, 2013 (in thousands)

	FY 2013		FY 2012		Change	
	Amount	% of total	Amount	% of total	Amount	% of total
Current:						
General government	\$ 113,846	22.2%	\$ 60,063	13.1%	\$ 53,783	89.5%
Public protection	153,065	29.8%	147,075	32.2%	5,990	4.1%
Public ways & facilities	22,797	4.4%	16,039	3.5%	6,758	42.1%
Health & sanitation	90,784	17.7%	85,864	18.8%	4,920	5.7%
Public assistance	63,497	12.4%	65,988	14.4%	(2,491)	-3.8%
Education	15,542	3.0%	12,677	2.8%	2,865	22.6%
Culture and recreation	16,866	3.3%	15,105	3.3%	1,761	11.7%
Capital outlay	18,257	3.6%	37,594	8.2%	(19,337)	-51.4%
Debt service:						
Principal	7,797	1.5%	5,129	1.1%	2,668	52.0%
Interest	10,853	2.1%	11,261	2.5%	(408)	-3.6%
Total Expenditures	\$ 513,304	100.0%	\$ 456,795	100.0%	\$ 56,509	12.4%

COUNTY OF MARIN, CALIFORNIA

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013



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

- General government expenditures increased by \$53.8 million, or 89.5%, from the prior fiscal year, primarily attributable to the County's one-time \$32.2 million contribution towards the County's unfunded pension liability and a \$26.3 million contribution towards the County's Other Post-Employment Benefits (OPEB) liability.
- Public protection expenditures increased by \$6 million, or 4.1%, from the prior fiscal year, primarily due to higher payroll costs and the associated benefits.
- Public ways and facilities expenditures increased by \$6.8 million, or 42.1%, from the prior fiscal year, attributable to an overall increase in Federal and State grant funding for various projects, such as Muir Woods road repair, Tennessee Valley Pathway restoration, Sir Francis Drake rehabilitation and the Manzanita Connection project.
- Capital outlay expenditures decreased by \$19.3 million, or 51.4%, from the prior fiscal year. This decrease was primarily due to a prior fiscal year \$30 million land and building acquisition of 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 that can be found in the government-wide financial statements, but in more detail.

COUNTY OF MARIN, CALIFORNIA

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

Housing Authority of the County of Marin

- At December 31, 2012, the Authority's total fund balance was \$29.9 million. Of this amount, net investment in capital assets was \$18.2 million, or 64.6% of total fund balance, restricted net position was \$7.3 million, or 26.1% of total fund balance, and unrestricted net position was \$2.6 million, or 9.3% of total fund balance. As a measure of the Authority's liquidity, it may be useful to compare unrestricted net position to total operating expenses. Unrestricted net position of \$2.6 million was 6.6% of total operating expenses of \$39.8 million, as compared to 4% in the prior fiscal year.
- Total net position of the Authority decreased by \$1 million as a result of \$2.2 million in current year losses, netted against \$1.2 million in capital contributions. The decrease was primarily attributable to a \$1.3 million decrease in federal grants and subsidies, as well as a \$0.3 million decrease in rental and other income.
- The largest portion of the Authority's ending net position, \$18.2 million, or 64.6%, represents its investment in capital assets, net of related debt (e.g. land, buildings and improvements, furniture, and equipment, less the corresponding debt issued to acquire those assets). These assets are not available for future spending. At the end of the fiscal year, the Housing Authority reported positive balances in all categories of net position.

Marin County Transit District

- At June 30, 2013, Marin Transit District's total net position was \$13.5 million. Of this amount, net investment in capital assets was \$6.1 million, or 45.4% of total fund balance, and unrestricted net position was \$7.3 million, or 54.6% of total net position. As a measure of the District's liquidity, it may be useful to compare unrestricted net position to total operating expenses. Unrestricted net position of \$7.3 million was 29.7% of total operating expenses of \$24.8 million.
- Total net position of Marin Transit District increased by \$4.1 million, as a result of a \$3.1 million increase intergovernmental revenues due to increased Measure A operating funds and increased Federal grant funding for both capital and operating projects. In addition, there was a \$1.2 million decrease in overall total expenditures, primarily due to a \$1.3 million decrease in purchased transportation services expenses as a result of their new operating agreement with Golden Gate Bridge Highway and Transit District.
- Marin Transit District's net investment in capital assets of \$6.1 million represents its investment in capital assets, net of related debt (e.g. land, buildings and improvements, furniture, and equipment, less the corresponding debt issued to acquire those assets). These assets are not available for future spending. At the end of the fiscal year, Marin Transit reported positive balances in all categories of net position.

IV. Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2013 amounted to \$1,440.3 million (net of accumulated depreciation), which is a decrease of \$3.9 million, or 0.3%. This investment is in a broad range of capital assets including land, easements, construction in progress (CIP), structures and improvements, equipment, and infrastructure. The table on the following page provides a comparison of the County's capital assets for the governmental and business-type activities for the current and prior fiscal years. Figures are presented net of accumulated depreciation.

COUNTY OF MARIN, CALIFORNIA

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

Capital Assets (Net of Depreciation) (in thousands)

	Governmental Activities		Business-type Activities		Total		Increase (Decrease)	
	2013	2012	2013	2012	2013	2012	Amount	% Change
Land and land improvements	\$ 1,242,515	\$ 1,241,635	\$ 6,299	\$ 6,299	\$ 1,248,814	\$ 1,247,934	\$ 880	0.1%
Easements	2,999	2,999	-	-	2,999	2,999	-	0.0%
Construction in progress	14,487	4,173	6,934	5,991	21,421	10,164	11,257	110.8%
Structures & improvements	103,523	113,933	17,074	17,674	120,597	131,607	(11,010)	-8.4%
Equipment	9,578	8,499	5,645	3,430	15,223	11,929	3,294	27.6%
Infrastructure	29,232	37,474	-	-	29,232	37,474	(8,242)	-22.0%
Other property	-	-	1,980	2,074	1,980	2,074	(94)	-4.5%
Total	\$ 1,402,334	\$ 1,408,713	\$ 37,932	\$ 35,468	\$ 1,440,266	\$ 1,444,181	\$ (3,915)	-0.3%

The most notable capital asset transactions during the current fiscal year include the following:

- Construction in progress increased by 11.3 million, or 110.8%, from the prior fiscal year. The increase was the result of the construction and management services required to renovate 1600 Los Gamos Drive building in San Rafael, which is intended to serve as the County's new Emergency Operations Facility.
- Structures and improvements decreased by \$11 million, or 8.4%, from the prior fiscal year. The decrease was primarily due to the current year depreciation expense of \$11.8 million.
- Infrastructure decreased by \$8.2 million, or 22%, from the prior fiscal year. The decrease was primarily due to the current year depreciation expense of \$10.1 million, offset by a current year \$1.9 million transfer in from completed construction in progress projects.
- Additional capital assets information, including depreciation and remaining construction in progress as of June 30, 2013, can be found in Note 6 to the financial statements on pages 51 – 52.

V. Debt Administration

Outstanding Debt (in thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2013	2012	2013	2012	2013	2012	Dollar Change	Percent Change
Bonds payable	\$ 162,423	\$ 165,369	\$ -	\$ -	\$ 162,423	\$ 165,369	\$ (2,946)	-1.8%
Loans payable	2,766	4,605	4,212	5,169	6,978	9,774	(2,796)	-28.6%
Certificates of participation	71,097	73,410	-	-	71,097	73,410	(2,313)	-3.2%
Capital leases payable	1,103	1,536	2,172	-	3,275	1,536	1,739	113.2%
Total	\$ 237,389	\$ 244,920	\$ 6,384	\$ 5,169	\$ 243,773	\$ 250,089	\$ (6,316)	-2.5%

At June 30, 2013, the County's governmental and business-type activities carried an outstanding long-term debt balance in the amount of \$243.8 million as compared to \$250.1 million in the prior fiscal year. The overall decrease of \$6.3 million, or 2.5%, was primarily due to current year scheduled debt service payments of \$8.3 million for governmental activities, offset by the Housing Authority's \$2.2 million in a new capital lease for energy conservation improvements to its Public Housing properties.

COUNTY OF MARIN, CALIFORNIA

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2013

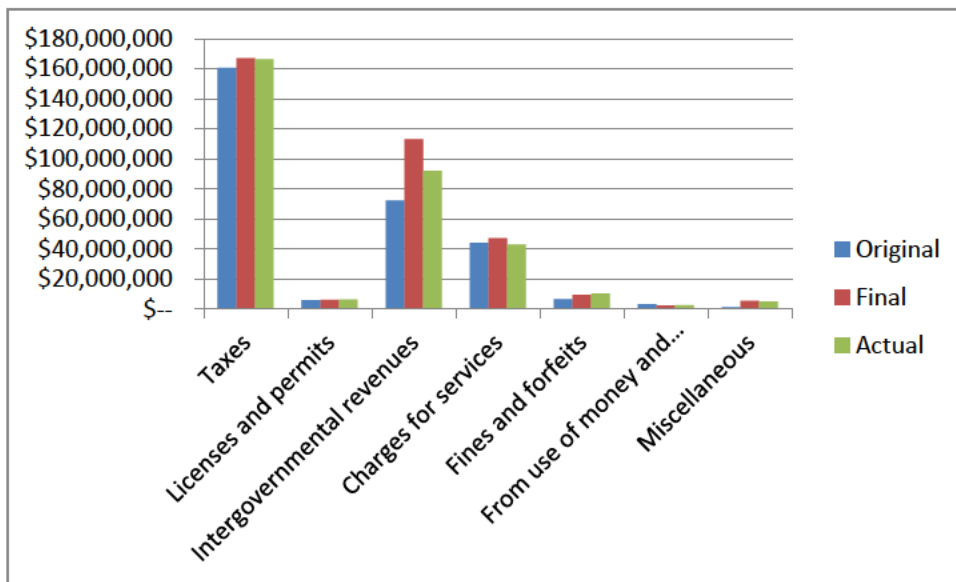
Additional information on the County's long-term debt can be found in Note 8 to the financial statements on pages 54 – 59.

VI. GENERAL FUND BUDGETARY HIGHLIGHTS

During the current fiscal year, there was an \$88.5 million, or 23.7%, increase in appropriations between the original budget and the final amended budget. The major components of the increase were as follows:

- A \$44.2 million increase in general government functions. This increase is primarily due to a \$30.7 million allocation to accelerate payment of unfunded pension liability and a \$24.2 million prefunding of OPEB. There were decreases due to a \$1 million reclassification to transfers out and various transfers to other funds and functions.
- A \$16.5 million increase in expenditures for public protection. Approximately \$10.8 million of this increase was due to the Phoenix Lake Integrated Regional Water Management Retrofit Project, Safe Pathway to Schools program, Proposition 84 ASBS, various storm damage projects and the Countywide Watershed Stewardship Plan. Additionally, there was a \$2.3 million increase in County fire salaries and overtime due to an increase in California state fire reimbursements, and a \$0.9 million increase in County Sheriff salaries plus overtime. Other increases in expenditures came from various projects.
- A \$21 million increase in expenditures for public ways and facilities. This increase is primarily due to non-encumbered appropriations for projects not being included in the adopted budget.
- A \$3.4 million increase in expenditures for public assistance. This increase is primarily due to public assistance aid payments.
- A \$1.3 million increase in expenditures for recreation and cultural services. This increase is primarily due to a bicycle and pedestrian improvement construction project.

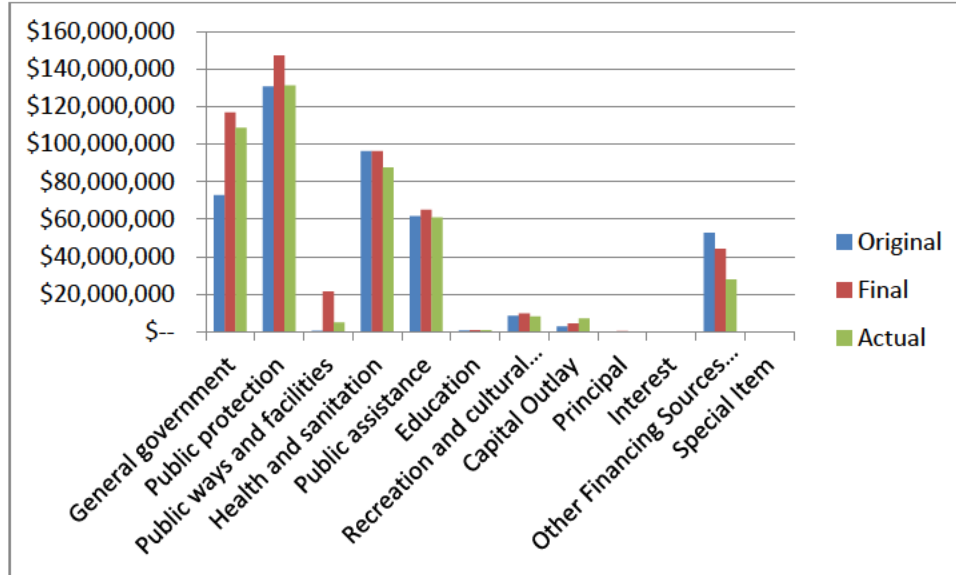
**Figure 7 - General Fund Revenue Comparison
(in thousands)**



COUNTY OF MARIN, CALIFORNIA

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

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



ECONOMIC FACTORS AND THE OUTLOOK FOR FY 2013-14 BUDGET

In the context of an improving local economy, the County's budget for FY 2013-14 was prepared in consideration of the following economic factors:

- The County's unemployment rate for June 2013 was 5.1%, a significant decrease from 7% a year ago as a result of the continuing economic recovery.
- The median sales price for a single family residence in Marin County increased by 33.5% from June 2012 to June 2013. Increases in property values generate higher property tax revenues and reduce the number of property reassessment appeal filings.
- Consistent with the Board's adopted budget policies, the budget reflects payments necessary to fund the County's Other Post-Employment Benefit (OPEB) unfunded liability.
- The State of California adopted the 2013-2014 budget on time. The State's budget includes a continuing source of funds from the Governor sponsored Proposition 30 tax initiative. The improving condition of State finances has eliminated a significant uncertainty under which past County budgets were adopted.

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 Position
June 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 306,901,944	\$ 7,532,313	\$ 314,434,257
Restricted cash	--	6,048,337	6,048,337
Other outside investments	--	436,842	436,842
Receivables:			
Accounts and other - net	6,998,487	74,813	7,073,300
Due from other agencies	24,192,349	8,500,086	32,692,435
Other loans	8,113,692	4,967,277	13,080,969
Inventories	794,293	--	794,293
Prepaid items and other assets	2,431,124	231,634	2,662,758
Deposits with others	1,000,000	--	1,000,000
Restricted cash held with trustee	43,986,934	--	43,986,934
Deferred fiscal charges	3,309,911	--	3,309,911
Net pension asset	65,802,900	--	65,802,900
Internal balances	(50,000)	50,000	--
Property held for resale	--	283,374	283,374
Capital assets:			
Nondepreciable	1,260,000,284	13,232,859	1,273,233,143
Depreciable, net	142,333,301	24,699,256	167,032,557
Total assets	1,865,815,219	66,056,791	1,931,872,010
LIABILITIES			
Accounts payable and accrued expenses	7,723,812	2,454,054	10,177,866
Salaries and benefits payable	9,928,648	148,458	10,077,106
Accrued interest payable	3,789,822	1,040,098	4,829,920
Unearned revenues	4,514,075	633,519	5,147,594
Other liabilities	4,414,898	623,049	5,037,947
Security deposits and escrows payable	--	392,738	392,738
Housing loan liability	--	1,747,679	1,747,679
Estimated claims			
Due within one year	6,826,000	--	6,826,000
Due beyond one year	22,274,000	--	22,274,000
Compensated absences:			
Due within one year	10,946,398	73,294	11,019,692
Due beyond one year	2,944,517	169,218	3,113,735
Long-term liabilities:			
Due within one year	6,056,498	299,277	6,355,775
Due beyond one year	231,332,547	6,085,216	237,417,763
Liability for post-employment benefits	97,930,442	360,253	98,290,695
Total liabilities	408,681,657	14,026,853	422,708,510
NET POSITION			
Net investment in capital assets	1,273,344,540	32,934,675	1,306,279,215
Restricted for:			
General government	17,137,120	--	17,137,120
Public protection	34,233,386	--	34,233,386
Public ways and facilities	8,613,127	--	8,613,127
Health and sanitation	43,758,878	--	43,758,878
Public assistance	13,256,175	--	13,256,175
Education	6,514,647	--	6,514,647
Recreation and cultural services	7,950,130	--	7,950,130
Community service area projects	16,051,427	--	16,051,427
Debt service	4,712,682	--	4,712,682
Capital projects	9,952,071	--	9,952,071
Housing	--	7,343,795	7,343,795
Other purposes	2,550,264	--	2,550,264
Unrestricted	19,059,115	11,751,468	30,810,583
Total net position	\$ 1,457,133,562	\$ 52,029,938	\$ 1,509,163,500

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

COUNTY OF MARIN

Statement of Activities
For the Fiscal Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	\$ 121,258,708	\$ 24,598,118	\$ 5,562,456	\$ 37,695
Public protection	156,064,850	37,629,406	40,935,242	1,504,415
Public ways and facilities	32,538,571	1,781,993	10,476,035	4,000,685
Health and sanitation	90,853,837	6,494,338	58,597,731	--
Public assistance	63,600,190	2,204,650	58,717,017	246,955
Education	15,521,694	5,266,586	224,071	--
Recreation and cultural services	17,139,646	3,438,955	1,822,137	--
Debt Service:				
Interest and fiscal charges	10,936,573	--	--	--
Total governmental activities	<u>507,914,069</u>	<u>81,414,046</u>	<u>176,334,689</u>	<u>5,789,750</u>
Business-Type Activities:				
Housing Authority	39,919,898	1,557,962	33,793,448	1,157,578
Marin County Transit District	24,780,737	5,454,851	16,623,069	3,200,843
Gross Airport	676,902	648,019	163,229	--
Marin County Fair	1,517,301	1,541,510	--	--
Marin.Org	1,358,270	1,512,558	--	--
Marin Commons Property Management	1,418,952	1,540,944	--	--
Marin Center Promotions	535,604	496,758	--	--
Total business-type activities	<u>70,207,664</u>	<u>12,752,602</u>	<u>50,579,746</u>	<u>4,358,421</u>
Total primary government	<u>\$ 578,121,733</u>	<u>\$ 94,166,648</u>	<u>\$ 226,914,435</u>	<u>\$ 10,148,171</u>

General Revenues:

Taxes:

Property taxes

Sales and use taxes

Other

Unrestricted interest and investment earnings

Tobacco settlement

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position before special item

Special item

Change in net position

Net position, beginning of year - restated

Net position, end of year

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

Net (Expenses) Revenues and
Changes in Net Position

Primary Government		
Governmental Activities	Business- Type Activities	Total
\$ (91,060,439)	\$ --	\$ (91,060,439)
(75,995,787)		(75,995,787)
(16,279,858)	--	(16,279,858)
(25,761,768)	--	(25,761,768)
(2,431,568)	--	(2,431,568)
(10,031,037)	--	(10,031,037)
(11,878,554)	--	(11,878,554)
<u>(10,936,573)</u>	--	<u>(10,936,573)</u>
<u>(244,375,584)</u>	--	<u>(244,375,584)</u>
--	(3,410,910)	(3,410,910)
--	498,026	498,026
--	134,346	134,346
--	24,209	24,209
--	154,288	154,288
--	121,992	121,992
--	(38,846)	(38,846)
--	<u>(2,516,895)</u>	<u>(2,516,895)</u>
<u>(244,375,584)</u>	<u>(2,516,895)</u>	<u>(246,892,479)</u>
179,525,969	3,229,758	182,755,727
3,881,496	--	3,881,496
6,380,276	--	6,380,276
2,988,564	616,378	3,604,942
3,410,665	--	3,410,665
5,496,912	2,531,026	8,027,938
(50,000)	50,000	--
<u>201,633,882</u>	<u>6,427,162</u>	<u>208,061,044</u>
(42,741,702)	3,910,267	(38,831,435)
20,750	--	20,750
<u>(42,720,952)</u>	<u>3,910,267</u>	<u>(38,810,685)</u>
1,499,854,514	48,119,671	1,547,974,185
<u>\$ 1,457,133,562</u>	<u>\$ 52,029,938</u>	<u>\$ 1,509,163,500</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, 2013

	General Fund	Health and Sanitation Fund	Miscellaneous Capital Projects Fund	Other Governmental Funds	Total
ASSETS					
Cash and investments in County pool	\$ 111,374,407	\$27,751,696	\$ 26,530,969	\$ 117,293,201	\$ 282,950,273
Cash with fiscal agent	--	--	36,320,846	7,666,088	43,986,934
Receivables:					
Accounts	6,827,893	5	--	170,589	6,998,487
Notes receivable - short term	--	--	--	6,371,000	6,371,000
Notes receivable - long term	1,742,692	--	--	--	1,742,692
Prepaid expenses	2,295,221	13,276	--	--	2,308,497
Due from other funds	1,077,505	--	--	--	1,077,505
Due from other governmental agencies	19,178,486	2,215,184	--	2,798,679	24,192,349
Advances to other funds	--	--	--	45,400	45,400
Deposits with others	--	--	1,000,000	--	1,000,000
Inventory of supplies	681,917	--	--	112,376	794,293
	<u>\$ 143,178,121</u>	<u>\$29,980,161</u>	<u>\$ 63,851,815</u>	<u>\$ 134,457,333</u>	<u>\$ 371,467,430</u>
LIABILITIES					
Accounts payable and accrued expenses	3,925,328	--	738,131	\$ 3,054,219	\$ 7,717,678
Accrued salaries and benefits	8,871,080	--	38,214	1,013,190	9,922,484
Due to other funds	50,000	--	--	1,077,505	1,127,505
Advances payable	--	--	--	45,400	45,400
Unearned revenue	2,564,760	--	--	1,949,315	4,514,075
Other liabilities	2,435,362	16,878	69	1,962,589	4,414,898
Total liabilities	<u>17,846,530</u>	<u>16,878</u>	<u>776,414</u>	<u>9,102,218</u>	<u>27,742,040</u>
FUND BALANCES					
Nonspendable	4,719,830	13,276	1,000,000	112,376	5,845,482
Restricted	10,740,177	18,747,903	24,629,572	110,612,255	164,729,907
Committed	68,600,588	--	--	500,000	69,100,588
Assigned	37,094,588	11,202,104	37,445,829	14,130,484	99,873,005
Unassigned	4,176,408	--	--	--	4,176,408
Total fund balances	<u>125,331,591</u>	<u>29,963,283</u>	<u>63,075,401</u>	<u>125,355,115</u>	<u>343,725,390</u>
	<u>\$ 143,178,121</u>	<u>\$29,980,161</u>	<u>\$ 63,851,815</u>	<u>\$ 134,457,333</u>	<u>\$ 371,467,430</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 Position - Governmental Activities
June 30, 2013

Fund Balance - total governmental funds (page 25) \$ 343,725,390

Amounts reported for governmental activities in the statement of net position
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	\$ 37,504,730	
Land improvements	1,205,009,639	
Easements	2,999,188	
Construction in progress	14,486,727	
Structures and improvements, net of accumulated depreciation	103,523,495	
Equipment, net of accumulated depreciation	9,578,189	
Infrastructure, net of accumulated depreciation	<u>29,231,617</u>	
Total capital assets		1,402,333,585

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. 69,112,811

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 position.

Balances as of June 30 are:

Certificates of participation, bonds and loans payable	(236,286,027)	
Capital leases	(1,103,018)	
Accrued interest on long-term debt	(3,789,822)	
Compensated absences	(13,890,915)	
Other post employment benefits payable	(97,930,442)	
Claims and judgments	<u>(5,038,000)</u>	
Total long-term liabilities		<u>(358,038,224)</u>

Net position of governmental activities (page 21) \$ 1,457,133,562

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, 2013

	General Fund	Health and Sanitation Fund	Miscellaneous Capital Projects Fund	Other Governmental Funds	Total
Revenues:					
Taxes	\$ 166,354,663	\$ --	\$ --	\$ 23,433,078	\$ 189,787,741
Licenses and permits	6,378,421	--	--	7,276,949	13,655,370
Intergovernmental revenues	91,946,504	47,835,866	244,712	42,097,357	182,124,439
Charges for services	42,954,714	96,914	212,502	13,057,619	56,321,749
Fines and forfeits	10,343,609	6,156	--	1,155,409	11,505,174
From use of money and property	2,606,929	42,130	19,580	319,925	2,988,564
Miscellaneous	5,058,717	70	--	3,848,790	8,907,577
Total revenues	<u>325,643,557</u>	<u>47,981,136</u>	<u>476,794</u>	<u>91,189,127</u>	<u>465,290,614</u>
Expenditures:					
Current:					
General government	108,874,693	--	4,377,054	594,564	113,846,311
Public protection	131,370,458	--	200,742	21,493,541	153,064,741
Public ways and facilities	4,796,354	--	96,722	17,904,043	22,797,119
Health and sanitation	87,657,324	--	--	3,126,440	90,783,764
Public assistance	60,996,817	--	--	2,500,698	63,497,515
Education	916,268	--	--	14,625,486	15,541,754
Recreation and cultural services	8,191,371	--	321,420	8,352,909	16,865,700
Capital outlay	7,051,068	--	8,314,189	2,891,507	18,256,764
Debt Service:					
Principal	156,402	--	--	7,391,175	7,547,577
Interest	59,637	--	--	11,042,950	11,102,587
Total expenditures	<u>410,070,392</u>	<u>--</u>	<u>13,310,127</u>	<u>89,923,313</u>	<u>513,303,832</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(84,426,835)</u>	<u>47,981,136</u>	<u>(12,833,333)</u>	<u>1,265,814</u>	<u>(48,013,218)</u>
Other Financing Sources (Uses):					
Issuance of debt	--	--	124,147	--	124,147
Sale of capital assets	6,300	--	--	--	6,300
Transfers in	68,072,768	--	16,944,000	24,999,966	110,016,734
Transfers out	(40,240,431)	(47,307,367)	(629,662)	(25,535,770)	(113,713,230)
Total other financing sources (uses)	<u>27,838,637</u>	<u>(47,307,367)</u>	<u>16,438,485</u>	<u>(535,804)</u>	<u>(3,566,049)</u>
Special Item	<u>20,750</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>20,750</u>
Net change in fund balances	(56,567,448)	673,769	3,605,152	730,010	(51,558,517)
Fund balances, beginning - restated	<u>181,899,039</u>	<u>29,289,514</u>	<u>59,470,249</u>	<u>124,625,105</u>	<u>395,283,907</u>
Fund balances, end	<u>\$ 125,331,591</u>	<u>\$ 29,963,283</u>	<u>\$ 63,075,401</u>	<u>\$ 125,355,115</u>	<u>\$ 343,725,390</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, 2013

Net change to fund balance - total governmental funds (page 27) \$ (51,558,517)

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	\$ 18,238,406	
Less: current year depreciation	<u>(24,618,003)</u>	(6,379,597)

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, 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 position.

Amortization of bond discount/premium	94,484	
Amortization of deferred fiscal charges	(228,686)	
Amortization of loss on refunding	(146,574)	
Accretion of loan payable	(732,268)	
Loans payable issued	(124,147)	
Repayment on loan payable	1,922,289	
Adjustment on loans payable	40,979	
Repayment of bonds and certificates of participation	<u>5,895,920</u>	
Net adjustment		6,721,997

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 position, the lease obligation is reported as a liability.

Repayment on capital leases		432,792
-----------------------------	--	---------

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	157,395	
Amortization of net pension asset	(4,700,210)	
Other post employment benefits liability	13,654,738	
Change in claims liability	555,000	
Accrued interest on long-term debt	<u>197,164</u>	
Net adjustment		9,864,087

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.

(1,801,714)

Change in net position of governmental activities (page 22)		<u>\$ (42,720,952)</u>
---	--	------------------------

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

COUNTY OF MARIN

Statement of Net Position
Proprietary Funds
June 30, 2013/December 31, 2012

	Business-type Activities			Total	Governmental
	Housing Authority 12/31/2012	Marin Transit District 6/30/2013	Nonmajor Enterprise Funds 6/30/2013		Workers' Compensation Internal Service 6/30/2013
ASSETS					
Current Assets:					
Cash and investments in County pool	\$ --	\$ 1,110,007	\$ 2,021,003	\$ 3,131,010	\$ 23,951,671
Cash with fiscal agent	--	--	436,842	436,842	--
Other cash	4,401,303	--	--	4,401,303	--
Receivables:					
Accounts	42,792	--	--	42,792	--
Other	--	--	32,021	32,021	--
Prepaid items and other assets	143,808	87,826	--	231,634	122,627
Short-term notes receivable	11,852	--	--	11,852	--
Due from other governments	864,129	7,488,809	147,148	8,500,086	--
Due from other funds	--	--	50,000	50,000	--
Assets held for resale	283,374	--	--	283,374	--
Total current assets	<u>5,747,258</u>	<u>8,686,642</u>	<u>2,687,014</u>	<u>17,120,914</u>	<u>24,074,298</u>
Noncurrent Assets:					
Restricted cash	6,048,337	--	--	6,048,337	--
Long-term notes receivable	4,955,425	--	--	4,955,425	--
Capital assets:					
Nondepreciable	6,977,738	701,902	5,553,219	13,232,859	--
Depreciable, net	16,196,185	5,411,805	3,091,266	24,699,256	--
Total noncurrent assets	<u>34,177,685</u>	<u>6,113,707</u>	<u>8,644,485</u>	<u>48,935,877</u>	<u>--</u>
Total assets	<u>39,924,943</u>	<u>14,800,349</u>	<u>11,331,499</u>	<u>66,056,791</u>	<u>24,074,298</u>
LIABILITIES					
Current Liabilities:					
Vouchers and accounts payable	609,276	1,189,146	655,632	2,454,054	6,134
Interest payable	--	--	7,212	7,212	--
Accrued salaries and benefits	109,136	25,197	14,125	148,458	6,164
Other liabilities	431,030	--	192,019	623,049	--
Unearned revenues	546,201	87,318	--	633,519	--
Compensated absences	45,865	15,400	12,029	73,294	--
Mortgages payable	273,473	--	--	273,473	--
Capital leases	25,804	--	--	25,804	--
Estimated Claims	--	--	--	--	5,616,000
Total current liabilities	<u>2,040,785</u>	<u>1,317,061</u>	<u>881,017</u>	<u>4,238,863</u>	<u>5,628,298</u>
Long-Term Liabilities:					
Security deposits and escrows payable (payable from restricted assets)	392,738	--	--	392,738	--
Compensated absences	137,600	28,382	3,236	169,218	--
Loan liability	1,747,679	--	--	1,747,679	--
Mortgages payable	3,938,581	--	--	3,938,581	--
Capital leases	2,146,635	--	--	2,146,635	--
Deferred interest due on long-term debt	1,032,886	--	--	1,032,886	--
Other post-employment benefits	360,253	--	--	360,253	--
Estimated claims	--	--	--	--	18,446,000
Total noncurrent liabilities	<u>9,756,372</u>	<u>28,382</u>	<u>3,236</u>	<u>9,787,990</u>	<u>18,446,000</u>
Total liabilities	<u>11,797,157</u>	<u>1,345,443</u>	<u>884,253</u>	<u>14,026,853</u>	<u>24,074,298</u>
NET POSITION					
Net investment in capital assets	18,176,483	6,113,707	8,644,485	32,934,675	--
Restricted for housing	7,343,795	--	--	7,343,795	--
Unrestricted	2,607,508	7,341,199	1,802,761	11,751,468	--
Total net position	<u>\$ 28,127,786</u>	<u>\$ 13,454,906</u>	<u>\$ 10,447,246</u>	<u>\$ 52,029,938</u>	<u>\$ --</u>

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

COUNTY OF MARIN

Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2013/December 31, 2012

	Business-Type Activities			Total	Governmental
	Housing Authority 12/31/2012	Marin	Nonmajor		Workers'
		Transit District 6/30/2013	Enterprise Funds 6/30/2013		Compensation Internal Service 6/30/2013
Operating Revenues:					
Charges for services	\$ 1,557,962	\$ 5,454,851	\$ 5,739,789	\$ 12,752,602	\$ 2,932,469
Other revenue	2,057,940	--	138,222	2,196,162	--
Total operating revenues	3,615,902	5,454,851	5,878,011	14,948,764	2,932,469
Operating Expenses:					
Salaries and employee benefits	--	1,467,438	882,401	2,349,839	512,612
Services and supplies	--	21,622,560	4,364,556	25,987,116	2,986
Housing assistance	38,624,973	--	--	38,624,973	--
Claims expense	--	--	--	--	7,865,081
Depreciation	1,165,957	715,867	260,072	2,141,896	--
Other operating		953,176		953,176	
Total operating expenses	39,790,930	24,759,041	5,507,029	70,057,000	8,380,679
Operating Income (Loss)	(36,175,028)	(19,304,190)	370,982	(55,108,236)	(5,448,210)
Non-Operating Revenues (Expenses):					
Property tax revenue	--	3,229,758	--	3,229,758	--
Intergovernmental revenue	33,793,448	16,623,069	--	50,416,517	--
Advertising revenue	--	334,864	163,229	498,093	--
Investment income - unrestricted	313,485	2,575	300,318	616,378	--
Interest expense	(128,968)	--	--	(128,968)	--
Total non-operating revenues	33,977,965	20,190,266	463,547	54,631,778	--
Income (Loss) Before Capital Contributions and Transfers	(2,197,063)	886,076	834,529	(476,458)	(5,448,210)
Capital contributions	1,157,578	3,200,843	--	4,358,421	--
Sale of capital assets	--	(21,696)	--	(21,696)	--
Transfers in	--	--	650,000	650,000	3,646,496
Transfers out	--	--	(600,000)	(600,000)	--
Change in net position	(1,039,485)	4,065,223	884,529	3,910,267	(1,801,714)
Net position, beginning - restated	29,167,271	9,389,683	9,562,717	48,119,671	1,801,714
Net position, end	\$ 28,127,786	\$ 13,454,906	\$ 10,447,246	\$ 52,029,938	\$ --

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, 2013/December 31, 2012

	Business-Type Activities - Enterprise Funds				Governmental
	Housing	Marin	Nonmajor	Total	Activities
	Authority	Transit	Enterprise		Workers'
12/31/2012	6/30/2013	6/30/2013		6/30/2013	
					Internal Service
					Compensation
					6/30/2013
Cash Flows from Operating Activities					
Cash receipts from customers	\$ 3,178,765	\$ 3,721,207	\$ 5,690,891	\$ 12,590,863	\$ --
Cash receipts from internal fund services provided	--	1,734,847	--	1,734,847	2,919,605
Cash paid to suppliers for goods and services	(32,809,451)	(23,299,488)	(4,364,687)	(60,473,626)	(3,624,622)
Cash paid to employees for salaries and benefits	(4,818,928)	(117,882)	(869,225)	(5,806,035)	(549,866)
Net cash provided (used) by operating activities	(34,449,614)	(17,961,316)	456,979	(51,953,951)	(1,254,883)
Cash Flows from Noncapital Financing Activities					
Property tax revenues	--	3,229,758	--	3,229,758	--
Operating grants received	33,933,483	--	--	33,933,483	--
Intergovernmental revenues	--	13,922,809	163,229	14,086,038	--
Repayment of notes receivable	239,208	--	--	239,208	--
Other restricted receipts	140,000	--	--	140,000	--
Interfund loans	--	--	(168,608)	(168,608)	--
Notes receivable issued	(213,823)	--	--	(213,823)	--
Interest received on notes receivable	154,456	--	--	154,456	--
Related party transactions	323,729	--	--	323,729	--
Debt issued to acquire assets held for sale	967,500	--	--	967,500	--
Principal paid on debt used to acquire assets held	(1,262,871)	--	--	(1,262,871)	--
Interest paid on debt used to acquire assets held	(7,014)	--	--	(7,014)	--
Internal activities - payment from other funds	--	--	--	--	57,182
Internal activities - payment to other funds	--	--	(50,000)	(50,000)	--
Transfers out	--	--	(600,000)	(600,000)	(140)
Transfers in	--	--	650,000	650,000	3,646,496
Net cash provided (used) by noncapital financing activities	34,274,668	17,152,567	(5,379)	51,421,856	3,703,538
Cash Flows from Capital and Related Financing Activities					
Principal repayments on long-term debt	(907,411)	--	--	(907,411)	--
Capital contributions	1,200,041	2,733,216	--	3,933,257	--
Debt issued	3,272,439	--	--	3,272,439	--
Interest repayments related to capital purposes	(60,419)	--	--	(60,419)	--
Proceeds from sale of capital assets	--	9,365	--	9,365	--
Payments related to the acquisition of capital assets	(1,165,172)	(3,265,483)	(206,066)	(4,636,721)	--
Net cash provided (used) by capital and related financing activities	2,339,478	(522,902)	(206,066)	1,610,510	--
Cash Flows from Investing Activity					
Interest and investments earnings received	24,885	2,575	434,007	461,467	--
Net increase (decrease) in cash and cash equivalents	2,189,417	(1,329,076)	679,541	1,539,882	2,448,655
Cash and cash equivalents, beginning of year, restated	8,260,223	2,439,083	1,778,304	12,477,610	21,503,016
Cash and cash equivalents, end of year	\$ 10,449,640	\$ 1,110,007	\$ 2,457,845	\$ 14,017,492	\$ 23,951,671

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, 2013/December 31, 2012

	Business-Type Activities - Enterprise Funds				Governmental
	Housing Authority 12/31/2012	Marin	Nonmajor	Total	Activities
		Transit	Enterprise		Workers'
		District 6/30/2013	Funds 6/30/2013		Compensation Internal Service 6/30/2013
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (36,175,028)	\$ (19,304,190)	\$ 370,982	\$ (55,108,236)	\$ (5,448,210)
Depreciation	1,165,957	715,867	260,073	2,141,897	--
Prior period adjustment	--	--	--	--	38,149
Bad debt written off	20,000	--	--	20,000	--
Changes in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	33,296	1,203	416,447	450,946	--
Assets held for sale	196,160	--	--	196,160	--
Prepaid items and other assets	59,450	162,174	36,804	258,428	(12,864)
Increase (decrease) in:					
Accounts payable	(48,229)	438,148	111	390,030	(40,704)
Salaries payable	(30,739)	15,194	9,485	(6,060)	(37,254)
Unearned revenue	33,365	--	(189,240)	(155,875)	--
Liability for compensated absences	(98,056)	10,288	3,691	(84,077)	--
Other liabilities	325,604	--	(451,374)	(125,770)	4,246,000
Other post-employment benefits liability	109,000	--	--	109,000	--
Deposits and escrow	(40,394)	--	--	(40,394)	--
Net Cash Provided (Used) by Operating Activities	<u>\$ (34,449,614)</u>	<u>\$ (17,961,316)</u>	<u>\$ 456,979</u>	<u>\$ (51,953,951)</u>	<u>\$ (1,254,883)</u>
Noncash investing, capital, and financing activities:					
Borrowing under capital lease	\$ 2,172,439	\$ --	\$ --	\$ 2,172,439	\$ --

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

COUNTY OF MARIN

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

ASSETS	Investment Trust	Agency Funds	Private Purpose Trust Fund
	<u> </u>	<u> </u>	<u> </u>
Current Assets:			
Cash and investments	\$ 454,036,124	\$ 41,397,925	\$ 2,070,067
Cash with fiscal agent	160,000	1,080,040	67,723
Taxes receivable	--	19,698,846	--
Accounts receivables	--	320,649	43,950
Note receivables	--	--	110,000
Capital assets:			
Nondepreciable	--	--	30,014
Total current assets	<u>454,196,124</u>	<u>62,497,460</u>	<u>2,321,754</u>
 LIABILITIES:			
Accrued interest payable	--	--	182,169
Other liabilities	--	--	774,932
Noncurrent liabilities:			
Due within one year	--	--	445,000
Due in more than one year	--	--	9,520,000
Agency funds held for others	--	62,497,460	--
Total liabilities	<u> </u>	<u>62,497,460</u>	<u>10,922,101</u>
 NET POSITION			
Net position held in trust for investment pool participants and others	454,196,124	--	(8,600,347)
Total net position	<u>\$ 454,196,124</u>	<u>\$ </u>	<u>\$ (8,600,347)</u>

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

COUNTY OF MARIN

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2013

	Investment Trust Fund	Private Purpose Trust Fund
	<u> </u>	<u> </u>
Additions:		
Property tax revenue	\$ --	\$ 2,536,368
Contributions to investment pool	962,488,333	--
Interest	815,939	4,797
Agency receipts	--	40,885
Total additions	<u>963,304,272</u>	<u>2,582,050</u>
Deductions:		
Distributions from investment pool	976,381,090	--
Administrative and other	--	282,952
Payments to Marin City CLC - Ridgeway Marin LP	--	254,411
Due diligence payment to California State Department of Finance	--	859,788
Tax increment disbursements	--	1,281,977
Interest expense	--	549,915
Total deductions	<u>976,381,090</u>	<u>3,229,043</u>
Change in net position	(13,076,818)	(646,993)
Net position, beginning, restated	<u>467,272,942</u>	<u>(7,953,354)</u>
Net position, ending	<u>\$ 454,196,124</u>	<u>\$ (8,600,347)</u>

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

**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, 2013

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:

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.

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. *Blended Component Units, Continued*

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.

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 (Marin 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 Position 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.

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Presentation, Continued

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.

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 position is 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 general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation and cultural 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 Housing Authority's year end was December 31, 2012.
- The *Marin County Transit District* accounts for activities related to the provision of transit services within the County.

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. *Basis of Presentation, Continued*

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.
- *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.

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

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 position.

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.

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 1st 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, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. *Long-Term Receivables*

Noncurrent portions of receivables for governmental fund types are reported on their balance sheets, despite their measurement focus.

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."

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.

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. *Reclassifications*

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

R. *Net Position and Fund Balances*

The government-wide and proprietary funds utilize a net position presentation. Net position is classified as follows:

- *Net investment in capital assets* 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 position* is the amount representing the net position which usage is 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 position* is the amount representing portion of net position 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.
- **Committed fund balances** – Consist of resource balances with constraints imposed by formal action of the Board of Supervisors (the Board) through public meeting minutes that specifically state the revenue source and purpose of the commitment. Commitments may be modified or rescinded as approved by the Board of Supervisors in a public meeting.
- **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.

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 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.

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.

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

S. New Pronouncements, Continued

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, 2013, the net asset value of involuntary participation in the investment pool was \$498,811,879 or 57.8% 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 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.

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 2: CASH AND INVESTMENTS, Continued

Cash and investments at June 30, 2013, consist of the following:

Cash and Investments in County Pool:	
Cash	\$ 6,987,480
Investments	<u>821,507,533</u>
	828,495,013
Less outstanding warrants and other reconciling items	<u>(23,509,283)</u>
Total Cash and Investments in County Pool	804,985,730
Cash and Investments Outside County Pool:	
Other deposits	5,477,660
Investments of blended component unit	7,001,433
Investments with fiscal agent	45,134,697
Deposits with fiscal agent	596,842
Specific investments	<u>521,887</u>
Total Cash and Investments Outside County Pool	<u>58,732,519</u>
Total Cash and Investments	<u>\$ 863,718,249</u>

Total cash and investments at June 30, 2013 were presented on the County's financial statements as follows:

Primary Government	\$ 364,906,370
Investment Trust Fund	454,196,124
Agency Funds	42,477,965
Private Purpose Trust Fund	<u>2,137,790</u>
	<u>\$ 863,718,249</u>

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, 2013

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, 2013, the County's investments consist of the following:

	Interest Rates	Maturities	Par Value	Book Carrying Value	Fair Value	WAM (Years)
Pooled Investments						
Federal Agencies	0.02% - 1.126%	7/1/13 to 6/24/16	\$ 800,652,000	\$ 800,348,062	\$ 800,277,769	0.50
Money Market	Variable	On Demand	20,003,029	20,003,029	20,003,029	-
California Local Agency Investment Fund (LAIF)	Variable	On Demand	235,665	235,665	235,665	-
Miscellaneous Securities	3.5% - 3.6%	12/19/13 to 12/19/17	920,777	920,777	920,777	2.40
Total pooled investments			<u>\$ 821,811,471</u>	<u>\$ 821,507,533</u>	<u>\$ 821,437,240</u>	0.49
Investments Outside Investment Pool						
<i>Cash held with fiscal agent</i>						
Money market mutual funds	Variable	On Demand	\$ 42,466,715	\$ 42,466,727	\$ 42,466,715	0.02
Investment contracts	4.77%	6/1/2047	2,667,970	2,667,970	2,667,970	2.01
			<u>\$ 45,134,685</u>	<u>\$ 45,134,697</u>	<u>\$ 45,134,685</u>	2.03
California Local Agency Investment Fund (LAIF)			\$ 521,887	\$ 521,887	\$ 521,887	-
			<u>\$ 521,887</u>	<u>\$ 521,887</u>	<u>\$ 521,887</u>	

At June 30, 2013, the difference between the book and fair value of cash and investments was not material (book value was 99.99% 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, 2013

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, 2013, investment pool had a weighted average maturity of 0.49 years, or approximately 177 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, 2013, in accordance with State law and the County's Investment Policy, the County did have 10% or more of its net investment in any one money market mutual fund.

At June 30, 2013, 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	36.94%
Federal National Mortgage Association	29.04%
Federal Home Loan Bank	29.62%

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, 2013.

	Moody's	S & P	% of Portfolio
Investments in Investment Pool			
Federal Agencies Coupon	Aaa	AAA	17.04%
Federal Agencies Discount: Fed Hom Ln Bk*	Unrated	Unrated	22.92%
Federal Agencies Discount: Fed Home Ln Mtg Corp*	Unrated	Unrated	34.51%
Federal Agencies Discount: Fed Natl Mgt Assn*	Unrated	Unrated	22.95%
Federal Agencies Discount: Fed Agric Mtg Corp**	Unrated	Unrated	0.01%
Miscellaneous Securities	Unrated	Unrated	0.11%
Money Market/Mutual Funds	Aaa	AAAm	2.43%
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, 2013

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, 2013, the County's pooled investment position in the State of California Local Agency Investment Fund (LAIF) was \$235,665 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 \$53.8 billion. Of that amount, 98.04% was invested in non-derivative financial products and 1.96% 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, 2013

NOTE 2: CASH AND INVESTMENTS, Continued

County Investment pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool as of June 30, 2013:

Statement of Net Position

Equity of internal pool participants	351,258,177
Equity of external pool participants	456,106,191
Total net position	\$ 807,364,368

Statement of Changes in Net Position

Net position, beginning of year	\$ 850,475,164
Net change in investments by pool participants	(43,110,796)
Net position, end of year	\$ 807,364,368

NOTE 3: NOTES RECEIVABLE

Notes receivable consists of following activities:

	Balance July 1, 2012	Notes Issued	Repayments	Adjustments	Balance June 30, 2013
Governmental Activities:					
General Fund:					
Central Note for McInnis Park Golf Center for \$600,000 with accrued interest of \$3,167. Note is due on 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 in June 2057.	739,525	-	-	-	739,525
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. This is an additional loan amount representing contingency funds to cover any unanticipated costs related to the construction project. This loan does not accrue interest. Note is due in October 2032.	-	400,000	-	-	400,000
Subtotal General Fund	1,342,692	400,000	-	-	1,742,692
Other Governmental Funds:					
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 balance reserves have been set-aside for the full amount of the loans.	5,871,000	500,000	-	-	6,371,000
Total Governmental Activities	\$ 7,213,692	\$ 900,000	\$ -	\$ -	\$ 8,113,692
Business-Type Activities:					
Marin Housing Authority					
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.	\$ 4,983,783	\$ 236,642	\$ (253,148)	\$ -	\$ 4,967,277

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 4: UNEARNED REVENUE/UNAVAILABLE REVENUE

Under both the accrual and modified accrual basis of accounting, revenues are recognized only when earned. Thus, the government-wide statement of net position, 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, 2013, the various components of deferred revenue for governmental funds were as follows:

	Unearned
Governmental Activities:	
General Fund:	
Reimbursable grants advances	\$ 2,420,122
Fees for services	144,638
Total General Fund	2,564,760
Other Governmental Funds:	
Reimbursable grants advances	1,945,102
Fees for services	4,213
Total Governmental Activities	\$ 4,514,075
Business-Type Activities:	
Fees for services	614,527
Prepaid rents	18,992
Total Business-Type Activities	\$ 633,519

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, 2013, is as follows:

Due to other funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Other Nonmajor Governmental Funds	\$ 557,505	Temporary loans to cover short-term operational deficit
	Other Nonmajor Governmental Funds	520,000	Loan to Flood Control Zone #1 to construct Vineyard Creek Flood Control Project and Novato Creek Maintenance Dredging Project
	Nonmajor Enterprise Fund	50,000	Loan to Marin Commons
		\$ 1,127,505	

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 5: INTERFUND TRANSACTIONS, Continued

Advances to other funds

Receivable Fund	Payable Fund	Amount	Purpose
Other Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	\$ 45,400	To cover required reserve for i-Bank loan for 1915 East Shore Wastewater

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	\$ 7,000,000	Capital Improvement projects
	Miscellaneous Capital Project Fund	9,700,000	Emergency operations facility
	Miscellaneous Capital Project Fund	244,000	Miscellaneous projects
	Other Nonmajor Governmental Funds	4,178,129	Roads and bridges
	Other Nonmajor Governmental Funds	2,035,000	Road safety improvements
	Other Nonmajor Governmental Funds	200,000	Miscellaneous capital improvements
	Other Nonmajor Governmental Funds	2,857,288	Various program contributions
	Other Nonmajor Governmental Funds	10,320,362	Debt Service
	Nonmajor Enterprise Fund	50,000	Marin Commons property management operations
	<u>36,584,779</u>		
Miscellaneous Capital Project Fund	General Fund	362,560	Roads and bridges
	Nonmajor Enterprise Fund	600,000	Marin Commons property management operations
	<u>962,560</u>		
Health and Sanitation Fund	General Fund	14,342,983	Various Program reimbursements
	General Fund	42,681,192	Realignment
	Other Nonmajor Governmental Funds	2,595,428	Realignment
	<u>59,619,603</u>		
General Fund	Internal Service Fund	3,646,496	Short-term loan from General Fund
Nonmajor Enterprise Fund	General Fund	600,000	Marin Commons property management operations
Other Nonmajor Governmental Funds	Other Nonmajor Governmental Funds	990,000	Debt service
	General Fund	4,578,784	Various program reimbursements
	General Fund	175,047	Affordable Housing Trust
	General Fund	150,000	Buckelew loan
	Other Nonmajor Governmental Funds	684,826	Allocation of pension obligation costs
	Other Nonmajor Governmental Funds	308,000	CFHA loan payoff
	Other Nonmajor Governmental Funds	3,302,277	Various program reimbursements
	Other Nonmajor Governmental Funds	193,450	Roads and bridges
	Other Nonmajor Governmental Funds	2,517,408	Capital improvement projects
	<u>12,899,792</u>		
	Total Government Transfers In and Out	<u>\$ 114,313,230</u>	

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance July 1, 2012	Additions	Deletions	Adjustments/ Transfers	Audited June 30, 2012 June 30, 2013
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 36,624,815	\$ 652,910	\$ --	\$ 227,005	\$ 37,504,730
Land improvements	1,205,009,639	--	--	--	1,205,009,639
Easements	2,999,188	--	--	--	2,999,188
Construction in progress	4,172,936	12,604,352	--	(2,290,561)	14,486,727
Total capital assets not being depreciated	<u>1,248,806,578</u>	<u>13,257,262</u>	<u>--</u>	<u>(2,063,556)</u>	<u>1,260,000,284</u>
Capital assets, being depreciated					
Structures and improvements	225,005,750	--	--	158,306	225,164,056
Equipment	48,902,856	4,999,502	(8,058,576)	--	45,843,782
Infrastructure	303,407,245	--	--	1,905,250	305,312,495
Total capital assets being depreciated	<u>577,315,851</u>	<u>4,999,502</u>	<u>(8,058,576)</u>	<u>2,063,556</u>	<u>576,320,333</u>
Less accumulated depreciation for					
Structures and improvements	(111,072,898)	(10,567,663)	--	--	(121,640,561)
Equipment	(40,403,916)	(3,901,895)	8,040,218	--	(36,265,593)
Infrastructure	(265,932,434)	(10,148,444)	--	--	(276,080,878)
Total accumulated depreciation	<u>(417,409,248)</u>	<u>(24,618,002)</u>	<u>8,040,218</u>	<u>--</u>	<u>(433,987,032)</u>
Total capital assets being depreciated, net	<u>159,906,603</u>	<u>(19,618,500)</u>	<u>(18,358)</u>	<u>2,063,556</u>	<u>142,333,301</u>
Governmental activities capital assets, net	<u>\$ 1,408,713,181</u>	<u>\$ (6,361,238)</u>	<u>\$ (18,358)</u>	<u>\$ --</u>	<u>\$ 1,402,333,585</u>
Business-Type Activities					
Capital assets, not being depreciated					
Land	\$ 6,299,013	\$ --	\$ --	\$ --	\$ 6,299,013
Construction in progress	5,990,516	1,891,161	--	(947,831)	6,933,846
Total capital assets not being depreciated	<u>12,289,529</u>	<u>1,891,161</u>	<u>--</u>	<u>(947,831)</u>	<u>13,232,859</u>
Capital assets, being depreciated					
Structures and improvements	42,422,463	10,464	--	608,788	43,041,715
Equipment	6,631,218	2,735,096	(334,704)	339,043	9,370,653
Other property	3,426,892	--	--	--	3,426,892
Total capital assets being depreciated	<u>52,480,573</u>	<u>2,745,560</u>	<u>(334,704)</u>	<u>947,831</u>	<u>55,839,260</u>
Less accumulated depreciation for					
Structures and improvements	(24,747,853)	(1,220,214)	--	--	(25,968,067)
Equipment	(3,201,308)	(827,635)	303,641	--	(3,725,302)
Other property	(1,352,588)	(94,047)	--	--	(1,446,635)
Total accumulated depreciation	<u>(29,301,749)</u>	<u>(2,141,896)</u>	<u>303,641</u>	<u>--</u>	<u>(31,140,004)</u>
Total capital assets being depreciated, net	<u>23,178,824</u>	<u>603,664</u>	<u>(31,063)</u>	<u>947,831</u>	<u>24,699,256</u>
Business-type activities capital assets, net	<u>\$ 35,468,353</u>	<u>\$ 2,494,825</u>	<u>\$ (31,063)</u>	<u>\$ --</u>	<u>\$ 37,932,115</u>

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 6: CAPITAL ASSETS, Continued

Depreciation

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

Governmental activities:

General government	\$ 12,758,369
Public protection	1,537,162
Public ways and facilities	9,789,348
Health and sanitation	93,955
Public assistance	316
Recreation	300,844
Education	138,008
Total Depreciation Expense - Governmental Activities	\$ 24,618,002

Business-type activities:

Housing Authority	\$ 1,165,957
County Fair	73,745
Airport	98,978
Marin Org	86,826
Marin Commons Property Management	523
Transit	715,867
Total Depreciation Expense - Business-Type Activities	\$ 2,141,896

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 (September 2013), concludes that given program assets, as of June 30, 2013 the program is funded below 90% confidence level.

The actuarially determined outstanding claims liability, including incurred but not reported claims at 80% confidence level, at June 30, 2013 is \$24,062,000. The Board has adopted a funding policy that program assets be maintained at or above the 70% confidence level, including recognition of anticipated investment income.

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

Worker's Compensation

	2013	2012
Liability Balance, Beginning of Fiscal Year	\$ 19,816,000	\$ 19,272,000
Current year claims and changes in estimates	7,865,081	4,267,322
Claim payments	(3,619,081)	(3,723,322)
Liability Balance, End of Fiscal Year	\$ 24,062,000	\$ 19,816,000

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

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 (August 2013), concludes that given program assets, as of June 30, 2013 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, 2013 is \$5,038,000.

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

General Liability

	<u>2013</u>	<u>2012</u>
Liability Balance, Beginning of Fiscal Year	\$ 5,593,000	\$ 5,485,000
Current year claims and changes in estimates	(91,717)	564,097
Claim payments	<u>(463,283)</u>	<u>(456,097)</u>
Liability Balance, End of Fiscal Year	<u>\$ 5,038,000</u>	<u>\$ 5,593,000</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, 2013

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, 2013:

	Restated Balance July 1, 2012	Additions	Deletions	Adjustments	Balance June 30, 2013	Amounts Due Within One Year
Governmental Activities						
Bonds payable						
Revenue bonds payable	\$ 6,185,000	\$ -	\$ 325,000	\$ -	\$ 5,860,000	\$ 345,000
Taxable pension obligation bonds 2003	110,185,000	-	1,785,000	-	108,400,000	2,315,000
Tobacco settlement asset-backed bonds 2007	49,558,414	-	1,629,822	732,268 *	48,660,860	454,096
Less: unamortized discount	(559,730)	-	(62,193)	-	(497,537)	(62,193)
Subtotal - Bonds Payable	<u>165,368,684</u>	<u>-</u>	<u>3,677,629</u>	<u>732,268</u>	<u>162,423,323</u>	<u>3,051,903</u>
Loans payable	<u>4,604,731</u>	<u>124,147</u>	<u>1,922,289</u>	<u>(40,979) *</u>	<u>2,765,610</u>	<u>235,611</u>
Certificates of Participation						
Certificates of participation 2001	11,570,000	-	360,000	-	11,210,000	375,000
Certificates of participation 2010	59,365,000	-	1,760,000	-	57,605,000	1,795,000
Add: Unamortized premium	1,566,766	-	156,677	-	1,410,089	156,677
Certificates of participation 2012	<u>908,103</u>	<u>-</u>	<u>36,098</u>	<u>-</u>	<u>872,005</u>	<u>39,020</u>
Subtotal - Certificates of Participation	<u>73,409,869</u>	<u>-</u>	<u>2,312,775</u>	<u>-</u>	<u>71,097,094</u>	<u>2,365,697</u>
Capital leases	1,535,810	-	432,792	-	1,103,018	403,287
Compensated absences	14,048,310	11,639,371	11,796,766	-	13,890,915	10,946,398
Claims liability	<u>25,409,000</u>	<u>7,773,364</u>	<u>4,082,364</u>	<u>-</u>	<u>29,100,000</u>	<u>6,826,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 284,376,404</u>	<u>\$ 19,536,882</u>	<u>\$ 24,224,615</u>	<u>\$ 691,289</u>	<u>\$ 280,379,960</u>	<u>\$ 23,828,896</u>
Business-Type Activities						
Notes payable - HCD	\$ 2,861,319	\$ -	\$ -	\$ -	\$ 2,861,319	\$ -
Mortgages payable - Housing	905,646	-	905,646	-	-	-
Mortgages payable - Office building refinance	-	1,100,000	1,765	-	1,098,235	20,973
Line of credit - Housing	-	327,500	240,000	-	87,500	87,500
Housing loans from other governmental agencies	1,401,674	640,000	998,114	(878,560)	165,000	165,000
Capital leases	-	2,172,439	-	-	2,172,439	25,804
Compensated absences	<u>326,589</u>	<u>28,299</u>	<u>112,376</u>	<u>-</u>	<u>242,512</u>	<u>73,294</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 5,495,228</u>	<u>\$ 4,268,238</u>	<u>\$ 2,257,901</u>	<u>\$ (878,560)</u>	<u>\$ 6,627,005</u>	<u>\$ 372,571</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, 2013

NOTE 8: LONG-TERM OBLIGATIONS, Continued

The following table summarizes the County's long-term obligations as of June 30, 2013:

	Maturity	Date of Issue	Interest Rates	Annual Principal Installments	Amount Authorized	Outstanding at June 30, 2013
Governmental Activities						
Revenue Bonds:						
2002 Open Space Revenue Bonds	2028	2002	1.50%-5.125%	\$195,000-\$515,000	\$ 8,910,000	\$ 5,860,000
Pension Obligation Bonds:						
Taxable Pension Obligation Bonds Series A (fund pension liability)	2027	2003	4.60%-5.41%	\$50,000-\$14,940,000	112,805,000	108,400,000
Asset-Backed Bonds:						
Tobacco Settlement Asset-Backed Bonds Payable (Series 2007A through F) Unamortized discount and issuance costs	2057	2007	4.63%-6.90%	\$485,000-\$8,350,986	49,870,081 (932,888)	48,660,860 (497,537)
Loans Payable:						
Energy Conservation Loan	2019	2009	3.95%	\$12,102-\$21,517	233,120	111,878
Energy Resource Conservation - Solar Panels	2023	2009	4.50%	\$28,373-\$49,287	553,345	406,687
I - Bank Loan	2027	2009	3.29%	\$47,681-\$49,088	681,600	567,976
Energy Resource Conservation - Auditorium	2025	2011	1.00%	\$12,419-\$15,732	410,781	356,705
Energy Resource Conservation - Exhibit Hall	2023	2008	4.50%	\$6,259-\$14,822	326,477	241,893
California Energy Commission	2023	2012	0.00%	Various	1,054,869	965,635
Energy Efficiency Retrofit	2023	2012	0.00%	\$1,035	124,147	114,836
Loans Payable Subtotal					<u>3,384,339</u>	<u>2,765,610</u>
Certificates of Participation:						
2001 Issue (finance capital improvement projects)	2032	2001	4.70%-7.00%	\$215,000-\$880,000	14,100,000	11,210,000
2010 Issue (finance projects) Unamortized Premium	2040	2010	2.00%-4.375%	\$1,460,000-\$2,855,000	61,540,000 1,880,120	57,605,000 1,410,089
2012 Issue (Homestead)	2027	2012	4.00%	\$16,897-\$45,853	925,000	872,005
Certificates of Participation Subtotal:					<u>78,445,120</u>	<u>71,097,094</u>
Capital Leases:						
Server Upgrade	2014	2008	3.47%	\$56,798-\$65,109	304,413	65,108
Computer Infrastructure Upgrade	2016	2010	3.55%	\$320,066-\$353,820	1,688,596	1,037,910
Capital Leases Subtotal					<u>1,993,009</u>	<u>1,103,018</u>
Compensated absences					14,048,310	13,890,915
Claims liabilities					25,409,000	29,100,000
Total Governmental Activities Long-Term Liabilities					<u>\$ 293,931,971</u>	<u>\$ 280,379,960</u>
Business-Type Activities						
Notes payable - HCD	2014	2006	0%-3.00%	Deferred	\$ 2,861,319	\$ 2,861,319
Mortgages Payable - Office building refinance	2022	2012	5.50%	\$81,684 - \$917,282	1,100,000	1,098,235
Line of credit	2013	2012	5.25%	Various	327,500	87,500
Housing loans from other governmental agencies	2013	2012	0%	Various	640,000	165,000
Capital leases	2027	2012	4.26%	\$203,832	2,172,439	2,172,439
Compensated absences					326,589	242,512
Total Business-Type Activities Long-Term Liabilities					<u>\$ 7,427,847</u>	<u>\$ 6,627,005</u>

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 8: LONG-TERM OBLIGATIONS, Continued

(a) 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.

(b) 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.

(c) 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.

(d) 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.

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 8: LONG-TERM OBLIGATIONS, Continued

(e) 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.

(f) 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.

As of June 30, 2013, 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
2014	\$ 3,114,096	\$ 7,772,489	\$ 2,209,020	\$ 2,720,186	\$ 235,611	\$ 82,849
2015	3,722,187	7,616,074	2,267,088	2,676,748	242,747	75,607
2016	4,394,124	7,426,571	2,325,311	2,611,975	249,998	68,248
2017	5,119,911	7,199,805	2,403,695	2,535,349	257,782	60,352
2018	6,011,904	6,931,788	2,487,246	2,455,571	265,705	52,314
2019-2023	44,541,013	28,640,052	13,750,916	10,964,918	1,233,515	137,670
2024-2028	58,620,000	13,245,516	12,183,729	8,464,361	280,252	19,447
2029-2033	5,485,000	5,886,675	12,535,000	5,870,463	-	-
2034-2038	6,545,000	4,626,250	11,360,000	3,389,838	-	-
2039-2043	7,680,000	2,861,250	8,165,000	625,625	-	-
2044-2048	6,795,000	870,250	-	-	-	-
2049-2057	10,892,625	179,468,412	-	-	-	-
Less Unamortized Premium (Discount)	(497,537)	-	1,410,089	-	-	-
	<u>\$ 162,423,323</u>	<u>\$ 272,545,132</u>	<u>\$ 71,097,094</u>	<u>\$ 42,315,034</u>	<u>\$ 2,765,610</u>	<u>\$ 496,487</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.

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 8: LONG-TERM OBLIGATIONS, Continued

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.

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	\$ 2,172,439
Less: Accumulated depreciation	(596,742)	-
	\$ 150,549	\$ 2,172,439

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, 2013:

Year Ending June 30:	Governmental Activities	Business-Type Activities
2014	\$ 427,233	\$ 203,832
2015	359,864	203,832
2016	359,864	203,832
2017	-	203,832
2018	-	203,832
2019-2023	-	1,019,160
2024-2028	-	1,019,160
Total debt service requirements	1,146,961	3,057,480
Less: Amount representing interest	(43,943)	(885,041)
Present value of remaining payments	\$ 1,103,018	\$ 2,172,439

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 8: LONG-TERM OBLIGATIONS, Continued

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
2014	\$ 2,427,223	\$ 1,129,810	\$ 3,557,033
2015	2,211,306	1,013,022	3,224,328
2016	1,240,893	739,060	1,979,953
2017	327,917	430,864	758,781
2018	213,919	105,256	319,175
2019-2021	189,933	2,798	192,731
Total	<u>\$ 6,611,191</u>	<u>\$ 3,420,810</u>	<u>\$ 10,032,001</u>

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.

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, 2012:

- The annual real rate of return on plan assets is assumed to be 7.50%, net of investment and administrative expenses.
- The cost of living, as measured by the Consumer Price Index (CPI), will increase at the rate of 3.25% per year.
- Rate of salary increase is assumed to be 3.25% for the general plan and safety plan, plus service-based increases due to longevity and promotion.

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

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 9: EMPLOYEES' RETIREMENT PLAN, Continued

(c) Annual Pension Cost

For the fiscal year ended June 30, 2013, the County's annual pension cost was \$47,541,000.

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 closed period of 17 years as a level percentage of payroll. This includes amortization of the unfunded present value of credited projected benefits.

The employer contribution rate, determined based on actual demographic and asset information, has increased by over 1.3% of active member payroll. The benefit provisions of the plan remained unchanged from the prior valuation.

Current year assumptions were not changed since the prior valuation. Current assumptions are based on the most recent experience study conducted by EFI Actuaries for the period covering July 1, 2008 through June 30, 2011.

Three-Year Trend Information (in thousands)

<u>Year Ending June 30:</u>	<u>Annual Required Contribution (ARC)</u>	<u>Actual Contributions</u>	<u>Percentage of ARC Contributed</u>
2012	\$ 46,041	\$ 47,541	103.0%
2011	45,277	46,777	103.0%
2010	39,437	39,437	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	\$ 70,503,110
Net pension asset, end of year	\$ 65,802,900

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

<u>Valuation Date (Most Recent Data Available) June 30:</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
2012	1,101,390	1,491,924	390,534	73.80%	170,483	229.10%
2011	1,065,255	1,436,008	370,753	74.20%	175,397	211.40%
2010	1,018,082	1,402,358	384,276	72.60%	176,833	217.30%

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

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.
- 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 Anthem 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. Currently, the Plan 3 cap is \$8,853 per year.
- 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, 2012, the Authority had eight retirees who were eligible for the program and receiving benefits. The Authority had another forty-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.

The Marin Transit District provides a Simplified Employee Pension Plan (SEP Plan) and Section 457 deferred compensation plan to its directly hired employees. Marin Transit District contributed 10% of each employee's salary to the SEP plan during the year ended June 30, 2013, which amounted to \$10,772, but made no contributions to the Section 457 plan. In August 2013, Marin Transit District's Board of Directors approved a Section 401(a) deferred contribution plan, to which Marin Transit District may contribute 10% - 15% of each employee's salary. The Section 401(a) plan will replace the SEP plan.

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

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

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. In February 2013, the County entered into an irrevocable trust agreement with California Employers' Retiree Benefit Trust Program (CERBT) to pre-fund the County's OPEB through CalPERS, in addition to the County's regular pay-as-you go contributions. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 45, funds contributed to the trust are irrevocable and are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan. The County began pre-funding the full annual required contribution beginning in fiscal year 2012-13. For fiscal year 2012-13, the County contributed \$26,284,368 to the CERBT, plus \$11,308,370 through the regular pay-as-you go, for a total of \$37,592,738 in premium payments for retirees, plus implied subsidy payments of \$1,280,000 through active employee premiums.

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 2012 totaled \$5,490. The Authority accrued the remaining actuarial determined liability of \$109,000, to recognize expense in the current fiscal year.

The Marin Transit District does not currently provide other postemployment benefits (OPEB) to directly hired employees.

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 5.50% and is computed on the unfunded amount.

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

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

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

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	\$ 24,353,000	\$ 115,000
Interest on net OPEB obligation	6,137,000	12,000
Adjustment to annual required contribution	(5,272,000)	(12,510)
Annual OPEB cost (expense)	25,218,000	114,490
Contributions made	(38,872,738)	(5,490)
Increase in net OPEB obligation	(13,654,738)	109,000
Net OPEB obligation - beginning of year	111,585,180	251,253
Net OPEB obligation - end of year	\$ 97,930,442	\$ 360,253

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
2013	25,218,000	159.62%	97,930,442
2012	27,439,000	43.57%	111,585,180
2011	28,034,000	42.20%	96,101,590

The Housing Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012.

Fiscal Year Ended December 31	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	End of Year Net OPEB Obligation
2012	114,490	4.80%	360,253
2011	95,887	5.10%	251,253
2010	89,294	4.80%	166,000

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

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

D. Funded Status

The funded status of the plan based on the most recent actuarial valuation as of July 1, 2013, is as follows:

Actuarial Accrued Liability (AAL)	\$ 361,711,000
Actuarial Value of Plan Assets	<u>26,366,000</u>
Unfunded Actuarial Accrued Liability (UAAL)	335,345,000
Funded Ratio (Actuarial value of plan assets/AAL)	7.29%
Covered Payroll (active plan members)	151,988,000
UAAL as a Percentage of Covered Payroll	220.64%

For the Housing Authority, as of January 1, 2013, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$1,041,780, all of which is unfunded. The covered payroll (annual payroll of active employees covered by the plan) for the current fiscal year was \$2.9 million; therefore, unfunded actuarial accrued liability as a percentage of covered payroll is 35.5%.

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.

Assumptions remained consistent with the Marin County Employees' Retirement Association Experience Study for July 1, 2008 through June 30, 2011 with the exception of the assumed interest rate which increased from 4.25% to 5.50%. No other changes were made to actuarial methods.

The Unfunded Actuarial Accrued Liability (UAAL) was amortized over an open period of 29 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)
7/1/13	\$ 26,366	\$ 361,711	\$ 335,345	7.29%	\$ 151,988	220.64%
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%

COUNTY OF MARIN

Notes to Financial Statements
For the Year Ended June 30, 2013

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

E. Actuarial Methods and Assumptions, Continued

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)
01/31/13	\$ -	\$ 1,042	\$ 1,042	0.00%	\$ 2,933	35.53%
12/31/11	-	489	489	0.00%	4,000	12.23%
12/31/10	-	489	489	0.00%	3,800	12.87%

NOTE 11: COMMITMENTS AND CONTINGENT LIABILITIES

Construction Commitments

At June 30, 2013, the County had ongoing construction commitments that totaled approximately \$7 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.

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 12: FUND BALANCES/NET POSITION

Restatement of Beginning Fund Balances/Net Position

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

	Statement of Net Activities	Proprietary Funds	Governmental Funds		
	Governmental Activities	Internal Service Funds Fund	General Fund	Health and Sanitation	Other Governmental Funds
<u>Governmental Activities</u>					
Net position/fund balance, beginning of year, as originally reported	\$ 1,499,721,990	\$ 1,763,565	\$ 181,875,574	\$ 30,353,031	\$ 123,607,781
General Fund - To adjust principal and interest on Energy Conservation loan from PG & E	23,465	--	23,465	--	
H&S and Public Protection SR Funds - Regrouping of special revenue funds	--	--	--	(1,063,517)	1,063,517
Fire - To reverse prior year unsecured property taxes receivable in special revenue fund	(73,419)	--	--	--	(73,419)
HUD Funds - To reverse prior year erroneously accrued liability in the special revenue fund HUD	27,226	--	--	--	27,226
Internal Service Fund - To adjust for prior year accrued salaries and benefits	38,149	38,149	--	--	--
Adjustment to loans payable - Government-wide adjustment to reflect the updated amortization schedule as provided by CalHFA	117,103	--	--	--	--
Subtotal	132,524	38,149	23,465	(1,063,517)	1,017,324
Net position/fund balance, beginning of year, restated	\$ 1,499,854,514	\$ 1,801,714	\$ 181,899,039	\$ 29,289,514	\$ 124,625,105
<u>Business-Type Activities</u>					
Net position, beginning of year, as originally reported	\$ 47,744,278	\$ 9,187,324	\$ (7,994,004)		
To adjust for improper revenue recognition for County Fair	(128,081)	(128,081)	--		
To record prior year property management activity adjustment for Marin Commons	369,785	369,785	--		
To reclassify Marin Center Promotions Fund from Agency to Enterprise	133,689	133,689	--		
To record prior years accrued interest on receivable	--	--	40,650		
Subtotal	375,393	375,393	40,650		
Net position, beginning of year, restated	\$ 48,119,671	\$ 9,562,717	\$ (7,953,354)		

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 12: FUND BALANCES/NET POSITION, Continued

Net Position, Net Investment in Capital Assets

Net Position, net investment in capital assets as of June 30, 2013 consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net of accumulated depreciation	\$ 1,402,333,585	\$ 37,932,115
Outstanding principal of capital-related debt	(128,989,045)	(8,132,172)
Unspent proceeds	--	3,134,732
	<u>\$ 1,273,344,540</u>	<u>\$ 32,934,675</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, 2013

NOTE 12: FUND BALANCES/NET POSITION, 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, 2013 is as follows:

Fund balances:	General Fund	Health and Sanitation	Miscellaneous Capital Project Fund	Other Governmental Funds	Total
Non-spendable					
Notes receivable - long term	\$ 1,742,692	\$ -	\$ -	\$ -	\$ 1,742,692
Prepaid expenses	2,295,221	13,276	-	-	2,308,497
Deposits with others	-	-	1,000,000	-	1,000,000
Inventory of supplies	681,917	-	-	112,376	794,293
Total Nonspendable	<u>4,719,830</u>	<u>13,276</u>	<u>1,000,000</u>	<u>112,376</u>	<u>5,845,482</u>
Restricted for:					
General government	10,740,177	-	-	2,734,388	13,474,565
Public protection	-	-	-	12,873,876	12,873,876
Public ways and facilities	-	-	-	8,272,990	8,272,990
Health and sanitation	-	18,747,903	-	-	18,747,903
Education	-	-	-	6,514,647	6,514,647
Recreation and cultural services	-	-	-	251,857	251,857
Courthouse construction	-	-	-	794,471	794,471
Fish and game preservation	-	-	-	163,716	163,716
Child support services	-	-	-	261,873	261,873
Building inspection	-	-	-	832,827	832,827
Environmental health	-	-	-	326,683	326,683
Sewage district	-	-	-	559,315	559,315
Public utility projects	-	-	-	1,553,721	1,553,721
Miscellaneous community service area projects	-	-	-	16,051,427	16,051,427
Permanent road district	-	-	-	340,137	340,137
Tobacco settlement	-	-	-	3,662,555	3,662,555
In-home support services	-	-	-	54,720	54,720
Open space district	-	-	-	7,698,273	7,698,273
Redevelopment help loan	-	-	-	3,671,086	3,671,086
Flood control zone projects	-	-	-	20,538,322	20,538,322
Affordable housing	-	-	-	9,585,089	9,585,089
Debt service reserve	-	-	-	4,712,682	4,712,682
Emergency operations facility	-	-	24,629,572	-	24,629,572
Other capital projects	-	-	-	9,157,600	9,157,600
Total Restricted	<u>10,740,177</u>	<u>18,747,903</u>	<u>24,629,572</u>	<u>110,612,255</u>	<u>164,729,907</u>
Committed to:					
Capital improvement projects	8,925,156	-	-	-	8,925,156
Retiree liability	2,427,001	-	-	-	2,427,001
Self insurance	13,501,391	-	-	-	13,501,391
Economic uncertainties	22,785,694	-	-	-	22,785,694
New financial system	5,342,000	-	-	-	5,342,000
Miscellaneous capital projects	10,815,392	-	-	-	10,815,392
State budget	4,803,954	-	-	500,000	5,303,954
Total Committed	<u>68,600,588</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>69,100,588</u>
Assigned to:					
General government	9,192,641	-	-	-	9,192,641
Eliminate subsequent year budget deficit	25,832,462	-	-	-	25,832,462
Vehicle and equipment replacement	2,069,485	-	-	-	2,069,485
Road repairs	-	-	-	1,559,845	1,559,845
Library	-	-	-	1,928,039	1,928,039
Debt service	-	-	-	5,689,219	5,689,219
Building inspection	-	-	-	1,625	1,625
Environmental health	-	-	-	113,494	113,494
Health and Sanitation	-	11,202,104	-	-	11,202,104
Other capital projects	-	-	37,445,829	4,838,262	42,284,091
Total Assigned	<u>37,094,588</u>	<u>11,202,104</u>	<u>37,445,829</u>	<u>14,130,484</u>	<u>99,873,005</u>
Unassigned:	4,176,408	-	-	-	4,176,408
Total fund balance	<u>\$ 125,331,591</u>	<u>\$ 29,963,283</u>	<u>\$ 63,075,401</u>	<u>\$ 125,355,115</u>	<u>\$ 343,725,390</u>

COUNTY OF MARIN

Notes to Financial Statements For the Year Ended June 30, 2013

NOTE 13: SPECIAL ITEM

Special items includes transactions that are unusual in nature and are not likely to occur again in the future. On the Statement of Revenues, Expenditures and Changes in Fund Balances, irregular items are reported separately from operating income due to their infrequent nature. Thus, as a result of the dissolution of Redevelopment Agencies in California effective February 1, 2012, by operation of law, the legislation provides that the Successor Agency be responsible for an oversight of the winding down of the redevelopment activities.

The special item of \$20,750 represents the excess proceeds that were received by the Successor Agency fund on behalf of the former Marin County Redevelopment Agency. The proceeds were then transferred to the County, pursuant to an Agency agreement, as authorized by their Recognized Obligation Payment Schedule (ROPS) for the period of January 1, 2013 through June 30, 2013.

NOTE 14: SUBSEQUENT EVENT

The County provides long-term financing to various local non-profit organizations for affordable housing construction and rehabilitation. One of these loans was to the Bolinas Community Land Trust to fund the affordable homes at Bolinas Station, with a \$240,000 loan balance as of June 30, 2013, scheduled to mature in December 2013. On October 29, 2013, the Board authorized a change in the terms of the loan, in the amount of \$240,000, to 0% interest and a 55 year term.

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REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF MARIN

Schedule of Funding Progress
For the Year Ended June 30, 2013

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
2012	\$ 1,103,390	\$ 1,491,924	\$ 390,534	73.80%	\$ 170,483	229.10%
2011	1,065,255	1,436,008	370,753	74.20%	175,397	211.40%
2010	1,018,082	1,402,358	384,276	72.60%	176,833	217.30%

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)
7/1/13	\$ 26,366	\$ 361,711	335,345	7.29%	\$ 151,958	220.64%
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%

COUNTY OF MARIN

Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 160,606,429	\$ 167,130,429	\$ 166,354,663	\$ (775,766)
Licenses and permits	5,938,035	6,126,214	6,378,421	252,207
Intergovernmental revenues	72,251,112	113,071,361	91,946,504	(21,124,857)
Charges for services	44,048,875	47,081,679	42,954,714	(4,126,965)
Fines and forfeits	6,526,188	9,533,490	10,343,609	810,119
From use of money and property	3,333,973	2,238,671	2,606,929	368,258
Miscellaneous	1,255,648	5,509,285	5,058,717	(450,568)
Total revenues	<u>293,960,260</u>	<u>350,691,129</u>	<u>325,643,557</u>	<u>(25,047,572)</u>
Expenditures:				
Current:				
General government				
Assessor-Recorder	9,294,501	9,134,335	8,562,042	572,293
Board of Supervisors	3,129,719	3,127,776	2,895,861	231,915
Community Development Agency	837,299	821,424	617,369	204,055
County Administrator	6,355,159	6,297,789	5,297,708	1,000,081
County Counsel	4,816,335	4,771,092	4,496,418	274,674
Department of Finance	7,542,497	7,197,395	6,384,532	812,863
Elections	2,551,505	2,557,688	2,260,787	296,901
Human Resources	5,278,909	5,189,154	5,005,593	183,561
Information Services & Technology	17,400,381	17,715,210	16,138,677	1,576,533
Non - Departmental	1,519,138	50,045,362	47,390,262	2,655,100
Public Works	14,117,127	10,180,211	9,825,444	354,767
Total general government	<u>72,842,570</u>	<u>117,037,436</u>	<u>108,874,693</u>	<u>8,162,743</u>
Public protection				
Agricultural Weights & Measures	2,203,423	2,241,471	2,193,705	47,766
Child Support Services	1,077,650	1,143,600	1,064,279	79,321
Community Development Agency	1,782,268	1,577,571	1,210,820	366,751
County Administrator	3,227,815	3,227,815	3,133,900	93,915
Department of Finance	432,807	433,174	409,504	23,670
District Attorney	12,917,666	13,622,880	12,582,547	1,040,333
Fire Department	19,428,609	21,790,639	21,191,675	598,964
Health and Human Services	2,086,741	2,050,353	2,021,727	28,626
Information Service & Technology	538,629	1,319,674	1,194,768	124,906
Non - Departmental	2,700,857	2,518,733	2,403,093	115,640
Probation	16,383,483	16,570,031	16,103,059	466,972
Public Defender	6,990,454	6,961,564	6,606,162	355,402
Public Works	6,219,759	17,110,533	5,668,876	11,441,657
Sheriff	54,931,086	56,829,230	55,586,343	1,242,887
Total public protection	<u>130,921,247</u>	<u>147,397,268</u>	<u>131,370,458</u>	<u>16,026,810</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		
Expenditures (continued):				
Public ways and facilities				
Non - Departmental	\$ 25,000	\$ 25,000	\$ 125,000	\$ (100,000)
Public Works	443,524	21,425,248	4,671,354	16,753,894
Total public ways and facilities	<u>468,524</u>	<u>21,450,248</u>	<u>4,796,354</u>	<u>16,653,894</u>
Health and sanitation				
Health and Human Services	93,718,739	93,761,015	85,430,263	8,330,752
Non - Departmental	200,000	201,667	150,000	51,667
Public Works	2,335,483	2,348,517	2,077,061	271,456
Total health and sanitation	<u>96,254,222</u>	<u>96,311,199</u>	<u>87,657,324</u>	<u>8,653,875</u>
Public assistance				
Community Development Agency	5,778,198	6,090,500	5,152,910	937,590
Health and Human Services	55,021,953	58,133,612	55,468,382	2,665,230
Non - Departmental	854,001	788,731	375,525	413,206
Public Works	--	4,074	--	4,074
Total public assistance	<u>61,654,152</u>	<u>65,016,917</u>	<u>60,996,817</u>	<u>4,020,100</u>
Education				
Farm Advisor/UC Coop Ext	246,367	253,885	248,899	4,986
Marin County Free Library	--	--	10	(10)
Non - Departmental	349,405	673,384	667,359	6,025
Total education	<u>595,772</u>	<u>927,269</u>	<u>916,268</u>	<u>11,001</u>
Recreation and cultural services				
Culture and Visitor Services	3,138,975	3,126,181	2,797,449	328,732
Non - Departmental	50,000	50,000	45,000	5,000
Open Space	--	--	(5,884)	5,884
Parks	5,330,529	5,286,494	5,217,494	69,000
Public Works	--	1,323,734	137,312	1,186,422
Total recreation and cultural services	<u>8,519,504</u>	<u>9,786,409</u>	<u>8,191,371</u>	<u>1,595,038</u>
Capital Outlay	2,746,864	4,383,599	7,051,068	(2,667,469)
Debt Service:				
Principal	42,071	174,576	156,402	18,174
Interest	30,016	73,462	59,637	13,825
Total debt service	<u>72,087</u>	<u>248,038</u>	<u>216,039</u>	<u>31,999</u>
Total expenditures	<u>374,074,942</u>	<u>462,558,383</u>	<u>410,070,392</u>	<u>52,487,991</u>
Deficiency of revenues under expenditures	<u>(80,114,682)</u>	<u>(111,867,254)</u>	<u>(84,426,835)</u>	<u>(27,440,419)</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):				
Sale of capital assets	\$ --	\$ --	\$ 6,300	\$ 6,300
Transfers in	61,855,702	75,512,194	68,072,768	(7,439,426)
Transfers out	(9,074,725)	(31,211,141)	(40,240,431)	(9,029,290)
Total other financing sources (uses), net	<u>52,780,977</u>	<u>44,301,053</u>	<u>27,838,637</u>	<u>(16,462,416)</u>
Special item	--	--	20,750	20,750
Net change in fund balances	(27,333,705)	(67,566,201)	(56,567,448)	10,998,753
Fund balances, beginning of year, restated	<u>181,875,574</u>	<u>181,875,574</u>	<u>181,899,039</u>	<u>23,465</u>
Fund balances, end of year	<u>\$ 154,541,869</u>	<u>\$ 114,309,373</u>	<u>\$ 125,331,591</u>	<u>\$ 11,022,218</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
Health and Sanitation
For the Fiscal Year Ended June 30, 2013

	<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>
Revenues:				
Intergovernmental revenues	\$ 49,341,453	\$ 52,413,168	\$ 47,835,866	\$ (4,577,302)
Charges for services	78,400	255,000	96,914	(158,086)
Fines and forfeits	--	16,368	6,156	(10,212)
From use of money and property	--	145	42,130	41,985
Miscellaneous	--	--	70	70
Total revenues	<u>49,419,853</u>	<u>52,684,681</u>	<u>47,981,136</u>	<u>(4,703,545)</u>
Other Financing Uses:				
Transfers out	<u>(49,419,853)</u>	<u>(52,684,681)</u>	<u>(47,307,367)</u>	<u>5,377,314</u>
Total other financing uses	<u>(49,419,853)</u>	<u>(52,684,681)</u>	<u>(47,307,367)</u>	<u>5,377,314</u>
Net change in fund balances	--	--	673,769	673,769
Fund balances, beginning of year, restated	<u>29,289,514</u>	<u>29,289,514</u>	<u>29,289,514</u>	<u>--</u>
Fund balances, end of year	<u>\$ 29,289,514</u>	<u>\$ 29,289,514</u>	<u>\$ 29,963,283</u>	<u>\$ 673,769</u>

COUNTY OF MARIN

Note to Required Supplementary Information For the Fiscal Year Ended June 30, 2013

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 General Fund's encumbrances at June 30, 2013 total to \$13.5 million, of which \$1.3 million is related to spending for Prop 63 Mental Health Services Act, and \$1.2 million pertains to the Marin Energy Watch Partnership. The remaining \$11 million encumbrance balance pertains to various County programs and projects.

The Miscellaneous Capital Projects Fund's encumbrances at June 30, 2013 amount to \$24.6 million. Of this amount, approximately \$20.9 million, or 89%, is related to the Emergency Operations Facility site project at 1600 Los Gamos in San Rafael, CA. In addition, \$1.6 million pertains to the Civic Center fire alarm upgrade project. The remaining \$2.1 million encumbrance balance pertains to various capital projects.

Expenditures exceeded appropriations for capital outlays in the General Fund by \$2,667,469 due to capital asset purchases being greater than expected.

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

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, 2013

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and investments in County pool	\$ 94,888,463	\$ 6,452,503	\$ 15,952,235	\$ 117,293,201
Cash with fiscal agent	--	7,666,088	--	7,666,088
Receivables:				
Accounts	170,589	--	--	170,589
Notes receivable - short term	6,371,000	--	--	6,371,000
Due from other governmental agencies	2,092,642	--	706,037	2,798,679
Advances to other funds	45,400	--	--	45,400
Inventory of supplies	112,376	--	--	112,376
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 103,680,470</u>	<u>\$ 14,118,591</u>	<u>\$ 16,658,272</u>	<u>\$ 134,457,333</u>
LIABILITIES				
Accounts payable	\$ 1,180,042	\$ 8,735	\$ 1,865,442	\$ 3,054,219
Accrued salaries and benefits	1,013,190	--	--	1,013,190
Due to other funds	1,077,505	--	--	1,077,505
Advances payable	--	45,400	--	45,400
Unearned revenue	1,949,315	--	--	1,949,315
Other liabilities	1,960,092	--	2,497	1,962,589
Total liabilities	<u>7,180,144</u>	<u>54,135</u>	<u>1,867,939</u>	<u>9,102,218</u>
FUND BALANCES				
Nonspendable	112,376	--	--	112,376
Restricted	92,284,947	8,375,237	9,952,071	110,612,255
Committed	500,000	--	--	500,000
Assigned	3,603,003	5,689,219	4,838,262	14,130,484
Total fund balances	<u>96,500,326</u>	<u>14,064,456</u>	<u>14,790,333</u>	<u>125,355,115</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 103,680,470</u>	<u>\$ 14,118,591</u>	<u>\$ 16,658,272</u>	<u>\$ 134,457,333</u>

COUNTY OF MARIN

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2013

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
Revenues:				
Taxes	\$ 23,433,078	\$ --	\$ --	\$ 23,433,078
Licenses and permits	7,275,377	--	1,572	7,276,949
Intergovernmental revenues	38,734,939	--	3,362,418	42,097,357
Charges for services	12,336,419	721,200	--	13,057,619
Fines and forfeits	746,269	--	409,140	1,155,409
From use of money and property	168,532	135,910	15,483	319,925
Miscellaneous	438,125	3,410,665	--	3,848,790
Total revenues	<u>83,132,739</u>	<u>4,267,775</u>	<u>3,788,613</u>	<u>91,189,127</u>
Expenditures:				
Current:				
General government	557,721	36,843	--	594,564
Public protection	21,485,950	7,591	--	21,493,541
Public ways and facilities	10,439,647	--	7,464,396	17,904,043
Health and sanitation	3,126,440	--	--	3,126,440
Public assistance	2,500,698	--	--	2,500,698
Education	14,625,486	--	--	14,625,486
Recreation and cultural services	8,338,088	14,821	--	8,352,909
Capital outlay	2,891,507	--	--	2,891,507
Debt Service:				
Principal	1,522,680	5,868,495	--	7,391,175
Interest	301,887	10,741,063	--	11,042,950
Total expenditures	<u>65,790,104</u>	<u>16,668,813</u>	<u>7,464,396</u>	<u>89,923,313</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,342,635</u>	<u>(12,401,038)</u>	<u>(3,675,783)</u>	<u>1,265,814</u>
Other Financing Sources (Uses):				
Transfers in	7,392,599	12,084,575	5,522,792	24,999,966
Transfers out	<u>(24,633,824)</u>	<u>(89,386)</u>	<u>(812,560)</u>	<u>(25,535,770)</u>
Total other financing sources (uses)	<u>(17,241,225)</u>	<u>11,995,189</u>	<u>4,710,232</u>	<u>(535,804)</u>
Net change in fund balances	<u>101,410</u>	<u>(405,849)</u>	<u>1,034,449</u>	<u>730,010</u>
Fund balances, beginning of year - restated	<u>96,398,916</u>	<u>14,470,305</u>	<u>13,755,884</u>	<u>124,625,105</u>
Fund balances, end of year	<u>\$ 96,500,326</u>	<u>\$ 14,064,456</u>	<u>\$ 14,790,333</u>	<u>\$ 125,355,115</u>

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. The County's nonmajor special revenue funds are comprised of the following:

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 areas of the County. The fund receives revenue primarily derived from highway users, including license fees and taxes upon motor vehicles, trailers, and motor fuel. Once moneys are deposited into the Road Fund, it is restricted to expenditures made in compliance with article XIX of the California Constitution and Streets and Highway Code Sections 2101 and 2150.

Fire

The Fire fund provides fire protection services in the unincorporated areas of the County, and funds the department's operations and contracts in conjunction with the California Department of Forestry and Fire Protection (CalFire). Funding is sourced through fees from permits and inspections.

Marin County Free Library (Library)

Funded primarily from its share of property taxes, the Marin County Free Library serves the unincorporated areas of the County, as well as the cities of Fairfax, Novato and Corte Madera. The Library is a special district that operates ten branch libraries within the County under the authority of the County Board of Supervisors. The Board of Supervisors appoints the Director of County Library Services, approves the Library budget, and has the ultimate responsibility for County Library services.

Fish and Game

The Fish and Game fund provides for expenditures of funds to projects that benefit fish and wildlife in the County pursuant California Fish and Game Code Section 13100, to advise and make recommendations to the Board of Supervisors on all matters pertaining to fish and wildlife propagation and habitat conservation. This fund is financed by fines imposed from Fish and Game Code violations.

Child Support Services (Child Support)

Child Support Services is a non-general fund County division responsible for establishing and enforcing orders for child support. Its mission is to serve the community and enhance the lives of children through establishing paternity, establishing child support orders and collecting support. Some of the funding is provided from federal and state grants and some of the funding is matched by the County via a transfer from the General Fund. Incentive funds are also provided by the state and federal governments. Such grants are obtained for a specific purpose and may only be used for the purpose obtained with state and federal dollars constituting its revenues.

Building Inspection

The Building Inspection fund was established to account for the provision of building inspection, plan filing, and building permits to the residents of the County and to enforce building code. Funding is provided by fees charged to external users, and all activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, and billing and collection. Any revenues collected in excess of expenditures received in a given year are retained in the fund balance and can be used to cover building inspection costs in future years.

NONMAJOR GOVERNMENTAL FUNDS (continued)

Environmental Health

The Environmental Health fund accounts for the provision of the County's comprehensive Environmental Health program, which includes the promotion of environmental health, control of communicable diseases and the prolonging of life and the promotion of the well-being of the people of the County. Funding is sourced through Federal grants, fees, and local taxes via contributions from the County. The Environmental Health fund receives funds from the issuance of permits and licenses to fund its inspections for public health protection 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 4C (Fishnet)

The FishNet 4C program is a County-based, regional salmon protection and restoration program created under a Memorandum of Agreement between the six Central California Coastal Counties of Marin, Mendocino, Monterey, San Mateo, Santa Cruz, and Sonoma. A prime objective of the FishNet 4C Program has been to evaluate the land management practices of each county and any written policies related to protecting salmonid populations, and to make recommendations for improving these practices and policies. Funds are provided through federal, state, regional, and local governments as well as other private and public organizations.

Housing and Urban Development Funds (HUD)

This fund was established to account for federal and state grant proceeds and disbursements associated with housing and community development within the County. Such grants are generally obtained from the Department of Housing and Urban Development (HUD), and may only be used for the purposes stipulated in the grant agreement. HUD funds are used to support 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 prevent high technology crime in the jurisdiction of the five task forces. Investigation and prosecution of identity theft crimes is also a part of 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 set up to provide maintenance of reliable sanitary sewer systems, providing sensitive sewage treatment and disposal to sewer and sanitary districts within the County. The Sewer District fund is also used to provide other services to specific geographic areas that utilize their own discrete tax base and specific revenue sources earmarked for their own purposes within their geographic location. Revenues are provided by tax assessments and user charges.

County Service Areas (CSA's)

The County Service Area funds account for special district funds that provide refuse disposal, water, and lighting maintenance services to specific areas in the County. Revenues are derived from user charges and property taxes.

NONMAJOR GOVERNMENTAL FUNDS (continued)

Lighting Districts (Lighting)

The Lighting Districts fund accounts for special district funds that enhance the safety of residents and businesses by providing adequate lighting systems to street lighting districts within the County. Property taxes are the primary source of revenue.

Permanent Road Districts (PRD's)

The Permanent Road District (PRD) funds are responsible for routine and emergency road maintenance, performing inspections and issuing permits, constructing and installing sidewalks, signs, road markings, and landscaping maintenance. Revenues primarily come from state highway user taxes and federal grants.

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. Funds collected are used to increase educational efforts related to the adverse health effects of tobacco use and for smoking prevention programs.

In-Home Supportive Services (IHSS)

In-Home Supportive Services (IHSS) provides in-home care to senior citizens, the blind, and persons with disabilities (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.

Bay Area Storm Water Management

The Bay Area Storm Water 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. Monies in this fund are used for acquisition and development of parks and open space parcels, for renovation of existing parks and recreation facilities, for maintenance of acquired properties.

Low-Income Housing

The 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. Revenues are used to fund the operating expenses of the Regional Flood Control Districts. Funds are obligated by inter-local contracts among districts of the County for the implementation of regional flood control projects. This fund is financed through property taxes and state and federal grants.

NONMAJOR GOVERNMENTAL FUNDS (continued)

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 State of California provides support to the Social Services Realignment fund through a realignment of funding streams received from vehicle license fees and sales tax allocated to California counties. Funds are allocated based on altered program cost-sharing ratios, to pay for various social services programs, which were shifted from the state to the County to administer.

- Health Services Realignment

The State of California provides support to the Health Services Realignment fund through a realignment of funding streams received from vehicle license fees and sales tax allocated to California counties. Funds are allocated based on altered program cost-sharing ratios, to pay for various health services programs, which were shifted from the state to the County to administer.

- Mental Health Realignment

The State of California provides support to the Mental Health Realignment fund through a realignment of funding streams received from vehicle license fees and sales tax allocated to California counties. Funds are allocated based on altered program cost-sharing ratios, to pay for various mental health programs, which were shifted from the state to the County to administer.

Public Protection

- District Attorney Sundry Trust – It is administered in accordance with Health & Safety Code section 11489, which established the trust. When the Department participates in an arrest, in which property is seized and forfeited to a local government entity, the money forfeited and or the proceeds received from the sale of forfeited property, and any interest accrued thereon, is to be distributed by the state or local government entity according to the provisions of the Code.
- Proposition 64 Civil Penalties – Prop 64, under Business & Professions Code 17206, requires that civil penalties awarded are to be used exclusively to strengthen enforcement of consumer protection laws.
- Fingerprint ID – It accounts for revenues received from vehicle licensing fees, which is to be used for operation and maintenance of the fingerprinting equipment and the related processes.
- Asset Forfeiture, Sheriff – It is administered 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 government entity, the money forfeited and or the proceeds received from the sale of forfeited property, and any interest accrued thereon, is to be distributed by the state or local government entity according to the provisions of the Code. The proceeds can be utilized to supplement and not supplant the Department's expenses.
- CLEEP Law Enforcement Equipment – It accounts for revenues received from the State funding for purpose of the purchase and maintenance of the high-technology equipment.

NONMAJOR GOVERNMENTAL FUNDS (continued)

- 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 is a state-funded initiative to support juvenile probation programs with a track record of reducing crime and delinquency among at-risk youth, young offenders, and the families of these youth. The program provides funds to support a broad spectrum of county probation services targeting at-risk youth and juvenile offenders.

Public Ways and Facilities

- Traffic Mitigation Fees – Funds derived from fees assessed on developers are used to finance construction, betterment and maintenance of the County roads.
- Marin County Storm Water 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 storm water pollution, protect and improve water quality in creeks and wetlands, preserve beneficial uses of local waterways, and comply with the 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 are to be used for the protection of wildlife in the County of Marin.

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COUNTY OF MARIN

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013

	<u>Road</u>	<u>Library</u>	<u>Fish and Game</u>	<u>Child Support</u>
<u>ASSETS</u>				
Cash and investments in County pool	\$ 1,520,498	\$ 8,838,780	\$ 35,071	\$ 504,389
Receivables:				
Accounts	40,808	26,796	--	--
Notes receivable - short term	--	--	--	--
Due from other governmental agencies	252,708	--	--	--
Advances to other funds	--	--	--	--
Inventory of supplies	112,376	--	--	--
	<u>112,376</u>	<u>26,796</u>	<u>--</u>	<u>--</u>
Total assets	<u>\$ 1,926,390</u>	<u>\$ 8,865,576</u>	<u>\$ 35,071</u>	<u>\$ 504,389</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 69,076	\$ 110,490	\$ --	\$ 1,389
Accrued salaries and benefits	182,319	290,712	--	220,110
Due to other funds	--	--	--	--
Unearned revenue	--	--	--	19,547
Other liabilities	2,774	21,688	650	1,470
Total liabilities	<u>254,169</u>	<u>422,890</u>	<u>650</u>	<u>242,516</u>
<u>FUND BALANCES</u>				
Nonspendable	112,376	--	--	--
Restricted	--	6,514,647	34,421	261,873
Committed	--	--	--	--
Assigned	1,559,845	1,928,039	--	--
Total fund balances	<u>1,672,221</u>	<u>8,442,686</u>	<u>34,421</u>	<u>261,873</u>
Total liabilities and fund balances	<u>\$ 1,926,390</u>	<u>\$ 8,865,576</u>	<u>\$ 35,071</u>	<u>\$ 504,389</u>

continued

COUNTY OF MARIN

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2013

	<u>Building Inspection</u>	<u>Environmental Health</u>	<u>Fishnet</u>
<u>ASSETS</u>			
Cash and investments in County pool	\$ 938,980	\$ 391,250	\$ 135,380
Receivables:			
Accounts	--	39,312	--
Notes receivable - short term	--	--	--
Due from other governmental agencies	12,830	36,215	--
Advances to other funds	--	45,400	--
Inventory of supplies	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 951,810</u>	<u>\$ 512,177</u>	<u>\$ 135,380</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 2,498	\$ 9,891	\$ 6,085
Accrued salaries and benefits	114,387	52,562	--
Due to other funds	--	--	--
Unearned revenue	--	9,327	--
Other liabilities	473	220	--
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>117,358</u>	<u>72,000</u>	<u>6,085</u>
<u>FUND BALANCES</u>			
Nonspendable	--	--	--
Restricted	832,827	326,683	129,295
Committed	--	--	--
Assigned	1,625	113,494	--
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>834,452</u>	<u>440,177</u>	<u>129,295</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 951,810</u>	<u>\$ 512,177</u>	<u>\$ 135,380</u>

continued

COUNTY OF MARIN

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2013

	<u>HUD Funds</u>	<u>High Tech Theft</u>	<u>Sewer Districts</u>
<u>ASSETS</u>			
Cash and investments in County pool	\$ 9,157	\$ 107,192	\$ 616,903
Receivables:			
Accounts	--	--	--
Notes receivable - short term	--	--	--
Due from other governmental agencies	317,373	--	--
Advances to other funds	--	--	--
Inventory of supplies	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 326,530</u>	<u>\$ 107,192</u>	<u>\$ 616,903</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 63,524	\$ 92,170	\$ 56,782
Accrued salaries and benefits	11,020	2,367	--
Due to other funds	251,986	--	--
Unearned revenue	--	--	--
Other liabilities	--	90	856
Total liabilities	<u>326,530</u>	<u>94,627</u>	<u>57,638</u>
<u>FUND BALANCES</u>			
Nonspendable	--	--	--
Restricted	--	12,565	559,265
Committed	--	--	--
Assigned	--	--	--
Total fund balances	<u> </u>	<u>12,565</u>	<u>559,265</u>
Total liabilities and fund balances	<u>\$ 326,530</u>	<u>\$ 107,192</u>	<u>\$ 616,903</u>

continued

COUNTY OF MARIN

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2013

	<u>CSA's</u>	<u>Lighting</u>	<u>PRDs</u>
<u>ASSETS</u>			
Cash and investments in County pool	\$ 16,113,973	\$ 1,568,767	\$ 340,137
Receivables:			
Accounts	--	--	--
Notes receivable - short term	--	--	--
Due from other governmental agencies	--	--	--
Advances to other funds	--	--	--
Inventory of supplies	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 16,113,973</u>	<u>\$ 1,568,767</u>	<u>\$ 340,137</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 62,483	\$ 6,243	\$ --
Accrued salaries and benefits	--	--	--
Due to other funds	--	--	--
Unearned revenue	60	--	--
Other liabilities	3	8,803	--
Total liabilities	<u>62,546</u>	<u>15,046</u>	<u>--</u>
<u>FUND BALANCES</u>			
Nonspendable	--	--	--
Restricted	16,051,427	1,553,721	340,137
Committed	--	--	--
Assigned	--	--	--
Total fund balances	<u>16,051,427</u>	<u>1,553,721</u>	<u>340,137</u>
Total liabilities and fund balances	<u>\$ 16,113,973</u>	<u>\$ 1,568,767</u>	<u>\$ 340,137</u>

continued

COUNTY OF MARIN

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2013

	<u>Tobacco Settlement</u>	<u>IHSS</u>	<u>Bay Area Stormwater Management</u>
<u>ASSETS</u>			
Cash and investments in County pool	\$ 37,026	\$ 86,430	\$ 50
Receivables:			
Accounts	--	--	--
Notes receivable - short term	--	--	--
Due from other governmental agencies	--	--	--
Advances to other funds	--	--	--
Inventory of supplies	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 37,026</u>	<u>\$ 86,430</u>	<u>\$ 50</u>
<u>LIABILITIES</u>			
Accounts payable	\$ --	\$ 16,476	\$ --
Accrued salaries and benefits	--	11,893	--
Due to other funds	37,026	--	--
Unearned revenue	--	--	--
Other liabilities	--	3,341	--
Total liabilities	<u>37,026</u>	<u>31,710</u>	<u> </u>
<u>FUND BALANCES</u>			
Nonspendable	--	--	--
Restricted	--	54,720	50
Committed	--	--	--
Assigned	--	--	--
Total fund balances	<u> </u>	<u>54,720</u>	<u>50</u>
	<u>\$ 37,026</u>	<u>\$ 86,430</u>	<u>\$ 50</u>

continued

COUNTY OF MARIN

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2013

	<u>Open Space District</u>	<u>Low-Income Housing</u>	<u>Flood Control Zones</u>
<u>ASSETS</u>			
Cash and investments in County pool	\$ 9,055,122	\$ 4,759,764	\$ 21,109,395
Receivables:			
Accounts	--	--	--
Notes receivable - short term	--	4,825,325	--
Due from other governmental agencies	--	--	--
Advances to other funds	--	--	--
Inventory of supplies	--	--	--
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 9,055,122</u>	<u>\$ 9,585,089</u>	<u>\$ 21,109,395</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 97,008	\$ --	\$ 48,546
Accrued salaries and benefits	89,554	--	--
Due to other funds	--	--	520,000
Unearned revenue	668,326	--	--
Other liabilities	1,961	--	2,527
Total liabilities	<hr/>	<hr/>	<hr/>
	856,849	--	571,073
<u>FUND BALANCES</u>			
Nonspendable	--	--	--
Restricted	7,698,273	9,585,089	20,538,322
Committed	500,000	--	--
Assigned	--	--	--
Total fund balances	<hr/>	<hr/>	<hr/>
	8,198,273	9,585,089	20,538,322
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 9,055,122</u>	<u>\$ 9,585,089</u>	<u>\$ 21,109,395</u>

continued

COUNTY OF MARIN

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2013

	<u>Miscellaneous Special Revenue Fund</u>	<u>Public Protection</u>	<u>Public Ways and Facilities</u>
<u>ASSETS</u>			
Cash and investments in County pool	\$ 2,600,808	\$ 16,035,054	\$ 7,504,168
Receivables:			
Accounts	59,277	--	4,396
Notes receivable - short term	--	--	--
Due from other governmental agencies	638,747	--	795,012
Advances to other funds	--	--	--
Inventory of supplies	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 3,298,832</u>	<u>\$ 16,035,054</u>	<u>\$ 8,303,576</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 137,474	\$ 127,179	\$ 30,070
Accrued salaries and benefits	649	37,617	--
Due to other funds	--	268,493	--
Unearned revenue	368,548	883,507	--
Other liabilities	57,773	1,856,947	516
Total liabilities	<u>564,444</u>	<u>3,173,743</u>	<u>30,586</u>
<u>FUND BALANCES</u>			
Nonspendable	--	--	--
Restricted	2,734,388	12,861,311	8,272,990
Committed	--	--	--
Assigned	--	--	--
Total fund balances	<u>2,734,388</u>	<u>12,861,311</u>	<u>8,272,990</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 3,298,832</u>	<u>\$ 16,035,054</u>	<u>\$ 8,303,576</u>

continued

COUNTY OF MARIN

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2013

	<u>Restricted Housing</u>	<u>Recreation and Cultural Services</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments in County pool	\$ 2,085,654	\$ 494,515	\$ 94,888,463
Receivables:			
Accounts	--	--	170,589
Notes receivable - short term	1,545,675	--	6,371,000
Due from other governmental agencies	39,757	--	2,092,642
Advances to other funds	--	--	45,400
Inventory of supplies	--	--	112,376
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 3,671,086</u>	<u>\$ 494,515</u>	<u>\$ 103,680,470</u>
<u>LIABILITIES</u>			
Accounts payable	\$ --	\$ 242,658	\$ 1,180,042
Accrued salaries and benefits	--	--	1,013,190
Due to other funds	--	--	1,077,505
Unearned revenue	--	--	1,949,315
Other liabilities	--	--	1,960,092
Total liabilities	<hr/>	<hr/>	<hr/>
	--	242,658	7,180,144
<u>FUND BALANCES</u>			
Nonspendable	--	--	112,376
Restricted	3,671,086	251,857	92,284,947
Committed	--	--	500,000
Assigned	--	--	3,603,003
Total fund balances	<hr/>	<hr/>	<hr/>
	3,671,086	251,857	96,500,326
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 3,671,086</u>	<u>\$ 494,515</u>	<u>\$ 103,680,470</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, 2013

	<u>Road</u>	<u>Library</u>	<u>Fish and Game</u>	<u>Child Support</u>
Revenues:				
Taxes	--	8,193,256	--	--
Licenses and permits	--	--	--	--
Intergovernmental revenues	6,027,719	220,571	--	3,591,914
Charges for services	839,709	5,062,201	--	112,010
Fines and forfeits	--	204,385	26,417	--
From use of money and property	2,271	11,008	42	917
Miscellaneous	72,761	119,785	--	--
Total revenues	<u>6,942,460</u>	<u>13,811,206</u>	<u>26,459</u>	<u>3,704,841</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	--	--	21,974	3,640,750
Public ways and facilities	9,482,837	--	--	--
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Education	--	14,625,486	--	--
Recreation and cultural services	--	--	--	--
Capital outlay	503,630	326,079	--	--
Debt Service:				
Principal	--	--	--	--
Interest	--	--	--	--
Total expenditures	<u>9,986,467</u>	<u>14,951,565</u>	<u>21,974</u>	<u>3,640,750</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,044,007)</u>	<u>(1,140,359)</u>	<u>4,485</u>	<u>64,091</u>
Other Financing Sources (Uses):				
Transfers in	757,107	177,547	8,500	--
Transfers out	<u>(127,456)</u>	<u>(188,777)</u>	<u>(1,500)</u>	<u>(82,133)</u>
Total other financing sources (uses)	<u>629,651</u>	<u>(11,230)</u>	<u>7,000</u>	<u>(82,133)</u>
Net change in fund balances	(2,414,356)	(1,151,589)	11,485	(18,042)
Fund balances, beginning of year, restated	<u>4,086,577</u>	<u>9,594,275</u>	<u>22,936</u>	<u>279,915</u>
Fund balances, end of year	<u>\$ 1,672,221</u>	<u>\$ 8,442,686</u>	<u>\$ 34,421</u>	<u>\$ 261,873</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, 2013

	<u>Building Inspection</u>	<u>Environmental Health</u>	<u>Fishnet</u>
Revenues:			
Taxes	--	--	--
Licenses and permits	2,748,980	3,203,026	--
Intergovernmental revenues	11,000	124,429	76,865
Charges for services	45,021	215,058	--
Fines and forfeits	14,195	14,158	--
From use of money and property	995	527	146
Miscellaneous	--	--	--
Total revenues	<u>2,820,191</u>	<u>3,557,198</u>	<u>77,011</u>
Expenditures:			
Current:			
General government	--	511,002	--
Public protection	2,634,571	3,090,706	57,149
Public ways and facilities	--	--	--
Health and sanitation	--	--	--
Public assistance	3,840	--	--
Education	--	--	--
Recreation and cultural services	--	--	--
Capital outlay	--	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total expenditures	<u>2,638,411</u>	<u>3,601,708</u>	<u>57,149</u>
Excess (deficiency) of revenues over (under) expenditures	<u>181,780</u>	<u>(44,510)</u>	<u>19,862</u>
Other Financing Sources (Uses):			
Transfers in	10,317	--	--
Transfers out	(47,933)	(75,490)	--
Total other financing uses, net	<u>(37,616)</u>	<u>(75,490)</u>	<u>--</u>
Net change in fund balances	144,164	(120,000)	19,862
Fund balances, beginning of year, restated	<u>690,288</u>	<u>560,177</u>	<u>109,433</u>
Fund balances, end of year	<u>\$ 834,452</u>	<u>\$ 440,177</u>	<u>\$ 129,295</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, 2013

	<u>HUD Funds</u>	<u>High Tech Theft</u>	<u>Sewer Districts</u>
Revenues:			
Taxes	--	--	52,341
Licenses and permits	--	--	--
Intergovernmental revenues	1,899,754	1,217,229	312
Charges for services	--	--	63,720
Fines and forfeits	--	--	--
From use of money and property	--	347	728
Miscellaneous	--	--	--
Total revenues	<u>1,899,754</u>	<u>1,217,576</u>	<u>117,101</u>
Expenditures:			
Current:			
General government	--	--	--
Public protection	--	1,193,817	--
Public ways and facilities	--	--	--
Health and sanitation	--	--	153,538
Public assistance	1,905,053	--	--
Education	--	--	--
Recreation and cultural services	--	--	--
Capital outlay	--	23,754	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total expenditures	<u>1,905,053</u>	<u>1,217,571</u>	<u>153,538</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,299)</u>	<u>5</u>	<u>(36,437)</u>
Other Financing Sources (Uses):			
Transfers in	14,273	--	--
Transfers out	<u>(8,974)</u>	--	--
Total other financing sources, net	<u>5,299</u>	--	--
Net change in fund balances	--	5	(36,437)
Fund balances, beginning of year, restated	--	<u>12,560</u>	<u>595,702</u>
Fund balances, end of year	<u>\$ --</u>	<u>\$ 12,565</u>	<u>\$ 559,265</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, 2013

	<u>CSAs</u>	<u>Lighting</u>	<u>PRDs</u>
Revenues:			
Taxes	3,514,033	698,098	51,713
Licenses and permits	--	--	--
Intergovernmental revenues	19,300	3,596	337
Charges for services	1,630,446	83,336	29,463
Fines and forfeits	--	--	--
From use of money and property	23,098	1,800	392
Miscellaneous	4,270	--	--
Total revenues	<u>5,191,147</u>	<u>786,830</u>	<u>81,905</u>
Expenditures:			
Current:			
General government	--	--	--
Public protection	2,308,103	--	--
Public ways and facilities	25,612	492,775	56,611
Health and sanitation	40,227	--	--
Public assistance	--	--	--
Education	--	--	--
Recreation and cultural services	1,128,121	--	--
Capital outlay	--	--	--
Debt Service:			
Principal	36,094	36,586	--
Interest	35,974	13,942	--
Total expenditures	<u>3,574,131</u>	<u>543,303</u>	<u>56,611</u>
Excess of revenues over expenditures	<u>1,617,016</u>	<u>243,527</u>	<u>25,294</u>
Other Financing Sources (Uses):			
Transfers in	197,000	--	--
Transfers out	(903,500)	--	--
Total other financing uses, net	<u>(706,500)</u>	<u>--</u>	<u>--</u>
Net change in fund balances	910,516	243,527	25,294
Fund balances, beginning of year, restated	<u>15,140,911</u>	<u>1,310,194</u>	<u>314,843</u>
Fund balances, end of year	<u>\$ 16,051,427</u>	<u>\$ 1,553,721</u>	<u>\$ 340,137</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, 2013

	Tobacco Settlement	IHSS	Bay Area Stormwater Management
Revenues:			
Taxes	--	--	--
Licenses and permits	--	--	--
Intergovernmental revenues	112,500	--	--
Charges for services	--	--	--
Fines and forfeits	--	--	--
From use of money and property	106	485	--
Miscellaneous	--	--	--
Total revenues	<u>112,606</u>	<u>485</u>	<u>--</u>
Expenditures:			
Current:			
General government	--	--	--
Public protection	--	--	--
Public ways and facilities	--	--	--
Health and sanitation	--	2,033,883	--
Public assistance	--	--	--
Education	--	--	--
Recreation and cultural services	--	--	--
Capital outlay	--	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total expenditures	<u>--</u>	<u>2,033,883</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	<u>112,606</u>	<u>(2,033,398)</u>	<u>--</u>
Other Financing Sources (Uses):			
Transfers in	37,026	2,033,883	--
Transfers out	(157,159)	--	--
Total other financing sources (uses)	<u>(120,133)</u>	<u>2,033,883</u>	<u>--</u>
Net change in fund balances	(7,527)	485	--
Fund balances, beginning of year, restated	<u>7,527</u>	<u>54,235</u>	<u>50</u>
Fund balances, end of year	<u>\$ --</u>	<u>\$ 54,720</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, 2013

	<u>Open Space District</u>	<u>Low-Income Housing</u>	<u>Flood Control Zones</u>
Revenues:			
Taxes	5,475,994	--	4,359,008
Licenses and permits	--	419,307	--
Intergovernmental revenues	689,197	--	82,341
Charges for services	41,072	--	2,572,697
Fines and forfeits	--	--	--
From use of money and property	25,570	6,648	28,582
Miscellaneous	221,843	--	6,813
Total revenues	<u>6,453,676</u>	<u>425,955</u>	<u>7,049,441</u>
Expenditures:			
Current:			
General government	--	--	--
Public protection	--	--	5,215,468
Public ways and facilities	--	--	--
Health and sanitation	--	--	--
Public assistance	--	275,207	--
Education	--	--	--
Recreation and cultural services	6,116,112	--	--
Capital outlay	669,424	--	12,750
Debt Service:			
Principal	--	1,450,000	--
Interest	--	249,627	2,344
Total expenditures	<u>6,785,536</u>	<u>1,974,834</u>	<u>5,230,562</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(331,860)</u>	<u>(1,548,879)</u>	<u>1,818,879</u>
Other Financing Sources (Uses):			
Transfers in	--	698,000	50,000
Transfers out	(93,001)	(483,047)	(3,201,162)
Total other financing sources (uses)	<u>(93,001)</u>	<u>214,953</u>	<u>(3,151,162)</u>
Net change in fund balances	(424,861)	(1,333,926)	(1,332,283)
Fund balances, beginning of year, restated	<u>8,623,134</u>	<u>10,919,015</u>	<u>21,870,605</u>
Fund balances, end of year	<u>\$ 8,198,273</u>	<u>\$ 9,585,089</u>	<u>\$ 20,538,322</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, 2013

	Miscellaneous Special Revenue Fund	Public Protection	Public Ways and Facilities
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Taxes	--	--	--
Licenses and permits	--	--	904,064
Intergovernmental revenues	2,200,853	20,730,341	1,726,681
Charges for services	790,431	265,128	586,127
Fines and forfeits	--	487,114	--
From use of money and property	3,754	19,053	38,806
Miscellaneous	--	153	12,500
Total revenues	<u>2,995,038</u>	<u>21,501,789</u>	<u>3,268,178</u>
Expenditures:			
Current:			
General government	--	11,450	35,269
Public protection	804,489	1,830,780	688,143
Public ways and facilities	--	--	381,812
Health and sanitation	531,747	367,045	--
Public assistance	200,997	115,601	--
Education	--	--	--
Recreation and cultural services	--	--	--
Capital outlay	169,689	60,663	1,125,518
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total expenditures	<u>1,706,922</u>	<u>2,385,539</u>	<u>2,230,742</u>
Excess of revenues over expenditures	<u>1,288,116</u>	<u>19,116,250</u>	<u>1,037,436</u>
Other Financing Sources (Uses):			
Transfers in	--	3,261,547	147,399
Transfers out	(726,113)	(18,301,613)	(235,966)
Total other financing uses, net	<u>(726,113)</u>	<u>(15,040,066)</u>	<u>(88,567)</u>
Net change in fund balances	562,003	4,076,184	948,869
Fund balances, beginning of year, restated	<u>2,172,385</u>	<u>8,785,127</u>	<u>7,324,121</u>
Fund balances, end of year	<u>\$ 2,734,388</u>	<u>\$ 12,861,311</u>	<u>\$ 8,272,990</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, 2013

	<u>Restricted Housing</u>	<u>Recreation and Cultural Services</u>	<u>Total</u>
Revenues:			
Taxes	--	1,088,635	23,433,078
Licenses and permits	--	--	7,275,377
Intergovernmental revenues	--	--	38,734,939
Charges for services	--	--	12,336,419
Fines and forfeits	--	--	746,269
From use of money and property	2,764	493	168,532
Miscellaneous	--	--	438,125
Total revenues	<u>2,764</u>	<u>1,089,128</u>	<u>83,132,739</u>
Expenditures:			
Current:			
General government	--	--	557,721
Public protection	--	--	21,485,950
Public ways and facilities	--	--	10,439,647
Health and sanitation	--	--	3,126,440
Public assistance	--	--	2,500,698
Education	--	--	14,625,486
Recreation and cultural services	--	1,093,855	8,338,088
Capital outlay	--	--	2,891,507
Debt Service:			
Principal	--	--	1,522,680
Interest	--	--	301,887
Total expenditures	<u>--</u>	<u>1,093,855</u>	<u>65,790,104</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,764</u>	<u>(4,727)</u>	<u>17,342,635</u>
Other Financing Sources (Uses):			
Transfers in	--	--	7,392,599
Transfers out	--	--	(24,633,824)
Total other financing uses, net	<u>--</u>	<u>--</u>	<u>(17,241,225)</u>
Net change in fund balances	2,764	(4,727)	101,410
Fund balances, beginning of year, restated	<u>3,668,322</u>	<u>256,584</u>	<u>96,398,916</u>
Fund balances, end of year	<u>\$ 3,671,086</u>	<u>\$ 251,857</u>	<u>\$ 96,500,326</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
Road Fund
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 6,918,154	\$ 6,495,020	\$ 6,027,719	\$ (467,301)
Charges for services	880,400	992,509	839,709	(152,800)
From use of money and property	19,344	3,800	2,271	(1,529)
Miscellaneous	7,500	60,000	72,761	12,761
Total revenues	<u>7,825,398</u>	<u>7,551,329</u>	<u>6,942,460</u>	<u>(608,869)</u>
Expenditures:				
Current:				
Public ways and facilities				
Public Works	<u>10,679,073</u>	<u>11,470,352</u>	<u>9,482,837</u>	<u>1,987,515</u>
Total public ways and facilities	<u>10,679,073</u>	<u>11,470,352</u>	<u>9,482,837</u>	<u>1,987,515</u>
Capital Outlay	<u>250,000</u>	<u>533,500</u>	<u>503,630</u>	<u>29,870</u>
Total expenditures	<u>10,929,073</u>	<u>12,003,852</u>	<u>9,986,467</u>	<u>2,017,385</u>
Deficiency of revenues under expenditures	<u>(3,103,675)</u>	<u>(4,452,523)</u>	<u>(3,044,007)</u>	<u>1,408,516</u>
Other Financing Sources (Uses):				
Transfers in	1,514,282	753,786	757,107	3,321
Transfers out	--	--	(127,456)	(127,456)
Total other financing sources, net	<u>1,514,282</u>	<u>753,786</u>	<u>629,651</u>	<u>(124,135)</u>
Net change in fund balances	(1,589,393)	(3,698,737)	(2,414,356)	1,284,381
Fund balances, beginning of year	<u>4,086,577</u>	<u>4,086,577</u>	<u>4,086,577</u>	<u>--</u>
Fund balances, end of year	<u>\$ 2,497,184</u>	<u>\$ 387,840</u>	<u>\$ 1,672,221</u>	<u>\$ 1,284,381</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
 Library Fund
 For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 8,421,017	\$ 8,453,017	\$ 8,193,256	\$ (259,761)
Intergovernmental revenues	108,500	123,885	220,571	96,686
Charges for services	4,915,500	5,071,094	5,062,201	(8,893)
Fines and forfeits	241,000	241,000	204,385	(36,615)
From use of money and property	45,100	45,100	11,008	(34,092)
Miscellaneous	94,300	194,447	119,785	(74,662)
Total revenues	<u>13,825,417</u>	<u>14,128,543</u>	<u>13,811,206</u>	<u>(317,337)</u>
Expenditures:				
Current:				
Education				
Law Library	274,700	274,700	228,433	46,267
Marin County Free Library	15,561,548	17,582,259	14,397,053	3,185,206
Total education	<u>15,836,248</u>	<u>17,856,959</u>	<u>14,625,486</u>	<u>3,231,473</u>
Capital Outlay	<u>280,974</u>	<u>472,688</u>	<u>326,079</u>	<u>146,609</u>
Total expenditures	<u>16,117,222</u>	<u>18,329,647</u>	<u>14,951,565</u>	<u>3,378,082</u>
Deficiency of revenues under expenditures	<u>(2,291,805)</u>	<u>(4,201,104)</u>	<u>(1,140,359)</u>	<u>3,060,745</u>
Other Financing Sources (Uses):				
Transfers in	160,000	187,000	177,547	(9,453)
Transfers out	--	--	(188,777)	(188,777)
Total other financing sources, net	<u>160,000</u>	<u>187,000</u>	<u>(11,230)</u>	<u>(198,230)</u>
Net change in fund balances	(2,131,805)	(4,014,104)	(1,151,589)	2,862,515
Fund balances, beginning of year, restated	<u>9,594,275</u>	<u>9,594,275</u>	<u>9,594,275</u>	<u>--</u>
Fund balances, end of year	<u>\$ 7,462,470</u>	<u>\$ 5,580,171</u>	<u>\$ 8,442,686</u>	<u>\$ 2,862,515</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
Fish and Game Fund
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeits	\$ 19,293	\$ 19,293	\$ 26,417	\$ 7,124
Miscellaneous	5,000	5,000	42	(4,958)
Total revenues	<u>24,293</u>	<u>24,293</u>	<u>26,459</u>	<u>2,166</u>
Expenditures:				
Current:				
Public protection				
Non - Departmental	24,293	31,293	21,974	9,319
Total public protection	<u>24,293</u>	<u>31,293</u>	<u>21,974</u>	<u>9,319</u>
Total expenditures	<u>24,293</u>	<u>31,293</u>	<u>21,974</u>	<u>9,319</u>
Excess (deficiency) of revenues over (under) expenditures	<u>--</u>	<u>(7,000)</u>	<u>4,485</u>	<u>11,485</u>
Other Financing Sources (Uses)				
Transfers in	--	8,500	8,500	--
Transfers out	--	(1,500)	(1,500)	--
Total other financing sources, net	<u>--</u>	<u>7,000</u>	<u>7,000</u>	<u>--</u>
Net change in fund balances	--	--	11,485	11,485
Fund balances, beginning of year	<u>22,936</u>	<u>22,936</u>	<u>22,936</u>	<u>--</u>
Fund balances, end of year	<u>\$ 22,936</u>	<u>\$ 22,936</u>	<u>\$ 34,421</u>	<u>\$ 11,485</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
 Child Support Fund
 For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 3,803,119	\$ 3,722,270	\$ 3,591,914	\$ (130,356)
Charges for services	163,719	152,716	112,010	(40,706)
From use of money and property	3,000	3,000	917	(2,083)
Miscellaneous	42,555	22,555	--	(22,555)
Total revenues	<u>4,012,393</u>	<u>3,900,541</u>	<u>3,704,841</u>	<u>(195,700)</u>
Expenditures:				
Current:				
Public protection				
Child Support Services	3,870,393	4,090,117	3,640,750	449,367
Total public protection	<u>3,870,393</u>	<u>4,090,117</u>	<u>3,640,750</u>	<u>449,367</u>
Total expenditures	<u>3,870,393</u>	<u>4,090,117</u>	<u>3,640,750</u>	<u>449,367</u>
Excess (deficiency) of revenues over (under) expenditures	<u>142,000</u>	<u>(189,576)</u>	<u>64,091</u>	<u>253,667</u>
Other Financing Uses:				
Transfers out	--	--	(82,133)	(82,133)
Total other financing uses	<u>--</u>	<u>--</u>	<u>(82,133)</u>	<u>(82,133)</u>
Net change in fund balances	142,000	(189,576)	(18,042)	171,534
Fund balances, beginning of year	<u>279,915</u>	<u>279,915</u>	<u>279,915</u>	<u>--</u>
Fund balances, end of year	<u>\$ 421,915</u>	<u>\$ 90,339</u>	<u>\$ 261,873</u>	<u>\$ 171,534</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
 Building Inspection Fund
 For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ 2,400,000	\$ 2,312,000	\$ 2,748,980	\$ 436,980
Intergovernmental revenues	--	22,000	11,000	(11,000)
Charges for services	53,141	39,141	45,021	5,880
Fines and forfeits	--	9,000	14,195	5,195
From use of money and property	--	1,000	995	(5)
Miscellaneous	2,500	2,500	--	(2,500)
Total revenues	<u>2,455,641</u>	<u>2,385,641</u>	<u>2,820,191</u>	<u>434,550</u>
Expenditures:				
Current:				
Public protection				
Community Development Agency	2,535,927	2,785,613	2,634,571	151,042
Total public protection	<u>2,535,927</u>	<u>2,785,613</u>	<u>2,634,571</u>	<u>151,042</u>
Public assistance				
Community Development Agency	--	--	3,840	(3,840)
Total public assistance	<u>--</u>	<u>--</u>	<u>3,840</u>	<u>(3,840)</u>
Total expenditures	<u>2,535,927</u>	<u>2,785,613</u>	<u>2,638,411</u>	<u>147,202</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(80,286)</u>	<u>(399,972)</u>	<u>181,780</u>	<u>581,752</u>
Other Financing Uses:				
Transfers in	--	10,317	10,317	--
Transfers out	--	--	(47,933)	(47,933)
Total other financing sources (uses)	<u>--</u>	<u>10,317</u>	<u>(37,616)</u>	<u>(47,933)</u>
Net change in fund balances	(80,286)	(389,655)	144,164	533,819
Fund balances, beginning of year	<u>690,288</u>	<u>690,288</u>	<u>690,288</u>	<u>--</u>
Fund balances, end of year	<u>\$ 610,002</u>	<u>\$ 300,633</u>	<u>\$ 834,452</u>	<u>\$ 533,819</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
Environmental Health Fund
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ 3,290,492	\$ 3,240,492	\$ 3,203,026	\$ (37,466)
Intergovernmental revenues	110,000	99,000	124,429	25,429
Charges for services	250,816	176,466	215,058	38,592
Fines and forfeits	--	--	14,158	14,158
From use of money and property	--	--	527	527
Total revenues	<u>3,651,308</u>	<u>3,515,958</u>	<u>3,557,198</u>	<u>41,240</u>
Expenditures:				
Current:				
General government				
Community Development Agency	467,512	562,188	511,002	51,186
Total general government	<u>467,512</u>	<u>562,188</u>	<u>511,002</u>	<u>51,186</u>
Public protection				
Community Development Agency	3,054,068	3,302,661	3,090,706	211,955
Total public protection	<u>3,054,068</u>	<u>3,302,661</u>	<u>3,090,706</u>	<u>211,955</u>
Total expenditures	<u>3,521,580</u>	<u>3,864,849</u>	<u>3,601,708</u>	<u>263,141</u>
Excess (deficiency) of revenues over (under) expenditures	<u>129,728</u>	<u>(348,891)</u>	<u>(44,510)</u>	<u>304,381</u>
Other Financing Uses:				
Transfers out	--	--	(75,490)	(75,490)
Total other financing uses	<u>--</u>	<u>--</u>	<u>(75,490)</u>	<u>(75,490)</u>
Net change in fund balances	129,728	(348,891)	(120,000)	228,891
Fund balances, beginning of year	<u>560,177</u>	<u>560,177</u>	<u>560,177</u>	<u>--</u>
Fund balances, end of year	<u>\$ 689,905</u>	<u>\$ 211,286</u>	<u>\$ 440,177</u>	<u>\$ 228,891</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
Fishnet Fund
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 124,760	\$ 142,432	\$ 76,865	\$ (65,567)
From use of money and property	--	--	146	146
Total revenues	<u>124,760</u>	<u>142,432</u>	<u>77,011</u>	<u>(65,421)</u>
Expenditures:				
Current:				
County Administrator	124,760	198,898	57,149	141,749
Total public protection	<u>124,760</u>	<u>198,898</u>	<u>57,149</u>	<u>141,749</u>
Total expenditures	<u>124,760</u>	<u>198,898</u>	<u>57,149</u>	<u>141,749</u>
Excess (deficiency) of revenues over (under) expenditures	<u>--</u>	<u>(56,466)</u>	<u>19,862</u>	<u>76,328</u>
Net change in fund balances	--	(56,466)	19,862	76,328
Fund balances, beginning of year	<u>109,433</u>	<u>109,433</u>	<u>109,433</u>	<u>--</u>
Fund balances, end of year	<u>\$ 109,433</u>	<u>\$ 52,967</u>	<u>\$ 129,295</u>	<u>\$ 76,328</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
 HUD Funds
 For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 2,099,091	\$ 4,477,283	\$ 1,899,754	\$ (2,577,529)
Total revenues	<u>2,099,091</u>	<u>4,477,283</u>	<u>1,899,754</u>	<u>(2,577,529)</u>
Expenditures:				
Current:				
Public assistance				
Community Development Agency	485,095	4,316,118	1,905,053	2,411,065
Total public assistance	<u>485,095</u>	<u>4,316,118</u>	<u>1,905,053</u>	<u>2,411,065</u>
Capital Outlay	<u>1,593,996</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>2,079,091</u>	<u>4,316,118</u>	<u>1,905,053</u>	<u>2,411,065</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,000</u>	<u>161,165</u>	<u>(5,299)</u>	<u>(166,464)</u>
Other Financing Sources (Uses):				
Transfers in	--	28,884	14,273	(14,611)
Transfers out	<u>--</u>	<u>--</u>	<u>(8,974)</u>	<u>(8,974)</u>
Total other financing sources, net	<u>--</u>	<u>28,884</u>	<u>5,299</u>	<u>(23,585)</u>
Net change in fund balances	20,000	190,049	--	(190,049)
Fund balances, beginning of year	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances, end of year	<u>\$ 20,000</u>	<u>\$ 190,049</u>	<u>\$ --</u>	<u>\$ (190,049)</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
 High Tech Theft Fund
 For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 3,079,748	\$ 3,079,748	\$ 1,217,229	\$ (1,862,519)
From use of money and property	--	--	347	347
Total revenues	<u>3,079,748</u>	<u>3,079,748</u>	<u>1,217,576</u>	<u>(1,862,172)</u>
Expenditures:				
Current:				
Public protection				
District Attorney	3,080,958	3,038,156	1,193,817	1,844,339
Total public protection	<u>3,080,958</u>	<u>3,038,156</u>	<u>1,193,817</u>	<u>1,844,339</u>
Capital Outlay	<u>22,670</u>	<u>23,754</u>	<u>23,754</u>	<u>--</u>
Total expenditures	<u>3,103,628</u>	<u>3,061,910</u>	<u>1,217,571</u>	<u>1,844,339</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,880)</u>	<u>17,838</u>	<u>5</u>	<u>(17,833)</u>
Net change in fund balances	(23,880)	17,838	5	(17,833)
Fund balances, beginning of year	<u>12,560</u>	<u>12,560</u>	<u>12,560</u>	<u>--</u>
Fund balances, end of year	<u><u>\$ (11,320)</u></u>	<u><u>\$ 30,398</u></u>	<u><u>\$ 12,565</u></u>	<u><u>\$ (17,833)</u></u>

COUNTY OF MARIN

Budgetary Comparison Schedule
Sewer Districts
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 51,984	\$ 51,984	\$ 52,341	\$ 357
Intergovernmental revenues	98	98	312	214
Charges for services	69,990	69,990	63,720	(6,270)
From use of money and property	882	882	728	(154)
Total revenues	<u>122,954</u>	<u>122,954</u>	<u>117,101</u>	<u>(5,853)</u>
Expenditures:				
Current:				
Health and sanitation				
SMD Murray Park	102,874	159,656	114,953	44,703
SMD San Quentin	136,184	138,989	38,585	100,404
Total health and sanitation	<u>239,058</u>	<u>298,645</u>	<u>153,538</u>	<u>145,107</u>
Total expenditures	<u>239,058</u>	<u>298,645</u>	<u>153,538</u>	<u>145,107</u>
Deficiency of revenues under expenditures	<u>(116,104)</u>	<u>(175,691)</u>	<u>(36,437)</u>	<u>139,254</u>
Net change in fund balances	(116,104)	(175,691)	(36,437)	139,254
Fund balances, beginning of year	<u>595,702</u>	<u>595,702</u>	<u>595,702</u>	<u>--</u>
Fund balances, end of year	<u>\$ 479,598</u>	<u>\$ 420,011</u>	<u>\$ 559,265</u>	<u>\$ 139,254</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
 CSA's
 For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 3,559,281	\$ 3,559,281	\$ 3,514,033	\$ (45,248)
Intergovernmental revenues	19,422	19,422	19,300	(122)
Charges for services	1,780,704	1,769,204	1,630,446	(138,758)
From use of money and property	51,163	51,163	23,098	(28,065)
Miscellaneous	--	--	4,270	4,270
Total revenues	<u>5,410,570</u>	<u>5,399,070</u>	<u>5,191,147</u>	<u>(207,923)</u>
Expenditures:				
Current:				
Public protection				
CSA#13 Marin County Upper Lucas	681,435	676,565	618,070	58,495
CSA#17 Kentfield	160,303	160,303	160,171	132
CSA#19 Fire Pr Svcs	1,743,500	1,743,500	1,512,564	230,936
CSA#29 Paradise Cay	99,000	94,000	9,781	84,219
CSA#6 Santa Venetia	21,868	238,059	7,517	230,542
Total public protection	<u>2,706,106</u>	<u>2,912,427</u>	<u>2,308,103</u>	<u>604,324</u>
Public ways and facilities				
CSA#1 Loma Verde	91,100	91,100	12,300	78,800
CSA#9 Northbridge	45,667	27,627	13,312	14,315
Total public ways and facilities	<u>136,767</u>	<u>118,727</u>	<u>25,612</u>	<u>93,115</u>
Health and sanitation				
CSA#27 Ross Vly Par	35,700	35,700	33,819	1,881
CSA#28 W Marin Para	6,500	6,500	6,408	92
Total health and sanitation	<u>42,200</u>	<u>42,200</u>	<u>40,227</u>	<u>1,973</u>
Recreation and cultural services				
CSA#14 Homestead Vly	1,856,230	436,376	391,594	44,782
CSA#16 Greenbrae	485,039	440,049	283,936	156,113
CSA#17 Kentfield	756,306	756,443	298,120	458,323
CSA#18 Gallinas Vil	304,691	296,671	116,055	180,616
CSA#20 Indian Vly	77,084	77,084	84	77,000
CSA#33 Stinson Bch	37,583	41,068	38,332	2,736
Total recreation and cultural svcs	<u>3,516,933</u>	<u>2,047,691</u>	<u>1,128,121</u>	<u>919,570</u>
Capital Outlay	554,216	426,984	--	426,984
Debt Service:				
Principal	36,098	36,098	36,094	4
Interest	35,970	35,970	35,974	(4)
Total debt service	<u>72,068</u>	<u>72,068</u>	<u>72,068</u>	<u>--</u>
Total expenditures	<u>7,028,290</u>	<u>5,620,097</u>	<u>3,574,131</u>	<u>2,045,966</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,617,720)</u>	<u>(221,027)</u>	<u>1,617,016</u>	<u>1,838,043</u>
Other Financing Sources (Uses):				
Transfers in	--	197,000	197,000	--
Transfers out	<u>(950,800)</u>	<u>(1,015,800)</u>	<u>(903,500)</u>	<u>112,300</u>
Total other financing uses, net	<u>(950,800)</u>	<u>(818,800)</u>	<u>(706,500)</u>	<u>112,300</u>
Net change in fund balances	<u>(2,568,520)</u>	<u>(1,039,827)</u>	<u>910,516</u>	<u>1,950,343</u>
Fund balances, beginning of year	<u>15,140,911</u>	<u>15,140,911</u>	<u>15,140,911</u>	<u>--</u>
Fund balances, end of year	<u>\$ 12,572,391</u>	<u>\$ 14,101,084</u>	<u>\$ 16,051,427</u>	<u>\$ 1,950,343</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
Lighting
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 652,887	\$ 652,887	\$ 698,098	\$ 45,211
Intergovernmental revenues	--	--	3,596	3,596
Charges for services	83,336	83,336	83,336	--
From use of money and property	3,506	3,506	1,800	(1,706)
Total revenues	<u>739,729</u>	<u>739,729</u>	<u>786,830</u>	<u>47,101</u>
Expenditures:				
Current:				
Marin County Lighting	742,084	752,174	410,490	341,684
Rush Creek Lighting	247,459	183,913	82,285	101,628
Total public ways and facilities	<u>989,543</u>	<u>936,087</u>	<u>492,775</u>	<u>443,312</u>
Capital Outlay	<u>20,000</u>	<u>20,000</u>	<u>--</u>	<u>20,000</u>
Debt Service:				
Principal	--	13,942	36,586	(22,644)
Interest	--	36,586	13,942	22,644
Total debt service	<u>--</u>	<u>50,528</u>	<u>50,528</u>	<u>--</u>
Total expenditures	<u>1,009,543</u>	<u>1,006,615</u>	<u>543,303</u>	<u>463,312</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(269,814)</u>	<u>(266,886)</u>	<u>243,527</u>	<u>510,413</u>
Net change in fund balances	(269,814)	(266,886)	243,527	510,413
Fund balances, beginning of year	<u>1,310,194</u>	<u>1,310,194</u>	<u>1,310,194</u>	<u>--</u>
Fund balances, end of year	<u>\$ 1,040,380</u>	<u>\$ 1,043,308</u>	<u>\$ 1,553,721</u>	<u>\$ 510,413</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
PRD's
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 51,025	\$ 51,025	\$ 51,713	\$ 688
Intergovernmental revenues	100	100	337	237
Charges for services	32,680	32,680	29,463	(3,217)
From use of money and property	1,325	1,325	392	(933)
Total revenues	<u>85,130</u>	<u>85,130</u>	<u>81,905</u>	<u>(3,225)</u>
Expenditures:				
Current:				
Public ways and facilities				
PRD Bolinas Highland	16,150	16,150	1,168	14,982
PRD Inverness Div#2	20,050	20,050	1,911	18,139
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	53,532	24,668
Total public ways and facilities	<u>156,510</u>	<u>156,510</u>	<u>56,611</u>	<u>99,899</u>
Total expenditures	<u>156,510</u>	<u>156,510</u>	<u>56,611</u>	<u>99,899</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(71,380)</u>	<u>(71,380)</u>	<u>25,294</u>	<u>96,674</u>
Net change in fund balances	(71,380)	(71,380)	25,294	96,674
Fund balances, beginning of year	<u>314,843</u>	<u>314,843</u>	<u>314,843</u>	<u>--</u>
Fund balances, end of year	<u>\$ 243,463</u>	<u>\$ 243,463</u>	<u>\$ 340,137</u>	<u>\$ 96,674</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
Tobacco Settlement Fund
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 150,000	\$ 157,159	\$ 112,500	\$ (44,659)
From use of money and property	--	--	106	106
Total revenues	<u>150,000</u>	<u>157,159</u>	<u>112,606</u>	<u>(44,553)</u>
Excess of revenues over expenditures	<u>150,000</u>	<u>157,159</u>	<u>112,606</u>	<u>(44,553)</u>
Other Financing Sources (Uses):				
Transfers in	--	--	37,026	37,026
Transfers out	(150,000)	(157,159)	(157,159)	--
Total other financing uses, net	<u>(150,000)</u>	<u>(157,159)</u>	<u>(120,133)</u>	<u>37,026</u>
Net change in fund balances	--	--	(7,527)	(7,527)
Fund balances, beginning of year	<u>7,527</u>	<u>7,527</u>	<u>7,527</u>	<u>--</u>
Fund balances, end of year	<u>\$ 7,527</u>	<u>\$ 7,527</u>	<u>\$ --</u>	<u>\$ (7,527)</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
 IHSS Fund
 For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 2,140,000	\$ --	\$ --	\$ --
From use of money and property	3,000	3,000	485	(2,515)
Total revenues	<u>2,143,000</u>	<u>3,000</u>	<u>485</u>	<u>(2,515)</u>
Expenditures:				
Current:				
Health and sanitation				
IHSS Public Auth	2,143,000	2,143,000	2,033,883	109,117
Total health and sanitation	<u>2,143,000</u>	<u>2,143,000</u>	<u>2,033,883</u>	<u>109,117</u>
Total expenditures	<u>2,143,000</u>	<u>2,143,000</u>	<u>2,033,883</u>	<u>109,117</u>
Excess (deficiency) of revenues over (under) expenditures	<u>--</u>	<u>(2,140,000)</u>	<u>(2,033,398)</u>	<u>106,602</u>
Other Financing Sources:				
Transfers in	--	2,140,000	2,033,883	(106,117)
Total other financing sources	<u>--</u>	<u>2,140,000</u>	<u>2,033,883</u>	<u>(106,117)</u>
Net change in fund balances	--	--	485	485
Fund balances, beginning of year	<u>54,235</u>	<u>54,235</u>	<u>54,235</u>	<u>--</u>
Fund balances, end of year	<u>\$ 54,235</u>	<u>\$ 54,235</u>	<u>\$ 54,720</u>	<u>\$ 485</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
 Bay Area Stormwater Management Fund
 For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
From use of money and property			\$ --	\$ --
Total revenues	--	--	--	--
Expenditures:				
Current:				
General government				
Public Works			--	--
Total general government	--	--	--	--
Total expenditures	--	--	--	--
Deficiency of revenues under expenditures	--	--	--	--
Net change in fund balances	--	--	--	--
Fund balances, beginning of year			50	50
Fund balances, end of year	\$ --	\$ --	\$ 50	\$ 50

COUNTY OF MARIN

Budgetary Comparison Schedule
Open Space District
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 5,543,815	\$ 5,543,815	\$ 5,475,994	\$ (67,821)
Intergovernmental revenues	362,576	362,576	689,197	326,621
Charges for services	70,000	70,000	41,072	(28,928)
From use of money and property	70,434	70,434	25,570	(44,864)
Miscellaneous	2,000	2,000	221,843	219,843
Total revenues	<u>6,048,825</u>	<u>6,048,825</u>	<u>6,453,676</u>	<u>404,851</u>
Expenditures:				
Current:				
Recreation and cultural services				
Open Space	7,142,432	6,518,641	6,116,112	402,529
Total recreation and cultural svcs	<u>7,142,432</u>	<u>6,518,641</u>	<u>6,116,112</u>	<u>402,529</u>
Capital Outlay	--	669,424	669,424	--
Total expenditures	<u>7,142,432</u>	<u>7,188,065</u>	<u>6,785,536</u>	<u>402,529</u>
Deficiency of revenues under expenditures	<u>(1,093,607)</u>	<u>(1,139,240)</u>	<u>(331,860)</u>	<u>807,380</u>
Other Financing Uses:				
Transfers out	--	--	(93,001)	(93,001)
Total other financing uses	<u>--</u>	<u>--</u>	<u>(93,001)</u>	<u>(93,001)</u>
Net change in fund balances	(1,093,607)	(1,139,240)	(424,861)	714,379
Fund balances, beginning of year	<u>8,623,134</u>	<u>8,623,134</u>	<u>8,623,134</u>	<u>--</u>
Fund balances, end of year	<u>\$ 7,529,527</u>	<u>\$ 7,483,894</u>	<u>\$ 8,198,273</u>	<u>\$ 714,379</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
 Low-Income Housing Fund
 For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ 100,000	\$ 100,000	\$ 419,307	\$ 319,307
From use of money and property	--	--	6,648	6,648
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>425,955</u>	<u>325,955</u>
Expenditures:				
Current:				
Public assistance				
Community Development Agency	179,314	314,953	275,207	39,746
Total public assistance	<u>179,314</u>	<u>314,953</u>	<u>275,207</u>	<u>39,746</u>
Debt Service:				
Principal	--	249,627	1,450,000	(1,200,373)
Interest	--	1,450,000	249,627	1,200,373
Total debt service	<u>--</u>	<u>1,699,627</u>	<u>1,699,627</u>	<u>--</u>
Total expenditures	<u>179,314</u>	<u>2,014,580</u>	<u>1,974,834</u>	<u>39,746</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(79,314)</u>	<u>(1,914,580)</u>	<u>(1,548,879)</u>	<u>365,701</u>
Other Financing Sources (Uses):				
Transfers in	250,000	698,000	698,000	--
Transfers out	<u>(175,047)</u>	<u>(483,047)</u>	<u>(483,047)</u>	<u>--</u>
Total other financing sources, net	<u>74,953</u>	<u>214,953</u>	<u>214,953</u>	<u>--</u>
Net change in fund balances	(4,361)	(1,699,627)	(1,333,926)	365,701
Fund balances, beginning of year	<u>10,919,015</u>	<u>10,919,015</u>	<u>10,919,015</u>	<u>--</u>
Fund balances, end of year	<u>\$ 10,914,654</u>	<u>\$ 9,219,388</u>	<u>\$ 9,585,089</u>	<u>\$ 365,701</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
Flood Control Zones
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 4,186,540	\$ 4,186,540	\$ 4,359,008	\$ 172,468
Intergovernmental revenues	39,412	39,412	82,341	42,929
Charges for services	2,407,000	2,407,000	2,572,697	165,697
From use of money and property	76,400	76,400	28,582	(47,818)
Miscellaneous	900	900	6,813	5,913
Total revenues	<u>6,710,252</u>	<u>6,710,252</u>	<u>7,049,441</u>	<u>339,189</u>
Expenditures:				
Current:				
Public protection				
FCZ#1 Novato	1,637,075	2,639,921	2,419,651	220,270
FCZ#3 Richardson Bay	2,268,249	1,421,955	1,098,446	323,509
FCZ#4 and FCZ#4A	795,604	766,743	422,037	344,706
FCZ#5 Stinson Beach	117,761	101,381	53,075	48,306
FCZ#6 S R Meadows	19,955	18,665	14,373	4,292
FCZ#7 Santa Venetia	637,366	467,111	490,391	(23,280)
FCZ#9 and FCZ#9A	5,325,000	2,848,291	715,054	2,133,237
FCZ#10 Inverness	18,526	11,193	2,441	8,752
Total public protection	<u>10,819,536</u>	<u>8,275,260</u>	<u>5,215,468</u>	<u>3,059,792</u>
Capital Outlay	18,000	30,775	12,750	18,025
Debt Service:				
Principal	520,000	520,000	--	520,000
Interest	78,000	78,000	2,344	75,656
Total debt service	<u>598,000</u>	<u>598,000</u>	<u>2,344</u>	<u>595,656</u>
Total expenditures	<u>11,435,536</u>	<u>8,904,035</u>	<u>5,230,562</u>	<u>3,673,473</u>
Excess of revenues over expenditures	<u>(4,725,284)</u>	<u>(2,193,783)</u>	<u>1,818,879</u>	<u>4,012,662</u>
Other Financing Sources:				
Transfers in	--	50,000	50,000	--
Transfers out	--	(3,201,162)	(3,201,162)	--
Total other financing uses, net	<u>--</u>	<u>(3,151,162)</u>	<u>(3,151,162)</u>	<u>--</u>
Net change in fund balances	(4,725,284)	(5,344,945)	(1,332,283)	4,012,662
Fund balances, beginning of year	<u>21,870,605</u>	<u>21,870,605</u>	<u>21,870,605</u>	<u>--</u>
Fund balances, end of year	<u>\$ 17,145,321</u>	<u>\$ 16,525,660</u>	<u>\$ 20,538,322</u>	<u>\$ 4,012,662</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
Miscellaneous Special Revenue Fund
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ --	\$ 3,713,026	\$ 2,200,853	\$ (1,512,173)
Charges for services	615,963	771,125	790,431	19,306
From use of money and property	--	1,920	3,754	1,834
Total revenues	<u>615,963</u>	<u>4,486,071</u>	<u>2,995,038</u>	<u>(1,491,033)</u>
Expenditures:				
Current:				
Public protection				
Health and Human Services	45,051	782,263	498,523	283,740
Sheriff	59,837	517,265	305,966	211,299
Total public protection	<u>104,888</u>	<u>1,299,528</u>	<u>804,489</u>	<u>495,039</u>
Health and sanitation				
Health and Human Services	116,795	1,731,057	531,747	1,199,310
Total health and sanitation	<u>116,795</u>	<u>1,731,057</u>	<u>531,747</u>	<u>1,199,310</u>
Public assistance				
Health and Human Services	--	253,865	200,997	52,868
Total public assistance	<u>--</u>	<u>253,865</u>	<u>200,997</u>	<u>52,868</u>
Capital Outlay				
	<u>25,224</u>	<u>381,766</u>	<u>169,689</u>	<u>212,077</u>
Total expenditures	<u>246,907</u>	<u>3,666,216</u>	<u>1,706,922</u>	<u>1,959,294</u>
Excess of revenues over expenditures	<u>369,056</u>	<u>819,855</u>	<u>1,288,116</u>	<u>468,261</u>
Other Financing Uses:				
Transfers out	<u>(876,094)</u>	<u>(780,113)</u>	<u>(726,113)</u>	<u>54,000</u>
Total other financing uses	<u>(876,094)</u>	<u>(780,113)</u>	<u>(726,113)</u>	<u>54,000</u>
Net change in fund balances	(507,038)	39,742	562,003	522,261
Fund balances, beginning of year, restated	<u>2,172,385</u>	<u>2,172,385</u>	<u>2,172,385</u>	<u>--</u>
Fund balances, end of year	<u>\$ 1,665,347</u>	<u>\$ 2,212,127</u>	<u>\$ 2,734,388</u>	<u>\$ 522,261</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
Public Protection
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 12,732,078	\$ 19,563,264	\$ 20,730,341	\$ 1,167,077
Charges for services	38,400	174,062	265,128	91,066
Fines and forfeits	540,000	540,000	487,114	(52,886)
From use of money and property	--	--	19,053	19,053
Miscellaneous	--	--	153	153
Total revenues	<u>13,310,478</u>	<u>20,277,326</u>	<u>21,501,789</u>	<u>1,224,463</u>
Expenditures:				
Current:				
General government				
Non - Departmental	--	10,750	11,450	(700)
Total general government	<u>--</u>	<u>10,750</u>	<u>11,450</u>	<u>(700)</u>
Public protection				
Probation	827,388	892,919	840,047	52,872
Sheriff	545,246	1,410,050	990,733	419,317
Total public protection	<u>1,372,634</u>	<u>2,302,969</u>	<u>1,830,780</u>	<u>472,189</u>
Health and sanitation				
Health and Human Services	270,394	598,421	367,045	231,376
Total health and sanitation	<u>270,394</u>	<u>598,421</u>	<u>367,045</u>	<u>231,376</u>
Public assistance				
Health and Human Services	135,405	135,405	115,601	19,804
Total education	<u>135,405</u>	<u>135,405</u>	<u>115,601</u>	<u>19,804</u>
Capital Outlay	--	60,644	60,663	(19)
Total expenditures	<u>1,778,433</u>	<u>3,108,189</u>	<u>2,385,539</u>	<u>722,650</u>
Excess of revenues over expenditures	<u>11,532,045</u>	<u>17,169,137</u>	<u>19,116,250</u>	<u>1,947,113</u>
Other Financing Sources (Uses):				
Transfers in	--	5,000,000	3,261,547	(1,738,453)
Transfers out	(11,645,458)	(23,905,395)	(18,301,613)	5,603,782
Total other financing uses, net	<u>(11,645,458)</u>	<u>(18,905,395)</u>	<u>(15,040,066)</u>	<u>3,865,329</u>
Net change in fund balances	(113,413)	(1,736,258)	4,076,184	5,812,442
Fund balances, beginning of year	<u>8,785,127</u>	<u>8,785,127</u>	<u>8,785,127</u>	<u>--</u>
Fund balances, end of year	<u>\$ 8,671,714</u>	<u>\$ 7,048,869</u>	<u>\$ 12,861,311</u>	<u>\$ 5,812,442</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
Public Ways and Facilities
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ 767,859	\$ 833,047	\$ 904,064	\$ 71,017
Intergovernmental revenues	--	4,955,684	1,726,681	(3,229,003)
Charges for services	687,874	540,475	586,127	45,652
From use of money and property	38,983	54,970	38,806	(16,164)
Miscellaneous	8,000	8,000	12,500	4,500
Total revenues	<u>1,502,716</u>	<u>6,392,176</u>	<u>3,268,178</u>	<u>(3,123,998)</u>
Expenditures:				
Current:				
General government				
Public Works	78,046	49,507	35,269	14,238
Total general government	<u>78,046</u>	<u>49,507</u>	<u>35,269</u>	<u>14,238</u>
Public protection				
Community Development Agency	47,026	42,601	26,300	16,301
Entities Managed by DPW	830,568	720,359	659,660	60,699
Public Works	-	5,216	2,183	3,033
Total public protection	<u>877,594</u>	<u>768,176</u>	<u>688,143</u>	<u>80,033</u>
Public ways and facilities				
Public Works	340,420	4,903,303	381,812	4,521,491
Total public ways and facilities	<u>340,420</u>	<u>4,903,303</u>	<u>381,812</u>	<u>4,521,491</u>
Capital Outlay	--	--	1,125,518	(1,125,518)
Total expenditures	<u>1,296,060</u>	<u>5,720,986</u>	<u>2,230,742</u>	<u>3,490,244</u>
Excess of revenues over expenditures	<u>206,656</u>	<u>671,190</u>	<u>1,037,436</u>	<u>366,246</u>
Other Financing Sources (Uses):				
Transfers in	--	147,399	147,399	--
Transfers out	(889,746)	(303,387)	(235,966)	67,421
Total other financing uses, net	<u>(889,746)</u>	<u>(155,988)</u>	<u>(88,567)</u>	<u>67,421</u>
Net change in fund balances	(683,090)	515,202	948,869	433,667
Fund balances, beginning of year	<u>7,324,121</u>	<u>7,324,121</u>	<u>7,324,121</u>	<u>--</u>
Fund balances, end of year	<u>\$ 6,641,031</u>	<u>\$ 7,839,323</u>	<u>\$ 8,272,990</u>	<u>\$ 433,667</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
 Restricted Low-Income Housing
 For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
From use of money and property	\$ --	\$ --	\$ 2,764	\$ 2,764
Total revenues	<u>--</u>	<u>--</u>	<u>2,764</u>	<u>2,764</u>
Deficiency of revenues under expenditures	<u>--</u>	<u>--</u>	<u>2,764</u>	<u>2,764</u>
Net change in fund balances	<u>--</u>	<u>--</u>	<u>2,764</u>	<u>2,764</u>
Fund balances, beginning of year	<u>3,668,322</u>	<u>3,668,322</u>	<u>3,668,322</u>	<u>--</u>
Fund balances, end of year	<u><u>\$ 3,668,322</u></u>	<u><u>\$ 3,668,322</u></u>	<u><u>\$ 3,671,086</u></u>	<u><u>\$ 2,764</u></u>

COUNTY OF MARIN

Budgetary Comparison Schedule
Recreational and Cultural Services
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ --	\$ --	\$ 1,088,635	\$ 1,088,635
From use of money and property	--	--	493	493
Total revenues	<u>--</u>	<u>--</u>	<u>1,089,128</u>	<u>1,089,128</u>
Expenditures:				
Current:				
Recreation and cultural services	--	--	1,093,855	(1,093,855)
Total recreation and cultural svcs	<u>--</u>	<u>--</u>	<u>1,093,855</u>	<u>(1,093,855)</u>
Total expenditures	<u>--</u>	<u>--</u>	<u>1,093,855</u>	<u>(1,093,855)</u>
Deficiency of revenues under expenditures	<u>--</u>	<u>--</u>	<u>(4,727)</u>	<u>(4,727)</u>
Net change in fund balances	--	--	(4,727)	(4,727)
Fund balances, beginning of year	<u>256,584</u>	<u>256,584</u>	<u>256,584</u>	<u>--</u>
Fund balances, end of year	<u>\$ 256,584</u>	<u>\$ 256,584</u>	<u>\$ 251,857</u>	<u>\$ (4,727)</u>

CAPITAL PROJECTS FUNDS

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NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources that are restricted, committed or assigned to expenditures for the acquisition of major capital assets other than those financed by proprietary funds. Funding may only be used for the purpose obtained.

Courthouse Construction

This fund provides for the appropriation of Court Construction Funds, restricted by law to be used for the development, rehabilitation and/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, 2013

	<u>Courthouse Construction</u>	<u>Other Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and investments in County pool	\$ 794,471	\$ 15,157,764	\$ 15,952,235
Due from other governmental agencies	--	706,037	706,037
	<u>794,471</u>	<u>15,863,801</u>	<u>16,658,272</u>
Total assets	<u>\$ 794,471</u>	<u>\$ 15,863,801</u>	<u>\$ 16,658,272</u>
LIABILITIES			
Accounts payable and accrued expenses	--	1,865,442	1,865,442
Other liabilities	--	2,497	2,497
Total liabilities	<u>--</u>	<u>1,867,939</u>	<u>1,867,939</u>
FUND BALANCES			
Restricted	794,471	9,157,600	9,952,071
Assigned	--	4,838,262	4,838,262
Total fund balances	<u>794,471</u>	<u>13,995,862</u>	<u>14,790,333</u>
Total liabilities and fund balances	<u>\$ 794,471</u>	<u>\$ 15,863,801</u>	<u>\$ 16,658,272</u>

COUNTY OF MARIN

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Capital Project Funds
June 30, 2013

	<u>Courthouse Construction</u>	<u>Other Capital Projects</u>	<u>Total</u>
Revenues:			
Licenses and permits	\$ 1,572	\$ --	\$ 1,572
Intergovernmental revenues	--	3,362,418	3,362,418
Fines and forfeits	409,140	--	409,140
Use of money and property	723	14,760	15,483
Total revenues	<u>411,435</u>	<u>3,377,178</u>	<u>3,788,613</u>
Expenditures:			
Current:			
Public ways and facilities	--	7,464,396	7,464,396
Total expenditures	<u>--</u>	<u>7,464,396</u>	<u>7,464,396</u>
Excess (deficiency) of revenues over (under) expenditures	<u>411,435</u>	<u>(4,087,218)</u>	<u>(3,675,783)</u>
Other Financing Sources (Uses):			
Transfers in	--	5,522,792	5,522,792
Transfers out	<u>(450,000)</u>	<u>(362,560)</u>	<u>(812,560)</u>
Total other financing sources (uses)	<u>(450,000)</u>	<u>5,160,232</u>	<u>4,710,232</u>
Net change in fund balances	(38,565)	1,073,014	1,034,449
Fund balances, beginning of year - restated	<u>833,036</u>	<u>12,922,848</u>	<u>13,755,884</u>
Fund balances, end of year	<u>\$ 794,471</u>	<u>\$ 13,995,862</u>	<u>\$ 14,790,333</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
Miscellaneous Capital Project Fund
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ --	\$ 393,419	--	(393,419)
Intergovernmental revenues	--	234,263	244,712	10,449
Charges for services	--	90	212,502	212,412
From use of money and property	--	--	19,580	19,580
Total revenues	--	627,772	476,794	(150,978)
Expenditures:				
Current:				
General government				
Public Works	25,184,944	21,609,890	4,377,054	17,232,836
Total general government	25,184,944	21,609,890	4,377,054	17,232,836
Public protection				
Public Works	240,583	1,865,737	200,742	1,664,995
Total public protection	240,583	1,865,737	200,742	1,664,995
Public ways and facilities				
Public Works	23,753	1,586,590	96,722	1,489,868
Total public ways and facilities	23,753	1,586,590	96,722	1,489,868
Health and sanitation				
Public Works	--	259,557	--	259,557
Total health and sanitation	--	259,557	--	259,557
Education				
Public Works	--	84,347	--	84,347
Total education	--	84,347	--	84,347
Recreation and cultural services				
Parks	150,412	1,347,688	147,380	1,200,308
Public Works	11,178	490,108	174,040	316,068
Total recreation and cultural svcs	161,590	1,837,796	321,420	1,516,376
Capital Outlay	2,965,525	--	8,314,189	(8,314,189)
Total expenditures	28,576,395	27,243,917	13,310,127	13,933,790
Deficiency of revenues under expenditures	(28,576,395)	(26,616,145)	(12,833,333)	(13,782,812)

continued

COUNTY OF MARIN

Budgetary Comparison Schedule (continued)
 Miscellaneous Capital Project Fund
 For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Other Financing Sources (Uses):				
Transfers in	\$ 4,000,000	\$ 17,867,238	\$ 16,944,000	\$ (923,238)
Transfers out	--	(600,000)	(629,662)	(29,662)
Total other financing sources, net	<u>4,000,000</u>	<u>17,267,238</u>	<u>16,438,485</u>	<u>(828,753)</u>
Net change in fund balances	(24,576,395)	(9,348,907)	3,605,152	12,954,059
Fund balances, beginning of year	<u>59,470,249</u>	<u>59,470,249</u>	<u>59,470,249</u>	<u>--</u>
Fund balances, end of year	<u>\$ 34,893,854</u>	<u>\$ 50,121,342</u>	<u>\$ 63,075,401</u>	<u>\$ 12,954,059</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
 Courthouse Construction
 For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ --	\$ --	\$ 1,572	\$ 1,572
Fines and forfeits	450,000	450,000	409,140	(40,860)
From use of money and property	--	--	723	723
Total revenues	<u>450,000</u>	<u>450,000</u>	<u>411,435</u>	<u>(38,565)</u>
Excess of revenues under expenditures	<u>450,000</u>	<u>450,000</u>	<u>411,435</u>	<u>(38,565)</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	--	--	(38,565)	(38,565)
Fund balances, beginning of year	<u>833,036</u>	<u>833,036</u>	<u>833,036</u>	<u>--</u>
Fund balances, end of year	<u>\$ 833,036</u>	<u>\$ 833,036</u>	<u>\$ 794,471</u>	<u>\$ (38,565)</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
 Other Capital Projects
 For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ --	\$ 6,574,355	\$ 3,362,418	\$ (3,211,937)
From use of money and property	--	--	14,760	14,760
Total revenues	<u>--</u>	<u>6,574,355</u>	<u>3,377,178</u>	<u>(3,197,177)</u>
Expenditures:				
Current:				
Public ways and facilities				
Public Works	9,157,599	17,765,259	7,464,396	10,300,863
Total public ways and facilities	<u>9,157,599</u>	<u>17,765,259</u>	<u>7,464,396</u>	<u>10,300,863</u>
Total expenditures	<u>9,157,599</u>	<u>17,765,259</u>	<u>7,464,396</u>	<u>10,300,863</u>
Deficiency of revenues under expenditures	<u>(9,157,599)</u>	<u>(11,190,904)</u>	<u>(4,087,218)</u>	<u>7,103,686</u>
Other Financing Sources (Uses):				
Transfers in	--	5,652,792	5,522,792	(130,000)
Transfers out	--	(362,560)	(362,560)	--
Total other financing sources, net	<u>--</u>	<u>5,290,232</u>	<u>5,160,232</u>	<u>(130,000)</u>
Net change in fund balances	(9,157,599)	(5,900,672)	1,073,014	6,973,686
Fund balances, beginning of year	<u>12,922,848</u>	<u>12,922,848</u>	<u>12,922,848</u>	<u>--</u>
Fund balances, end of year	<u>\$ 3,765,249</u>	<u>\$ 7,022,176</u>	<u>\$ 13,995,862</u>	<u>\$ 6,973,686</u>

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, principal and interest on the County's general long-term debt and related costs.

Open Space Debt Service

The Open Space debt service fund is used to account for the accumulation of resources for the payment of the 2002 Open Space Revenue Bonds debt principal, interest, and related costs.

Pension Obligation Bonds (2003 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 principal and interest on the County's general long-term debt and related costs.

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, 2013

	<u>Open Space Debt Service</u>	<u>2003 POB</u>	<u>Debt Service</u>	<u>Tobacco Securitization</u>	<u>Total</u>
ASSETS					
Cash and investments in County pool	\$ 803,176	\$ 5,572,948	\$ 76,374	\$ 5	\$ 6,452,503
Cash with fiscal agent	--	--	4,003,538	3,662,550	7,666,088
Total assets	<u>\$ 803,176</u>	<u>\$ 5,572,948</u>	<u>\$ 4,079,912</u>	<u>\$ 3,662,555</u>	<u>\$ 14,118,591</u>
LIABILITIES					
Accounts payable	\$ 8,735	\$ --	\$ --	\$ --	\$ 8,735
Advances payable	--	--	45,400	--	45,400
Total liabilities	<u>8,735</u>	<u>--</u>	<u>45,400</u>	<u>--</u>	<u>54,135</u>
FUND BALANCES					
Restricted	794,441	--	3,918,241	3,662,555	8,375,237
Assigned	--	5,572,948	116,271	--	5,689,219
Total fund balances	<u>794,441</u>	<u>5,572,948</u>	<u>4,034,512</u>	<u>3,662,555</u>	<u>14,064,456</u>
Total liabilities and fund balances	<u>\$ 803,176</u>	<u>\$ 5,572,948</u>	<u>\$ 4,079,912</u>	<u>\$ 3,662,555</u>	<u>\$ 14,118,591</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, 2013

	<u>Open Space Debt Service</u>	<u>2003 POB</u>	<u>Debt Service</u>	<u>Tobacco Securitization</u>	<u>Total</u>
Revenues:					
Charges for services	\$ 662,290	\$ --	\$ 58,910	\$ --	\$ 721,200
From use of money and property	674	4,602	3,353	127,281	135,910
Miscellaneous	--	--	--	3,410,665	3,410,665
Total revenues	<u>662,964</u>	<u>4,602</u>	<u>62,263</u>	<u>3,537,946</u>	<u>4,267,775</u>
Expenditures:					
Current:					
General government	--	2,000	5,116	29,727	36,843
Public protection	--	--	7,591	--	7,591
Recreation and cultural services	14,821	--	--	--	14,821
Debt Service:					
Principal	304,000	1,785,000	2,149,673	1,629,822	5,868,495
Interest	314,816	5,772,507	2,763,365	1,890,375	10,741,063
Total expenditures	<u>633,637</u>	<u>7,559,507</u>	<u>4,925,745</u>	<u>3,549,924</u>	<u>16,668,813</u>
Excess (deficiency) of revenues over (under) expenditures	<u>29,327</u>	<u>(7,554,905)</u>	<u>(4,863,482)</u>	<u>(11,978)</u>	<u>(12,401,038)</u>
Other Financing Sources (Uses):					
Transfers in	--	7,215,641	4,868,934	--	12,084,575
Transfers out	--	(60,934)	(28,452)	--	(89,386)
Total other financing sources, net	<u>--</u>	<u>7,154,707</u>	<u>4,840,482</u>	<u>--</u>	<u>11,995,189</u>
Net change in fund balances	29,327	(400,198)	(23,000)	(11,978)	(405,849)
Fund balances, beginning of year - restated	<u>765,114</u>	<u>5,973,146</u>	<u>4,057,512</u>	<u>3,674,533</u>	<u>14,470,305</u>
Fund balances, end of year	<u>\$ 794,441</u>	<u>\$ 5,572,948</u>	<u>\$ 4,034,512</u>	<u>\$ 3,662,555</u>	<u>\$ 14,064,456</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
 Open Space Debt Service Fund
 For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ --	\$ --	\$ 662,290	\$ 662,290
From use of money and property	--	--	674	674
Total revenues	<u>--</u>	<u>--</u>	<u>662,964</u>	<u>662,964</u>
Expenditures:				
Current:				
Recreation and cultural services				
Non - Departmental	--	--	14,821	(14,821)
Total general government	<u>--</u>	<u>--</u>	<u>14,821</u>	<u>(14,821)</u>
Debt Service:				
Principal	--	--	304,000	(304,000)
Interest	--	--	314,816	(314,816)
Total debt service	<u>--</u>	<u>--</u>	<u>618,816</u>	<u>(618,816)</u>
Total expenditures	<u>--</u>	<u>--</u>	<u>633,637</u>	<u>(633,637)</u>
Excess of revenues over expenditures	<u>--</u>	<u>--</u>	<u>29,327</u>	<u>29,327</u>
Net change in fund balances	--	--	29,327	29,327
Fund balances, beginning of year	<u>765,114</u>	<u>765,114</u>	<u>765,114</u>	<u>--</u>
Fund balances, end of year	<u>\$ 765,114</u>	<u>\$ 765,114</u>	<u>\$ 794,441</u>	<u>\$ 29,327</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
2003 POB
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
From use of money and property	\$ 20,000	\$ 20,000	\$ 4,602	\$ (15,398)
Miscellaneous	7,547,507	7,547,507	--	(7,547,507)
Total revenues	<u>7,567,507</u>	<u>7,567,507</u>	<u>4,602</u>	<u>(7,562,905)</u>
Expenditures:				
Current:				
General government				
Non - Departmental	10,000	10,000	2,000	8,000
Total general government	<u>10,000</u>	<u>10,000</u>	<u>2,000</u>	<u>8,000</u>
Debt Service:				
Principal	1,785,000	1,785,000	1,785,000	--
Interest	5,772,507	5,772,507	5,772,507	--
Total debt service	<u>7,557,507</u>	<u>7,557,507</u>	<u>7,557,507</u>	<u>--</u>
Total expenditures	<u>7,567,507</u>	<u>7,567,507</u>	<u>7,559,507</u>	<u>8,000</u>
Deficiency of revenues under expenditures	<u>--</u>	<u>--</u>	<u>(7,554,905)</u>	<u>(7,554,905)</u>
Other Financing Sources:				
Transfers in	--	--	7,215,641	7,215,641
Transfers out	--	--	(60,934)	(60,934)
Total other financing sources, net	<u>--</u>	<u>--</u>	<u>7,154,707</u>	<u>7,154,707</u>
Net change in fund balances	--	--	(400,198)	(400,198)
Fund balances, beginning of year	<u>5,973,146</u>	<u>5,973,146</u>	<u>5,973,146</u>	<u>--</u>
Fund balances, end of year	<u><u>\$5,973,146</u></u>	<u><u>\$ 5,973,146</u></u>	<u><u>\$ 5,572,948</u></u>	<u><u>\$ (400,198)</u></u>

COUNTY OF MARIN

Budgetary Comparison Schedule
Other Debt Service
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 58,200	\$ 58,200	\$ 58,910	\$ 710
From use of money and property	--	--	3,353	3,353
Total revenues	<u>58,200</u>	<u>58,200</u>	<u>62,263</u>	<u>4,063</u>
Expenditures:				
Current:				
General government				
Non - Departmental	35,001	35,001	5,116	29,885
Total general government	<u>35,001</u>	<u>35,001</u>	<u>5,116</u>	<u>29,885</u>
Public protection				
Community Development Agency	10,200	10,200	7,591	2,609
Total public protection	<u>10,200</u>	<u>10,200</u>	<u>7,591</u>	<u>2,609</u>
Debt Service:				
Principal	2,149,000	2,149,000	2,149,673	(673)
Interest	2,764,938	2,764,938	2,763,365	1,573
Total debt service	<u>4,913,938</u>	<u>4,913,938</u>	<u>4,913,038</u>	<u>900</u>
Total expenditures	<u>4,959,139</u>	<u>4,959,139</u>	<u>4,925,745</u>	<u>33,394</u>
Deficiency of revenues under expenditures	<u>(4,900,939)</u>	<u>(4,900,939)</u>	<u>(4,863,482)</u>	<u>37,457</u>
Other Financing Sources (Uses):				
Transfers in	4,900,939	4,900,939	4,868,934	(32,005)
Transfers out	--	--	(28,452)	(28,452)
Total other financing sources, net	<u>4,900,939</u>	<u>4,900,939</u>	<u>4,840,482</u>	<u>(60,457)</u>
Net change in fund balances	--	--	(23,000)	(23,000)
Fund balances, beginning of year	<u>4,057,512</u>	<u>4,057,512</u>	<u>4,057,512</u>	<u>--</u>
Fund balances, end of year	<u>\$ 4,057,512</u>	<u>\$ 4,057,512</u>	<u>\$ 4,034,512</u>	<u>\$ (23,000)</u>

COUNTY OF MARIN

Budgetary Comparison Schedule
Tobacco Securitization
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
From use of money and property	\$ --	\$ 125,000	\$ 127,281	\$ 2,281
Miscellaneous	--	3,425,560	3,410,665	(14,895)
Total revenues	<u>--</u>	<u>3,550,560</u>	<u>3,537,946</u>	<u>(12,614)</u>
Expenditures:				
Current:				
General government				
Non - Departmental	--	25,000	29,727	(4,727)
Total general government	<u>--</u>	<u>25,000</u>	<u>29,727</u>	<u>(4,727)</u>
Debt Service:				
Principal	--	1,629,830	1,629,822	8
Interest	--	1,895,730	1,890,375	5,355
Total debt service	<u>--</u>	<u>3,525,560</u>	<u>3,520,197</u>	<u>5,363</u>
Total expenditures	<u>--</u>	<u>3,550,560</u>	<u>3,549,924</u>	<u>636</u>
Deficiency of revenues under expenditures	<u>--</u>	<u>--</u>	<u>(11,978)</u>	<u>(11,978)</u>
Net change in fund balances	--	--	(11,978)	(11,978)
Fund balances, beginning of year	<u>3,674,533</u>	<u>3,674,533</u>	<u>3,674,533</u>	<u>--</u>
Fund balances, end of year	<u>\$ 3,674,533</u>	<u>\$ 3,674,533</u>	<u>\$ 3,662,555</u>	<u>\$ (11,978)</u>

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 to have the costs of providing goods or services (including depreciation and amortization) 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. Enterprise Funds should generate revenue sufficient, as a goal, to support the full operating costs of these funds.

County Fair

The County Fair fund was established to provide for operations of the annual Marin County Fair. It 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 account for the 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 Center Promotions

The Marin Center Promotions fund was established to account for the revenues and expenses of the performance productions at Marin Veteran's Memorial Auditorium venue.

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 recently-acquired building intended for the County's future Emergency Operations Facility.

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COUNTY OF MARIN

Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2013

	County Fair	Gross Airport	Marin Org	Marin Commons Property Management	Marin Center Promotions	Total
ASSETS						
Current Assets:						
Cash and investments in County pool	\$ 4,455	\$ 314,552	\$ 716,372	\$ 887,307	\$ 98,317	\$ 2,021,003
Cash with a fiscal agent	--	--	--	436,842	--	436,842
Other receivables	--	--	--	32,021	--	32,021
Due from other governments	--	31,402	115,746	--	--	147,148
Due from other funds	--	--	--	50,000	--	50,000
Total current assets	4,455	345,954	832,118	1,406,170	98,317	2,687,014
Noncurrent Assets:						
Capital assets:						
Nondepreciable	1,777,659	3,775,560	--	--	--	5,553,219
Depreciable, net	884,936	2,009,372	187,017	9,941	--	3,091,266
Total noncurrent assets	2,662,595	5,784,932	187,017	9,941	--	8,644,485
Total assets	2,667,050	6,130,886	1,019,135	1,416,111	98,317	11,331,499
LIABILITIES						
Current Liabilities:						
Vouchers and accounts payable	466,706	4,554	2,352	180,040	1,980	655,632
Interest payable	--	--	7,212	--	--	7,212
Accrued salaries and benefits	--	6,056	8,069	--	--	14,125
Other liabilities	--	--	--	192,019	--	192,019
Compensated absences	--	12,029	--	--	--	12,029
Total current liabilities	466,706	22,639	17,633	372,059	1,980	881,017
Long-Term Liabilities:						
Compensated absences	--	3,236	--	--	--	3,236
Total noncurrent liabilities	--	3,236	--	--	--	3,236
Total liabilities	466,706	25,875	17,633	372,059	1,980	884,253
NET POSITION						
Net investment in capital assets	2,662,595	5,784,932	187,017	9,941	--	8,644,485
Unrestricted	(462,251)	320,079	814,485	1,034,111	96,337	1,802,761
Total net position	\$ 2,200,344	\$ 6,105,011	\$ 1,001,502	\$ 1,044,052	\$ 96,337	\$ 10,447,246

COUNTY OF MARIN

Combining Statement of Revenues, Expenses and
Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2013

	County Fair	Gross Airport	Marin Org	Marin Commons Property Management	Marin Center Promotions	Total
Operating Revenues:						
Charges for services	\$ 1,541,510	\$ 648,019	\$ 1,512,558	\$ 1,540,944	\$ 496,758	\$ 5,739,789
Other revenue	117,789	14,006	--	6,427	--	138,222
Total operating revenues	1,659,299	662,025	1,512,558	1,547,371	496,758	5,878,011
Operating Expenses:						
Salaries and employee benefits	494,239	192,496	195,666	--	--	882,401
Services and supplies	949,317	385,428	1,075,778	1,418,429	535,604	4,364,556
Depreciation	73,745	98,978	86,826	523	--	260,072
Total operating expenses	1,517,301	676,902	1,358,270	1,418,952	535,604	5,507,029
Operating Income (Loss)	141,998	(14,877)	154,288	128,419	(38,846)	370,982
Non-Operating Revenues:						
Intergovernmental revenue	--	163,229	--	--	--	163,229
Investment income - unrestricted	297,156	321	844	503	1,494	300,318
Total non-operating revenues	297,156	163,550	844	503	1,494	463,547
Income (Loss) Before Capital Contributions and Transfers:	439,154	148,673	155,132	128,922	(37,352)	834,529
Transfers in	--	--	--	650,000	--	650,000
Transfers out	--	--	--	(600,000)	--	(600,000)
Change in net position	439,154	148,673	155,132	178,922	(37,352)	884,529
Net position, beginning of year - restated	1,761,190	5,956,338	846,370	865,130	133,689	9,562,717
Net position, end of year	\$ 2,200,344	\$ 6,105,011	\$ 1,001,502	\$ 1,044,052	\$ 96,337	\$ 10,447,246

COUNTY OF MARIN

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2013

	<u>County Fair</u>	<u>Gross Airport</u>	<u>Marin. Org</u>
Cash Flows from Operating Activities			
Cash receipts from customers	\$ 1,699,857	\$ 641,496	\$ 1,512,558
Cash paid to suppliers for goods and services	(1,372,279)	(394,859)	(1,195,321)
Cash paid to employees for salaries and benefits	<u>(494,239)</u>	<u>(187,389)</u>	<u>(187,597)</u>
Net cash provided (used) by operating activities	<u>(166,661)</u>	<u>59,248</u>	<u>129,640</u>
Cash Flows from Noncapital Financing Activities			
Intergovernmental revenues	--	163,229	--
Transfers in	--	--	--
Transfers out	--	--	--
Interfund loans	(168,499)	(109)	--
Internal activities - payment to other funds	<u>--</u>	<u>--</u>	<u>--</u>
Net cash provided (used) by noncapital financing activities	<u>(168,499)</u>	<u>163,120</u>	<u>--</u>
Cash Flows from Capital and Related Financing Activities			
Payments related to the acquisition of capital assets	<u>--</u>	<u>(195,602)</u>	<u>--</u>
Net cash used by capital and related financing activities	<u>--</u>	<u>(195,602)</u>	<u>--</u>
Cash Flows from Investing Activity			
Interest and investments earnings received	<u>297,156</u>	<u>321</u>	<u>844</u>
Net increase (decrease) in cash and cash equivalents	(38,004)	27,087	130,484
Cash and cash equivalents, beginning of year, restated	<u>42,459</u>	<u>287,465</u>	<u>585,888</u>
Cash and cash equivalents, end of year	<u>\$ 4,455</u>	<u>\$ 314,552</u>	<u>\$ 716,372</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 141,998	\$ (14,877)	\$ 154,288
Depreciation	73,745	98,978	86,827
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	192,994	(20,529)	--
Prepaid items and other assets	36,804	--	--
Increase (decrease) in:			
Accounts payable	(422,719)	(9,431)	(119,544)
Salaries payable	--	1,416	8,069
Unearned revenue	(189,240)	--	--
Other liabilities	(243)	--	--
Liability for compensated absences	<u>--</u>	<u>3,691</u>	<u>--</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (166,661)</u>	<u>\$ 59,248</u>	<u>\$ 129,640</u>

continued

COUNTY OF MARIN

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2013

	Marin Commons Property Manalement	Marin Center Promotions	Total
Cash Flows from Operating Activities			
Cash receipts from customers	\$ 1,340,222	\$ 496,758	\$ 5,690,891
Cash paid to suppliers for goods and services	(868,604)	(533,624)	(4,364,687)
Cash paid to employees for salaries and benefits	--	--	(869,225)
Net cash provided (used) by operating activities	<u>471,618</u>	<u>(36,866)</u>	<u>456,979</u>
Cash Flows from Noncapital Financing Activities			
Intergovernmental revenues	--	--	163,229
Transfers in	650,000	--	650,000
Transfers out	(600,000)	--	(600,000)
Interfund loans	--	--	(168,608)
Internal activities - payment to other funds	(50,000)	--	(50,000)
Net cash used by noncapital financing activities	<u>--</u>	<u>--</u>	<u>(5,379)</u>
Cash Flows from Capital and Related Financing Activities			
Payments related to the acquisition of capital assets	(10,464)	--	(206,066)
Net cash used by capital and related financing activities	<u>(10,464)</u>	<u>--</u>	<u>(206,066)</u>
Cash Flows from Investing Activity			
Interest and investments earnings received	503	135,183	434,007
Net increase in cash and cash equivalents	461,657	98,317	679,541
Cash and cash equivalents, beginning of year, restated	862,492	--	1,778,304
Cash and cash equivalents, end of year	<u>\$ 1,324,149</u>	<u>\$ 98,317</u>	<u>\$ 2,457,845</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 128,419	\$ (38,846)	\$ 370,982
Depreciation	523	--	260,073
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	243,982	--	416,447
Prepaid items and other assets	--	--	36,804
Increase (decrease) in:			
Accounts payable	549,825	1,980	111
Salaries payable	--	--	9,485
Unearned revenue	--	--	(189,240)
Other liabilities	(451,131)	--	(451,374)
Liability for compensated absences	--	--	3,691
Net Cash Provided (Used) by Operating Activities	<u>\$ 471,618</u>	<u>\$ (36,866)</u>	<u>\$ 456,979</u>

FIDUCIARY FUNDS

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FIDUCIARY FUNDS

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 Position
Investment Trust Funds
June 30, 2013

	<u>Special Districts</u>	<u>School Districts</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 122,301,398	\$ 331,734,726	\$ 454,036,124
Cash with fiscal agent	160,000	--	160,000
Total assets	<u>122,461,398</u>	<u>331,734,726</u>	<u>454,196,124</u>
NET POSITION			
Net position held in trust for investment pool participants	122,461,398	331,734,726	454,196,124
Total net position	<u>\$ 122,461,398</u>	<u>\$ 331,734,726</u>	<u>\$ 454,196,124</u>

COUNTY OF MARIN

Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Year Ended June 30, 2013

	<u>Special Districts</u>	<u>School Districts</u>	<u>Total</u>
Additions:			
Contributions to investment pool	\$ 862,248,076	\$ 100,240,257	\$ 962,488,333
Interest	485,264	330,675	815,939
Total additions	<u>862,733,340</u>	<u>100,570,932</u>	<u>963,304,272</u>
Deductions:			
Distributions from investment pool	<u>871,288,716</u>	<u>105,092,374</u>	<u>976,381,090</u>
Total deductions	<u>871,288,716</u>	<u>105,092,374</u>	<u>976,381,090</u>
Change in net position	(8,555,376)	(4,521,442)	(13,076,818)
Net position, beginning of the year	<u>131,016,774</u>	<u>336,256,168</u>	<u>467,272,942</u>
Net position, ending of the year	<u>\$ 122,461,398</u>	<u>\$ 331,734,726</u>	<u>\$ 454,196,124</u>

COUNTY OF MARIN

Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
MCRDA Marin City Mello-Roos				
Assets				
Cash	\$ 37,718	\$ -	\$ -	\$ 37,718
Cash with fiscal agent	1,080,040	--	--	1,080,040
Total assets	<u>1,117,758</u>	<u>--</u>	<u>--</u>	<u>1,117,758</u>
Agency funds held for others	<u>1,117,758</u>	--	--	<u>1,117,758</u>
Total Liabilities	<u>1,117,758</u>	<u>--</u>	<u>--</u>	<u>1,117,758</u>
County Agency Funds				
Assets				
Cash	26,440,959	15,539,915,944	15,524,996,696	41,360,207
Taxes receivable	23,610,274	784,734,592	788,646,020	19,698,846
Other receivable	221,316	99,333	--	320,649
Total assets	<u>50,272,549</u>	<u>16,324,749,869</u>	<u>16,313,642,716</u>	<u>61,379,702</u>
Agency funds held for others	<u>50,272,549</u>	<u>16,324,749,869</u>	<u>16,313,642,716</u>	<u>61,379,702</u>
Total Liabilities	<u>50,272,549</u>	<u>16,324,749,869</u>	<u>16,313,642,716</u>	<u>61,379,702</u>
Agency Funds combined				
Assets				
Cash	26,478,677	15,539,915,944	15,524,996,696	41,397,925
Cash with fiscal agent	1,080,040	--	--	1,080,040
Taxes receivable	23,610,274	784,734,592	788,646,020	19,698,846
Other receivable	221,316	99,333	--	320,649
Total assets	<u>51,390,307</u>	<u>16,324,749,869</u>	<u>16,313,642,716</u>	<u>62,497,460</u>
Agency funds held for others	<u>51,390,307</u>	<u>16,324,749,869</u>	<u>16,313,642,716</u>	<u>62,497,460</u>
Total Liabilities	<u>\$ 51,390,307</u>	<u>\$ 16,324,749,869</u>	<u>\$ 16,313,642,716</u>	<u>\$ 62,497,460</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.	154-158
<u>Revenue Capacity</u>	
This segment includes information to help the reader assess the County's most significant local revenue source, property tax.	159-162
<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.	163-165
<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.	166-168
<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.	169-170

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 Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)**

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Governmental activities										
Net investment in capital assets ¹	\$ 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	\$ 1,273,344,540
Restricted	82,349,488	105,940,775	95,461,868	106,455,016	90,025,545	96,059,870	104,933,566	173,980,351	2,861,133	164,729,907
Unrestricted	(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	19,059,115
Total governmental activities net position	\$ 1,381,139,265	\$ 1,421,354,902	\$ 1,551,549,597	\$ 1,579,473,133	\$ 1,550,364,642	\$ 1,513,746,736	\$ 1,507,525,346	\$ 1,497,100,492	\$ 1,328,540,881	\$ 1,457,133,562
Business-type activities										
Net investment in capital assets ¹	\$ 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	\$ 32,934,675
Restricted	-	-	-	5,504,054	8,346,472	9,883,350	8,565,480	9,403,055	9,071,725	7,343,795
Unrestricted	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	11,751,468
Total business-type activities net position	\$ 7,371,365	\$ 7,613,365	\$ 9,243,939	\$ 40,769,469	\$ 46,939,598	\$ 52,231,101	\$ 49,854,553	\$ 51,432,176	\$ 47,744,278	\$ 52,029,938
Primary government										
Net investment in capital assets ¹	\$ 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	\$ 1,306,279,215
Restricted	82,349,488	105,940,775	95,461,868	111,959,070	98,372,017	105,943,220	113,499,046	183,383,406	11,932,858	172,073,702
Unrestricted	(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	30,810,583
Total primary government net position²	\$ 1,388,510,630	\$ 1,428,968,267	\$ 1,560,793,536	\$ 1,620,242,602	\$ 1,597,304,240	\$ 1,565,977,837	\$ 1,557,379,899	\$ 1,548,532,668	\$ 1,376,285,159	\$ 1,509,163,500
Percent of increase (decrease) in primary government net position	-3.54%	2.91%	9.23%	3.81%	-1.42%	-1.96%	-0.55%	-0.57%	-11.63%	9.65%

Notes:

¹ Capital assets include land, easements, infrastructure, construction in progress, structures and improvements, and equipment

² Accounting standards require that net position be reported in three components in the government-wide financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net position is 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 enabling legislation enacted by the County.

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

COUNTY OF MARIN, CALIFORNIA

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

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Expenses										
Governmental activities										
General government	\$ 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	\$ 121,258,708
Public protection	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	156,064,850
Public ways and facilities	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	32,538,571
Health and sanitation	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	90,853,837
Public assistance	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	63,600,190
Education	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	15,521,694
Recreational and cultural services	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	17,139,646
Debt service:										
Interest and fiscal charges	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	10,936,573
Total governmental activities expense	<u>379,003,461</u>	<u>367,766,578</u>	<u>466,578,019</u>	<u>430,062,651</u>	<u>498,414,964</u>	<u>491,086,167</u>	<u>483,953,429</u>	<u>475,962,331</u>	<u>461,103,484</u>	<u>507,914,069</u>
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	39,919,898
Other business-type activities	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	30,287,766
Total business-type activities expenses	<u>2,134,428</u>	<u>2,349,375</u>	<u>2,264,493</u>	<u>61,075,938</u>	<u>60,998,796</u>	<u>66,476,449</u>	<u>68,482,896</u>	<u>71,609,221</u>	<u>74,300,945</u>	<u>70,207,664</u>
Total primary government expenses	<u>\$ 381,137,889</u>	<u>\$ 370,115,953</u>	<u>\$ 468,842,512</u>	<u>\$ 491,138,589</u>	<u>\$ 559,413,760</u>	<u>\$ 557,562,616</u>	<u>\$ 552,436,325</u>	<u>\$ 547,571,552</u>	<u>\$ 535,404,429</u>	<u>\$ 578,121,733</u>
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 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	\$ 24,598,118
Public protection	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	37,629,406
Other activities	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	19,186,522
Operating grants and contributions	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	176,334,689
Capital grants and contributions	774,259	-	-	-	-	10,764,586	21,165,980	15,331,128	2,134,985	5,789,750
Total governmental activities program revenues	<u>206,851,156</u>	<u>224,438,742</u>	<u>236,956,438</u>	<u>241,342,983</u>	<u>248,027,375</u>	<u>249,053,808</u>	<u>270,816,148</u>	<u>265,406,733</u>	<u>252,629,787</u>	<u>263,538,485</u>
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	1,557,962
Other business-type activities	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	11,194,640
Operating grants and contributions	-	-	-	44,180,894	47,461,190	48,705,910	45,471,438	50,103,335	49,918,083	50,579,746
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	4,358,421
Total business-type activities program revenues	<u>2,078,365</u>	<u>2,581,341</u>	<u>3,874,720</u>	<u>59,779,512</u>	<u>62,569,234</u>	<u>78,951,876</u>	<u>62,689,544</u>	<u>69,802,244</u>	<u>66,400,238</u>	<u>67,690,769</u>
Total primary government program revenues	<u>\$ 208,929,521</u>	<u>\$ 227,020,083</u>	<u>\$ 240,831,158</u>	<u>\$ 301,122,495</u>	<u>\$ 310,596,609</u>	<u>\$ 328,005,684</u>	<u>\$ 333,505,692</u>	<u>\$ 335,208,977</u>	<u>\$ 319,030,025</u>	<u>\$ 331,229,254</u>

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

COUNTY OF MARIN, CALIFORNIA

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

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Net (Expense)/Revenue ¹										
Governmental activities	\$ (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	\$ (244,375,584)
Business-type activities	(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	(2,516,895)
Total primary government net expense	\$ (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	\$ (246,892,479)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 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	\$ 179,525,969
Sales and use taxes	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	3,881,496
Other	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	6,380,276
Unrestricted interest and investment earnings	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	2,988,564
Miscellaneous	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	5,496,912
Tobacco Settlement	-	-	-	2,545,345	2,856,389	3,131,196	2,632,091	2,199,785	2,243,241	3,410,665
Transfers	(56,113)	-	-	-	-	-	(7,048)	86,461	19,615	(50,000)
Total governmental activities	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	201,633,882
Business-type activities										
Taxes	-	-	-	2,906,523	3,233,545	3,225,852	3,258,947	3,141,177	3,168,788	3,229,758
Investment earnings	-	10,034	20,347	534,171	382,508	803,328	150,809	40,958	289,122	616,378
Related party contribution	-	-	-	-	-	-	-	-	400,000	-
Miscellaneous	-	-	-	-	510,973	-	64,679	-	2,763,769	2,531,026
Transfers	56,113	-	-	-	-	-	7,048	(86,461)	(19,615)	50,000
Total business-type activities	56,113	10,034	20,347	3,440,694	4,127,026	4,093,859	3,416,804	3,095,674	6,602,064	6,427,162
Total primary government	\$ 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	\$ 208,061,044
Change in Net Position										
Governmental activities	\$ (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)	\$ (42,720,952)
Business-type activities	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)	3,910,267
Total primary government	\$ (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)	\$ (38,810,685)

Notes

¹ 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.

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)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 ²	2011-12	2012-13
General Fund										
Reserved	\$ 41,889	\$ 62,111	\$ 46,361	\$ 18,454	\$ 16,378	\$ 28,289	\$ 32,956			
Unreserved	78,299	88,686	162,990	125,326	142,742	143,216	156,096			
Total general fund	\$ 120,188	\$ 150,797	\$ 209,351	\$ 143,780	\$ 159,120	\$ 171,505	\$ 189,052			
Capital Projects Fund										
Reserved	\$ 993	\$ 1,500	\$ 3,429	\$ 9,178	\$ 5,155	\$ -	\$ -			
Unreserved	27,209	39,334	22,121	51,384	33,334	-	-			
Total capital projects fund	\$ 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 ¹										
Reserved	\$ 954	\$ 791	\$ 1,094	\$ 11,627	\$ 11,469	\$ 14,479	\$ 14,547			
Unreserved, reported in	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	\$ 32,333	\$ 34,964	\$ 37,958	\$ 89,805	\$ 97,039	\$ 103,983	\$ 119,287			
General Fund										
Nonspendable								\$ 1,765	\$ 3,939,117	\$ 4,719,830
Restricted								10,097	12,093,012	10,740,177
Committed								118,593	114,628,535	68,600,588
Assigned								48,097	44,626,225	37,094,588
Unassigned								14,837	6,588,685	4,176,408
Total general fund								\$ 193,389	\$ 181,875,574	\$ 125,331,591
Other Major Special Revenue Funds										
Nonspendable										13,276
Restricted								1,637	30,353,031	18,747,903
Assigned										11,202,104
Total miscellaneous special revenue fund								\$ 1,637	\$ 30,353,031	\$ 29,963,283
Miscellaneous Capital Projects Fund										
Nonspendable								\$ -	\$ 1,000,000	\$ 1,000,000
Restricted								39,282	39,669,936	24,629,572
Committed								-	4,700	-
Assigned								19,684	18,795,613	37,445,829
Total miscellaneous capital projects fund								\$ 58,966	\$ 59,470,249	\$ 63,075,401
All Other Governmental Funds										
Nonspendable								\$ 6,327	\$ 6,273,145	\$ 112,376
Restricted								114,873	91,926,263	110,612,255
Committed								1,164	2,459,990	500,000
Assigned								20,708	22,975,609	14,130,484
Total all other governmental funds								\$ 143,072	\$ 123,635,007	\$ 125,355,115

¹ Governmental funds include general fund, special revenue funds, debt service funds, and capital project funds.

² 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)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Revenues										
Taxes	\$ 113,241	\$ 135,359	\$ 141,594	\$ 177,646	\$ 206,032	\$ 190,740	\$ 195,676	\$ 189,886	\$ 192,014	\$ 189,788
Licenses, fees and permits	8,504	9,037	9,631	8,921	9,272	9,280	10,385	11,395	12,884	13,655
Fines, forfeits and penalties	9,021	9,276	8,861	8,177	7,566	176,194	188,421	13,768	12,217	182,124
Use of money and property	5,282	7,822	11,555	14,712	13,928	54,587	56,828	4,785	2,956	56,322
Aid from other governments	173,786	188,916	200,849	170,387	188,291	9,559	12,695	182,664	171,543	11,505
Charges for services	15,537	16,266	17,616	41,554	52,907	9,083	6,053	58,234	55,986	2,989
Miscellaneous	37,289	40,100	83,885	17,050	6,394	6,093	4,726	4,181	5,632	8,908
Total revenues	362,660	406,776	473,991	438,447	484,390	455,536	474,784	464,913	453,232	465,291
Expenditures										
Current										
General government	63,881	63,276	99,450	84,264	83,507	62,051	54,432	59,576	60,063	113,846
Public protection	119,368	121,202	149,988	125,217	145,944	153,674	155,404	154,993	147,075	153,065
Public ways and facilities	6,673	6,111	7,937	26,947	29,552	27,787	24,321	23,885	16,038	22,797
Health and sanitation	88,454	81,457	104,075	85,683	93,272	90,416	91,008	85,285	85,864	90,784
Public assistance	50,272	51,892	52,128	53,709	57,190	59,671	68,972	67,638	65,988	63,497
Education	537	9,734	10,161	12,689	12,276	12,589	12,136	12,898	12,677	15,542
Recreational and cultural studies	15,812	7,768	8,329	13,830	15,411	15,116	14,722	15,869	15,105	16,866
Capital outlay	5,586	4,812	4,712	29,087	28,837	25,312	4,550	5,575	37,594	18,257
Debt service:										
Principal	3,399	3,754	3,901	3,893	4,243	4,657	4,744	5,259	5,130	7,548
Interest	9,340	10,896	10,732	8,496	10,313	10,227	10,162	10,590	11,261	11,103
Bond issuance costs	-	-	-	-	-	-	-	1,062	-	-
Administration and arbitrage fees	-	-	-	628	-	-	-	-	-	-
Total expenditures	363,322	360,902	451,413	444,443	480,545	461,500	440,451	442,630	456,795	513,303
Excess of revenue over (under) expenditures	(662)	45,874	22,578	(5,996)	3,845	(5,964)	34,333	22,283	(3,563)	(48,012)
Other Financing Sources (Uses)										
Inception of capital lease	56	-	974	-	-	-	96	1,689	-	-
Sale of capital assets	-	-	-	20	5	-	-	-	1,989	6
Debt refunding to escrow agent	-	-	-	(32,767)	-	-	-	(17,465)	-	-
Proceeds from borrowing	-	-	-	48,937	-	858	682	63,885	1,980	124
Transfers in	13,649	19,010	35,698	78,075	41,235	21,824	33,776	136,668	114,039	110,017
Transfers out	(13,705)	(19,010)	(35,698)	(78,075)	(41,235)	(21,824)	(33,778)	(136,577)	(114,014)	(113,713)
Total other financing sources (uses)	-	-	974	16,190	5	858	776	48,200	3,994	(3,566)
Net change in fund balances										
before extraordinary/special items	(662)	45,874	23,552	10,194	3,850	(5,106)	35,109	70,483	431	(51,578)
Extraordinary item/special item:										
RDA dissolution	-	-	-	-	-	-	-	-	(600)	-
Special item	-	-	-	-	-	-	-	-	-	21
Net change in fund balances	\$ (662)	\$ 45,874	\$ 23,552	\$ 10,194	\$ 3,850	\$ (5,106)	\$ 35,109	\$ 70,483	\$ (169)	\$ (51,557)
Debt service as a percentage of noncapital expenditures	3.56%	4.11%	3.28%	2.98%	3.22%	3.41%	3.42%	3.63%	3.91%	3.77%

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

County of Marin

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

Fiscal Year	Secured¹	Unsecured²	Exempt³	Total Taxable Assessed Value	Total Direct Tax Rate
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%
2012-13	56,725,179	1,470,366	1,958,091	56,237,454	1.00%

Notes:

- ¹ Secured property is generally real property, defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines
- ² Unsecured property is generally personal property including machinery, equipment, office tools, and supplies.
- ³ 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 Rates¹
Last Ten Fiscal Years
(rate per \$100 of assessed value)**

Fiscal Year	County Direct Rate	Overlapping Rates²			Total Direct and Overlapping²
		Local Special Districts	Schools	Cities	
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%
2012-13	1.0000%	0.7721%	0.7884%	0.2522%	2.8127%

Notes:

¹ 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.

² 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, 2013

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Total Taxes¹</u>	<u>Percentage of Total County Taxes</u>
Pacific Gas and Electric Company	Utilities	\$ 4,443,111	0.55%
Skywalker Properties LTD	Film and Entertainment	2,278,086	0.28%
JCC Cal Properties LLC	Commercial Rental Property	1,904,905	0.24%
Corte Madera Village LLC	Commercial Rental Property	1,815,522	0.22%
Novato FF Property LLC	Commercial Rental Property	1,774,785	0.22%
Northgate Mall Association	Mall	1,628,582	0.20%
Hamilton Marin LLC	Commercial Rental Property	1,585,049	0.20%
Spieker Properties	Commercial Rental Property	1,544,748	0.19%
Sutter Health	Health Services	1,443,970	0.18%
RPR Larkspur Owner LLC	Residential Rental Property	1,379,433	0.17%
Total		<u>\$ 19,798,191</u>	
Total taxes of all taxpayers		<u>\$ 810,242,226</u>	

June 30, 2004

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Total Taxes¹</u>	<u>Percentage of Total County Taxes</u>
Lucasfilm LTD	Film and Entertainment	\$ 2,356,655	0.49%
McVay W H Trust L/L ETAL	Commercial Rental Property	2,053,458	0.42%
Pacific Gas and Electric Company	Utilities	1,919,616	0.40%
Spieker Properties	Commercial Rental Property	1,364,703	0.28%
Macerich CM Village LTD	Mall	1,352,230	0.28%
San Marin Assurance Company	Insurance	1,301,512	0.27%
Pacific Bell	Utilities	1,078,811	0.22%
Northgate Mall Association	Mall	830,951	0.17%
Hamilton Marin LLC	Commercial Rental Property	721,083	0.15%
AMG Realty Partners LP	Commercial Rental Property	700,841	0.14%
Total		<u>\$ 13,679,860</u>	
Total taxes of all taxpayers		<u>\$ 485,451,296</u>	

Notes:

¹ Taxable assessed secured amounts

Source: Department of Finance - County of Marin, California

County of Marin

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Cumulative Uncollected Taxes	
		Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2004	489,467,224	482,841,226	98.65%	6,467,128	489,308,354	99.97%	158,870	0.03%
2005	529,139,506	523,219,068	98.88%	5,795,221	529,014,289	99.98%	125,217	0.02%
2006	582,453,699	574,813,365	98.69%	7,305,052	582,118,417	99.94%	335,282	0.06%
2007	635,311,778	624,278,658	98.26%	10,700,028	634,978,686	99.95%	333,092	0.05%
2008	684,007,251	667,706,143	97.62%	15,537,942	683,244,085	99.89%	763,166	0.11%
2009	717,958,385	696,748,890	97.05%	18,088,338	714,837,228	99.57%	3,121,157	0.43%
2010	746,290,576	727,942,762	97.54%	15,608,113	743,550,875	99.63%	2,739,701	0.37%
2011	755,085,588	740,943,048	98.13%	11,722,097	752,665,145	99.68%	2,420,443	0.32%
2012	769,537,466	757,441,903	98.43%	9,113,487	766,555,390	99.61%	2,982,076	0.39%
2013	782,812,148	773,795,588	98.85%	-	773,795,588	98.85%	9,016,560	1.15%

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)

Fiscal Year	Revenue Bonds	Pension Obligation Bonds	Asset Backed Bonds	Certificates of Participation	Term Loan Payable	Total	Business-type Term Loan Payable	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
2003-04	12,535	112,805	32,824	50,300	-	208,464	-	208,464	1.12%	\$855
2004-05	12,355	112,805	32,196	47,675	-	205,031	-	205,031	1.03%	\$840
2005-06	12,150	112,805	31,369	44,940	213	201,477	-	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 ²	6,185	110,185	48,999	73,410	4,722	243,501	5,169	248,670	1.04%	\$971
2012-13	5,860	108,400	48,163	71,097	2,766	236,286	4,212	240,498	unavailable	unavailable

Notes:

¹ 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.

² 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, 2013
(in thousands)**

	Fiscal Year 2013	
	1.25%	3.75%
Debt limit	\$ 702,968	\$ 2,108,905
Total net debt applicable to limit	228,197	228,197
Legal debt margin	\$ 474,771	\$ 1,880,708
Total net debt applicable to the limit as a percentage of debt limit	32.46%	10.82%
Legal Debt Margin Calculation for Fiscal Year 2013		
Assessed value	\$ 58,195,545	\$ 58,195,545
Less: Exempt real property	(1,958,091)	(1,958,091)
Total assessed value	\$ 56,237,454	\$ 56,237,454
CERTIFICATES OF PARTICIPATION		
Debt limit (1.25% and 3.75% of total assessed value) ¹	\$ 702,968	\$ 2,108,905
Debt applicable to limit:		
Certificates of Participation	71,097	71,097
Less: Amount set aside for repayment of outstanding debt	(2,209)	(2,209)
Total net debt applicable to limit	68,888	68,888
OTHER BONDED DEBT		
Debt applicable to limit:		
Revenue Bonds	5,860	5,860
Pension Obligation Bonds	108,400	108,400
Tobacco Settlement Asset-Backed Bonds	48,163	48,163
Less: Amount set aside for repayment of outstanding debt	(3,114)	(3,114)
Total net debt applicable to limit	159,309	159,309
Legal debt margin	\$ 931,165	\$ 2,337,102

Notes:

¹ 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, 2013

Assessed Valuation (including unitary utility valuation)	\$	57,070,428,469
Less: Redevelopment incremental valuation		<u>3,671,254,941</u>
Adjusted assessed valuation	\$	<u>53,399,173,528</u>

	Percentage Applicable (1)	County's Share of Overlapping Debt
OVERLAPPING TAX AND ASSESSMENT DEBT		
School Districts		
Marin Community College District	100 000%	\$ 223,440,000
Novato Unified School District	100 000%	89,335,000
Shoreline Joint Unified School District	55 877%	7,797,635
Petaluma Joint Union High School District	0 980%	279,512
San Rafael High School District	100 000%	47,780,315
Tamalpais Union High School District	100 000%	151,215,000
Kentfield School District	100 000%	17,395,000
Mill Valley School District	100 000%	67,712,064
Reed Union School District	100 000%	37,275,000
San Rafael School District	100 000%	55,750,451
Other School Districts	various	120,996,496
Cities		
Town of Fairfax	100 000%	6,022,500
City of Novato	100 000%	16,155,000
City of San Anselmo	100 000%	7,750,000
City of Sausalito	100 000%	14,838,894
Special Districts		
Strawberry Recreation and Park District Zone No 4	100 000%	1,080,000
Public Utility Districts	100 000%	149,516
County Water Districts	100 000%	190,000
Community Facilities Districts	100 000%	84,233,500
1915 Act Bonds	100 000%	<u>26,819,909</u>
Total Overlapping Tax and Assessment Debt		<u>976,215,792</u>
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		
Direct General Fund Obligation Debt		<u>237,389,046</u>
Total Direct General Fund Obligation Debt		<u>237,389,046</u>
Overlapping General Fund Obligation Debt		
School Districts		
Marin Community College District General Fund Obligations	100 000%	2,740,834
San Rafael School District General Fund Obligations	100 000%	3,875,000
Sausalito School District Certificates of Participation	100 000%	5,055,000
Other School District General Fund Obligations	various	70,394
Cities		
Town of Corte Madera General Fund Obligations	100 000%	9,860,904
City of Novato Certificates of Participation and Pension Obligations	100 000%	19,342,350
City of San Rafael General Fund and Pension Obligations	100 000%	13,620,308
Other Cities and Towns General Fund and Pension Obligations	100 000%	12,126,420
Special Districts		
Marin County Transit District General Fund Obligations	100 000%	187,384
Marinwood Community Services District Certificates of Participation	100 000%	651,568
Fire Protection District Certificates of Participation	100 000%	6,417,747
Other Special District General Fund Obligations	100 000%	<u>752,712</u>
Total Direct and Overlapping General Fund Obligation Debt		<u>\$ 312,089,667</u>
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies)		\$ 75,961,504
TOTAL DIRECT DEBT		\$ 237,389,046
TOTAL OVERLAPPING DEBT		\$ 1,126,877,917
COMBINED TOTAL DEBT		\$ 1,364,266,963 (2)

Notes:

- (1) The percentage of overlapping debt applicable to the County is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the County divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratio to 2012-13 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1 71%
Total Direct Debt	0.32%
Combined Total Debt	2 29%

Ratios to Redevelopment Incremental Valuation:

Total Overlapping Tax Increment Debt	2 07%
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Source: California Municipal Statistics, Inc

County of Marin

**Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Population¹	Personal Income¹	Per Capita Personal Income¹	School Enrollment²	Unemployment Rate³
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	256,069	23,918,732,000	93,407	31,868	5.10%
2013	unavailable	unavailable	unavailable	unavailable	

Sources:

¹ US Department of Commerce, Bureau of Economic Analysis - www.bea.gov

² California Department of Education, Educational Demographics Office - www.ed-data.k12.ca.us

³ Employment Development Department, Labor Market Information - www.labormarketinfo.edd.ca.gov

County of Marin

**Principal Employers
Current Year and Nine Years Ago**

2013			2004		
Employer	Employees	Percentage of Total County Employment	Employer	Employees	Percentage of Total County Employment
County of Marin	2,037	1.51%	County of Marin	2,000	1.55%
Kaiser Permanente Medical Center	1,756	1.30%	Fireman's Fund	1,700	1.32%
San Quentin State Prison	1,690	1.25%	San Quentin Prison	1,550	1.20%
Marin General Hospital	1,300	0.96%	Kaiser Permanente	1,500	1.16%
Autodesk, Inc.	1,000	0.74%	Lucasfilm Ltd.	1,400	1.08%
BioMarin Parmaceutical	850	0.63%	Marin General Hospital	1,300	1.01%
Novato Unified School District	805	0.60%	Autodesk, Inc.	1,100	0.85%
Fireman's Fund Insurance Co.	750	0.55%	Novato Unified School District	1,097	0.85%
Lucasfilm Ltd.	400	0.30%	Golden Gate Transit	900	0.70%
Macy's	380	0.28%	Safeway, Inc.	820	0.64%
Total	10,968	8.11%	Total	13,367	10.35%
Total County Employment	135,200		Total County Employment	129,100	

Sources:

Community Profile, County of Marin

Employment Development Department, Labor Market Information - www.Labormarketinfo.edd.ca.gov

County of Marin

**Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years**

Function/program	<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>	<u>2012-13</u>
General government	326 52	331 92	345 87	362 12	363 12	362 82	362 57	356 73	354 15	354 58
Public protection	732 90	720 46	727 11	731 90	740 70	723 29	709 97	681 58	663 16	666 91
Public ways and facilities	285 93	284 93	300 08	314 58	315 83	324 10	321 03	304 53	300 78	307 93
Health and sanitation	365 99	368 64	375 33	388 20	387 33	391 53	376 34	352 66	338 50	340 22
Public assistance	244 00	245 76	250 22	258 80	258 22	261 02	250 89	235 10	225 67	226 81
Education	81 45	89 16	89 91	92 12	95 12	96 76	95 93	94 83	94 95	100 11
Recreational and cultural studies	74 00	74 00	76 00	78 00	82 25	81 75	81 00	77 50	76 50	87 80
Total full-time equivalent employees:	<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>	<u>2,084 36</u>

Source: Department of Finance - County of Marin, California

**County of Marin
Operating Indicators by Function
Last Six Fiscal Years**

	Fiscal Year					
	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13
Public Protection						
<u>Sheriff</u>						
Jail Bookings	8,060	8,034	7,881	7,638	7,761	7,619
Jail Average Daily Population	302	330	288	295	289	289
Average Daily Dispatch Calls	81	87	82	82	83	83
Number of Major Crimes Task Force Cases Assigned	191	243	235	144	134	98
Physical Arrests	8,060	8,034	7,881	7,638	7,761	7,619
Parking Violations	5,752	5,466	4,442	5,454	5,650	3,506
Traffic Violations	1,497	1,267	924	1,209	745	875
Number of Fire or Emergency Medical Calls Received	23,174	26,747	26,661	23,718	23,739	24,796
<u>District Attorney</u>						
Number of Felony Referrals	3,009	2,969	3,099	3,172	2,912	2,600
Number of Misdemeanor Referrals	5,749	5,875	5,795	5,374	5,706	5,412
Number of Felony Cases Filed	927	826	883	853	832	843
Number of Misdemeanor Cases Filed	4,391	4,519	4,645	4,357	3,705	3,113
DUI's Cases Referred	1,610	1,593	1,544	1,436	1,251	1,320
DUI's Cases Filed	1,464	1,570	1,424	1,343	1,155	1,228
Domestic Violence Cases Referred	775	799	861	828	874	813
Domestic Violence Cases Filed	320	336	404	308	329	272
<u>Probation</u>						
Probation Investigations and Reports	952	814	538	582	536	486
Juvenile Hall Average Daily Population	24	25	22	22	16	12
Number of Adult Probation Cases Supervised	2,978	3,174	2,754	2,522	2,566	2,024
<u>Environmental Health</u>						
Food Facility Operating Permits Issued	1,519	1,532	1,615	1,680	1,535	1,545
Housing and Institution Operating Permits Issued	623	617	630	646	686	679
Recreational Health Operating Permits Issued	550	552	548	549	548	548
Liquid Waste Operating Permits Issued	232	249	265	295	307	318
Health and Sanitation						
<u>Youth and Family Services</u>						
Number of Children Assessed who Need Treatment	475	467	485	435	450	187
Number of Children Placed in Residential Treatment	28	29	30	20	19	21
Total Days in Residential Treatment	6,539	5,754	5,699	3,516	5,850	3,961
<u>Mental Health</u>						
Total Number of Medi-Cal beneficiaries	19,148	19,973	21,646	22,963	24,147	23,261
Number of Children and Adolescents Admitted to Psychiatric Emergency Services	185	155	118	147	112	153
Number of Adults Admitted to Psychiatric Emergency Services	1,200	983	961	931	924	865
Public Ways and Facilities						
<u>Roads</u>						
Street Resurfacing (miles)	7	7	2	13	6.4	48
Potholes Repaired	1,800	1,800	1,800	1,800	1,800	1,800
Public Assistance						
<u>Social Services</u>						
Number of new applications received for food stamps	3,742	5,056	5,285	7,713	5,850	6,814
Percent of new food stamp applications approved	64%	62%	63%	61%	62%	57%
Number of new applications received for Medi-Cal	8,922	9,808	9,356	13,709	8,950	9,371
Percent of new Medi-Cal applications approved	55%	56%	57%	62%	57%	58%
Number of Children Served by Child Welfare Services	98	127	105	99	176	142
Number of Adoptive parents served in Adoption Assitant Program Families	221	221	221	235	207	227
Education						
<u>Library</u>						
Number of virtual visits	390,000	513,900	721,361	883,862	300,304	414,820
Number of community outreach activities	140	386	359	300	989	897
Number of community partnerships	12	16	34	35	75	93
Number of items circulated	1,693,242	1,931,476	2,081,173	2,100,000	1,717,470	2,197,422
Number of visits to all branch libraries	1,099,000	1,143,414	1,179,867	1,450,000	1,134,067	1,046,825
Recreation and Cultural Services						
<u>Parks</u>						
Number of Park Passes Issued	193	225	291	321	315	348
Transit District						
<u>Buses</u>						
Total Number of Passengers	3,444,300	3,406,115	3,327,621	3,376,520	3,376,520	3,410,383
Service Hours	175,084	189,921	192,318	188,287	188,287	194,563
Total Number of Routes	31	32	26	26	26	25

Source: Various Marin County departments

County of Marin

Capital Asset Statistics by Function
Last Six Fiscal Years

Function	Fiscal Year					
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Public Protection						
Sheriff						
Stations (Headquarters and Substations)	4	4	4	4	4	4
Patrol Units	31	31	31	31	31	31
Marine Crafts	2	2	2	2	2	2
Fire Stations						
Stations	6	6	6	6	6	6
Lookouts	2	2	2	2	2	2
Type 1 Fire Engines	7	8	7	7	7	7
Type 3 Fire Engines	12	12	11	12	11	11
Type 4 Fire Engines	1	1	1	1	1	1
Ambulances	5	5	5	5	5	5
Graders	1	1	1	1	1	1
Dozers	1	1	1	1	1	1
Water Tenders	3	3	3	3	3	3
USAR Support Vehicles	1	1	1	1	1	1
Heavy Rescue Vehicles	2	2	2	2	2	2
Transport	1	1	1	1	1	1
Crew Carrier	-	1	1	1	-	1
Utilities/Support Vehicles	23	23	24	23	23	23
ATV	-	-	-	-	2	3
Corrections						
Capacity of All Correctional Facilities	376	376	376	376	376	376
Public Ways and Facilities						
Roads						
Streets (Miles)	420	420	420	420	420	420
Bridges	65	65	65	65	65	65
Street Light	2,025	2,025	2,025	2,025	2,025	2,025
Traffic Signals	13	13	13	13	13	13
Education						
Library						
Number of Library Branches	12	12	11	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	15,109
Number of Parks Acres Maintained	916	921	923	934	934	934
Transit District						
Buses						
Total Number of Buses	49	50	49	50	50	58

Source: Various Marin County departments