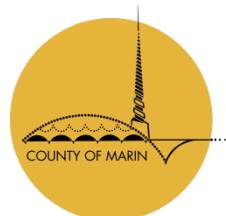


COUNTY OF MARIN, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2017



COUNTY OF MARIN DEPARTMENT OF FINANCE



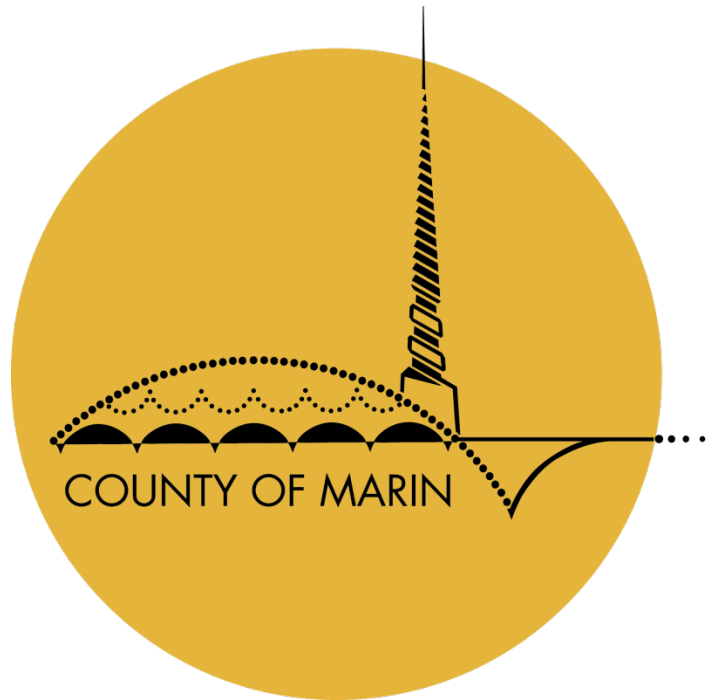


If you are a person with a disability and require information or materials in alternative formats (such as, Braille, large print, audiocassette or CD-ROM), or if you require accommodation to participate in a county program, service or activity, please contact department staff at 415-473-6154; Voice/CRS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

COUNTY OF MARIN, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2017



County of Marin
Department of Finance

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YEAR ENDED JUNE 30, 2017**

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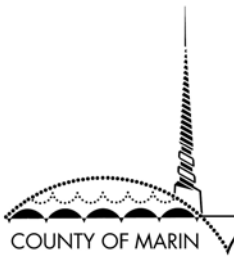
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INTRODUCTORY SECTION

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January 30, 2018

DEPARTMENT OF FINANCE

Excellent and responsive fiscal leadership.

Roy Given, CPA
DIRECTOR

Mina Martinovich, CPA
ASSISTANT DIRECTOR

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

We are pleased to present the County of Marin's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. 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, 2017.

Management assumes full responsibility for the completeness and reliability of the information contained in the CAFR, 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 Clifton Larsen Allen, 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, 2017 are fairly presented in conformity with GAAP, and are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor rendered an unmodified ("clean") opinion on the County's financial statements for the fiscal year ended June 30, 2017. The independent auditor's report is presented in the first component of the financial section of this report.

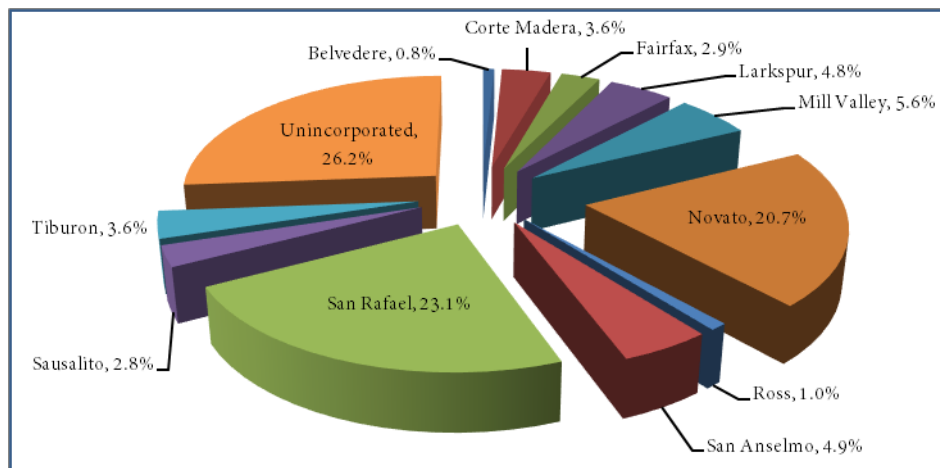
The CAFR represents the culmination of all budgeting and accounting activities engaged in by management during the fiscal year. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and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

PROFILE OF THE GOVERNMENT

The County of Marin is one of the nine counties in the San Francisco 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 263,604 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 and towns 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 a geographical and political subdivision of the State of California, counties serve a dual role that differs from cities. Cities generally provide basic services, such as police and fire protection, sanitation, recreation programs, planning, street repair, and building inspection. The 11 cities within the County are governed by their own elected city council. The County provides a vast array of services for all its residents. These services include social services, public health protection, housing programs, property appraisal and tax 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 26.2% 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 2017

As a general-law county, Marin County is a geographic and political subdivision of the State of California, and is therefore bound by state law as to the number and duties of County elected officials. Under the state constitution, counties are responsible for providing state-established health care, welfare, and criminal justice programs, and enforcing state and federal laws, as applicable. These services are provided to all residents within a county's jurisdiction. In many cases, the minimum level of services, administrative guidelines, and the power of a county to provide these services are defined by state law.

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 central and most visible location of Marin County government is the Marin County Civic Center, located in San Rafael, which was designed by Frank Lloyd Wright and is one of the National Register of Historic Places. The Civic Center is home to a public library as well as many other County services. It also houses the Hall of Justice, which includes court facilities. Other County facilities and services are located throughout Marin County.

Marin County is dedicated to being a responsive, open and community-focused government. Working with our community partners, we deliver a wide range of services that make our community a better place to live and work. From providing health insurance to the uninsured to responding to a natural disaster, we are continually striving to make Marin a safer and more equitable community.

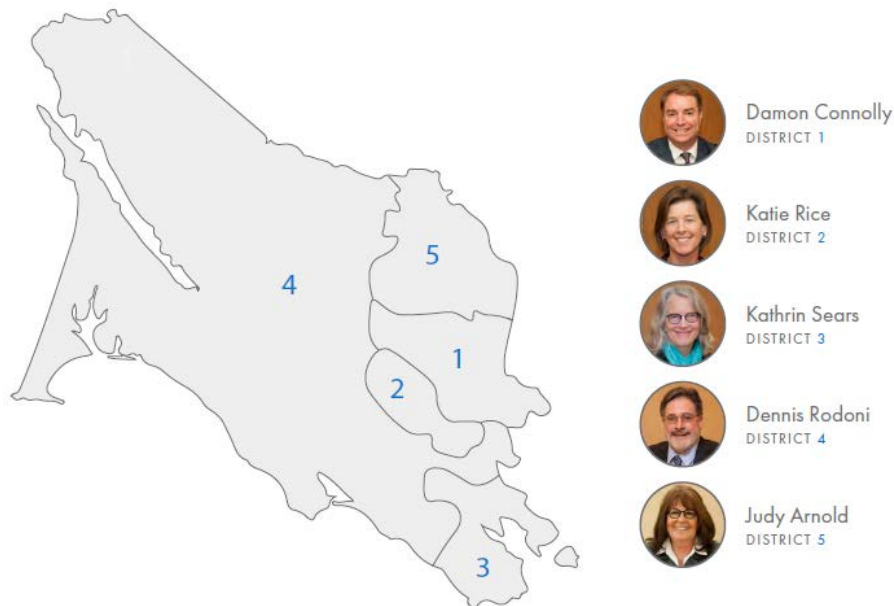
Board of Supervisors

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 body of county government. The members are elected by district based on population, as required by state law, and are required to live in the district they represent. Supervisors are elected on a non-partisan basis and serve for a term of four-years. Supervisors also elect a President, Vice President, and Second Vice President annually among themselves. The Board adopts policies, establishes programs, appoints non-elected department heads, and adopts annual budgets for all County departments.

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

The current Marin County Board of Supervisors and their corresponding districts is illustrated below:

SUPERVISORIAL DISTRICT MAP



The Board generally meets every Tuesday in the Board Chambers of the Civic Center to discuss and vote on all County policy items. The Board's meeting schedule and agenda are posted weekly on the Board of Supervisors website, located at www.marincounty.org/depts/BS. Audio and video broadcasts of Board meetings (both live and archived) are also available online.

Organizational Structure

The County organization is divided into five functional service areas that represent general categories of service to County residents:

- Health and Human Services
- Public Safety
- Administration and Finance
- Community Development and Public Works
- Community Services

These service areas are composed of 22 separate departments. A majority of the departments are directed by officials appointed by the Board of Supervisors, while the Assessor-Recorder-County Clerk, Sheriff-Coroner, and District Attorney are elected by residents to serve a four-year term. As a result of the passage of Measure B in November 2008, the offices of Auditor-Controller and Treasurer-Tax Collector were consolidated into an appointed Director of Finance position.

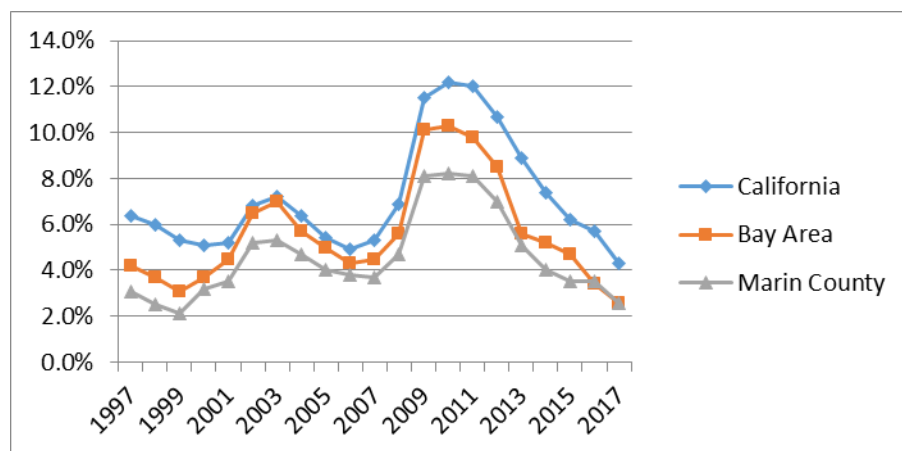
Board and Commissions

The Board of Supervisors has established advisory boards, committees and commissions to which it appoints residents to serve. The purpose of these appointed boards, committees and commissions is to provide opportunities for members of the community to participate in and act on matters of public concern. Some commissions are discretionary while others are mandated by state statute. Each commission represents the constituents of a specific issue, policy or program focus.

FINANCIAL CONDITION

Economic Indicators

- **Employment:** Unemployment rates in both the State and County have declined steadily during the past years. By October 2017 the County's unemployment rate was 2.6 percent (not seasonally adjusted), which continues to be lower than the State's rate of 4.3 percent and the national rate of 4.1 percent. The chart below illustrates Marin County's relatively low unemployment rate compared to the Bay Area and California from 1997 through 2017.



State of California Employment Development Department – October 2017

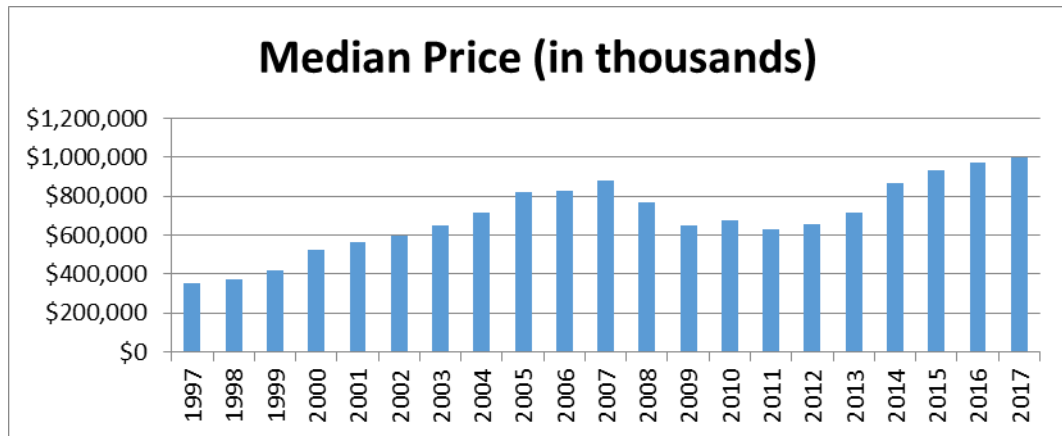
At the time of this publication, Marin's December 2017 unemployment rate had fallen to 2.3 percent, which is the second lowest unemployment rate of all Counties in the State.

- Real Estate: Given that property tax revenues make up the County's largest source of discretionary revenue, the health of the local real estate market and the associated changes in assessed property values are key indicators of the County's financial outlook. Consistent with statewide and national projections, and informed by consultations with the County Assessor, the County is projecting a gradual slowing of the growth rate for property tax revenues over the next several years. Without significant new housing development, relatively low turnover each year, and the potential for changes in legislation, Marin County's property tax revenue growth is largely limited by Proposition 13.

Median home prices (attached and detached single-family homes) within Marin County rose 2.6 percent to \$1,000,000 in 2017 from \$975,000 in 2016. In 2017, the County's residential real estate market surpassed its 2007 peak. While this will result in higher assessed property values and property tax revenues in the future, affordability continues to decline in Marin and across the entire Bay Area.

The California Association of Realtors' Traditional Housing Affordability Index measures the percentage of households that can afford to purchase a median priced home. The housing affordability index for the Bay Area was 21 as of the quarter ending in June 2017. The County's affordability index was 17, while the U.S. index was 57 and the State's was 29 in June 2017. Accordingly, during the June 2017 quarter, only 17% of households in the County could afford to purchase a median priced home in the County. This index indicates that the County is one of the most unaffordable places for housing in the nation, State, and Bay Area.

The chart below demonstrates the median sale price for detached and attached single-family homes in Marin for the last twenty years.



Marin County Assessor, 2017

A Balanced Budget

Marin County is dedicated to being a responsive, transparent and community-focused government. Working with our community partners, we deliver a wide range of services that make our community a better place to live and work.

Because of past decisions to restructure spending, the County budget is balanced and fiscally sound. It maintains current service levels and makes targeted investments to address the Board's highest priorities. All three independent bond rating agencies affirm Marin County's 'AAA' rating, citing a strong local economy, sound fiscal management and a proactive approach to reducing unfunded retiree liabilities.

Overall, the County budget is increasing by 2.6 percent. To avoid future shortfalls, the budget continues the practice of matching one-time revenues with one-time expenses. Our goal is to exert the same

financial discipline in good times that we did during the economic downturn. Several strategies that guided the development of the Countywide budget include the following: Maintaining current service levels, adjusting fee schedules to keep pace with inflation, allocating one-time funds toward the County's highest priorities, building up reserves during good economic times, and implementing the Countywide 5-Year Business Plan.

MAJOR INITIATIVES

Enhancing Mental Health Services

In 2016, the Board conducted various public workshops to consider options for expanding mental health services and outreach efforts with a focus on evidence-based practices and voluntary programs. Reorganizations within the Health and Human Services Department also utilized over \$1.5 million in state and federal funding to increase staffing, expand capacity, and better integrate service delivery.

This year, the County began a two-year pilot program to implement Laura's Law (AB 124), which provides court-ordered mental health services. The Board authorized the implementation of a time-limited Assisted Outpatient Treatment pilot program, designed to interrupt a repetitive cycle of hospitalizations and/or incarcerations for adults with serious mental illness who meet a strictly defined set of criteria and who have been either unable or unwilling to engage in voluntary services. Interventions include outreach, assessment, and linkage with voluntary services, with an additional civil court process for individuals who refuse to voluntarily engage in services. Pursuant to Welfare and Institution Code sections 5349, no voluntary mental health program service adults, and no children's mental health program, may be reduced as a result of the implementation of this Assisted Outpatient Treatment pilot program.

Preserving Affordable Housing

The median price for single-family homes in Marin reached record levels. As housing and rental prices continue to rise, many residents are being displaced from their homes. The Board has adopted multiple strategies to address affordable housing, including acquiring new property, preserving existing affordable housing, revising rental regulations, developing landlord incentives to maintain and encourage Section 8 units, and streamlining the development code to encourage second units. Last year, the Board allocated \$1 million to the County's Affordable Housing Trust. Funds from the Housing Trust are used for the construction, rehabilitation, acquisition or preservation of existing affordable housing, or for the conversion of market rate housing to affordable housing. The County also contributed \$450,000 to fund a two-year landlord incentive program that provides loss mitigation funds for unanticipated vacancies or property damage. Last year, the program worked with over 30 landlords who rent to low-income tenants to support the addition and maintenance of affordable housing in our community.

Prioritizing Racial Equity

As the safety net provider for the community, the County focuses on addressing poverty and income inequality and ensuring that County services are equitably provided in Marin. In the past year, the County established Equity definitions to ensure that County employees are using the same language when discussing solutions to inequity in the community. Equity is defined as: *Just and fair inclusion in the County where all can participate, prosper, and reach their full potential. Equity efforts seek to rectify historic patterns of exclusion, thus providing all people an opportunity to fully participate in the organization and community.*

The Board adopted the County's first Racial Equity Action Plan this year. Working with community partners, such as Marin Kids and Marin Promise, expanding access to healthcare, and reducing park and library fees have also been positive steps.

Addressing Climate Change and Sea Level Rise

The County's Climate Action Plan (CAP) identifies several local actions to assist the County in achieving its target of reducing emissions from municipal operations to 15 percent below 1990 levels. The CAP's local municipal measures include energy efficiency improvements to County-owned buildings and facilities, increased fuel efficiency and alternative fuel vehicles in the County fleet, reduced water usage and waste production from County facilities, and reduced emissions from County employees' daily commute.

FY 2016-17 included the launch of the RideGreen employee alternative commute program, which provides incentives to employees who take alternative transit, bike, or carpool to work. In FY 2016-17, the County also installed solar arrays at the Health and Wellness Campus and at the Ignacio Corporation Yard, and replaced over 2,000 fluorescent fixtures in the Civic Center with new LED fixtures resulting in significant cost savings and improved light quality. Together, the solar arrays and the lighting upgrades are estimated to reduce municipal emissions by roughly 60 tons per year.

The FY 2017-18 Budget includes funding to implement the Marin Clean Energy Deep Green renewable energy program for all County accounts. This will reduce the County's carbon emissions by over 2,270 tons and will result in the County achieving its 2020 emissions reduction target two years ahead of schedule.

Marin County ranks second in the Bay Area for potential infrastructure impacts due to sea level rise. Over the past few years, the County has leveraged State Coastal Conservancy grant funds to complete a vulnerability assessment of sea level rise impacts along the bay shoreline. The assessment part of BayWAVE (Bay Waterfront Assessment and Vulnerability Evaluation), which is a collaborative effort involving County staff, elected officials, and staff from all 11 of the County's cities and towns, staff from local and regional agencies, and private organizations with assets along the shoreline.

The vulnerability assessment will serve as a foundation to understand the impacts of sea level rise and will help Marin begin planning for adaptation. In addition to the assessment, the County has an ongoing effort to expand engagement efforts by using community partnerships and a diverse range of tools.

Investing in County Road Infrastructure

The FY 2016-17 Budget included an ongoing increase of \$1 million for annual road maintenance programs, as well as \$6 million in one-time funds to support the summer 2016 paving program. The FY 2017-18 Budget includes an additional \$3 million in one-time investments to improve road conditions and repair damage caused by the winter storms. Over the next few years, the County will also leverage over \$40 million in federal grant funds for improvements to roads in Muir Woods and Point Reyes.

The recent passage of new state gas tax (SB1) will provide increased ongoing revenue for future road improvements. The County expects to receive \$1.5 million in FY 2017-18 and over \$5 million annually when all of the new taxes and fees are fully implemented.

Implementing the Five Year Business Plan

To effectively adapt and respond to the complex issues facing our community, the County developed a Countywide strategic vision that focuses on our resources towards the highest priorities. The 5 Year Business Plan 2015-2020 is the culmination of a concerted effort to engage employees and collaborate with community leaders to identify how the County can be a more responsive government for the benefit of the community.

The Board adopted the 5 Year Business Plan in 2015 to improve County services by empowering our workforce to more effectively respond to community needs. The Plan focuses on Diversity and Inclusion, Innovation, Career Growth and Development, and Communications.

Over the past year, the organizational commitment to the Plan has expanded. Employees throughout the organization are involved and committed to the work, subject matter experts are leading the development

of specific initiatives and are supported by employee steering committees in each focus area, and each department has adopted strategies directly aligned with the Plan. As departments are developing new strategic documents, the Plan is being used as a primary guiding document. The County will evaluate the success of the current initiatives and metrics in FY 2017-18 and make any necessary changes to the Plan to further support the County's vision of becoming a more responsive government.

Improving Technology

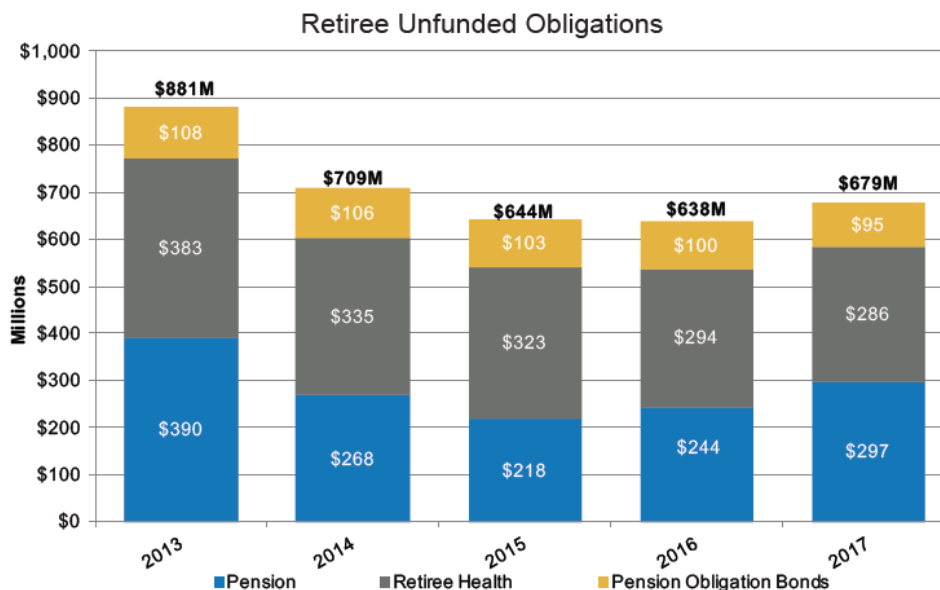
Consistent with the County's 5 Year Business Plan, Information Services and Technology (IST) developed a strategic plan that is focused on solutions for the County's most pressing needs over the next five years. The IST strategic plan focuses on convenient access to information and services anytime, anywhere, and on any device by residents and employees. The most important initiatives include expanding the County's ability to provide online services, accepting online payments, offering automated electronic forms, developing impactful mobile apps, expanding the use of mobile devices by County employees, protecting public information, and automating internal processes to improve services for residents and enhance efficiencies for employees.

During the first 18 months of the strategic plan implementation, IST created a one-stop portal for online payments, including property tax and library fees, developed over 20 automated electronic forms, and launched five new mobile apps, including a voter information portal, a virtual tour of the Civic Center, and a restaurant inspection database. Other recent accomplishments included expanding public Wi-Fi at the Civic Center, introducing online building permitting and inspections, and launching an Open Data Portal.

Reducing Unfunded Retiree Obligations

The County has taken several actions over the past few years to reduce unfunded retiree liabilities, including contributing over \$94 million in discretionary accelerated payments, establishing an OPEB trust for retiree healthcare benefits, and creating a pension rate stabilization reserve. The retiree health trust currently has a balance of over \$87 million, and the baseline budget includes additional contributions to the trust. The County remains committed to fully budgeting and funding its annual required contribution to both pension and retiree health benefits to reduce and ultimately eliminate its unfunded retiree liabilities.

These actions, along with investment earnings, have reduced the County's unfunded liabilities by approximately \$200 million over the past five years and are among the primary factors in the County's 'AAA' credit rating.



LONG-TERM FINANCIAL PLANNING

Five Year Budget Projection

Marin County revenue sources have steadily increased over the past few years, largely resulting from increased property values and increased state and federal funding for safety net programs. Service levels and personnel costs have also increased. In addition to providing cost of living increases to the County workforce and community partners, costs have also increased for pensions and workers' compensation insurance.

The national economic expansion is now in its eighth year, which makes it the fourth longest expansion in U.S. history. Most economists project continued economic growth over the next few years, although the growth rate is expected to decline. Being mindful of economic cycles, service priorities are continually reviewed, new position requests are required to be essential and/or fully cost-covered, and one-time funds are used only for one-time purposes. The Board has also made prudent fiscal decisions to build up reserves, refinance existing debt at favorable rates, and invest in road and facility infrastructure. Last year, the County implemented a hiring review process to further evaluate current staffing levels and their associated funding streams.

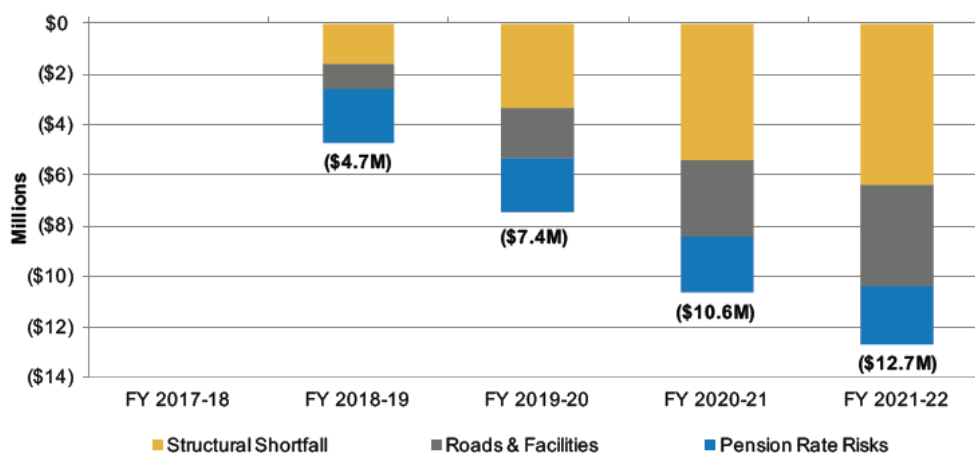
The Governor's May Revision to the Proposed 2017-18 State Budget included better than anticipated revenues and increased spending for education, but also reflected a cautious tone and increased contributions to reserves. It also included a significant shift of In-Home Supportive Services (IHSS) costs to counties beginning in FY 2019-20. The County will continue to work with its regional and statewide partners to advocate for a mitigation of the proposed maintenance of effort (MOE) inflator, which is currently scheduled to increase to seven percent beginning in FY 2020-21.

The County's discretionary revenues are largely tied to the annual changes in property values. While median sales prices have reached record levels, the County's annual property tax revenue is limited by Proposition 13, as well as limited new development, and relatively low sales volume. Property tax growth rates are expected to continue to decline over the next few years, as are growth rates of other local revenue sources, such as sales tax and transient occupancy tax.

With the projected slowdown in revenue growth, and the strong likelihood of increased personnel and infrastructure costs, the County is projecting slight budget shortfalls beginning in FY 2018-19.

Without any significant change to the County's fiscal outlook, expenditure reductions will be needed to balance the budget next year. The County is working with departments to identify structural changes and strategic adjustments that will help close the gap.

Preliminary Five Year General Fund Operating Shortfall



Educational Revenue Augmentation Fund (ERAF)

Since FY 1992-93, local taxing entities (cities, special districts, and the County) are mandated to shift a portion of their property tax dollars to the ERAF to be used to reduce the State's obligation in funding school districts. School districts that receive less than their minimum State guaranteed amount are eligible to receive revenues from the ERAF, while those that receive property taxes equal to or greater than their minimum State guaranteed amount do not.

Starting in FY 2013-14, legislation created a new funding formula to determine the minimum State guaranteed amount for K-12 school districts. The new formula, referred to as the Local Control Funding Formula (LCFF), is expected to increase the State's minimum guaranteed amount for school districts, thus increasing the obligation from the ERAF. School districts that receive monies from ERAF per the LCFF are referred to as LCFF-funded schools.

Any monies in the ERAF that are in excess of the total amount the LCFF-funded school districts are eligible to receive, less special education funding as determined by the California Department of Education and funding for community colleges, is refunded back to the local taxing agencies in the same proportion as their contributions. These refunded monies are referred to as Excess ERAF.

Generally, the fewer LCFF-funded school districts, the larger the Excess ERAF amount. In FY 2016-17, 8 out of 23 K-12 school districts were LCFF-funded school districts. Over time, as the State increases the minimum funding requirements, the number of LCFF-funded school districts will increase, and thus reduces the amount of Excess ERAF returned to the County, cities, and special districts.

The County's portion of Excess ERAF monies was \$37.2 million in FY 2016-17. The County is conservative in budgeting Excess ERAF monies, as the revenues are subject to legislative risk.

Employee's Retirement Plan

In fiscal year (FY) 2014-15, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68 related to financial reporting of pension plans on its financial statements. It also required additional disclosure in the CAFR's Notes to the Basic financial statements and Required Supplementary Information sections about the actuarial assumptions and methods used to account for pension plans. The Marin County Employees' Retirement Association (MCERA) is a pension plan for the County. In summary, this new standard requires MCERA and the County to use two different actuarial valuation methods for its pension plan – one for financial reporting purposes, as required by GASB No. 68, and the other for funding purposes to determine the County's annual contribution to the plan. The new method, for financial reporting purposes, is used to calculate the net pension liability that appears in the Government-wide financial statements. While financial reporting has changed, the method used to determine the annual contribution to the pension plan by the County has not changed and is consistent with prior year.

For financial reporting purposes, the net pension liability is now displayed on the face of the financial statements (Statement of Net Position). For funding purposes, information about unfunded pension liabilities will continue to be disclosed in the basic notes and required supplementary information sections of the CAFR, not on the financial statements.

Other Postemployment Benefits (OPEB)

The County sponsors, and MCERA provides administrative services for, an "other postemployment benefits" (OPEB) Retiree Health Plan. The County prefunds its OPEB obligations through the California Employers' Retirement Benefit Trust (CERBT). In June 2015, GASB issued Statements No. 74 and 75. These Statements specify accounting and financial reporting requirements for postemployment benefits other than pensions. The County implemented GASB No. 74 effective in FY 2016-17, but there is no impact to its financial statements. The County will implement GASB No. 75 in FY17-18. GASB No. 75 is similar to pension reporting standards released by GASB No. 68, in that it requires reporting of the net OPEB liability amount on the face of the financial statements. It will also require additional disclosure in

the CAFR's Notes to the Basic Financial Statements and in the Required Supplementary Information sections about the actuarial assumptions and methods used to account for OPEB plans. These changes will increase the transparency of the plan and its unfunded liabilities.

EMERGING ISSUES

Enhanced Mental Health Services in Jail

As part of Marin's participation in the national "Stepping Up" initiative to improve outcomes in incarcerated populations, Health and Human Services staff is determining how to best improve behavioral health services in jail given that inmates have three to six times higher rates of serious mental illness compared with the general population. Current efforts are focused on increasing the number of behavioral health counselors working in the jail, stabilizing the workforce with permanent staff, and expanding discharge planning services. Support for these positions may require ongoing discretionary funding because inmates are not eligible for MediCal reimbursements.

Housing First for Homeless

Along with community partners and service providers, the County has been implementing a "housing first" model that emphasizes the importance of providing chronically homeless persons with permanent supportive housing in conjunction with wraparound services. For this model to succeed, services must be robust, flexible, and readily available. The County is working with the Marin Housing Authority to provide 50 additional supportive housing slots to help house our most vulnerable homeless individuals. In addition, the County will apply to participate in the State's "No Place Like Home" initiative, and Partnership Health will be providing a \$1.2 million in one-time funding to support efforts to address homelessness in Marin.

Whole Person Care

This past year, the County began participating in the Whole Person Care program, which is a new service delivery and funding model administered by the California Department of Health Care Services (DHCS) as part of the Medi-Cal 2020 Waiver Initiative. This will bring the County approximately \$5 million annually for the next four years to better serve high-need populations, including the chronically homeless. The program aims to improve health outcomes by utilizing an interdepartmental, multi-disciplinary approach to coordinated care that focuses on high utilizers of the healthcare system to increase substance use treatment and decrease emergency room visits. The overarching goal of the Whole Person Care program is to coordinate health, behavioral health, and social services to improve health outcomes. Through collaborative leadership and systematic coordination among participating entities, the Whole Person Care program will serve high-risk Medi-Cal beneficiaries. This is a value-based model in which a portion of funding includes incentives for achieving the desired outcomes. Participating entities will share data, coordinate care, and evaluate individual and population progress.

Changes in Federal and State Policy

The County of Marin faces a number of significant risks and uncertainties in relation to potential federal and state policy changes, most notably at the federal level. Federal spending allocations largely maintain the status quo through September 2017; however new federal budget proposals, as well as the potential repeal of the Affordable Care Act (ACA), could have significant consequences in California. California has \$20 billion in state Medi-Cal (federal Medicaid) funds at stake with healthcare reform, and more than 50,000 Marin County residents have benefited from new or expanded health care coverage in recent years. Marin residents currently receive over \$100 million annually from the federal government to pay healthcare costs as part of the ACA. Also in jeopardy at the federal level are a number of federal domestic spending programs, including Community Development Block Grants, Temporary Assistance for Needy Families, Supplemental Security Income, child nutrition programs, and housing assistance programs.

At a federal policy level, the County continues to monitor immigration reform efforts and will oppose efforts that would eliminate pathways to full and equal citizenship, restrict the rights of immigrants, break up families, or build a wall along the Mexico border. The County is also closely monitoring and opposing federal efforts to slow or reverse efforts to mitigate climate change, and are hopeful that promises to invest \$1.0 trillion in new infrastructure spending in the U.S. economy over the next 10 years will come to fruition.

At the state level, the County expects relatively stable funding overall. Efforts to mitigate the impacts of eliminating the In-Home Supportive Services (IHSS) Maintenance of Effort (MOE) in the short-term will provide the County with a glide path to make budgetary adjustments. The County expects IHSS costs in FY 2017-18 to largely be the same as they would have been under the prior MOE, however the long-term cost implications of the current proposal will be unsustainable for counties if the MOE inflator is not adjusted.

On November 8, 2016, California voters enacted Proposition 64, the Adult Use of Marijuana Act (AUMA). The AUMA retained the abilities for counties and cities to adopt and enforce local ordinances to regulate nonmedical cannabis businesses, including prohibition. Although the Board adopted an ordinance prohibiting nonmedical cannabis business activities in the unincorporated area of Marin County, a regulatory framework for medical cannabis dispensaries was approved in 2015 to expand options for patients to access medical cannabis.

RELEVANT FISCAL POLICIES

Balanced Budget

The annual budget must balance resources with expenditure appropriations (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 where 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 operational 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 operations.

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, who then 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, departments should consider how funding will be provided for its duration. 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, fixed-term positions should be used to support short-term programs.

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.

Workers Compensation Funding

The County initiated a self-insured liability program for workers compensation on July 1, 1993. The Board has adopted a funding policy that program assets be maintained at or above the 70 percent 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 shall maintain a minimum of 5 percent 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
- 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). Administrative designations may be established for the cost of anticipated expenditures where there is uncertainty concerning the exact timing and/or amount of the expenditures that will be needed in the fiscal year. The County Administrator will review any request for an administrative designation and verify that funding can be taken from existing appropriations.

Additional Contributions Toward Deferred Road & Bridge Maintenance

Effective FY 2013-14, the Board adopted a policy determining that, for the next five years (through FY 2017-18), 50 percent of any available year-end General Fund balance (unassigned fund balance) in excess of what's required to support the General Fund operating budget (5 percent of budget, or approximately \$20 million) shall be allocated to address deferred road & bridge maintenance. Such investments are intended to help achieve the Board's goal of improving the County's Pavement Condition Index (PCI), as well as for high priority infrastructure maintenance projects.

California Public Employee Pension Reform Act of 2013 (PEPRA) Savings Dedicated Toward Unfunded Pension Liability

Effective FY 2013-14, and for the next five years (through FY 2017-18), the Board adopted policy determining that PEPRA savings shall be dedicated toward reducing the County's Unfunded Actuarially Accrued Liability (UAAL) for pensions, currently estimated to be a contribution of up to \$3 million over PEPRA's initial five years. PEPRA became effective in California January 1, 2013 for all new, nonreciprocal employees.

CONCLUSION

The County is on stable financial and operational footing because of the actions taken by the Board of Supervisors over the past several years. The 5 Year Business Plan provides a clear strategic direction for the entire organization and we are making progress towards addressing equity issues, developing our workforce and improving County technology. We are also investing in County infrastructure, reducing our carbon footprint, preparing for climate change, and enhancing safety net services.

The County is constantly striving to become a more responsible and transparent organization. The County has partnered with Socrata to develop an Open Data portal that provides community access to various data sets. The Sheriff and District Attorney have implemented body worn camera technology to provide greater transparency of law enforcement operations. We are also continually expanding our presence in online and social media platforms to increase opportunities for residents to engage with and influence County services.

Providing responsive services that support a healthy, safe, equitable and sustainable community involves meaningful participation and effective collaboration at all levels. Our County will face unique challenges in the coming years and we will continue our efforts to reprioritize existing services in order to adapt and respond to emerging community issues.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement

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, 2016. This was the sixth year the County issued a CAFR and received this prestigious award for all six years. 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, Clifton Larsen Allen, LLP.

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

Finally, I wish to thank all of the citizens of Marin County for their support and employees of the County for their dedication and contributions to County government.

Respectfully submitted,



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, 2016

Christopher P. Morill

Executive Director/CEO

**COUNTY OF MARIN
ELECTED AND APPOINTED PUBLIC OFFICIALS
JUNE 30, 2017**

ELECTED OFFICIALS

Supervisor - First District	Damon Connolly
Supervisor - Second District	Katie Rice
Supervisor - Third District	Kathrin Sears
Supervisor - Fourth District	Dennis Rodoni
Supervisor - Fifth District	Judy Arnold
Assessor-Recorder-County Clerk	Richard N. Benson
District Attorney	Edward S. Berberian
Sheriff - Coroner	Robert T. Doyle

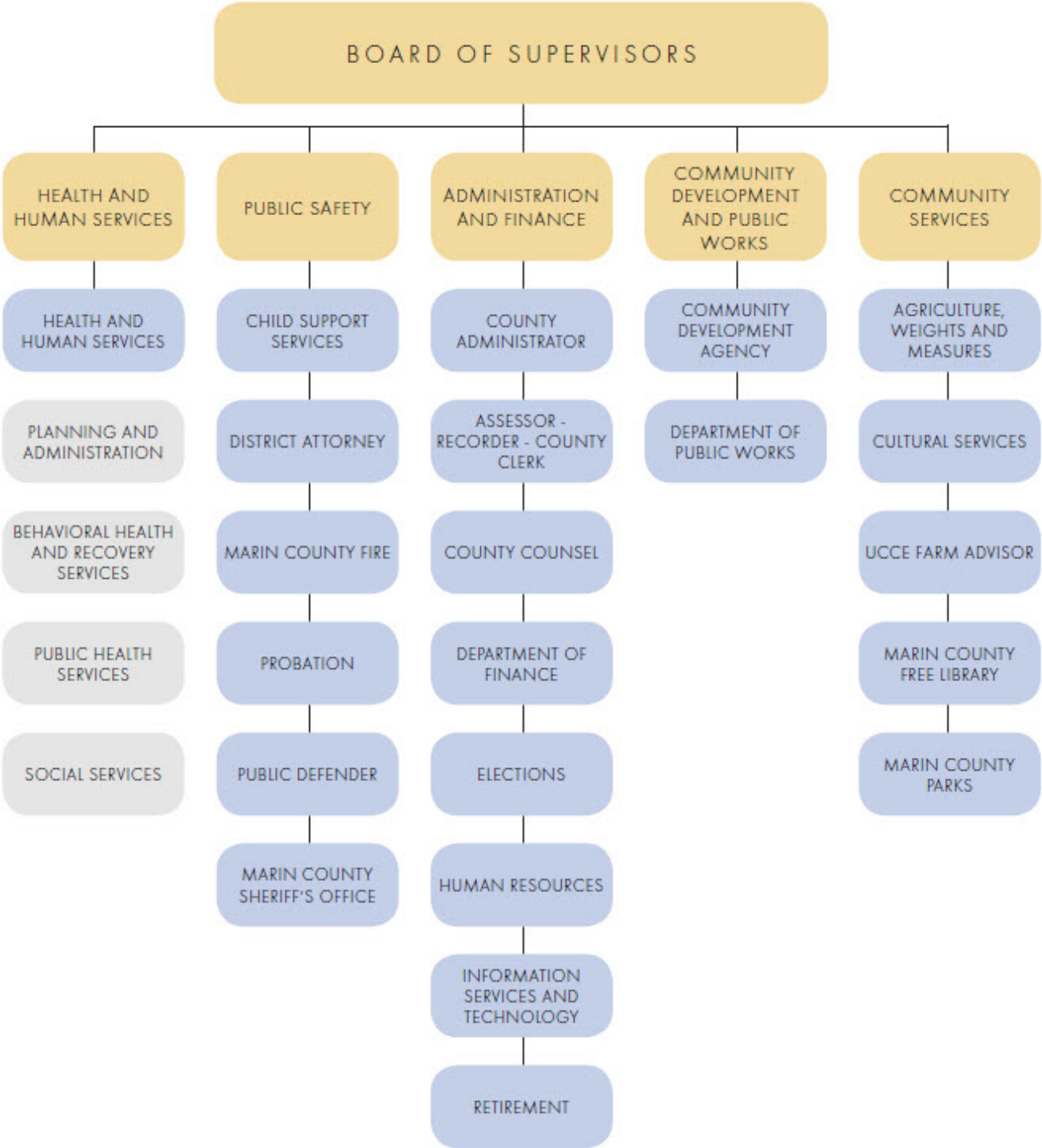
APPOINTED OFFICIALS (by the Board of Supervisors)

County Administrator	Matthew H. Hymel
Agricultural Commissioner	Stacy K. Carlsen
Director of Child Support Services	Jill K. Francis
Director of Community Development	Brian Crawford
County Counsel	Brian E. Washington
Director of Cultural & Visitor's Services	Gabriella Calicchio
Director of Finance	Roy Given, CPA
Farm Advisor/U.C. Cooperative Extension	David Lewis
Fire Chief	Jason Weber
Director of Health & Human Services	Grant Colfax, MD
County Librarian	Sara Jones
Director and General Manager of Parks	Max Korten
Chief Probation Officer	Michael Daly
Public Defender	Jose H. Varela
Director of Public Works	Raul M. Rojas

APPOINTED OFFICIALS (by the County Administrator)

Director of Human Resources	Mary Hao
Director of Information Services & Technology	Charlie Haase
Registrar of Voters	Lynda Roberts

**COUNTY OF MARIN
ORGANIZATIONAL CHART
JUNE 30, 2017**



FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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, aggregate discretely presented component units, 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, 2017, 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.

Auditors' 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 its aggregate discretely presented component units, 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, 2017:

<u>Opinion Unit</u>	<u>Assets</u>	<u>Revenues/ Additions</u>
Business-Type Activities	87.9%	92.3%
Aggregate Discretely Presented Component Units	100.0	100.0

Those financial statements were audited by other auditors whose reports 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, its aggregate discretely presented component units, 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.

Auditors' Responsibility (Continued)

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2017, 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 schedule, proportionate share of the net pension liability, schedule of County contributions – Pension Plan, and schedule of funding progress – Other Postemployment Benefits Plan, 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 are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Roseville, California
January 30, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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COUNTY OF MARIN
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

This section presents management's narrative overview and analysis of the County of Marin's (the County) financial condition and activities as of and for the fiscal year ended June 30, 2017. 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 position

The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2017 by \$1,449.4 million (net position):

- \$1,352.8 million represents the County's investment in capital assets, less any related outstanding debt used to acquire those assets (*net investment in capital assets*). These capital assets are used to provide services to citizens and are not available for future spending.
- \$176.6 million represents resources that are subject to external restrictions on their use and are available to meet the County's ongoing obligations for programs with external restrictions (*restricted* net position).
- (\$80) million represents the County's unrestricted net position, which as of fiscal year-end is earmarked for deferred pension obligation. Generally, unrestricted net position may be used to meet the County's ongoing obligations to its citizens and creditors (*unrestricted* net position).

The County's total net position increased \$60.5 million to \$1,449.4 million over the year. The increase in the County's net position represents the degree to which revenues exceeded expenses plus net transfers, and indicates that the financial position of the County is improving.

- \$54.6 million increase in net position was derived from governmental activities. The increase was due to total revenue of \$569.1 million exceeding total expenses and transfers of \$514.5 million.
- \$5.9 million increase in net position was derived from business-type activities, primarily from Transit District's \$5.4 million increase in net position, due to lower operation costs for services relative to increased intergovernmental operating revenue including Federal, State and local Measure A sales tax.

Capital assets and debt administration

The County's *capital assets*, net of accumulated depreciation, increased by \$8.7 million, from \$1,497.8 million to \$1,506.5 million, with \$7 million from governmental activities and \$1.7 million from business-type activities. The overall increase was attributable to the County's purchase of land in Fairfax for \$3.8 million by Marin County Flood Control and Water Conservation District for a potential detention basin project, and current year additions to intangible assets of \$3.4 million for the implementation of the County's new financial system.

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 \$256.8 million to \$250.5 million. The decrease was due to current year scheduled debt service payments totaling to \$8.4 million, offset by \$1 million in accretion adjustments to tobacco settlement asset-back bonds, and \$1.2 million in additional loan amounts drawn by the Housing Authority.

COUNTY OF MARIN
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

Governmental funds financial analysis

The County's governmental funds reported combined fund balances of \$419.3 million at fiscal year-end, which is an increase of \$29.6 million compared to the prior fiscal year. Of this amount, \$168.5 million (sum of assigned and unassigned fund balances), or 40.2%, is available for spending at the County's discretion.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves 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 Required Supplementary Information on pages 94-100. The Required Supplementary Information provides additional detail to support the basic financial statements.

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 the County's assets and liabilities, and deferred outflows/inflows of resources, with the difference 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 occurred, 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).

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

Pages 39-41 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,

COUNTY OF MARIN
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

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 Human Services Operating Fund and the Other Capital Projects Fund, which are considered to be a major funds. Data from the remaining non-major governmental funds are combined into a single, aggregate presentation.

A budgetary comparison schedule has been provided for the General Fund and the Health and Human Services Operating Fund to demonstrate compliance with the budget and are located in the Required Supplementary Information section of the report.

Pages 42-45 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 Marin County Housing Authority (Housing Authority), Marin County Transit District (Transit District), Gross Airport, Marin County Fair, Marin.Org, Marin Commons Property Management, and Marin Center Promotions. The internal service fund is an accounting device used to accumulate and allocate costs internally among the County's various functions 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 Transit District, which are considered to be major funds. Data for the non-major 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 46-49 of this report display the proprietary funds financial statements.

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

Pages 50-51 of this report display the fiduciary fund's financial statements.

Component units are also incorporated into the County's basic financial statements, and are legally separate entities for which the County is financially accountable. A component unit can be "blended" or "discretely presented" in the County's financial statements. A blended component unit functions, for all practical purposes, as an integral part of the primary government (the County), whereas a discretely presented component unit does not function as an integral part of the County.

The County's blended component units include the Golden Gate Tobacco Funding Corporation, In-Home Supportive Services Public Authority of Marin, Marin County Fair, Housing Authority of the County of Marin, Marin County Law Library, Marin County Open Space District, Marin County Transit District, and

COUNTY OF MARIN
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

special districts governed by the County Board of Supervisors (including sewer maintenance, County service areas, lighting, permanent road districts, flood control zone, water conservation and other special districts).

Notes to the Basic 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 52-93 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 County's adopted budget.

Pages 94-100 of this report display the Required Supplementary Information.

Combining and individual fund statements and schedules provide information for non-major governmental funds, enterprise funds, and fiduciary funds and are presented immediately following the Required Supplementary Information.

Pages 101-172 of this report display the combining and individual fund statements and schedules.

III. 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 and deferred outflows exceeded liabilities by \$1,449.4 million as of June 30, 2017. Further details are provided in the table below.

**Condensed Statement of Net Position
(in thousands)**

	Governmental Activities		Business-type Activities		Total		Total	
	2017	2016	2017	2016	2017	2016	Dollar Change	Percent Change
Assets:								
Current and other assets	\$ 493,434	\$ 456,855	\$ 47,751	\$ 38,247	\$ 541,185	\$ 495,102	\$ 46,083	9.3%
Capital assets, net	1,454,359	1,447,357	52,209	50,488	1,506,568	1,497,845	8,723	0.6%
Total assets	<u>1,947,793</u>	<u>1,904,212</u>	<u>99,960</u>	<u>88,735</u>	<u>2,047,753</u>	<u>1,992,947</u>	<u>54,806</u>	<u>2.7%</u>
Deferred outflows	<u>131,993</u>	<u>119,684</u>	<u>1,235</u>	<u>659</u>	<u>133,228</u>	<u>120,343</u>	<u>12,885</u>	<u>10.7%</u>
Liabilities:								
Current and other liabilities	68,662	62,133	11,790	10,007	80,452	72,140	8,312	11.5%
Noncurrent liabilities	615,271	572,081	11,787	10,332	627,058	582,413	44,645	7.7%
Total liabilities	<u>683,933</u>	<u>634,214</u>	<u>23,577</u>	<u>20,339</u>	<u>707,510</u>	<u>654,553</u>	<u>52,957</u>	<u>8.1%</u>
Deferred inflows	<u>20,748</u>	<u>68,041</u>	<u>3,311</u>	<u>640</u>	<u>24,059</u>	<u>68,681</u>	<u>(44,622)</u>	<u>-65.0%</u>
Net position:								
Net investment in capital assets	1,307,080	1,300,175	45,737	43,143	1,352,817	1,343,318	9,499	0.7%
Restricted	169,513	174,836	7,109	7,159	176,622	181,995	(5,373)	-3.0%
Unrestricted	(101,488)	(153,370)	21,461	18,112	(80,027)	(135,258)	55,231	-40.8%
Total net position	<u>\$ 1,375,105</u>	<u>\$ 1,321,641</u>	<u>\$ 74,307</u>	<u>\$ 68,414</u>	<u>\$ 1,449,412</u>	<u>\$ 1,390,055</u>	<u>\$ 59,357</u>	<u>4.3%</u>

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Governmental Activities

Total assets and deferred outflows from governmental activities increased by \$55.9 million, or 2.8%, from the prior fiscal year. The overall increase was attributable to the following significant changes:

- *Cash and investments* increased by \$33.6 million, from \$389.1 million in the prior year as compared to \$422.7 million in the current year. The increase was primarily due to increase in property tax revenue of approximately \$22 million, transient occupancy tax of \$3 million, and intergovernmental revenue from State and Federal agencies.
- *Receivables* increased by \$2.8 million, from \$61.4 million in the prior year as compared to \$64.2 million in the current year. The increase is mostly attributable to timing of accounts receivables receipts and loan reimbursements from outside agencies.
- *Deferred outflows of resources* increased by \$12.3 million, from \$119.7 million in the prior year as compared to \$132 million in the current year. This increase was mostly attributable to the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 (GASB 68)*, whereby the County deferred outflows of resources related to its pension plan.
- *Capital assets, net* increased by \$7 million, from \$1,447.4 in the prior year as compared to \$1,454.4 million in the current year. The increase was primarily due to the County's \$3.8 million purchase of land in Fairfax by the Marin County Flood Control and Water Conservation District for a potential detention basin project and \$3.4 million in current year additions to intangible assets for the implementation of the County's new financial system.

Total liabilities and deferred inflows from governmental activities increased by \$2.4 million, or 0.3%, from the prior fiscal year. The overall increase was attributable to the following significant changes:

- *Long-term liabilities*, due beyond one year decreased by \$7.1 million, from \$242.5 million in the prior year as compared to \$235.4 million in the current year. The decrease was as a result of regularly scheduled debt payments.
- *Net pension liability* increased by \$56.3 million, from \$203.7 million in the prior year as compared to \$260 million in the current year. This increase is a reflection of the actuarially determined amount required to provide pension benefits to both active and retired members.
- *Deferred inflows of resources* decreased by \$47.3 million, from \$68 million in the prior year as compared to \$20.7 million in the current year, due to actuarial measurement factors for the County's pension plan, such as plan experience differing from that anticipated by the economic or demographic assumptions. The current year deferred inflows of \$20.7 million is comprised of \$8.5 million for plan experience and \$12.2 million for employer's deferred inflow proportion changes.

Business-type Activities

Total assets and deferred outflows from business-type activities increased by \$11.8 million, or 13.2%, from the prior fiscal year. The overall increase was due to the following significant changes:

- *Cash and investments* increased by \$4.5 million, from \$19.8 million in the prior year to \$24.3 million in the current year. The increase was mostly due to Transit District, who had a \$3 million increase in total cash, due to their intergovernmental revenue from local Measure A sales tax funding for service expansions which started in January 2016. The increase was also attributable to increase to Housing Authority revenues, due to higher Housing Assistance Payments (HAP) from HUD for the Housing Choice Voucher (HCV) Program.
- *Restricted cash* increased by \$2.4 million, from \$3.5 million in the prior year to \$5.9 million in the current year. The increase is primarily attributable to Housing Authority's restricted cash balance which includes prepaid HUD grant for \$2.8 million.

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- *Capital assets, net of accumulated depreciation* increased by \$1.7 million, from \$50.5 million in the prior year to \$52.2 million in the current year, primarily attributable to Transit District's addition to capital costs in facility and stop improvements, due to work in progress on transit center renovation in downtown Novato.

Total liabilities and deferred inflows from business-type activities increased by \$5.9 million, or 28.2%, from the prior fiscal year, primarily due to Housing Authority's \$2.8 million increase in deferred inflows received from HUD for Housing Assistance Payments (HAP) and \$1.3 million increase in net pension liability due to Housing Authority's pension expense adjustment for GASB Statement No. 68.

Analysis of Net Position

The County's overall net position increased by \$60.5 million, or 6.3%, during the current fiscal year, compared to \$56.9 million increase 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 \$1,352.8 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 \$176.6 million 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.
- *Unrestricted* net position – Approximately (\$80) million of the County's net position represents funds which may be used to meet the County's ongoing obligations to citizens and creditors.

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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	
	2017	2016	2017	2016	2017	2016	Dollar Change	% Change
Revenues:								
Program revenues:								
Fees, fines, and charges for services	\$ 81,941	\$ 88,549	\$ 12,950	\$ 13,098	\$ 94,891	\$ 101,647	\$ (6,756)	-6.6%
Operating grants and contributions	197,130	184,740	60,426	56,816	257,556	241,566	16,000	6.6%
Capital grants and contributions	7,356	4,154	4,525	12,392	11,881	16,546	(4,665)	-28.2%
Program revenues subtotal:	<u>286,427</u>	<u>277,443</u>	<u>77,901</u>	<u>82,306</u>	<u>364,328</u>	<u>359,749</u>	<u>4,579</u>	<u>1.3%</u>
General revenues:								
Property taxes	244,943	212,879	4,112	3,848	249,055	216,727	32,328	14.9%
Sales and use taxes	18,261	18,665	-	-	18,261	18,665	(404)	-2.2%
Other taxes	7,826	7,492	-	-	7,826	7,492	334	4.5%
Earnings	4,824	3,838	202	440	5,026	4,278	748	17.5%
Gain on sale of capital assets	-	-	-	-	-	-	-	100.0%
Tobacco settlement	2,238	2,176	-	-	2,238	2,176	62	2.8%
Miscellaneous	4,605	1,464	1,196	1,250	5,801	2,714	3,087	113.7%
General revenues subtotal:	<u>282,697</u>	<u>246,514</u>	<u>5,510</u>	<u>5,538</u>	<u>288,207</u>	<u>252,052</u>	<u>36,155</u>	<u>14.3%</u>
Total revenues	<u>569,124</u>	<u>523,957</u>	<u>83,411</u>	<u>87,844</u>	<u>652,535</u>	<u>611,801</u>	<u>40,734</u>	<u>6.7%</u>
Expenses:								
General government	89,409	86,881	-	-	89,409	86,881	2,528	2.9%
Public protection	176,550	163,365	-	-	176,550	163,365	13,185	8.1%
Public ways and facilities	15,564	17,609	-	-	15,564	17,609	(2,045)	-11.6%
Health and sanitation	97,962	95,898	-	-	97,962	95,898	2,064	2.2%
Public assistance	79,788	65,200	-	-	79,788	65,200	14,588	22.4%
Education	15,376	14,636	-	-	15,376	14,636	740	5.1%
Recreation and cultural services	27,530	26,649	-	-	27,530	26,649	881	3.3%
Interest and fiscal charges	11,720	10,432	-	-	11,720	10,432	1,288	12.3%
Housing Authority	-	-	41,726	38,621	41,726	38,621	3,105	8.0%
Transit District	-	-	29,482	27,279	29,482	27,279	2,203	8.1%
Gross Airport	-	-	757	967	757	967	(210)	-21.7%
Marin County Fair	-	-	2,706	2,416	2,706	2,416	290	12.0%
Marin.Org	-	-	1,532	1,733	1,532	1,733	(201)	-11.6%
Marin Commons Property Management	-	-	3,047	2,911	3,047	2,911	136	4.7%
Marin Center Promotions	-	-	28	280	28	280	(252)	-90.0%
Total expenses	<u>513,899</u>	<u>480,670</u>	<u>79,279</u>	<u>74,207</u>	<u>593,177</u>	<u>554,877</u>	<u>38,300</u>	<u>6.9%</u>
Excess before transfers	55,225	43,287	4,132	13,637	59,358	56,924	2,434	4.3%
Transfers, net	<u>(1,761)</u>	<u>(1,922)</u>	<u>1,761</u>	<u>1,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.0%</u>
Change in net position	53,464	41,365	5,893	15,559	59,358	56,924	2,434	4.3%
Net position, beginning	1,321,641	1,285,483	68,414	57,255	1,390,055	1,342,738	47,317	3.5%
Prior period adjustment	-	(5,207)	-	(4,400)	-	-	-	0.0%
Net position, beginning as restated	<u>-</u>	<u>1,280,276</u>	<u>68,414</u>	<u>52,855</u>	<u>-</u>	<u>1,333,131</u>	<u>(1,333,131)</u>	<u>0.0%</u>
Net position, ending	<u>\$ 1,375,105</u>	<u>\$ 1,321,641</u>	<u>\$ 74,307</u>	<u>\$ 68,414</u>	<u>\$ 1,449,412</u>	<u>\$ 1,390,055</u>	<u>\$ 59,357</u>	<u>4.3%</u>

Analysis of Governmental Activities:

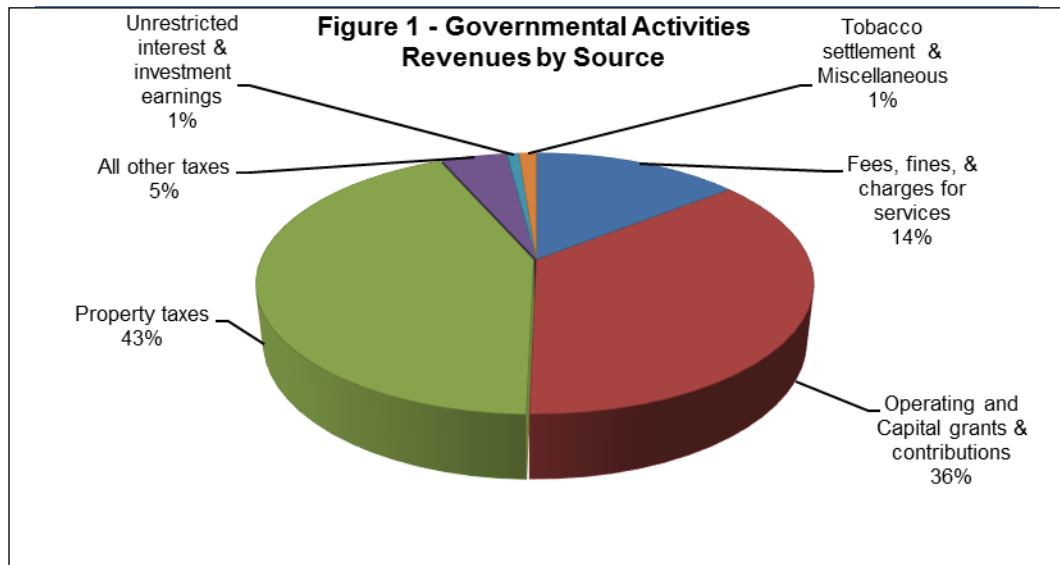
Governmental activities increased the County's net position by \$53.4 million to \$1,375.1 million for fiscal year ended June 30, 2017. Such increase accounted for 90.1% of the County's overall increase in net position.

Program Revenues accounted for 50.3% of the County's overall governmental activities revenues. Program revenues consisted of three categories: 1) fees, fines, and charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Program revenues increased by \$9 million, or 3.2%, from the prior year. This increase is primarily attributable to a \$12.4 million increase in operating grants and contributions from State funded programs for mental health, behavioral health, out-of-home care and realignment.

General Revenues increased \$36.2 million, or 14.7%, from the prior year. General revenues accounted for 49.7% of the County's overall governmental activities revenues. The significant changes included the following:

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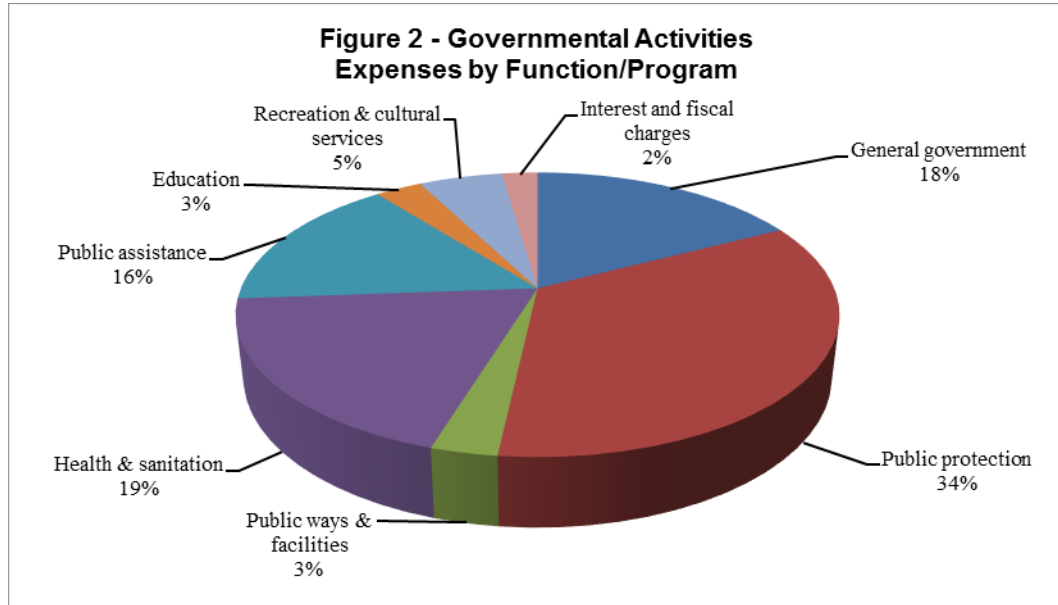
- *Property taxes* increased by \$32.1 million. Of this increase, approximately \$22 million is due to the County's continuous rise in assessed property values and median home sales. The remaining \$10 million is consistent with prior year amounts, however the Supplemental Secured Benefit Property Tax was reclassified from charges for services in the prior year to Property Taxes in the current year.
- *Sales and use taxes* decreased by \$0.4 million, primarily due to the expiration of Proposition 30 (temporary taxes to fund education), effective December 31, 2016 which had imposed additional 0.25% temporary statewide sales and use tax.
- *Miscellaneous revenues* increased by \$3.1 million, primarily due to \$1 million in cash donations to the library and other one-time miscellaneous revenues received by low income housing fund and flood control zones.



Expenses from governmental activities increased by \$33.2 million, or 6.9%, from the prior year. The overall increase was the result of increased spending in most categories of expenditures, as detailed below:

- *Public protection* increased by \$13.2 million, primarily due to an increase in salaries and wages expenses, increase in expenditures to acquire body-worn camera for Sheriff deputies, provide dispatch services to Central Marin Police Authority, and implement a water rescue program for the community.
- *Public assistance* increased by \$14.6 million. The increase was due to In-Home Supportive Services, Maintenance of Effort in Adult Social Services and IHSS Services, increased participation and applications with the Affordable Care Act in eligibility, continuum of care reform and foster parent recruitment and other increased retention programs in Child Support Services.

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Analysis of Business-type Activities:

Business-type activities increased the County's net position by \$5.9 million, compared to a prior year increase in net position of \$15.6 million. Current year revenues decreased by \$4.4 million, while expenses increased by \$5.1 million as compared to prior year. Greater expenses in the current year was attributable to increase in operating expenses incurred by the Transit District due to expanded transit service and increased depreciation on prior year purchases of vehicles, as well as increase in operating expenses for the Housing Authority on Housing Assistance Payments to landlords in the Housing Choice Voucher (HCV) Program and administrative expense increase due to GASB 68 pension accruals. Conversely, the decrease in revenue was primarily attributable to the Transit District's decrease in contractual compensation from the Golden Gate Bridge Highway and Transportation District (GGBHTD) for regional paratransit due to a corresponding drop in associated expenses as well as decrease in capital contribution revenue for capital purchases, which was already completed in the prior year.

IV. 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 non-major 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, 2017, the County's governmental funds reported total assets of \$454.4 million, total liabilities of \$34.3 million, and combined fund balances of \$419.3 million. Current year governmental fund balance of \$419.3 million represents an increase of \$29.6 million from the prior fiscal year fund balance. This is a

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result of current year revenues exceeding current year expenditures. Specific details regarding the variances in revenues and expenditures as compared to prior year are discussed below.

The General Fund is the primary operating fund of the County. At June 30, 2017, total fund balance increased by \$15.5 million, or 10%, from \$155.8 million in the prior year to \$171.4 million in the current year. Of this amount, \$4.1 million is not in a spendable form, but rather held as long-term notes receivable, prepaid items, advances receivable, and inventory of supplies. The remaining \$167.3 million of fund balance is in a spendable form; however, \$40.8 million of fund balance is restricted, \$56.4 million of fund balance is committed, \$68.3 million of fund balance is assigned, and \$1.8 million of fund balance is unassigned. These fund balance categories may only be appropriated for expenditures that meet the specific level of constraint required by each category of fund balance.

The Health and Human Services Operating Fund is the primary operating fund for the Department of Health and Human Services. This is a new special revenue fund created in 2016 for the department to administer and manage its programs and services for general administration, behavioral health services, public health services and social services. Prior to FY 2017, activities of the Health and Human Services Operating fund was accounted for in the General Fund. As of June 30, 2017, the total fund balance in this fund was \$0.8 million. Of this amount, \$0.8 million is restricted to various grant program expenditures, and \$0.09 million is assigned.

The Other Capital Projects Fund's is primarily used to finance or reimburse the financing of various County improvements, including the renovation, acquisition and construction of capital projects. At June 30, 2017, total fund balance increased by \$11.7 million, or 35.3% from \$33.1 million in the prior year to \$44.7 million in the current year. The entire fund balance is assigned for various capital projects. This fund is used to account for major capital improvement projects and provide Board-designated reserves for future capital needs.

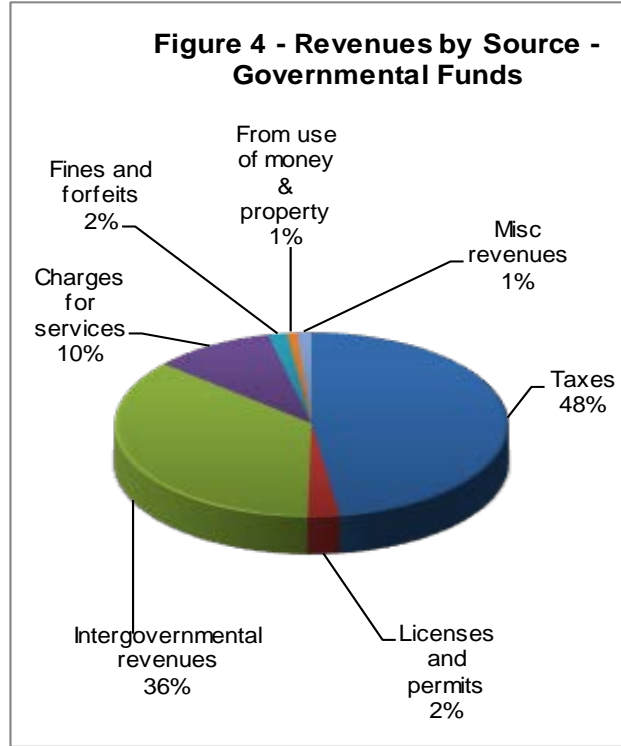
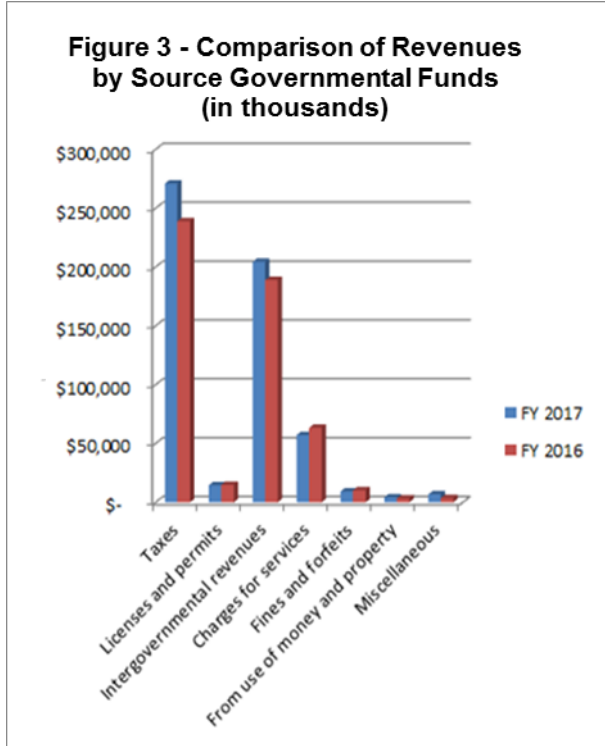
Revenues:

The following table presents revenue (in thousands) for governmental funds from specific sources as well as changes from the prior year. Further details are provided in Figure 3 and Figure 4 below.

Revenues Classified by Source
Governmental Funds
Fund Financial Statements
For the Fiscal Year Ended June 30, 2017
(in thousands)

	FY 2017		FY 2016		Change	
	Amount	% of total	Amount	% of total	Amount	% of Change
Taxes	\$ 271,029	48%	\$ 239,036	46%	\$ 31,993	13%
Licenses and permits	14,651	3%	15,003	3%	(352)	-2%
Intergovernmental revenues	204,487	36%	188,894	36%	15,593	8%
Charges for services	57,296	10%	63,324	12%	(6,028)	-10%
Fines and forfeits	9,188	2%	10,222	2%	(1,034)	-10%
From use of money and propert	4,445	1%	3,464	1%	981	28%
Miscellaneous	6,843	1%	3,640	1%	3,203	88%
Total Revenues	<u>\$ 567,939</u>	<u>100%</u>	<u>\$ 523,583</u>	<u>100%</u>	<u>\$ 44,356</u>	<u>8.5%</u>

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Significant changes in governmental fund revenue sources are summarized as follows:

- *Taxes* increased by \$32 million, or 13%, from the prior fiscal year. Property taxes increased by \$22 million because of the County's continuous rise in assessed property values and median home sales. The remaining \$10 million increase in current year property taxes is consistent with prior year amounts for Supplemental Secured Benefit Property Tax, which were reclassified in the current year from Charges for Services to Taxes revenue.
- *Intergovernmental revenues* increased by \$15.6 million, or 8%, from the prior fiscal year. The increase was largely attributable to the following factors:
 - \$9.3 million increase due to funding realignment in State-funded programs for mental health, and out-of-home care, which are administered by Health and Human Services.
 - \$3 million increase due to funding realignment in State-funded programs for public protection services, including child welfare, foster care, adult protective services, and public safety.
 - \$2.7 million increase due to various program funding, including Behavioral Health and in State Motor Vehicle In-Lieu taxes.
 - \$600 thousand increase in HUD and community development programs to be used for the purposes outlined in the grant agreements.
- *Charges for services* decreased by \$6 million, or 10%, from the prior fiscal year. The overall decrease was due to the current year reclassification of Supplemental Secured Benefit Property Tax of \$10 million from Charges for Services to Taxes revenue, offset by a current year increase of \$2.9 million for fire and ambulance fee reimbursements.

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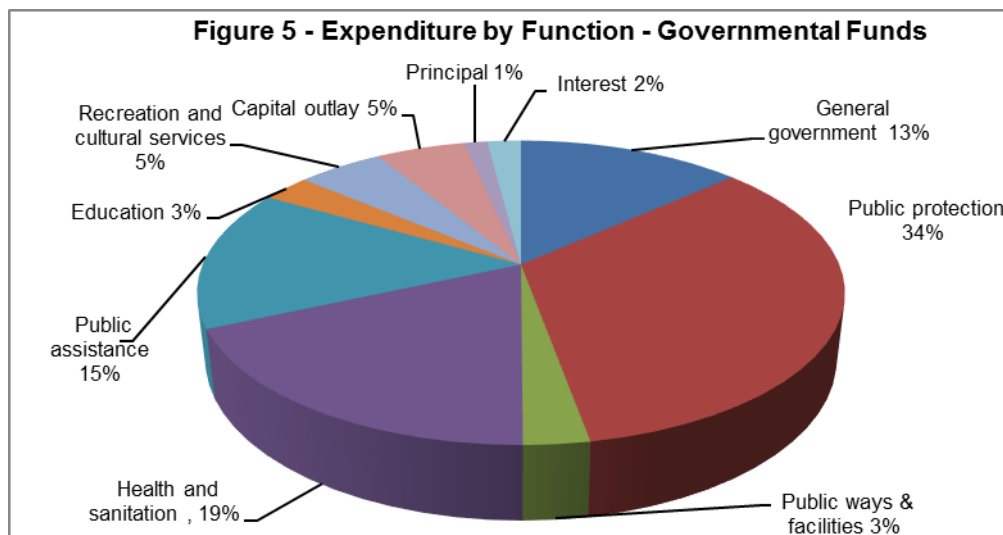
- *Fines and forfeits* decreased by \$1 million, or 10%, from the prior fiscal year due to decrease in delinquency of secured tax payments, resulting in a decrease in transfer of delinquent secured taxes and assessments in excess of 25% from Tax Loss Reserve Fund to the General Fund.
- *From use of money and property* increased by \$981 thousand, or 28%, from the prior fiscal year due to interest earned on monies held with financial institution.
- *Miscellaneous* revenues increased by \$3.2 million, or 88%, from the prior fiscal year. The increase was primarily due to a receipt of \$2.2 million in Tobacco Settlement revenue, and \$1 million in cash donations to the library

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 5 below.

**Expenditures by Function Including Capital Outlay
Governmental Funds
Fund Financial Statements
For the Year Ended June 30, 2017
(in thousands)**

	FY 2017		FY 2016		Change	
	Amount	% of total	Amount	% of total	Amount	% of Change
Current:						
General government	\$ 71,993	13.4%	\$ 64,062	12.3%	\$ 7,931	12.4%
Public protection	181,559	33.8%	173,724	33.5%	7,835	4.5%
Public ways and facilities	14,964	2.8%	19,893	3.8%	(4,929)	-24.8%
Health and sanitation	99,001	18.4%	99,774	19.2%	(773)	-0.8%
Public assistance	80,470	15.0%	77,352	14.9%	3,118	4.0%
Education	15,426	2.9%	15,024	2.9%	402	2.7%
Recreation and cultural	27,540	5.1%	27,654	5.3%	(114)	-0.4%
Capital outlay	28,615	5.3%	23,877	4.6%	4,738	19.8%
Debt service:						
Principal	7,469	1.4%	7,304	1.4%	165	2.3%
Interest	10,810	2.0%	10,481	2.0%	329	3.1%
Total Expenditures	\$ 537,847	100%	\$ 519,145	100%	\$ 18,702	0.9%



**COUNTY OF MARIN
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Significant changes in the governmental funds expenditures are summarized as follows:

- *General government* expenditures increased by \$7.9 million, or 12.4%, from the prior fiscal year, primarily attributable to the implementation of the County's new financial system, Civic Center Drive Circulation Improvement project and cost of living adjustments.
- *Public Protection* expenditures increased by \$7.8 million, or 4.5%, from the prior fiscal year mainly due to a current year increase in expenditures to acquire body-worn cameras for Sheriff deputies, upgrade the Alert Marin program for sending emergency notifications to Marin residents, provide dispatch services to Central Marin Police Authority, and implement a water rescue program for the community.
- *Public ways and facilities* expenditures decreased by \$4.9 million, or 25%, from the prior fiscal year. The decrease was attributable to lesser expenditures incurred in the current year for multiyear road resurfacing projects.
- *Capital outlay* expenditures increased by \$4.7 million, or 20%, from the prior fiscal year because of expenditures related to multi-year projects for road resurfacing, Civic Center drive improvements and the implementation of the County's new financial system.

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.

Housing Authority of the County of Marin (Housing Authority)

- At December 31, 2016, the Housing Authority's total net position was \$24.6 million. Of this amount, *net investment in capital assets* was \$14.9 million, or 61% of total net position, *restricted* net position was \$7.1 million, or 28.8%, of total net position, and *unrestricted* net position was \$2.7 million, or 11% of total net position. As a measure of the Housing Authority's liquidity, it may be useful to compare unrestricted net position to total operating expenses. Unrestricted net position of \$2.7 million was 6.5% of total operating expenses of \$41.5 million, as compared to 5% in the prior fiscal year.
- *Change in net position* for the Housing Authority decreased by \$633 thousand, from \$1.4 million in the prior fiscal year to \$770 thousand in the current fiscal year. This decrease was primarily due to an increase in expenses for Housing Assistance Payments (HAP) and administrative expenses for GASB 68 pension expense accrual.
- The major portion of the Housing Authority's ending *net position*, \$16.1 million, or 65.6%, represents its *net investment in capital 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 (Transit District)

- At June 30, 2017, Transit District's total net position was \$40.3 million. Of this amount, *net investment in capital assets* was \$20.8 million, or 51.8% of total net position, *restricted* net position was \$32 thousand, or 0.07% of total net position, and *unrestricted* net position was \$19.4 million, or 48.2% of total net position. As a measure of Transit District's liquidity, it may be useful to compare unrestricted net position to total operating expenses. Unrestricted net position of \$19.4 million was 66% of total operating expenses of \$29.4 million, as compared to 57% in the prior fiscal year.

**COUNTY OF MARIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

- Total net position of Transit District increased by \$5.4 million. This increase is the result of lower operation costs for service relative to increased intergovernmental operating revenue, including Federal, State and local Measure A sales tax.
- Transit District's *net investment in capital assets* of \$20.8 million represents its net investment in capital assets. These assets are not available for future spending. At the end of the fiscal year, Transit District reported positive balances in all categories of net position.

V. CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2017 amounted to \$1,548 million (net of accumulated depreciation), which is an increase of \$50.2 million, or 3.4%, from the prior fiscal year. This investment is in a broad range of capital assets including land, land improvements, easements, construction in progress (CIP), structures and improvements, equipment, intangible assets, 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 amortization / depreciation.

**Capital Assets
Net of Accumulated Amortization / Depreciation
(in thousands)**

	Governmental Activities		Business-type Activities		Total		Increase (Decrease)	
	2017	2016	2017	2016	2017	2016	Amount	% Change
Land and improvements	\$ 1,250,631	\$ 1,246,610	\$ 6,274	\$ 6,274	\$ 1,256,905	\$ 1,252,884	\$ 4,021	0.3%
Easements	9,099	9,099	-	-	9,099	9,099	-	0.0%
Non-amortizable intangible assets	3,411	510	-	-	3,411	510	2,901	568.8%
Construction in progress	18,040	22,562	6,421	4,918	24,461	27,480	(3,019)	-11.0%
Structures & improvements	114,533	120,767	18,422	18,006	132,955	138,773	(5,818)	-4.2%
Equipment	13,675	15,843	19,272	19,540	32,947	35,383	(2,436)	-6.9%
Amortizable intangible assets	6,931	1,880	225	52	7,156	1,932	5,224	270.4%
Infrastructure	38,039	30,086	-	-	38,039	30,086	7,953	26.4%
Other property	-	-	1,595	1,698	1,595	1,698	(103)	-6.1%
Total Capital Assets	\$ 1,454,359	\$ 1,447,357	\$ 52,209	\$ 50,488	\$ 1,506,568	\$ 1,497,845	\$ 8,723	0.6%

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

- *Non-amortizable intangible assets* increased by \$2.9 million, or 569% from the prior fiscal year. The increase was primarily due to current year capital expenditures incurred for the implementation of the County's new financial system totaling to \$3.4 million.
- *Construction in progress (CIP)* decreased by \$3 million, or 11%, from the prior fiscal year. The decrease was the result of new CIP projects additions totaling to \$20.8 million, offset by transfers to depreciable assets of \$23.8 million.

The major additions to the new CIP projects were as follows:

- \$3.9 million in various road resurfacing projects.
- \$2 million in various civic center improvements and upgrades.
- \$1.8 million to protect and enhance parks and open space.
- \$4.5 million for Civic Center Drive Circulation Improvement Project.

**COUNTY OF MARIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

- o \$1.6 million in bike path and other use pathways.

The above-noted CIP projects were offset by \$23.8 million in transfers to depreciable assets, following project completions. The notable project completions for FY 2017 were as follows:

- o \$7 million for the Finance module of the County's new financial system, which went live on July 1, 2017.
 - o \$6.4 million in completed road resurfacing projects in various County regions.
 - o \$3.3 million in Civic Center office renovations and fire alarm upgrade.
 - o \$1.8 million in bike path enhancements for Sir Francis Drake, Corte Madera, Miller Creek and Olive Avenue.
 - o \$1.7 million in completed building renovations for various County Office sites
- *Structures and improvements* decreased by \$5.8 million, or 4%, from the prior fiscal year. The decrease was primarily due to current year depreciation of \$13.4 million, offset by \$6.3 million in transfers from *construction in progress* for completed office renovations to Civic Center and County offices.
 - *Amortized Intangibles* increased by \$5.2 million, or 270%, from the prior fiscal year. The increase was primarily due to capitalization of the Finance module of the County's new financial system, which went live on July 1, 2017, and has accumulated amortization of \$2.3 million.
 - *Equipment decreased* by 2.4 million, or 7% from the prior fiscal year. The decrease was due to current year additions of \$3.1 million, offset by current year depreciation of \$5.2 million, and other adjustments of \$0.3million. The additions included new vehicles, machinery and computerized hardware systems.
 - *Infrastructure* increased by \$7.9 million, or 26%, from the prior fiscal year. The increase was primarily due to \$9.8 million of transfers from *construction in progress* projects, offset by current year depreciation of \$1.9 million.

Additional information on the County's capital assets can be found in Note 7 to the financial statements.

Debt Administration

At June 30, 2017, the County's governmental and business-type activities carried an outstanding long-term debt balance (e.g. bonds, loans, certificates of participation, and capital leases) in the amount of \$250.5 million as compared to \$256.8 million in the prior fiscal year. The overall decrease of \$6.3 million, or 25%, was primarily due to current year scheduled debt service payments totaling to \$8.4 million, offset by \$1 million in accretion adjustments to tobacco settlement asset-backed bonds, and \$1.2 million in additional loan amounts drawn by the Housing Authority.

**Outstanding Debt
(in thousands)**

	Governmental Activities		Business-type Activities		Total		Dollar Change	Percent Change
	2017	2016	2017	2016	2017	2016		
Bonds payable	\$ 150,472	\$ 154,695	\$ -	\$ -	\$ 150,472	\$ 154,695	\$ (4,223)	-2.7%
Loans payable	3,206	3,663	5,814	5,084	9,020	8,747	273	3.1%
Certificates of participation	89,476	91,411	-	-	89,476	91,411	(1,935)	-2.1%
Capital leases	-	-	1,573	1,939	1,573	1,939	(366)	-18.9%
Total Outstanding Debt	\$ 243,154	\$ 249,769	\$ 7,387	\$ 7,023	\$ 250,541	\$ 256,792	\$ (6,251)	-2.4%

**COUNTY OF MARIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

Additional information on the County's long-term debt can be found in Note 9 to the financial statements.

VI. GENERAL FUND BUDGETARY HIGHLIGHTS

During the current fiscal year, there was a \$17.8 million, or 6.6%, increase in appropriations between the original adopted budget and the final amended budget.

Major components of the increase were a \$9.5 million increase in appropriations for public protection due to fire department mutual aid, community development grant expenditures and emergency flood response. There was also an increase of \$7 million dollars in capital outlay for the implementation of County's new financial system and the purchase of vehicles and equipment.

During the current fiscal year, there was a \$84.8 million, or 29.8% increase in revenues between the original adopted budget and the final amended budget. Major components of the increase were as follows:

- *Taxes* increased by \$21 million and was mainly attributable to the State releasing Educational Revenue Augmentation Fund (ERAF) reserves and current year increased forecasts for secured, unsecured and supplemental property taxes.
- *Intergovernmental revenues* increased by \$54.9 million, largely attributable to the Marin Emergency Radio Authority's (MERA) Next Generation Radio System project and the budget carry forward from prior year of grant revenues associated with capital projects.

GENERAL FUND BUDGET TO ACTUAL HIGHLIGHTS

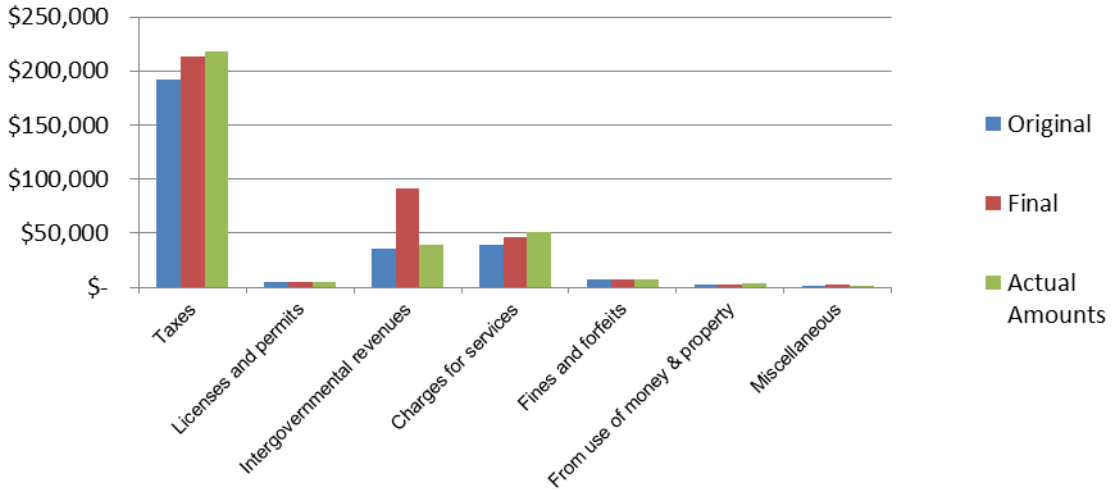
During the current fiscal year, total actual expenditures of \$239.1 million were \$48.5 million, or 16.9 %, less than the final amended budget of \$287.6 million, due to the following factors:

- Appropriations for projects were \$52 million under budget due to projects including MERA Next Generation Radio System project taking place in the following fiscal year.
- Taxes were over budget by \$5 million, mainly due to forecasting of excess ERAF supplemental property taxes.

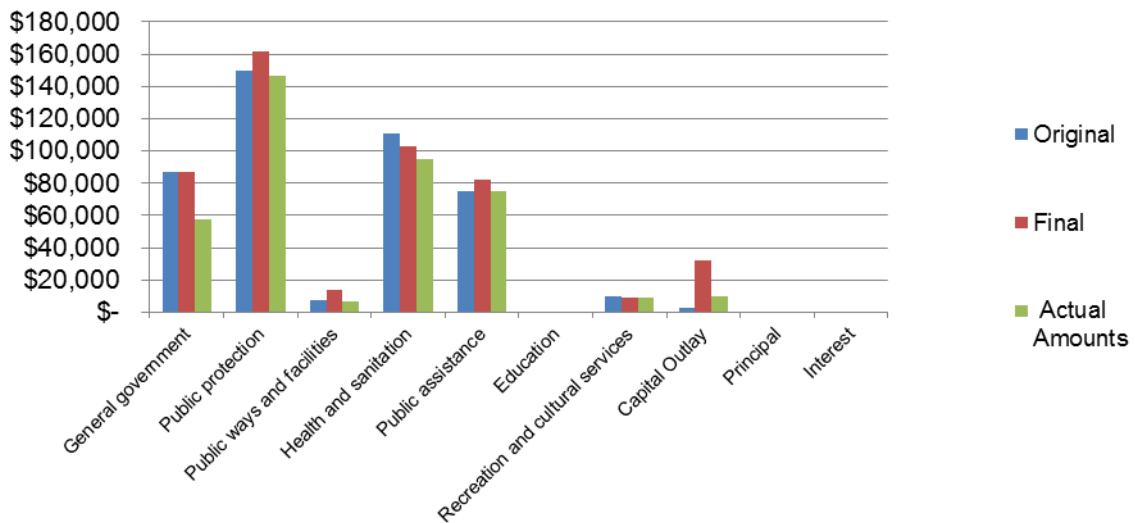
During the current fiscal year, total actual revenues of \$326.9 million were \$42.3 million or, 11.5%, less than the final amended budget of \$369.2 million, mostly due to *intergovernmental revenues* arriving \$52 million under budget. This shortfall was caused by federal, state, and local grants associated with capital projects, as well as government funding for health and safety programs, being delayed and carried forward to the following fiscal year.

**COUNTY OF MARIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

**Figure 6 - Budgetary Comparison Schedule
General Fund
Revenue Comparison
(in thousands)**



**Figure 7 - Budgetary Comparison Schedule
General Fund
Expenditure Comparison
(in thousands)**



**COUNTY OF MARIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

ECONOMIC FACTORS AND THE OUTLOOK FOR FISCAL YEAR 2017-18 BUDGET

The County's economic and financial indicators continue to improve. In this context of an improving local economy, the County's budget for fiscal year 2017-18 was prepared in consideration of the following economic factors:

- The County's unemployment rate for June 2017 was 3.1%, which was 0.4% lower than the prior year.
- The median sales price for a single-family residence in Marin County (detached and attached homes) increased by 2.6%, from \$975,000 in June 2016 to \$1,000,000 in June 2017.
- Consistent with the Board's adopted budget policies, the budget reflects payments necessary to fund the County's Other Postemployment Benefit (OPEB) unfunded liability.
- The adopted budget for fiscal year 2016-18 refocuses the County's efforts to address such issues as affordable housing, road infrastructure, homelessness, education, sea level rise and others. These important initiatives, plus the State's ongoing realignment efforts to pass costs and services down to the local level, and the ongoing funding of pension and OPEB liabilities, challenge the County to continuously reassess the use of its financial resources.

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, 2017**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Investments	\$ 422,677,557	\$ 24,327,524	\$ 447,005,081	\$ 1,096,787
Restricted Cash	-	5,927,131	5,927,131	35,010
Receivables:				
Accounts and Other - Net	4,489,258	245,670	4,734,928	3,543
Due from Other Agencies	31,438,974	8,542,962	39,981,936	-
Other Loans	28,251,990	7,106,822	35,358,812	-
Inventories	488,389	-	488,389	-
Prepaid Items and Other Assets	1,880,054	1,144,612	3,024,666	13,424
Restricted Cash Held with Trustee	3,658,285	-	3,658,285	-
Internal Balances	550,150	(550,150)	-	-
Property Held for Resale	-	1,006,341	1,006,341	-
Capital Assets:				
Nondepreciable	1,280,980,921	12,694,514	1,293,675,435	714,752
Depreciable, Net	173,377,840	39,514,118	212,891,958	387,795
Total Assets	<u>1,947,793,418</u>	<u>99,959,544</u>	<u>2,047,752,962</u>	<u>2,251,311</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferral on Refunding - Bonds Payable and Certificates of Participation	6,439,497	-	6,439,497	-
Deferred Pensions	125,553,105	1,235,027	126,788,132	-
Total Deferred Outflows of Resources	<u>131,992,602</u>	<u>1,235,027</u>	<u>133,227,629</u>	<u>-</u>
LIABILITIES				
Accounts Payable and Accrued Expenses	13,060,913	4,643,584	17,704,497	22,723
Salaries and Benefits Payable	11,542,145	217,905	11,760,050	-
Interest Payable	3,044,594	1,286,238	4,330,832	-
Unearned Revenues	2,306,917	545,783	2,852,700	2,628
Other Liabilities	4,268,317	1,495,343	5,763,660	-
Security Deposits and Escrows Payable	-	452,111	452,111	35,010
Housing Loan Liability	-	1,686,765	1,686,765	-
Estimated Claims:				
Due Within One Year	13,858,000	-	13,858,000	-
Due Beyond One Year	22,888,000	-	22,888,000	-
Compensated Absences:				
Due Within One Year	12,833,831	140,056	12,973,887	-
Due Beyond One Year	3,035,784	177,289	3,213,073	-
Long-Term Liabilities:				
Due Within One Year	7,747,032	1,321,881	9,068,913	80,000
Due Beyond One Year	235,407,267	6,064,482	241,471,749	669,792
Liability for Other Postemployment Benefits	93,895,804	655,916	94,551,720	6,216
Net Pension Liability	260,044,342	4,889,029	264,933,371	-
Total Liabilities	<u>683,932,946</u>	<u>23,576,382</u>	<u>707,509,328</u>	<u>816,369</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Pensions	<u>20,747,690</u>	<u>3,310,733</u>	<u>24,058,423</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	1,307,079,747	45,737,269	1,352,817,016	417,036
Restricted for:				
General Government	44,418,042	-	44,418,042	-
Public Protection	43,912,980	-	43,912,980	-
Public Ways and Facilities	3,553,536	-	3,553,536	-
Health and Sanitation	11,230,463	-	11,230,463	-
Public Assistance	32,652,661	-	32,652,661	-
Education	5,207,827	-	5,207,827	-
Recreation and Cultural Services	9,419,092	-	9,419,092	-
Community Service Area Projects	17,259,459	-	17,259,459	-
Housing Authority	-	7,077,337	7,077,337	-
Other Purposes	1,859,463	31,624	1,891,087	-
Unrestricted	(101,487,886)	21,461,226	(80,026,660)	1,017,906
Total Net Position	<u>\$ 1,375,105,384</u>	<u>\$ 74,307,456</u>	<u>\$ 1,449,412,840</u>	<u>\$ 1,434,942</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MARIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

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	\$ 89,409,204	\$ 15,234,296	\$ 10,602,941	\$ -
Public Protection	176,550,146	45,569,728	45,670,319	28,373
Public Ways and Facilities	15,563,001	2,353,187	-	7,327,905
Health and Sanitation	97,961,789	9,300,123	70,355,268	-
Public Assistance	79,787,633	807,420	69,634,079	-
Education	15,375,928	5,562,450	232,189	-
Recreation and Cultural Services	27,530,700	3,113,727	635,433	-
Debt Service:				
Interest and Fiscal Charges	11,720,752	-	-	-
Total Governmental Activities	513,899,153	81,940,931	197,130,229	7,356,278
Business-Type Activities:				
Housing Authority	41,725,977	1,737,680	39,658,455	453,915
Transit District	29,482,101	5,707,763	20,529,158	4,071,578
Gross Airport	756,533	666,914	200,927	-
Marin County Fair	2,705,636	2,232,658	37,902	-
Marin.Org	1,531,987	1,035,207	-	-
Marin Commons Property Management	3,047,448	1,523,392	-	-
Marin Center Promotions	28,814	46,050	-	-
Total Business-Type Activities	79,278,496	12,949,664	60,426,442	4,525,493
Total Primary Government	\$ 593,177,649	\$ 94,890,595	\$ 257,556,671	\$ 11,881,771
Component Units	602,398	792,670	-	-

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MARIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2017**

Functions/Programs	Net Revenues (Expenses) and Changes in Net Position			
	Governmental Activities	Business- Type Activities	Total Primary Government	Component Units
Primary Government:				
Governmental Activities:				
General Government	\$ (63,571,967)	\$ -	\$ (63,571,967)	\$ -
Public Protection	(85,281,726)	-	(85,281,726)	-
Public Ways and Facilities	(5,881,909)	-	(5,881,909)	-
Health and Sanitation	(18,306,398)	-	(18,306,398)	-
Public Assistance	(9,346,134)	-	(9,346,134)	-
Education	(9,581,289)	-	(9,581,289)	-
Recreation and Cultural Services	(23,781,540)	-	(23,781,540)	-
Debt Service:				
Interest and Fiscal Charges	(11,720,752)	-	(11,720,752)	-
Total Governmental Activities	(227,471,715)	-	(227,471,715)	-
Business-Type Activities:				
Housing Authority	-	124,073	124,073	-
Transit District	-	826,398	826,398	-
Gross Airport	-	111,308	111,308	-
Marin County Fair	-	(435,076)	(435,076)	-
Marin.Org	-	(496,780)	(496,780)	-
Marin Commons Property Management	-	(1,524,056)	(1,524,056)	-
Marin Center Promotions	-	17,236	17,236	-
Total Business-Type Activities	-	(1,376,897)	(1,376,897)	-
Total Primary Government	(227,471,715)	(1,376,897)	(228,848,612)	-
Component Units	-	-	-	190,272
General Revenues:				
Taxes:				
Property Taxes	244,942,858	4,111,657	249,054,515	-
Sales and Use Taxes	18,260,803	-	18,260,803	-
Other	7,825,635	-	7,825,635	-
Unrestricted Interest and Investment				
Earnings	4,823,768	201,731	5,025,499	2,267
Tobacco Settlement	2,237,567	-	2,237,567	-
Miscellaneous	4,605,829	1,195,702	5,801,531	10,336
Transfers	(1,760,796)	1,760,796	-	-
Total General Revenues and Transfers	280,935,664	7,269,886	288,205,550	12,603
Change in Net Position	53,463,949	5,892,989	59,356,938	202,875
Net Position - Beginning of Year	1,321,641,435	68,414,467	1,390,055,902	1,232,067
Net Position - End of Year	<u>\$ 1,375,105,384</u>	<u>\$ 74,307,456</u>	<u>\$ 1,449,412,840</u>	<u>\$ 1,434,942</u>

See accompanying Notes to Basic 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, 2017**

	General Fund	Health and Human Services Operating Fund	Other Capital Projects Fund	Other Governmental Funds	Total
ASSETS					
Cash and Investments in County Pool	\$ 160,903,764	\$ 882,255	\$ 43,410,670	\$ 180,877,269	\$ 386,073,958
Cash with Fiscal Agent	-	-	-	3,658,285	3,658,285
Accounts Receivable	4,035,946	128,341	-	324,971	4,489,258
Prepaid Items	1,870,950	-	-	9,104	1,880,054
Notes Receivable - Long Term	1,139,525	-	-	21,458,411	22,597,936
Due from Other Funds	3,066,250	-	-	-	3,066,250
Advance Receivable	667,988	-	-	-	667,988
Due from Other Governmental Agencies	11,950,958	11,513,065	1,939,230	6,035,721	31,438,974
Inventory of Supplies	373,504	-	-	114,885	488,389
	<u>\$ 184,008,885</u>	<u>\$ 12,523,661</u>	<u>\$ 45,349,900</u>	<u>\$ 212,478,646</u>	<u>\$ 454,361,092</u>
LIABILITIES					
Accounts Payable and Accrued Expenditures	\$ 2,578,811	\$ 5,357,463	\$ 609,470	\$ 4,437,185	\$ 12,982,929
Accrued Salaries and Benefits	7,230,225	2,954,608	-	1,351,833	11,536,666
Due to Other Funds	-	2,452,500	-	63,600	2,516,100
Advances Payable	-	-	-	667,988	667,988
Unearned Revenue	650,943	603,020	-	1,052,954	2,306,917
Other Liabilities	1,490,064	315,709	28	2,462,516	4,268,317
Total Liabilities	<u>11,950,043</u>	<u>11,683,300</u>	<u>609,498</u>	<u>10,036,076</u>	<u>34,278,917</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	<u>676,696</u>	<u>-</u>	<u>-</u>	<u>129,097</u>	<u>805,793</u>
FUND BALANCES					
Nonspendable	4,051,967	-	-	123,989	4,175,956
Restricted	40,820,909	750,316	-	127,942,298	169,513,523
Committed	56,360,224	-	-	20,749,601	77,109,825
Assigned	68,329,554	90,045	44,740,402	53,497,585	166,657,586
Unassigned	1,819,492	-	-	-	1,819,492
Total Fund Balances	<u>171,382,146</u>	<u>840,361</u>	<u>44,740,402</u>	<u>202,313,473</u>	<u>419,276,382</u>
Total Liabilities and Fund Balances	<u>\$ 184,008,885</u>	<u>\$ 12,523,661</u>	<u>\$ 45,349,900</u>	<u>\$ 212,478,646</u>	<u>\$ 454,361,092</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF MARIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
JUNE 30, 2017

Fund Balance - Total Governmental Funds \$ 419,276,382

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

Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds. 805,793

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Please refer to Note 7 for details.

These assets consist of:

Land	\$ 45,305,535	
Land Improvements	1,205,125,438	
Easements	9,099,188	
Construction in Progress	18,039,606	
Structures and Improvements, Net of Accumulated Depreciation	114,732,667	
Equipment, Net of Accumulated Depreciation	13,674,915	
Intangible Assets, Net of Accumulated Amortization	10,342,436	
Infrastructure, Net of Accumulated Depreciation	<u>38,038,976</u>	
Total Capital Assets		1,454,358,761

Long-term assets used in Governmental Activities, such as deferred outflows related to pension and deferral on refunding of debt, are not current financial resources and, therefore, are not reported in the governmental funds. 131,992,602

Interest on loans receivable is not due in the current period and is not accrued in the governmental funds. Interest is due upon maturity of the notes. 5,654,054

Deferred inflows of resources reported in the statement of net position (20,747,690)

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	(243,154,299)	
Accrued Interest on Long-Term Debt	(3,044,594)	
Compensated Absences	(15,869,615)	
Liability for Other Postemployment Benefits	(93,895,804)	
Estimated Claims - General Liability	(7,984,000)	
Net Pension Liability	<u>(260,044,342)</u>	
Total Long-Term Liabilities		(623,992,654)

Internal Service Fund assets and liabilities are included in the governmental activities in the Statement of Net Position 7,758,136

Net Position of Governmental Activities \$ 1,375,105,384

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MARIN
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	General Fund	Health and Human Services Operating Fund	Other Capital Projects Fund	Other Governmental Funds	Total
REVENUES					
Taxes	\$ 218,529,495	\$ -	\$ -	\$ 52,499,801	\$ 271,029,296
Licenses and Permits	5,490,031	19,463	-	9,141,680	14,651,174
Intergovernmental Revenues	38,945,418	65,012,748	2,102,128	98,426,213	204,486,507
Charges for Services	51,149,700	3,334,232	-	2,812,480	57,296,412
Fines and Forfeits	7,692,686	40,848	-	1,454,018	9,187,552
From Use of Money and Property	3,254,235	9,784	43,456	1,137,502	4,444,977
Miscellaneous	1,826,745	201,882	51,203	4,763,566	6,843,396
Total Revenues	<u>326,888,310</u>	<u>68,618,957</u>	<u>2,196,787</u>	<u>170,235,260</u>	<u>567,939,314</u>
EXPENDITURES					
Current:					
General Government	67,179,821	-	453,834	4,360,250	71,993,905
Public Protection	151,523,071	2,018,816	-	28,016,824	181,558,711
Public Ways and Facilities	1,782,154	-	2,291,919	10,889,904	14,963,977
Health and Sanitation	2,413,041	87,602,608	-	8,985,878	99,001,527
Public Assistance	623,427	75,926,172	-	3,920,877	80,470,476
Education	326,895	-	-	15,099,440	15,426,335
Recreation and Cultural Services	8,711,358	-	-	18,828,259	27,539,617
Capital Outlay	7,316,521	121,619	4,205,776	16,971,212	28,615,128
Debt Service:					
Principal	287,407	-	-	7,181,308	7,468,715
Interest	52,391	-	-	10,757,112	10,809,503
Total Expenditures	<u>240,216,086</u>	<u>165,669,215</u>	<u>6,951,529</u>	<u>125,011,064</u>	<u>537,847,894</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	86,672,224	(97,050,258)	(4,754,742)	45,224,196	30,091,420
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	130,992	-	-	-	130,992
Transfers In	3,407,154	100,260,127	16,418,268	24,252,102	144,337,651
Transfers Out	(75,791,966)	(2,369,508)	-	(67,930,972)	(146,092,446)
Total Other Financing Sources (Uses), Net	<u>(72,253,820)</u>	<u>97,890,619</u>	<u>16,418,268</u>	<u>(43,678,870)</u>	<u>(1,623,803)</u>
NET CHANGE IN FUND BALANCES	14,418,404	840,361	11,663,526	1,545,326	28,467,617
Fund Balances - Beginning of Year	<u>156,963,742</u>	<u>-</u>	<u>33,076,876</u>	<u>200,768,147</u>	<u>390,808,765</u>
FUND BALANCES - END OF YEAR	<u>\$ 171,382,146</u>	<u>\$ 840,361</u>	<u>\$ 44,740,402</u>	<u>\$ 202,313,473</u>	<u>\$ 419,276,382</u>

See accompanying Notes to Basic 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
YEAR ENDED JUNE 30, 2017

Net Change in Fund Balance - Total Governmental Funds \$ 28,467,617

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

Interest accrued on loans receivable is not recorded in the governmental funds. 378,791

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 expense.

Sale of Capital Assets	\$ (105,524)	
Expenditures for General Capital Assets and Infrastructure	28,615,129	
Less: Current Year Depreciation	(21,508,301)	7,001,304

Governmental fund revenues deferred at year end due to unavailability, and therefore, deferred under the modified accrual basis method of accounting, were recognized as revenue on the full accrual method of accounting. 805,793

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.

Repayment and Adjustments of Bonds, Loans, Certificates of Participation, and Capital Leases	6,142,041	
Net Adjustment		6,142,041

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	(421,142)	
Change in Net OPEB Obligation	362,661	
Change in General Claims Liability	3,135,000	
Pension Contributions	3,718,562	
Accrued Interest on Long-Term Debt	415,425	
Net Adjustment		7,210,506

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. 3,457,897

Change in Net Position of Governmental Activities \$ 53,463,949

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MARIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017/DECEMBER 31, 2016**

	Business-Type Activities				Governmental Activities
	Housing Authority 12/31/2016	Transit District 6/30/2017	Nonmajor Enterprise Funds 6/30/2017	Total	Workers' Compensation Internal Service Fund 6/30/2017
ASSETS					
Current Assets:					
Cash and Investments in County Pool	\$ -	\$ 13,690,714	\$ 1,476,257	\$ 15,166,971	\$ 36,603,599
Other Cash	7,782,338	1,378,215	-	9,160,553	-
Receivables:					
Accounts	32,442	-	-	32,442	-
Other	-	-	213,228	213,228	-
Prepaid Items and Other Assets	237,417	148,269	758,926	1,144,612	-
Due from Other Governments	483,395	8,059,567	-	8,542,962	-
Property Held for Resale	1,006,341	-	-	1,006,341	-
Total Current Assets	<u>9,541,933</u>	<u>23,276,765</u>	<u>2,448,411</u>	<u>35,267,109</u>	<u>36,603,599</u>
Noncurrent Assets:					
Restricted Cash	5,895,507	31,624	-	5,927,131	-
Long-Term Notes Receivable	7,106,822	-	-	7,106,822	-
Capital Assets:					
Nondepreciable	3,115,298	3,610,173	5,969,043	12,694,514	-
Depreciable and Amortizable, Net	18,577,009	17,239,748	3,697,361	39,514,118	-
Total Noncurrent Assets	<u>34,694,636</u>	<u>20,881,545</u>	<u>9,666,404</u>	<u>65,242,585</u>	<u>-</u>
Total Assets	44,236,569	44,158,310	12,114,815	100,509,694	36,603,599
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Pensions	1,235,027	-	-	1,235,027	-
LIABILITIES					
Current Liabilities:					
Accounts Payable	325,360	1,951,084	875,290	3,151,734	77,984
Interest Payable	1,279,026	-	7,212	1,286,238	-
Due to Other Funds	-	-	550,150	550,150	-
Due to Other Governments	-	1,491,850	-	1,491,850	-
Salaries and Benefits Payable	122,340	79,767	15,798	217,905	5,479
Other Liabilities	1,364,251	-	131,092	1,495,343	-
Unearned Revenues	132,047	251,884	161,852	545,783	-
Long-Term Notes Payable	-	-	197,911	197,911	-
Compensated Absences	48,510	72,455	19,091	140,056	-
Mortgages Payable	977,236	-	-	977,236	-
Capital Leases	146,734	-	-	146,734	-
Estimated Claims	-	-	-	-	6,723,000
Total Current Liabilities	<u>4,395,504</u>	<u>3,847,040</u>	<u>1,958,396</u>	<u>10,200,940</u>	<u>6,806,463</u>
Long-Term Liabilities:					
Security Deposits and Escrows Payable (Payable from Restricted Assets)	452,111	-	-	452,111	-
Long-Term Notes Payable	-	-	717,393	717,393	-
Compensated Absences	145,529	27,244	4,516	177,289	-
Loan Liability	1,686,765	-	-	1,686,765	-
Mortgages Payable	3,921,109	-	-	3,921,109	-
Capital Leases	1,425,980	-	-	1,425,980	-
Other Postemployment Benefits	655,916	-	-	655,916	-
Estimated Claims	-	-	-	-	22,039,000
Net Pension Liability	4,889,029	-	-	4,889,029	-
Total Noncurrent Liabilities	<u>13,176,439</u>	<u>27,244</u>	<u>721,909</u>	<u>13,925,592</u>	<u>22,039,000</u>
Total Liabilities	17,571,943	3,874,284	2,680,305	24,126,532	28,845,463
DEFERRED INFLOWS OF RESOURCES					
Deferred Pensions	3,310,733	-	-	3,310,733	-
NET POSITION					
Net Investment in Capital Assets	16,136,248	20,849,921	8,751,100	45,737,269	-
Restricted	7,077,337	31,624	-	7,108,961	-
Unrestricted	1,375,335	19,402,481	683,410	21,461,226	7,758,136
Total Net Position	<u>\$ 24,588,920</u>	<u>\$ 40,284,026</u>	<u>\$ 9,434,510</u>	<u>\$ 74,307,456</u>	<u>\$ 7,758,136</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF MARIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017/DECEMBER 31, 2016

	Business-Type Activities				Governmental Activities
	Housing Authority 12/31/2016	Transit District 6/30/2017	Nonmajor Enterprise Funds 6/30/2017	Total	Workers' Compensation Internal Service Fund 6/30/2017
OPERATING REVENUES					
Charges for Services	\$ 1,737,680	\$ 5,707,763	\$ 5,504,221	\$ 12,949,664	\$ 8,843,988
Other Revenue	508,398	-	288,412	796,810	-
Total Operating Revenues	<u>2,246,078</u>	<u>5,707,763</u>	<u>5,792,633</u>	<u>13,746,474</u>	<u>8,843,988</u>
OPERATING EXPENSES					
Salaries and Employee Benefits	-	1,973,470	676,440	2,649,910	2,248,702
Services and Supplies	-	23,216,802	7,036,698	30,253,500	5,009
Housing Assistance	40,168,770	-	-	40,168,770	-
Claims Expense	-	-	-	-	3,126,379
Depreciation and Amortization	1,320,945	2,387,889	339,886	4,048,720	-
Other Operating	-	1,818,940	-	1,818,940	-
Total Operating Expenses	<u>41,489,715</u>	<u>29,397,101</u>	<u>8,053,024</u>	<u>78,939,840</u>	<u>5,380,090</u>
OPERATING INCOME (LOSS)	(39,243,637)	(23,689,338)	(2,260,391)	(65,193,366)	3,463,898
NONOPERATING REVENUES (EXPENSES)					
Property Tax Revenue	-	4,111,657	-	4,111,657	-
Intergovernmental Revenue	39,658,455	20,529,158	238,829	60,426,442	-
Advertising Revenue	-	245,018	-	245,018	-
Rental Income Revenue	-	152,772	-	152,772	-
Investment Income - Unrestricted	137,774	51,968	11,989	201,731	-
Interest Expense	(236,262)	-	(17,394)	(253,656)	-
Sale of Capital Assets	-	1,102	-	1,102	-
Other Nonoperating Expense	-	(85,000)	-	(85,000)	-
Total Nonoperating Revenues, Net	<u>39,559,967</u>	<u>25,006,675</u>	<u>233,424</u>	<u>64,800,066</u>	<u>-</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	316,330	1,317,337	(2,026,967)	(393,300)	3,463,898
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital Contributions	453,915	4,071,578	-	4,525,493	-
Transfers In	-	-	2,505,109	2,505,109	-
Transfers Out	-	-	(744,313)	(744,313)	(6,001)
CHANGE IN NET POSITION	770,245	5,388,915	(266,171)	5,892,989	3,457,897
Net Position - Beginning of Year - Restated	<u>23,818,675</u>	<u>34,895,111</u>	<u>9,700,681</u>	<u>68,414,467</u>	<u>4,300,239</u>
NET POSITION - END OF YEAR	<u>\$ 24,588,920</u>	<u>\$ 40,284,026</u>	<u>\$ 9,434,510</u>	<u>\$ 74,307,456</u>	<u>\$ 7,758,136</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MARIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017/DECEMBER 31, 2016**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Housing Authority 12/31/2016	Transit District 6/30/2017	Nonmajor Enterprise Funds 6/30/2017	Total	Workers' Compensation Internal Service Fund 6/30/2017
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Receipts from Customers	\$ 2,647,393	\$ 5,894,919	\$ 5,436,112	\$ 13,978,424	\$ -
Cash Receipts from Internal Fund Services Provided	-	-	-	-	8,843,988
Cash Paid to Suppliers for Goods and Services	(36,064,129)	(25,153,715)	(6,725,444)	(67,943,288)	(2,536,849)
Cash Paid to Employees for Salaries and Benefits	(3,956,190)	(1,934,876)	(676,301)	(6,567,367)	(2,249,617)
Net Cash Provided (Used) by Operating Activities	(37,372,926)	(21,193,672)	(1,965,633)	(60,532,231)	4,057,522
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Property Tax Revenues	-	4,111,657	-	4,111,657	-
Operating Grants Received	42,371,329	-	-	42,371,329	-
Intergovernmental Revenues	-	19,828,168	238,829	20,066,997	-
Repayment of Notes Receivable	384,718	-	-	384,718	-
Interfund Loans	-	-	195,150	195,150	-
Notes Receivable Issued	(837,493)	-	220,432	(617,061)	-
Interest Received on Notes Receivable	143,758	-	-	143,758	-
Related Party Transactions	50,331	-	-	50,331	-
Debt Issued to Acquire Assets Held for Sale	405,000	-	-	405,000	-
Principal Paid on Debt Used to Acquire Assets Held Funds Returned to the Granting Agency	(385,000) (40,654)	-	-	(385,000) (40,654)	-
Internal Activities - Payment to Other Funds	-	-	15,000	15,000	-
Transfers In	-	-	2,490,109	2,490,109	-
Transfers Out	-	-	(744,313)	(744,313)	(6,001)
Net Cash Provided (Used) by Noncapital Financing Activities	42,091,989	23,939,825	2,415,207	68,447,021	(6,001)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal Repayments on Long-Term Debt	(425,404)	-	-	(425,404)	-
Capital Contributions	445,659	3,105,410	-	3,551,069	-
Interest Repayments Related to Capital Purposes	(174,727)	-	-	(174,727)	-
Refund of Amounts in Escrow	24,000	-	-	24,000	-
Proceeds from Sale of Capital Assets	-	26,902	-	26,902	-
Payments Related to the Acquisition of Capital Assets	(729,639)	(3,157,884)	(216,426)	(4,103,949)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(860,111)	(25,572)	(216,426)	(1,102,109)	-
CASH FLOWS FROM INVESTING ACTIVITY					
Interest and Investments Earnings Received	23,950	51,968	11,989	87,907	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,882,902	2,772,549	245,137	6,900,588	4,051,521
Cash and Cash Equivalents - Beginning of Year	9,794,943	12,328,004	1,231,120	23,354,067	32,552,078
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 13,677,845</u>	<u>\$ 15,100,553</u>	<u>\$ 1,476,257</u>	<u>\$ 30,254,655</u>	<u>\$ 36,603,599</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MARIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017/DECEMBER 31, 2016**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Housing Authority 12/31/2016	Transit District 6/30/2017	Nonmajor Enterprise Funds 6/30/2017	Total	Workers' Compensation Internal Service Fund 6/30/2017
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (39,243,637)	\$ (23,689,338)	\$ (2,260,391)	\$ (65,193,366)	\$ 3,463,898
Depreciation and Amortization	1,320,945	2,387,889	339,886	4,048,720	-
Related Party Activity	(57,996)	-	-	(57,996)	-
Changes in Assets and Liabilities:					
(Increase) Decrease in:					
Accounts Receivable	(27,389)	136,313	(160,905)	(51,981)	-
Property Held for Resale	(111,341)	-	-	(111,341)	-
Prepaid Items and Other Assets	32,936	(127,573)	(84,156)	(178,793)	-
Deferred Outflows of Resources	(575,994)			(575,994)	
Increase (Decrease) in:					
Accounts Payable	94,524	9,600	311,277	415,401	77,539
Accrued Salaries and Benefits	4,143	13,743	243	18,129	(915)
Unearned Revenues	(5,144)	50,843	9,134	54,833	-
Compensated Absences	211	24,851	(104)	24,958	-
Other Liabilities	31,893	-	(120,617)	(88,724)	517,000
Other Postemployment Benefits	69,305	-	-	69,305	-
Net Pension Liability	1,245,597	-	-	1,245,597	-
Deferred Inflows of Resources	(169,034)	-	-	(169,034)	-
Security Deposits and Escrows Payable	18,055	-	-	18,055	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (37,372,926)</u>	<u>\$ (21,193,672)</u>	<u>\$ (1,965,633)</u>	<u>\$ (60,532,231)</u>	<u>\$ 4,057,522</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MARIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017**

	Investment Trust Funds	Agency Funds	Private Purpose Trust Funds
ASSETS			
Current Assets:			
Cash and Investments in County Pool	\$ 621,602,171	\$ 30,685,129	\$ 1,660,828
Cash with Fiscal Agent	-	1,080,525	514,627
Other Cash	529,769	-	-
Taxes Receivable	-	15,566,801	-
Interest Receivable	-	63,188	57,150
Prepaid Items	-	1,113,848	-
Notes Receivable	-	-	110,000
Capital Assets:			
Nondepreciable	-	-	30,014
Total Current Assets	622,131,940	48,509,491	2,372,619
LIABILITIES			
Accounts Payable	-	-	392,703
Accrued Interest Payable	-	-	126,825
Noncurrent Liabilities:			
Due Within One Year	-	-	550,833
Due in More than One Year	-	-	6,267,067
Agency Funds Held for Others	-	48,509,491	-
Total Liabilities	-	48,509,491	7,337,428
NET POSITION			
Net Position (Deficit) Held in Trust for Investment			
Pool Participants and Others	622,131,940	-	(4,964,809)
Total Net Position	\$ 622,131,940	\$ -	\$ (4,964,809)

See accompanying Notes to Basic Financial Statements.

COUNTY OF MARIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2017

	Investment Trust Funds	Private Purpose Trust Funds
ADDITIONS		
Property Tax Revenue	\$ -	\$ 3,433,014
Contributions to Investment Pool	1,589,541,315	-
Interest	2,280,630	9,078
Total Additions	1,591,821,945	3,442,092
DEDUCTIONS		
Distributions from Investment Pool	1,427,535,200	-
Tax Disbursements	-	2,366,424
Administrative and Other	-	131,686
Total Deductions	1,427,535,200	2,498,110
CHANGE IN NET POSITION	164,286,745	943,982
Net Position - Beginning of Year	457,845,195	(5,908,791)
NET POSITION - END OF YEAR	\$ 622,131,940	\$ (4,964,809)

See accompanying Notes to Basic Financial Statements.

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

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COUNTY OF MARIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 THE FINANCIAL REPORTING ENTITY

A. Reporting Entity

The County of Marin (the County) is a political subdivision of the state of California (the State), and as such, can exercise the powers specified by the Constitution and laws of the State. The County is governed by an elected five-member Board of Supervisors (the Board), with legislative and executive control of the County.

The governmental reporting entity consists of the County (primary government) and its component units. Component units are legally separate organizations for which the County is considered to be financially accountable or 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 accounting principles generally accepted in the United States of America (GAAP), these financial statements present the 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 are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government. The financial statements are formatted to allow the user to clearly distinguish between the primary government and its 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 governing 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 nonprofit 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 component unit's governing body is substantially the same as the governing body of the primary government. The Funding Corporation's asset-backed bonds are secured by tobacco revenues received per the Master Settlement Agreement.

COUNTY OF MARIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

In-Home Supportive Services Public Authority of Marin

In-Home Supportive Services Public Authority of Marin (IHSS PA) is a public agency established in 2002 by the Board of Supervisors to serve low-income older adults and persons with disabilities who qualify for in-home support services in order to remain independent and safe in their own homes. IHSS PA works in partnership with the In-Home Supportive Services Program (IHSS) administered by Marin County Health and Human Services by matching IHSS care recipients with qualified care providers so they can live healthy and productive lives. There is a financial benefit relationship between the primary government and the component unit.

Marin County Fair

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

Housing Authority of the County of Marin

The Housing Authority of the County of Marin (Housing 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 whom are the County's Board of Supervisors, plus two tenant Commissioners. The component unit's governing body is substantially the same as the governing body of the primary government. The Housing Authority is responsible for the development and implementation of housing programs and activities within the County of Marin. To accomplish this purpose, the Housing Authority has entered into annual contribution contracts with the U.S. Department of Housing and Urban Development (HUD) to operate assisted housing programs. The Housing Authority is reported as a major enterprise fund in the County's basic financial statements. The Housing Authority has a December 31st fiscal year-end and issues a separate financial report that can be obtained by contacting the Housing Authority at 4020 Civic Center Drive, San Rafael, California 94903.

Marin County Law Library (Law Library)

The Marin County Law Library (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. There is a financial benefit relationship between the primary government and the component unit.

Marin County Open Space District (Open Space)

The Marin County Open Space District (Open Space) is responsible for planning, acquiring, and managing the County's approximately 16,000 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. The component unit's governing body is substantially the same as the governing body of the primary government.

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Marin County Transit District (Transit District)

The Marin County Transit District (Transit District) is an autonomous special district created by the authority of the Marin County Transit District Act of 1964. The Transit District's purpose is to develop, finance, organize, and provide local Marin County transit service. Its Board of Directors is comprised of the County's Board of Supervisors, and two members chosen from city council persons or mayors of cities within the county. Revenues are derived principally from property taxes, aid from other governmental entities, transportation contract revenue, and transit fare revenue. The financial statements of the Transit District are available at 711 Grand Avenue, Suite 110, San Rafael, California 94901. The component unit's governing body is substantially the same as the governing body of the primary government.

Sewer Maintenance, County Service Areas, Lighting, Permanent Road Districts, 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 Districts, Flood Control Zone and Water Conservation, and other Special Districts (special districts). The component unit's governing body is substantially the same as the governing body of the primary government. Among its duties, the Board approves the budgets, special taxes, and fees of these special districts. Each of these special districts are, in substance, an integral part of the County and are reported as nonmajor special revenue funds in the County's basic financial statements.

C. Discretely Presented Component Units

Marin County Housing Development Financing Corporation (MCHDFC)

The Marin County Housing Development Financing Corporation (MCHDFC) is a California nonprofit public benefit corporation established to provide assistance to the Housing Authority, a public body, corporate and politic in the state of California, by financing or carrying out the acquisition, construction, rehabilitation, remodeling and equipping of rental housing units for persons of low income, together with related facilities and improvements as are necessary or convenient or incidental to their use, on sites located in the County of Marin, to develop and construct low-income housing through use of government financing, subsidies and other available resources to alleviate housing problems affecting low and moderate income families, elderly individuals and handicapped citizens. MCHDFC is a nonprofit corporation as described in section 501(c)(4) of the Internal Revenue Code and is exempt from federal income taxes and California franchise taxes. MCHDFC owns a 15-unit property known as Bradley House, located in Tiburon, California. The Board of MCHDFC is made up of nine directors, four of whom are employees of the Housing Authority. MCHDFC has no employees, and their accounting records are maintained by the Housing Authority.

Marin Housing Development Corporation (MHDC)

The Marin Housing Development Corporation (MHDC) is a California nonprofit public benefit corporation, and was established to maintain, improve, and increase the supply of affordable housing in the County of Marin by financing or carrying out the acquisition, construction, rehabilitation, remodeling and equipping of housing units for persons of low income. MHDC is a nonprofit corporation as described in section 501(c)(3) of the Internal

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Revenue Code and is exempt from federal income taxes and California franchise taxes. MHDC owns a 28-unit apartment complex known as the Sundance Apartments, located in San Rafael, California. The Board of MHDC is comprised of nine directors, four of whom are current employees of the Housing Authority of the County of Marin. MHDC has no employees, and their accounting records are maintained by the Housing Authority.

Since MCHDFC and MHDC are other organizations for which the nature and significance of their relationship with the Housing Authority and the County of Marin are such that exclusion from the financial statements would cause the County's financial statements to be misleading or incomplete, these entities have been included in the County's financial statements as discretely presented component units.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the County and its blended component units. All fiduciary activities are reported only in the fund financial statements. 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 and between the County and its discretely presented component units. Governmental activities, which are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a great extent on fees charged to external parties.

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

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.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the County's enterprise funds. Separate financial statements are provided for governmental

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funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including its 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 respectively aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are presented as separate columns in the fund financial statements.

The County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund and accounts for all revenues and expenditures necessary to carry out the basic governmental activities of the County that are not accounted for through other funds. The activities carried out by the General Fund include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation and cultural services.
- The *Health and Human Services Operating Fund* was established in 2016 to account for all Health and Human Services and expenditures, many of which are dedicated for specific safety net and social services. The fund also receives transfers from various special revenue funds as well as the General Fund to support operations.
- The *Other Capital Projects Fund* is used primarily to finance or reimburse the financing of various County capital improvements, including the County's road and bridge maintenance program.

The County reports the following major enterprise funds:

- The *Housing Authority* provides housing assistance to low and moderate income residents of Marin County, primarily funded by contributions from HUD and rent payments from tenants. The Housing Authority has a fiscal year-end of December 31st.
- The *Transit District* accounts for activities related to the provision of transit services within Marin County, the revenues of which are principally derived from property taxes, aid from other governmental entities, transportation contract revenue, and transit fare revenue.

The County also reports the following additional fund types:

- *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.

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- *Investment Trust Funds* account for the assets of legally separate entities such as special districts 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 report operating results. 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. The majority of these funds are tax pass-through entities for secured and unsecured taxes.
- *Private-Purpose Trust Funds* are a fiduciary fund type used by the County to report trust arrangements under which principal and income benefits other governments. These funds report the assets, liabilities, and activities of the Successor Agency to the County of Marin Redevelopment Agency and Marin City Community Service Districts (CSD).

B. Measurement Focus and Basis of Accounting

Measurement focus indicates the type of resources being measured, and the basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 the related cash flows take place. Nonexchange 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.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available. Most revenue sources, such as sales tax, 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 60 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.

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C. 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.

D. Investments

Money market funds are carried at cost, which approximates fair value.

E. Receivables

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

F Inventories

Inventories are stated at cost (first-in, first-out basis) for governmental funds and lower of average cost or fair value for proprietary funds. 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 that is not in spendable form.

G. 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 equally offset by nonspendable fund balance to indicate that portion of fund balance that is not in spendable form.

H. Capital Assets

Capital assets 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 for capital assets are as follows:

Infrastructure	20 to 50 Years
Structures and Improvements	10 to 50 Years
Equipment	5 to 25 Years
Software	2 to 10 Years

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Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities, or extend useful lives of the capital assets are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

I. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows and inflows of resources*. A deferred outflow of resources is defined as a consumption of net position that is applicable to a future reporting period and so will not be recognized as an outflow of resources (expense/expenditure) until then. A deferred inflow of resources is defined as an acquisition of net position that is applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. Current year deferred inflows and outflows consist of amounts related to pensions and the refunding of debt.

J. 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.

K. 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.

L. Net Position and Fund Balances

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

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- *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 the portion of net position that is neither restricted nor invested in capital assets.

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, such as inventories, prepaid amounts and long-term amount of loans and notes receivable, if any.
- *Restricted Fund Balances* – Includes 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* – Represents 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 through Board resolutions.
- *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 Board approval. Unlike commitments, assignments generally only exist temporarily. Further action is not needed to remove the assignment.
- *Unassigned Fund Balances* – Is the residual classification for all resource balances in the General Fund and includes all amounts 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. Unassigned amounts are technically available for any purpose.

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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 classification could be used, committed funds are to be spent first, assigned funds second, and unassigned funds last.

M. Property Tax Revenue

The County levies, bills, collects, and distributes property taxes for the County as a whole. Property taxes are levied for each fiscal year on taxable real and personal property that is situated in the County. Property taxes paid to the County within 60 days after the end of the fiscal year are considered "available" and are, therefore, recognized as revenue.

In accordance with State law, the County is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County, including school districts, cities and towns, and special districts. Property taxes are levied on both secured (real property) and unsecured (business and personal property other than land and buildings) property. Supplemental property taxes are assessed upon transfer of property ownership or completion of new construction.

Secured and unsecured property taxes are levied based on the assessed value as of January 1, the lien date, of the preceding fiscal year. Secured property tax is billed approximately October 1 of each fiscal year and due in two installments, on November 1 and February 1. Collection dates are December 10 and April 10 which are also the delinquent dates. After the delinquent date, unpaid first installments are assessed a penalty of 10%, and unpaid second installments are assessed a 10% penalty, plus \$10 cost. Accounts that remain unpaid on June 30 are charged an additional 1.5% per month beginning July 1 of the next fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property becomes subject to tax sale by the County Tax Collector.

Unsecured property tax is levied by July 1, due on July 31, and has a collection date of August 31 which is also the delinquent date. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid by October 31, an additional penalty of 1.5% attaches to the unpaid tax on the first day of each month until paid.

The State's Constitution Article XIII A, commonly known as Proposition 13, provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value, unless two-thirds of the voters have approved additional taxes be levied to fund infrastructure, services, and/or operations. Under Proposition 13, beginning with FY 1978-79, assessed value is calculated at 100% of market value and may increase by no more than 2% per year, unless the property undergoes new construction or is sold or transferred. State law provides exemptions from ad valorem property taxation for certain classes of property, such as churches, colleges, nonprofit hospitals, and charitable institutions.

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Beginning in 1994, the County began apportioning secured property tax revenue in accordance with the alternate method of distribution, commonly known as the "Teeter Plan," as prescribed by Section 4717 of the California Revenue and Taxation Code (Code). The Teeter Plan has no impact on tax rates or collection procedures. Rather, it merely changes the way taxes and penalties are distributed among the taxing agencies. Under the Teeter Plan, the County apportions 100% of the secured property tax charge to local taxing entities. The County advances all unpaid current secured taxes to the taxing entities and, in return, retains the penalties and interest on the taxes when collected. As a result of the Teeter Plan, secured property tax receivables are recorded in the Tax Resource Fund only, and there is no allowance for uncollectible amounts. Penalties and interest are deposited into the Tax Loss Reserve Fund (TLRF). Should the TLRF fund balance exceed 25% of the current year unpaid secured taxes, the excess is credited to the General Fund.

Pursuant to Section 97.2(D)(4)(i) of the Code, in 1992 the County established an agency fund, the Educational Revenue Augmentation Fund (ERAF), to redirect property tax from the County, cities, and special districts to public education programs. Each of these local agencies are required to shift an amount of property tax revenues prescribed by the Code to ERAF. Once school districts and related programs reach their maximum allowable funding, the Code requires that any excess ERAF be refunded to the contributing agencies.

N. Estimates

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

NOTE 3 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 participating funds, is displayed in the financial statements as "Cash and Investments in County pool." Funds that are required to be held by outside fiscal agents do not participate in the County pool.

The County 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, 2017, the net asset value of involuntary participation in the investment pool was \$653,948,126 or 59.9% 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 California Government Code and by the County's Statement of Investment Policy (Investment Policy). The objectives of the Investment Policy are structured in order of priority: safety, liquidity, yield, and public trust. The Board established a Treasury Oversight Committee (Oversight Committee) to monitor and review the management of public funds

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maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The Oversight Committee and the Board review and approve the Investment Policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the Oversight Committee, to the investment pool participants, and the Board 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 by Fitch Ratings since 1994 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 'S1' for market risk sensitivity, which reflects low market risk and a capacity to return stable principal value to participants, as well as to meet anticipated cash flow needs, even in adverse interest rate environments.

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

Cash and investments at June 30, 2017 consist of the following:

Cash and Investments in County Pool:	
Cash	\$ 4,043,334
Investments	1,111,729,508
Subtotal	<u>1,115,772,842</u>
Less: Outstanding Warrants and Other Reconciling Items	<u>(26,670,075)</u>
Total Cash and Investments in County Pool	1,089,102,767
Cash and Investments Outside County Pool:	
Other Deposits	2,721,514
Investments of Blended Component Units	16,187,857
Investments with Fiscal Agents	5,253,436
Specific Investments	<u>529,769</u>
Total Cash and Investments Outside County Pool	<u>24,692,576</u>
Total Cash and Investments	<u><u>\$ 1,113,795,343</u></u>

Total cash and investments at June 30, 2017 were presented on the County's financial statements as follows:

Primary Government	\$ 456,590,497
Component Units	1,131,797
Investment Trust Funds	622,131,940
Agency Funds	31,765,654
Private Purpose Trust Funds	<u>2,175,455</u>
Total	<u><u>\$ 1,113,795,343</u></u>

Investments

The following table identifies the investment types that are authorized for the County by California Government Code or the County's Investment Policy, where more restrictive. The

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table also identifies certain provisions of the County's investment policy that address interest rate risk, credit risk, and concentration risk.

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, 2017, the County's investments consisted of the following:

	Interest Rates	Maturities	Par Value	Fair Value	WAM (Years)
Pooled Investments					
Federal Agencies	0.02% - 1.13%	7/05/17 to 6/29/20	\$1,094,636,000	\$1,090,574,980	0.6412
Money Market	Variable	On Demand	20,000,000	20,000,000	0.0028
California Local Agency Investment Fund (LAIF)	Variable	On Demand	239,224	239,224	0.0028
Miscellaneous Securities	3.5% - 4.5%	7/01/19 to 2/28/22	915,304	915,304	4.3700
Total Pooled Investments			<u>\$1,115,790,528</u>	<u>\$1,111,729,508</u>	
Specific Investments in Treasury - Nonpooled					
California Local Agency Investment Fund (LAIF)	Variable	On Demand	\$ 529,799	\$ 529,769	0.0028
Total Specific Investments in Treasury - Nonpooled			<u>\$ 529,799</u>	<u>\$ 529,769</u>	

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the County's 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, 2017, the investment pool had a weighted average maturity of 0.63 years, or approximately 230 days.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will 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.'

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Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the County's investment in a single issuer of securities. At June 30, 2017, the County did have 10% or more of its net investment in any one money market mutual fund.

At June 30, 2017, 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	\$ 634,466,593
Federal Home Loan Bank	\$ 378,772,661

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, 2017.

	<u>Moody's</u>	<u>S & P</u>	<u>% of Portfolio</u>
Investments in Investment Pool			
Federal Agencies Discount: Fed Home Ln Bk*	Unrated	Unrated	34.03 %
Federal Agencies Discount: Fed Home Ln Mtg Corp*	Unrated	Unrated	57.04
Federal Agencies Discount: Fed Natl Mgt Assn*	Unrated	Unrated	3.42
Miscellaneous Securities	Unrated	Unrated	3.69
Money Market/Mutual Funds	Aaa	AAAm	1.80
California Local Agency Investment Fund (LAIF)	Unrated	Unrated	0.02
Total			<u>100.00 %</u>

* Federal Home Loan Bank, Freddie Mac, and Fannie Mae 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.

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. 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: 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 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

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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 Advisory Board (LIAB) has oversight responsibility for LAIF. LIAB consists of five members as designated by State Statute.

At June 30, 2017, the County's pooled investment position in LAIF was \$239,224, which approximates fair value and is the same value of pool shares. The total amount invested by all public agencies in LAIF on that day was \$77.56 billion. Of that amount, 100% was invested in nonderivative financial products. 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 \$5.9 million, and Transit District in the amount of \$32 thousand, are restricted for specific project operations and cannot be disbursed without the prior approval of another government agency.

County Investment Pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the County's investment pool as of June 30, 2017:

Statement of Net Position

Equity of Internal Pool Participants	\$ 467,500,596
Equity of External Pool Participants	621,602,171
Total Net Position	<u>\$ 1,089,102,767</u>

Statement of Changes in Net Position

Net Position - Beginning of Year	\$ 906,935,358
Net Change in Investments by Pool Participants	182,167,409
Net Position - End of Year	<u>\$ 1,089,102,767</u>

Fair Value Measurement

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The investments in an external investment pool are not subject to reporting within the level hierarchy. The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The County's pooled investments by fair value level as of June 30, 2017 include the following:

Investments	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Pooled Investments Subject to Fair Value Hierarchy:			
Debt Securities:			
U.S. Government Agency Securities	\$ 1,090,574,980	\$ -	\$ 1,090,574,980
Pooled Investments not Subject to Fair Value Hierarchy:			
Local Agency Investment Fund (LAIF)	239,224		
Pooled Investments Measured at Amortized Cost:			
Money Market	20,000,000		
Amortized Note	915,304		
Total Investments Measured at Amortized Cost	20,915,304		
Total Pooled Investments	<u>\$ 1,111,729,508</u>		

NOTE 4 NOTES RECEIVABLE

Notes receivable consists of the following activities:

Description	Balance July 1, 2016	Notes Issued	Repayments	Balance June 30, 2017	Short-Term Balance June 30, 2017
Governmental Activities					
<u>General Fund</u>					
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 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 and the note is due in October 2032.	400,000	-	-	400,000	-
Subtotal General Fund	1,139,525	-	-	1,139,525	-
<u>Other Governmental Funds</u>					
The County provides 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.	20,745,232	1,063,179	(350,000)	21,458,411	-
Total Governmental Activities	<u>\$ 21,884,757</u>	<u>\$ 1,063,179</u>	<u>\$ (350,000)</u>	<u>\$ 22,597,936</u>	<u>\$ -</u>

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Description	Balance July 1, 2016	Notes Issued	Repayments	Balance June 30, 2017	Short-Term Balance June 30, 2017
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 payment on home purchases, and rental security deposits.	\$ 6,498,882	\$ 1,099,520	\$ (491,580)	\$ 7,106,822	\$ -

NOTE 5 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, 2017, the various components of unearned revenue were as follows:

	Unearned	Unavailable
Governmental Activities:		
General Fund:		
Fees for Services	\$ 650,943	\$ 676,696
Health and Human Services Operating Fund:		
Reimbursable Grant Advances	603,020	-
Other Governmental Funds:		
Reimbursable Grant Advances	639,856	-
Fees for Services	413,098	129,097
Total Other Governmental Activities	1,052,954	129,097
Total Governmental Activities	\$ 2,306,917	\$ 805,793
Business-Type Activities:		
Fees for Service	\$ 545,783	\$ -
Total Business-Type Activities	\$ 545,783	\$ -

NOTE 6 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. All of the interfund balances presented below resulted from the timing difference between the dates that (1) interfund goods and services were provided or reimbursable expenditures occurred, (2) transactions were recorded in the accounting system, and (3) payments between funds were made.

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The composition of interfund balances as of June 30, 2017 is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Health and Human Services Operating Fund	\$ 2,452,500	Temporary loans to cover short-term operational needs
	Other Nonmajor Governmental Funds	63,600	Temporary loans to cover short-term operational needs
	Nonmajor Enterprise Funds	550,150	Temporary loans to cover short-term operational needs
	Total	<u>\$ 3,066,250</u>	

Advances to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Nonmajor Governmental Funds	\$ 667,988	To cover operational needs

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 activities:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Health and Human Services Operating Fund	\$ 38,914,800	Health and Human Services funding
	Other Capital Projects Fund	7,000,000	Road and bridge rehabilitation
	Other Capital Projects Fund	5,418,268	Various capital project funding
	Other Capital Projects Fund	3,000,000	Roads maintenance
	Other Nonmajor Governmental Funds	5,601,129	Allocation of pension obligation costs
	Other Nonmajor Governmental Funds	5,022,018	Debt service
	Other Nonmajor Governmental Funds	4,800,000	County facilities maintenance project
	Other Nonmajor Governmental Funds	1,250,000	Affordable Housing Trust funding
	Other Nonmajor Governmental Funds	1,000,000	Road and bridge rehabilitation
	Other Nonmajor Governmental Funds	753,786	Road maintenance
	Other Nonmajor Governmental Funds	221,810	Various program cost funding
	Other Nonmajor Governmental Funds	173,596	Reimbursement of salary and benefits costs
	Other Nonmajor Governmental Funds	85,000	Various capital project funding
	Other Nonmajor Governmental Funds	46,450	Various operating needs and cost reimbursements
	Nonmajor Enterprise Funds	2,490,109	Marin Commons property management operations
	Nonmajor Enterprise Funds	15,000	Various operating needs and cost reimbursements
	Subtotal	<u>75,791,966</u>	
Health and Human Services Operating Fund	Other Nonmajor Governmental Funds	2,369,508	Allocation of pension obligation costs
Nonmajor Enterprise Funds	General Fund	600,000	Repayment of interfund loan
	General Fund	80,000	Reimbursement of salary and benefit costs
	Other Nonmajor Governmental Funds	32,906	Various capital project funding
	Other Nonmajor Governmental Funds	19,750	County facilities maintenance project
	Other Nonmajor Governmental Funds	11,657	Allocation of pension obligation costs
	Subtotal	<u>744,313</u>	

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Transfer from	Transfer to	Amount	Purpose
Internal Service Fund	Other Nonmajor Governmental Funds	6,001	Allocation of pension obligation costs
Other Nonmajor Governmental Funds	Health and Human Services Operating Fund	44,462,078	Health and Human Services realignment
	Health and Human Services Operating Fund	14,925,147	Various Health and Human Services
	Health and Human Services Operating Fund	1,387,253	Public Health programs
	Health and Human Services Operating Fund	570,849	Allocation of pension obligation costs
	Other Capital Projects Fund	1,000,000	Road and bridge maintenance
	General Fund	938,034	Various operating needs and cost reimbursements
	General Fund	915,683	Various capital project funding
	General Fund	388,024	Various program cost funding
	General Fund	385,413	Public Safety realignment
	General Fund	100,000	Auto theft obligation program
	Other Nonmajor Governmental Funds	1,075,732	Allocation of pension obligation costs
	Other Nonmajor Governmental Funds	968,280	Debt service
	Other Nonmajor Governmental Funds	750,000	Roads maintenance
	Other Nonmajor Governmental Funds	64,479	Various operating needs and cost reimbursements
	Subtotal	<u>67,930,972</u>	
	Total	<u>\$ 146,842,760</u>	

NOTE 7 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2017
Governmental Activities					
Capital Assets, not being Depreciated and Amortized:					
Land	\$ 41,484,730	\$ 3,800,000	\$ -	\$ 20,805	\$ 45,305,535
Land Improvements	1,205,125,438	-	-	-	1,205,125,438
Easements	9,099,188	-	-	-	9,099,188
Intangible Assets	510,335	3,418,153	-	(517,334)	3,411,154
Construction in Progress	22,562,452	17,606,950	-	(22,129,796)	18,039,606
Total Capital Assets not being Depreciated and Amortized	1,278,782,143	24,825,103	-	(22,626,325)	1,280,980,921
Capital Assets, being Depreciated and Amortized:					
Land Improvements	-	-	-	199,847	199,847
Structures and Improvements	271,774,172	210,839	-	5,694,951	277,679,962
Equipment	55,898,482	3,115,226	(1,522,087)	31,205	57,522,826
Intangible Assets	1,942,952	408,423	-	6,919,354	9,270,729
Infrastructure	318,986,472	55,538	-	9,780,968	328,822,978
Total Capital Assets being Depreciated and Amortized	648,602,078	3,790,026	(1,522,087)	22,626,325	673,496,342
Less Accumulated Depreciation and Amortization for:					
Structures and Improvements	(151,006,869)	(12,140,273)	-	-	(163,147,142)
Equipment	(40,056,209)	(5,208,265)	1,416,563	-	(43,847,911)
Intangible Assets	(63,332)	(2,276,115)	-	-	(2,339,447)
Infrastructure	(288,900,354)	(1,883,648)	-	-	(290,784,002)
Total Accumulated Depreciation and Amortization	(480,026,764)	(21,508,301)	1,416,563	-	(500,118,502)
Total Capital Assets being Depreciated and Amortized, Net	168,575,314	(17,718,275)	(105,524)	22,626,325	173,377,840
Governmental Activities Capital Assets, Net	<u>\$ 1,447,357,457</u>	<u>\$ 7,106,828</u>	<u>\$ (105,524)</u>	<u>\$ -</u>	<u>\$ 1,454,358,761</u>

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	Balance July 1, 2016	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2017
Business-Type Activities					
Capital Assets, not being Depreciated:					
Land	\$ 6,273,763	\$ -	\$ -	\$ -	\$ 6,273,763
Construction in Progress	4,918,437	3,158,680	-	(1,656,366)	6,420,751
Total Capital Assets not being Depreciated	11,192,200	3,158,680	-	(1,656,366)	12,694,514
Capital Assets, being Depreciated and Amortized:					
Structures and Improvements	47,808,055	1,098,547	-	607,661	49,514,263
Equipment	25,518,038	1,405,743	(121,086)	953,369	27,756,064
Intangible Assets	103,649	85,127	-	116,554	305,330
Other Property	3,426,892	-	-	-	3,426,892
Total Capital Assets being Depreciated and Amortized	76,856,634	2,589,417	(121,086)	1,677,584	81,002,549
Less accumulated Depreciation and Amortization for:					
Structures and Improvements	(29,801,924)	(1,289,542)	-	-	(31,091,466)
Equipment	(5,977,944)	(2,627,335)	121,086	-	(8,484,193)
Intangible Assets	(52,153)	(28,248)	-	-	(80,401)
Other Property	(1,728,776)	(103,595)	-	-	(1,832,371)
Total Accumulated Depreciation and Amortization	(37,560,797)	(4,048,720)	121,086	-	(41,488,431)
Total Capital Assets being Depreciated and Amortized, Net	39,295,837	(1,459,303)	-	1,677,584	39,514,118
Business-Type Activities Capital Assets, Net	<u>\$ 50,488,037</u>	<u>\$ 1,699,377</u>	<u>\$ -</u>	<u>\$ 21,218</u>	<u>\$ 52,208,632</u>

Depreciation and Amortization

Depreciation expense was charged to various functions or activities as follows:

Governmental Activities:

General Government	\$ 17,820,802
Public Protection	1,497,004
Public Ways and Facilities	1,108,333
Health and Sanitation	142,731
Public Assistance	38,833
Education	360,304
Recreation and Cultural Services	540,294
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 21,508,301</u>

Business-Type Activities:

Housing Authority	\$ 1,320,945
Transit District	2,387,889
Gross Airport	116,052
Marin County Fair	17,938
Marin.Org	54,913
Marin Commons Property Management	150,983
Total Depreciation and Amortization Expense - Business-Type Activities	<u>\$ 4,048,720</u>

NOTE 8 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).

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The actuarially determined outstanding claims liability, including incurred but not reported claims at marginally acceptable 70% confidence level, at June 30, 2017 is \$28,762,000. 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:

	2017	2016
Liability Balance - Beginning of Fiscal Year	\$ 28,245,000	\$ 26,940,000
Current Year Claims and Changes in Estimates	3,092,176	5,207,781
Claim Payments	(2,575,176)	(3,902,781)
Liability Balance - End of Fiscal Year	\$ 28,762,000	\$ 28,245,000

The Housing Authority participates in a joint venture under a joint powers agreement (JPA) with the California Housing Workers' Compensation Authority (CHWCA). CHWCA was formed to provide workers' compensation insurance coverage for member housing authorities. At December 31, 2016, there were 33 members. The relationship between the Housing Authority and CHWCA is such that CHWCA is not a component unit of the Housing Authority for financial reporting purposes.

The Housing Authority's annual premium is based on covered payroll. Premiums paid for the calendar year ended December 31, 2016 was approximately \$56,412.

The Transit District's insurance coverage is carried through the California State Association of Counties Excess Insurance Authority (CSAC) in pooled programs and through a commercial insurance carrier. CSAC is a public entity risk pool currently operating as a common risk management and insurance program for counties located throughout California. The purpose of CSAC is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group. The Transit District's claims have not exceeded the maximum insurance coverage and there have been no reductions in insurance limits during the past three fiscal years.

General Liability

The County maintains a self-insured retention (SIR) of \$1,500,000 per occurrence for its general liability program. Losses, which exceed the SIR, are covered by an excess insurance policy through Starr Indemnity (AM Best Rated AX) first layer, National Casualty (AM Best A+ XV) second layer, and Endurance Risk (AM Best Rated A XV) third layer, for a combined limit of \$25 Million. The latest independent actuarial analysis (November 2017), concludes that given program assets, as of June 30, 2017 the program is funded above the 90% confidence level.

The actuarially determined outstanding claims liability, including incurred but not reported claims at 70% confidence level, at June 30, 2017 is \$7,984,000.

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

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	2017	2016
Liability Balance - Beginning of Fiscal Year	\$ 11,119,000	\$ 9,256,000
Current Year Claims and Changes in Estimates	(2,792,892)	4,414,362
Claim Payments	(342,108)	(2,551,362)
Liability Balance - End of Fiscal Year	<u>\$ 7,984,000</u>	<u>\$ 11,119,000</u>

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

The Housing Authority procured insurance from Housing Insurance Services, Inc. and Housing Authority Risk Retention Group for the period beginning July 1, 2011. The property insurance limits vary by property covered, with a deductible of \$10,000 per occurrence. The commercial liability limit of coverage is \$2,000,000; with a deductible is \$10,000 per occurrence. The liability insurance covers public officials and employment policies. The maximum coverage for mold claims is \$250,000, with a deductible of \$25,000. The maximum coverage for employee benefits administration liability is \$1,000,000, with a deductible of \$1,000 per employee. The maximum coverage for automobile liability is \$1,000,000; this includes uninsured motorist and un-owned autos, with no deductible. Premiums paid for this coverage were approximately \$184,000.

NOTE 9 LONG-TERM OBLIGATIONS

The following table summarizes the changes in the County's long-term obligations for the fiscal year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Adjustments *	Balance June 30, 2017	Amounts Due Within One Year
Governmental Activities						
Bonds Payable:						
Taxable Pension Obligation Bonds 2003	\$ 99,675,000	\$ -	\$ 4,200,000	\$ -	\$ 95,475,000	\$ 4,945,000
Tobacco Settlement Asset Backed Bonds 2007	49,619,467	-	580,000	970,917	50,010,384	-
Less: Unamortized Discount	(310,958)	-	(62,193)	-	(248,765)	(62,193)
Open Space Refunding Revenue Bonds 2013	5,295,432	-	459,986	-	4,835,446	476,351
Limited Obligation Improvement Bond 2014	415,913	-	15,628	-	400,285	16,190
Subtotal - Bonds Payable	154,694,854	-	5,193,421	970,917	150,472,350	5,375,348
Loans Payable	3,662,504	-	364,406	(92,148)	3,205,950	373,398
Certificates of Participation:						
Certificates of Participation 2001	10,030,000	-	430,000	-	9,600,000	450,000
Certificates of Participation 2012	745,586	-	48,695	-	696,891	52,246
Certificates of Participation 2015	78,140,000	-	1,370,000	-	76,770,000	1,410,000
Add: Unamortized Premium	2,495,148	-	86,040	-	2,409,108	86,040
Subtotal - Certificates of Participation	91,410,734	-	1,934,735	-	89,475,999	1,998,286
Compensated Absences	15,448,473	14,321,099	13,899,957	-	15,869,615	12,833,831
Claims Liability	39,364,000	299,284	2,917,284	-	36,746,000	13,858,000
Total Governmental Activities Long-Term Liabilities	<u>\$ 304,580,565</u>	<u>\$ 14,620,383</u>	<u>\$ 24,309,803</u>	<u>\$ 878,769</u>	<u>\$ 295,769,914</u>	<u>\$ 34,438,863</u>

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	Balance				Balance June 30, 2017	Amounts Due Within One Year
	July 1, 2016	Additions	Deletions	Adjustments *		
Business-Type Activities						
Notes Payable - HCD	\$ 2,051,161	\$ -	\$ -	\$ -	\$ 2,051,161	\$ -
Notes Payable - MCF	960,991	-	34,913	-	926,078	36,336
Mortgages Payable - Office Building Refinance	1,030,775	-	24,669	-	1,006,106	25,900
Housing Loans from Other Governmental Agencies	895,000	405,000	385,000	-	915,000	915,000
Building Improvement Loan	146,239	816,144	47,079	-	915,304	197,911
Capital Leases	1,938,536	-	365,822	-	1,572,714	146,734
Compensated Absences	292,387	221,767	196,809	-	317,345	140,056
Total Business-Type Activities Long-Term Liabilities	\$ 7,315,089	\$ 1,442,911	\$ 1,054,292	\$ -	\$ 7,703,708	\$ 1,461,937

* 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. Typically the General Fund and related special revenue funds have been used to liquidate the OPEB obligation for the governmental activities. Under business-type activities, the purpose of the capital lease was to fund energy conservation improvements to the Public Housing properties. The cost of the equipment installed equaled to the amount financed. Equipment was placed into service in FY 2012-13. Upon completion of this lease on December 19, 2027, the title will pass to the Housing Authority.

The following table summarizes the County's long-term obligations as of June 30, 2017:

	<u>Maturity</u>	<u>Date of Issue</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Amount Authorized</u>	<u>Outstanding at June 30, 2017</u>
Governmental Activities						
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	\$ 95,475,000
Asset-Backed Bonds:						
Tobacco Settlement Asset-Backed Bond (Series 2007A through F) Unamortized Discount	2057	2007	4.63%-6.90%	\$485,000 - \$8,350,986	49,870,081 (932,888)	50,010,384 (248,765)
Revenue Bonds:						
Open Space Refunding Revenue Bonds 2013	2027	2014	3.06%	\$270,309 - \$420,143	6,163,324	4,835,446
Improvement Bonds:						
Limited Obligation Improvement Bond 2014	2034	2015	3.60%	\$13,799 - \$29,537	492,712	400,285
Loans Payable:						
Energy Conservation Loan	2019	2009	3.95%	\$12,102 - \$21,517	233,120	40,247
Energy Resource Conservation - Solar Panels	2023	2009	4.50%	\$28,373 - \$49,287	553,345	265,338
I - Bank Loan	2027	2009	3.29%	\$47,681 - \$49,088	681,600	440,141
Energy Resource Conservation - Auditorium	2025	2011	1.00%	\$12,419 - \$15,732	410,781	242,518
Energy Resource Conservation - Exhibit Hall	2023	2008	4.50%	\$6,259 - \$14,822	326,477	157,821
California Energy Commission	2023	2012	0.00%	\$42,755 - \$60,711	1,054,869	568,229
Energy Efficiency Retrofit	2023	2012	0.00%	\$1,035	124,147	65,177
Energy Conservation \$1.8 m loan	2031	2014	1.00%	\$30,056 - \$54,262	1,800,000	1,426,479
Loans Payable Subtotal					5,184,339	3,205,950

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	<u>Maturity</u>	<u>Date of Issue</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Amount Authorized</u>	<u>Outstanding at June 30, 2017</u>
Certificates of Participation:						
2001 Issue (Finance Capital Improvement Projects)	2032	2001	4.70%-7.00%	\$215,000 - \$880,000	14,100,000	9,600,000
2012 Issue (Homestead)	2027	2012	4.00%	\$16,897 - \$45,853	925,000	696,891
2015 Issue (Financing Project/Defeas 2010 Issue)	2045	2016	2.000%-3.750%	\$2,000,000 - \$3,045,000	80,140,000	76,770,000
Unamortized Premium					<u>2,581,188</u>	<u>2,409,108</u>
Certificates of Participation Subtotal:					<u>97,746,188</u>	<u>89,475,999</u>
Compensated Absences					15,869,615	15,869,615
Claims Liabilities					<u>36,746,000</u>	<u>36,746,000</u>
Total Governmental Activities					<u>\$ 323,944,371</u>	<u>\$ 295,769,914</u>
Business-Type Activities						
Notes Payable - HCD	2024	2006	0%-3.00%	Deferred	\$ 2,861,319	\$ 2,051,161
Note Payable - MCF	2024	2014	4.00%	\$72,720	1,000,000	926,078
Mortgages Payable - Office Building Refinance	2022	2012	5.50%	\$81,684 - \$917,282	1,100,000	1,006,106
Housing Loans from Other Governmental Agencies	Various	2012	0%	Various	915,000	915,000
Building Improvement Loan	Various	Various	3.5%-4.50%	\$43,949 - \$177,905	1,051,819	915,304
Capital Leases	2027	2012	4.26%-4.884%	\$208,412	2,474,823	1,572,714
Compensated Absences					<u>317,345</u>	<u>317,345</u>
Total Business-Type Activities					<u>\$ 9,720,306</u>	<u>\$ 7,703,708</u>

A. Taxable Pension Obligation Bonds Series 2003

In May 2003, the County issued \$112,805,000 Taxable Pension Obligation Bonds, series 2003. The bonds were sold 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.

B. 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 nonprofit 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 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 and June 1, 2057.

C. Open Space Refunding Revenue Bonds 2013

In August 2013, the Marin County Open Space Finance Authority issued \$6.2 million in revenue bonds, for the purpose of refunding on a current basis the Marin County Open Space Financing Authority's series 2002 revenue bonds and to provide funds to finance public capital improvements. The bonds carry an interest rate of 3.06%, and mature in September 2027.

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D. Limited Obligation Improvement Bond 2014

In August 2014, the County issued Limited Obligation Improvement Bonds in the amount of \$0.4 million bearing 3.60% interest and maturing September 2, 2034. The proceeds from the sale of the bond are to finance improvements to the Marshall Phase 2 Community Wastewater System authorized by the Community Wastewater System Assessment District.

E. 2001 Certificates of Participation

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

F. 2010 Certificates of Participation

In September 2010, the County issued \$61.5 million in certificates of participation to finance capital improvement projects throughout the County, as well as to refund \$17.5 million of outstanding 1998 Certificates of Participation Series A and B. The certificates were rated 'AA+' and 'Aa2' from S&P and Moody's, respectively. The certificates carry interest ranging from 2.00% - 4.38% and mature on August 1, 2040. In July 2015, the County determined that, as a result of favorable financial market conditions, it was in the best interest of the County to refinance the County's obligation and, as a result thereof, to provide for the defeasance of the 2010 certificates.

G. 2012 Certificates of Participation

In August 2011, the County issued \$925,000 in certificates of participation to finance improvements to County Service Area No. 14's Homestead Valley Community Center. The certificates carry an 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.

H. 2015 Certificates of Participation

In July 2015, the County issued \$80,140,000 in certificates of participation to (1) defease the County's outstanding 2010 certificates of participation and (2) finance renovations, repairs, construction and improvements to Marin County facilities and infrastructure. The certificates carry interest rates ranging from 2.0% to 3.75% and mature on November 1, 2045.

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Annual debt service requirements of governmental activities as of June 30, 2017 to maturity are as follows:

Year Ending June 30,	Governmental Activities					
	Bonds Payable		Certificates of Participation		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 5,437,541	\$ 6,871,616	\$ 1,912,246	\$ 3,526,909	\$ 373,398	\$ 66,310
2019	6,268,665	6,579,533	1,990,973	3,446,807	382,684	56,906
2020	7,178,921	6,232,219	2,079,883	3,362,769	370,876	47,464
2021	9,503,150	5,834,635	2,163,984	3,266,914	379,988	38,227
2022	9,166,270	5,323,652	2,273,284	3,158,463	389,334	28,751
2023-2027	64,011,403	17,605,712	13,196,521	13,959,757	963,865	61,001
2028-2032	6,548,308	6,995,130	15,865,000	10,921,825	345,805	5,337
2033-2037	9,340,568	6,168,193	14,140,000	8,073,556	-	-
2038-2042	-	4,312,500	17,115,000	5,031,100	-	-
2043-2047	17,250,000	4,312,500	16,330,000	1,338,400	-	-
2048-2052	-	-	-	-	-	-
2053-2057	16,016,289	183,699,014	-	-	-	-
Less: Unamortized Premium (Discount)	(248,765)	-	2,409,108	-	-	-
Total	<u>\$ 150,472,350</u>	<u>\$ 253,934,704</u>	<u>\$ 89,475,999</u>	<u>\$ 56,086,500</u>	<u>\$ 3,205,950</u>	<u>\$ 303,996</u>

Annual debt service requirements for business-type activities as of June 30, 2017 to maturity are as follows:

Year Ending June 30,	Business-Type Activities					
	Mortgages Payable		Notes Payable		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 25,900	\$ 55,781	\$ 951,336	\$ 36,382	\$ 197,911	\$ 40,197
2019	28,544	53,137	37,816	34,901	206,330	31,778
2020	30,154	51,527	39,357	33,361	162,913	22,998
2021	31,855	49,826	40,960	31,757	170,244	15,667
2022	33,651	48,030	42,629	30,088	177,906	8,006
2023-2027	856,002	38,579	728,980	75,582	-	-
2056	-	-	2,051,161	3,740,418	-	-
Total	<u>\$ 1,006,106</u>	<u>\$ 296,880</u>	<u>\$ 3,892,239</u>	<u>\$ 3,982,489</u>	<u>\$ 915,304</u>	<u>\$ 118,646</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, and bond premiums 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.

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. As of June 30, 2017, there were no capital lease obligations for governmental activities. Included in the business type activities are the following capital asset amounts under capital leases:

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	<u>Business-Type Activities</u>
Equipment	\$ 2,199,653
Less: Accumulated Depreciation	(441,956)
Equipment, Net, Under Capital Leases	<u>\$ 1,757,697</u>

The following is a schedule of future minimum lease payments under capital leases as of June 30, 2017:

<u>Year Ending June 30,</u>	<u>Business-Type Activities</u>
2018	\$ 210,966
2019	210,966
2020	208,969
2021	206,391
2022	203,837
2023-2027	861,190
2028-2030	-
Total Minimum Lease Payments	<u>1,902,319</u>
Less: Amount Representing Interest	<u>(329,605)</u>
Total Present Value of Minimum Lease Payments	<u>\$ 1,572,714</u>

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:

<u>Year Ending June 30,</u>				<u>Business-Type Activities</u>	
	<u>Office Space</u>	<u>Computers and Equipment</u>	<u>Total</u>	<u>Office Space</u>	<u>Total</u>
2018	\$ 1,492,281	\$ 1,109,972	\$ 2,602,253	\$ 98,832	\$ 98,832
2019	938,935	454,391	1,393,326	33,184	33,184
2020	729,974	206,604	936,578	-	-
2021	563,538	112,668	676,206	-	-
2022	58,120	49,190	107,310	-	-
2023-2027	38,566	-	38,566	-	-
2028-2047	151,706	-	151,706	-	-
Total	<u>\$ 3,973,120</u>	<u>\$ 1,932,825</u>	<u>\$ 5,905,945</u>	<u>\$ 132,016</u>	<u>\$ 132,016</u>

The County also leases various County-owned properties to other entities under noncancelable operating leases. Income from these rental activities amounted to \$1.6 million for the fiscal year ended June 30, 2017. Lease expense for business-type office space was \$96,668 for the fiscal year ended June 30, 2017.

NOTE 10 EMPLOYEES' RETIREMENT PLAN

A. Plan Description

The County's retirement plan is administered by the Marin County Employees' Retirement Association (MCERA), a retirement system established in July 1950 and governed by the California Constitution; the County Employees Retirement Law of 1937 (CERL or 1937 Act, California government Code Section 31450 et seq.); the Public

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Employees' Pension Reform Act of 2013 (PEPRA, Government Code Section 7522); the provisions of California Government Code Section 7500 et seq; and the bylaws, procedures, and policies adopted by MCERA's Board of Retirement (Retirement Board). The Marin County Board of Supervisors may also adopt resolutions, as permitted by the CERL and PEPRA, which may affect the benefits of MCERA members.

MCERA operates as a cost-sharing multiple employer defined benefit plan for the County and eight other participating employers: City of San Rafael, Local Agency Formation Commission (LAFCO), Marin City Community Services District, Marin County Superior Court, Marin/Sonoma Mosquito and Vector Control District, Novato Fire Protection District, Southern Marin Fire Protection District, and Tamalpais Community Services District. Separate actuarial valuations are performed for these other agencies and districts, and the responsibility for funding their plans rest with those entities. Postretirement benefits are administered by MCERA to qualified retirees.

Copies of MCERA's 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, California 94903 or online at www.mcera.org.

Administration

The Retirement Board is responsible for the general administration and management of the retirement association. All Retirement Board members, except the County Director of Finance, serve for a term of three years. By statute, Retirement Board members include the following:

- The Director of Finance of the County (ex-officio)
- Four members who are qualified electors of the County and not connected with County government in any capacity, except one may be a County Supervisor. The Board of Supervisor appoints these members.
- Two General members of MCERA elected by the General membership.
- One Safety member and one Safety member alternate elected by the Safety membership.
- One retired member and one retired member alternate elected by the retired membership.

Membership

MCERA provides retirement, disability, and death benefits to its general and safety members. Safety membership primarily includes law enforcement and firefighters of MCERA, as well as other classifications as allowed under the CERL and adopted by the employer. General membership is applicable to all other occupational classifications. The retirement benefits within the plan are tiered based on the participating employer and the date of the member's entry into MCERA membership. Additional information regarding the benefit structure is available by contacting MCERA.

Vesting

Members become vested in retirement benefits upon completion of five years of credited service.

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B. Benefit Provisions

Service Retirement

MCERA's regular (service) retirement benefits are based on the years of credited service, final average compensation, and age at retirement, according to the applicable statutory formula. Members who qualify for service retirement are entitled to receive monthly retirement benefits for life.

General County members hired after July 1, 2008 are eligible to retire at age 55 if they have earned 10 years of credited service, unless they are "new members" as defined by PEPRA (PEPRA members). Safety members, except PEPRA members, are eligible to retire at age 50 if they have earned 10 years of credited service. Unless they are PEPRA members, General members can retire at any age with 30 years of service and Safety members can retire at any age with 20 years of service. PEPRA members who are Safety members are eligible to retire after 5 years of service upon reaching 50 years of age. PEPRA members who are General members are eligible to retire after 5 years of service upon reaching 52 years of age. All members can retire at age 70 with no service requirement.

Disability Retirement

A member with five years of service, regardless of age, who becomes permanently incapacitated from the performance of duty is eligible to apply for a nonservice connected disability retirement. Any member who becomes permanently incapacitated from the performance of duty as a result of injury or disease arising out of and in the course of employment is eligible to apply for a service-connected disability retirement, regardless of service length or age.

Death Benefits

MCERA provides specified death benefits to beneficiaries and members' survivors. The death benefits provided depend on whether the member is active or retired.

The basic active member death benefit consists of a members' retirement contributions plus interest plus one month's pay for each full year of service (up to a maximum of six month's pay). Retiring members may choose from five retirement benefit payment options. Most retirees elect to receive the unmodified allowance which provides the maximum benefit to the retiree and continuance of 60% of the retiree's allowance to the surviving spouse or registered domestic partner after the retiree's death. Other death benefits may be available based on the years of service, marital status, and whether the member has minor children.

Cost of Living Adjustment

Retirement allowances are indexed for inflation. Most retirees receive automatic basic cost of living adjustments (COLA's) based upon the Urban Consumer Price Index (UCPI) for the San Francisco Bay Area. These adjustments go into effect on April 1 of each year. Annual COLA increases are statutorily capped at 2%, 3%, or 4% depending upon the member's retirement tier. When the UCPI exceeds the maximum statutory COLA for the member's tier, the difference is accumulated for use in future years when the UCPI is less than the maximum statutory COLA. The accumulated percentage carryover is known as the COLA Bank.

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C. Contributions – Governmental Activities

For the fiscal year ended June 30, 2017, the contributions recognized as part of pension expense for each Plan were as follows:

Contributions - Employer	\$ 42,467,294
Contributions - Employee (Paid by Employer)	13,286,132

D. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions – Governmental Activities

As of June 30, 2017, the County reported net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Total Net Pension Liability	<u>\$ 260,044,342</u>

The County's net pension liability is measured as the proportionate share of the total net pension liability as reported by MCERA (the Plan). The net pension liability as reported by the Plan of each of the Plans is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The County's proportionate share of the net pension liability for the Plan as of June 30, 2015 and 2016 was as follows:

Proportion - June 30, 2015	52.5803 %
Proportion - June 30, 2016	54.4105
Change - Increase (Decrease)	1.8302

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For the fiscal year ended June 30, 2017, the County recognized pension expense of \$44,974,687. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in Assumptions	\$ 39,380,591	\$ -
Differences Between Expected and Actual Experience	-	(8,535,169)
Change in Proportion	5,090,694	(12,212,521)
Difference Between Employer's Actual Contribution and the Employer's Proportionate Share of Contributions	8,919,529	-
Net Difference Between Projected and Actual Earnings on Plan Investments	23,469,042	-
County's Contributions Subsequent to the Measurement Date	48,693,249	-
Total	<u>\$ 125,553,105</u>	<u>\$ (20,747,690)</u>

The County reported \$48,693,249 in deferred outflows of resources related to contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amortization Amount</u>
2018	\$ 11,370,820
2019	12,915,963
2020	20,172,961
2021	11,652,422
Total	<u>\$ 56,112,166</u>

Actuarial Assumptions – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial methods and assumptions:

Valuation Date	June 30, 2014 (to determine FY 2015-16 actuarially determined contribution)
Actuarial Cost Method	Entry Age*
Actuarial Experience Study	July 1, 2011 through June 30, 2014**
Amortization Method	Level Percent of Projected Payroll
Amortization Period	Unfunded Actuarial Liability (UAL) as of June 30, 2013 is amortized over a closed 16-year period ending June 30, 2030.*** Subsequent unexpected change in the UAL is amortized over 24 years (22 years for assumption changes) that includes a 5-year phase-in/out (3 years for assumptions changes) of the payments/credits for each annual layer.
Asset Valuation Method	Market value

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Actuarial Assumptions:

Discount Rate	7.25%
Price Inflation	2.75%
Salary increases	3.00%, plus merit component based on employee classification and years of service
Mortality	Rates of mortality for active Members are specified by CalPERS 2014 Pre-Retirement Non-Industrial Death rates (plus Duty-Related death rates for Safety members) with the 20-year static projection used by CalPERS replaced by generational improvements from a base year of 2009 using Scale MP-2014

- * Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit (until maximum retirement age). For members who transferred from outside of MCERA, entry age is based on entry into the system.
- ** Further details of the Experience Study, which is conducted on a triennial basis, can be found on MCERA's website.
- *** Except for the additional UAL attributable to the outstanding unfunded actuarial loss from 2009, which is being amortized over a separate closed period (currently 23 years).

Discount Rate – The discount rate used to measure the total pension liability was 7.25% as of June 30, 2016. The projection of cash flows used to determine the discount rate assumed Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current Plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future Plan members and their beneficiaries, as well as projected contributions from future Plan members, are not included. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments for current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2016.

The long-term expected rate of return on Plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and projected arithmetic real rates of return, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption for each major asset class are summarized in the following table:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	23.00 %	0.75 %
Domestic Equities	32.00	4.60
International Equities	22.00	4.75
Public Real Assets	15.00	5.60
Private Equity	8.00	5.10
Total	<u>100.00 %</u>	

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the County’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for each Plan, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.25%
Net Pension Liability	\$ 445,771,324
Current Discount Rate	7.25%
Net Pension Liability	\$ 260,044,342
1% Increase	8.25%
Net Pension Liability	\$ 107,349,525

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued MCERA financial report.

E. Housing Authority of Marin

Plan Description

All eligible Housing Authority employees participate in a public agency cost-sharing multi-employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). This plan was established to provide retirement, death and disability benefits to public agencies’ rate plans with generally less than 100 active members. The benefit provisions for plan participants are established by statute. A full description of pension plan benefit provisions, assumptions for funding purposes, but not accounting purposes, and membership information is listed in the June 30, 2015 annual actuarial valuation report. Details of the benefits provided is contained within a publicly available report that can be obtained at CalPERS’ website under ‘Forms and Publications.’

The Housing Authority’s plan is made up of two tiers. Tier 1, 2% at 55 covers all employees hired prior to January 1, 2013. Tier 2, 2% at 62 covers all employees hired after January 1, 2013. The second tier is the result of PEPR.

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Required disclosure information regarding the Housing Authority's employee's retirement plan can be found in the Housing Authority of the County of Marin's audited financial statements.

Net Pension Liability

The Housing Authority's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. As of December 31, 2016 the Housing Authority's net pension liability was \$4,889,029.

Deferred Outflows and Inflows

The Housing Authority has recorded the following deferred outflows and inflows of resources based on the actuarial report and schedules of employer allocations by rate plan prepared by CalPERS. The measurement date of these reports and schedules was June 30, 2016. The deferred outflows also include contributions made to CalPERS subsequent to the measurement date of June 30, 2016, but prior to the Housing Authority's fiscal year-end of December 31, 2016. As of December 31, 2016 deferred outflows of resources was \$1,235,027 which contained \$283,139 of contributions subsequent to the measurement date, and deferred inflows of resources was \$471,238.

F. Marin County Transit District

The Transit District contributes to the Marin County Transit District Governmental 401(a) single employer defined contribution pension plan for its employees who have attained 21 years of age and have more than 1,000 hours of service. The pension plan is administered by the Marin County Transit District.

Benefit terms, including contribution requirements, for the pension plan are established and may be amended by the District's Board of Directors. For each employee in the pension plan at the end of the plan year, the District is required to contribute 10% to 15% of annual salary, exclusive of overtime, to an individual employee account. Employees are not permitted to make contributions to the pension plan. For the fiscal year ended June 30, 2017, the Transit District recognized pension expense of \$196,355.

Employees are fully vested in employer contributions after six months of service. Nonvested Transit District contributions are forfeited upon termination. Such forfeitures are first used to pay plan administrative expenses and any remaining forfeitures are used to reduce the required employer contribution. There were no forfeitures during the year ended June 30, 2017.

NOTE 11 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

A. Plan Description

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

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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. Retirees must retire directly from the County, have five years of County service, and continuity of coverage to be eligible. Retirees are not eligible for open enrollment and those waiving coverage may not re-enroll.

- Plan 1 – For retirees hired before October 1, 1987, the County pays 100% of the eligible retiree's single health plan premiums and Medicare Part B premiums.
- Plan 2 – For retirees hired between October 1, 1987 and September 30, 1993, the County pays the retiree's single health plan premiums up to \$2,275 per year.
- Plan 3 – For retirees hired between October 1, 1993 and December 31, 2007, the County pays a percentage of the retiree's single premium (and those for spouses of eligible retirees with 30 years of service) 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 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. The last cap increase was at 3% on January 1, 2009. No cap increases have been adopted since that time and the Plan 3 cap remains at \$8,853 per year. The most recent action by the Board was on August 8, 2017 when it approved no change to the Plan 3 cap for 2018.
- Plan 4 – For retirees hired on or after January 1, 2008, the County pays \$150 per year of service up to \$3,000 per year for the retiree's single health plan premiums only.

At retirement, 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. Plan selections may not be changed after retirement. Retirees eligible for Plan 1 are eligible for Medicare Part B premium reimbursement even after electing another plan.

Medical coverage is provided through Anthem Blue Cross and Kaiser. Anthem Blue Cross premiums vary by status (employee, retiree under age 65, retiree age 65 or older with Medicare). Kaiser premiums are the same for employees and retirees under age 65. To the extent these premium structures result in subsidies of retiree claim costs from premiums paid for employees by the County, an implied subsidy exists which under GASB Statement No. 45 must be included in County postretirement healthcare calculations.

The County also provides retirees with 20 years of service \$10,000 of life insurance and, on an 8-year phase-out basis, continuance of supplemental life coverage.

COUNTY OF MARIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

B. Funding Policy

The contribution policy is determined by the County. The County's OPEB 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 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 (ARC) beginning in fiscal year 2012-13. For fiscal year 2016-17, the County contributed \$9,150,000 to the CERBT, plus \$11,862,661 through the regular pay-as-you go, for a total of \$21,012,661 in premium payments for retirees, plus implied subsidy payments of \$1,572,000 through active employee premiums.

C. Annual OPEB Cost and Net OPEB 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 No. 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 30 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 following table presents the components of the County's annual OPEB cost for the fiscal year ended June 30, 2017, the amount contributed to the OPEB Plan, and changes in the County's net OPEB obligation.

Annual Required Contribution	\$ 22,112,000
Interest on Net OPEB Obligation	5,418,000
Adjustment to Annual Required Contribution	<u>(5,308,000)</u>
Annual OPEB Cost (Expense)	22,222,000
Contributions Made	(22,584,661)
Net OPEB Obligation - Beginning of Year	94,258,465
Decrease in Net OPEB Obligation	<u>(362,661)</u>
Net OPEB Obligation - End of Year	<u><u>\$ 93,895,804</u></u>

**COUNTY OF MARIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation for the current and prior two years are as follows:

Governmental Activities

<u>Fiscal Year Ending June 30.</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>End of Year Net OPEB Obligation</u>
2017	\$ 22,222,000	101.63 %	\$ 93,895,804
2016	22,188,000	117.50	94,258,465
2015	25,192,000	98.18	98,149,869

D. Funded Status and Funding Progress

The unfunded actuarial accrued liability is amortized over a closed 27-year period as a level percentage of payroll from July 1, 2015.

The table below indicates the funded status of the OPEB Plan (from the most recent actuarial valuation) as of July 1, 2015:

Actuarial Accrued Liability (AAL)	\$ 349,063,000
Actuarial Value of Plan Assets	54,688,000
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 294,375,000</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	15.67%
Annual Covered Payroll (Active Plan Members)	165,972,000
UAAL as a Percentage of Annual Covered Payroll	177.36%

E. Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the OPEB Plan and the ARC of the County are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The scheduling of funding progress, presented in the required supplementary information following the notes to the financial statements, represents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections or benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and OPEB Plan members) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and OPEB Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to

COUNTY OF MARIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

reduce short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

Assumptions were updated to reflect the June 30, 2014 experience study conducted by MCERA. This included an adjustment of medical and dental trend rates to reflect the reduction in the inflation assumption and changes to demographic and salary increase assumptions. For current employees, participation, spouse coverage, and medical plan election assumptions at retirement were updated based on a review of experience. In addition, a new scale for future mortality improvement was implemented. Further details on the actuarial experience study through June 30, 2014 can be found on MCERA's website.

F. Housing Authority of Marin

Plan Description

The Housing Authority provides postemployment medical health care benefits to its retired employees and, in some instances, their spouses. Benefits include coverage in the CalPERS health plan. The Housing Authority pays a portion of the premiums for the medical insurance for retirees. Monthly benefit amounts for the calendar year 2016 was \$87.50 for unrepresented retirees and \$81.25 for represented retirees. The majority of costs for this medical insurance is the responsibility of each retiree. No dental, vision, or other-retirement benefits are provided to retired employees. Benefit provisions and other requirements are established by management. This single-employer OPEB plan does not issue a stand-alone financial report.

Eligibility

The Housing Authority's retirees are eligible for membership in the plan upon retirement. Employees are eligible for retirement at age 50, with five years of service, or upon disability.

Funding Policy

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 over a 15-year period. The Housing Authority has adopted a pay-as-you-go policy and is not currently funding this liability above the monthly requirement. The Housing Authority makes actual monthly payments to its healthcare provider for its portion of the retirees' premiums.

Annual Other Postemployment Benefit (OPEB) Cost and Net OPEB Obligation

The Housing Authority's annual OPEB costs (expense) is calculated based on the ARC. Interest on net OPEB obligation is based on the actuarial interest rate of 4.25% and is computed on the unfunded amount.

The following table shows the components of the annual OPEB cost, the amount actually contributed to the plan, and changes in the net OPEB obligation:

**COUNTY OF MARIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

	December 31, 2016
Annual Required Contribution	\$ 109,434
Interest on Net OPEB Obligation	25,195
Adjustment to Annual Required Contribution	(48,646)
Annual OPEB Cost (Expense)	85,983
Contributions Made	(16,678)
Net OPEB Obligation - Beginning of Year	592,827
Increase in Net OPEB Obligation	69,305
Net OPEB Obligation - End of Year	\$ 662,132

The Housing Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past three years are as follows:

Housing Authority

<u>Fiscal Year Ending December 31.</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>End of Year Net OPEB Obligation</u>
2016	\$ 85,983	19.40 %	\$ 662,132
2015	84,301	10.90	592,827
2014	84,750	10.60	517,731

Funding Status and Funding Progress

As of January 1, 2016 (the latest actuarial measurement date), the actuarial accrued liability for benefits was \$1,208,888, all of which is unfunded. The covered payroll (annual payroll of active employees covered by the plan) for the current fiscal year was \$2.6 million; therefore, unfunded actuarial accrued liability as a percentage of covered payroll is 47.25%.

Actuarial Methods and Assumptions

Specific actuarial assumptions selected by the Authority are, a) a discount rate of 4.25% per year, b) salary increases of 3.25% per year, based on a long-term inflation assumption of 3% per year, c) funding method is entry age normal, with the normal cost computed as a level percentage of salaries, d) the unfunded actuarial accrued liability is amortized as a level percentage of salaries over an open 15-year period, e) turnover, mortality, and retirement rates are taken from the 2014 CalPERS OPEB assumptions model, f) medical premiums are assumed to increase 4% per year after 2017, g) the future eligible retired employees assumed to participate is 52.5% in 2016, increasing to 70% after 2023, h) retirees are expected to keep their same medical plan and marital status after retirement, i) CalPERS administrative expenses are assumed to remain 0.30% in all future years, and j) 50% of the time between age 30 and hire age has been added to past service to approximate CalPERS service with prior employees.

G. Marin County Transit District

The Transit District does not currently provide OPEB to its employees.

**COUNTY OF MARIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 12 COMMITMENTS AND CONTINGENT LIABILITIES

Grants

Grant monies, which represent reimbursement for costs incurred in certain federal and State programs administered by the County, are recognized as revenues when received. Amounts received from grantor agencies are subject to audit and adjustment, principally by the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures that may be disallowed by the grantor cannot be determined at this time. The County expects such amounts, if any, to be immaterial.

Encumbrances

The County uses “encumbrances” to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executor contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve portion of applicable appropriations. As of June 30, 2017, the County’s General Fund had a total of \$50.9 million in encumbrances.

NOTE 13 FUND BALANCES/NET POSITION

Net Position, Net Investment in Capital Assets

Net Position, net investment in capital assets as of June 30, 2017 consisted of the following:

	Governmental Activities	Business-Type Activities
Capital Assets, Net of Accumulated Depreciation	\$ 1,454,358,761	\$ 52,208,632
Outstanding Principal of Capital-Related Debt	(147,279,014)	(6,471,363)
Net Position Net Investment in Capital Assets	<u>\$ 1,307,079,747</u>	<u>\$ 45,737,269</u>

Fund Balance Classifications

In accordance with the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, 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 BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

	General Fund	Health and Human Services Fund	Other Capital Projects Fund	Other Governmental Funds	Total
Fund Balances					
Nonspendable:					
Prepaid items	\$ 1,870,950	\$ -	\$ -	\$ 7,000	\$ 1,877,950
Notes Receivable - Long Term	1,139,525	-	-	-	1,139,525
Advances to Other Funds	667,988	-	-	-	667,988
Deposits with Others	-	-	-	2,104	2,104
Inventory of Supplies	373,504	-	-	114,885	488,389
Total Nonspendable	4,051,967	-	-	123,989	4,175,956
Restricted for:					
General Government	40,820,909	-	-	2,465,099	43,286,008
Public Protection	-	-	-	18,136,771	18,136,771
Public Ways and Facilities	-	-	-	3,092,676	3,092,676
Health and Sanitation	-	-	-	9,982,672	9,982,672
Recreation and Cultural Services	-	-	-	5,178,952	5,178,952
Affordable Housing	-	-	-	29,731,235	29,731,235
Building Inspection	-	-	-	1,670,047	1,670,047
Child Support Services	-	-	-	257,360	257,360
Community Service Area Projects	-	-	-	17,259,459	17,259,459
Employee Retirement Obligation	-	-	-	173,126	173,126
Fish and Game Preservation	-	-	-	189,416	189,416
Flood Control District Zones Projects	-	-	-	24,994,028	24,994,028
Hi Tech ID Theft	-	-	-	9,480	9,480
In-Home Supportive Services	-	-	-	270,020	270,020
Library	-	-	-	5,207,827	5,207,827
Lighting District	-	-	-	2,738,820	2,738,820
Open Space	-	-	-	4,240,140	4,240,140
Permanent Road Districts	-	-	-	460,860	460,860
Sewage Districts	-	-	-	524,821	524,821
Health Services	-	-	-	210,413	210,413
Health and Human Services	-	750,316	-	-	750,316
Environmental Health Services	-	-	-	17,042	17,042
Tobacco Settlement Security	-	-	-	1,132,034	1,132,034
Total Restricted	40,820,909	750,316	-	127,942,298	169,513,523
Committed to:					
Contingency Reserves	26,285,694	-	-	-	26,285,694
Self Insurance	10,520,673	-	-	-	10,520,673
Recreation and Cultural Services	-	-	-	9,687,245	9,687,245
Public Protection	-	-	-	8,037,264	8,037,264
Miscellaneous Capital Projects	13,749,903	-	-	-	13,749,903
State Budget	5,803,954	-	-	-	5,803,954
Open Space	-	-	-	3,000,000	3,000,000
Road Maintenance	-	-	-	25,092	25,092
Total Committed	56,360,224	-	-	20,749,601	77,109,825
Assigned to:					
General Government	27,387,004	-	-	-	27,387,004
Planned Use of Prior Year Fund Balance	25,543,161	-	-	-	25,543,161
Retiree Liability	7,000,000	-	-	-	7,000,000
Employee Retirement Obligation	-	-	-	4,439,409	4,439,409
Facility Improvements	6,100,000	-	-	-	6,100,000
Public Protection	-	-	-	1,979,003	1,979,003
Public Ways and Facilities	-	-	-	1,148,195	1,148,195
Health and Sanitation	-	-	-	21,809,900	21,809,900
Recreation and Cultural Services	-	-	-	7,289,403	7,289,403
Affordable Housing	-	-	-	177,366	177,366
Building Inspection	-	-	-	206,404	206,404
Child Support Services	-	-	-	6,417	6,417
Community Service Area Projects	-	-	-	236,370	236,370
Debt Service	-	-	-	770,967	770,967
Health Services	-	-	-	11,844	11,844
Health and Human Services	-	90,045	-	-	90,045
Environmental Health Services	-	-	-	495,315	495,315
Fish and Game Preservation	-	-	-	2,525	2,525
Flood Control District Zones Projects	-	-	-	77,023	77,023
Hi Tech ID Theft	-	-	-	3,259	3,259
In-Home Supportive Services	-	-	-	6,960	6,960

**COUNTY OF MARIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

	General Fund	Health and Human Services Fund	Other Capital Projects Fund	Other Governmental Funds	Total
Library	-	-	-	2,067,964	2,067,964
Lighting District	-	-	-	36,365	36,365
Courthouse Construction Projects	-	-	-	663,234	663,234
Miscellaneous Capital Projects	-	-	44,740,402	6,639,019	51,379,421
Vehicle and Equipment Replacement	1,349,389	-	-	-	1,349,389
Other Capital Projects	950,000	-	-	-	950,000
Road Maintenance	-	-	-	1,831,371	1,831,371
Sewage District	-	-	-	5,192	5,192
Tobacco Settlement Security	-	-	-	2,520,461	2,520,461
Open Space	-	-	-	1,039,857	1,039,857
Permanent Road Districts	-	-	-	33,762	33,762
Total Assigned	<u>68,329,554</u>	<u>90,045</u>	<u>44,740,402</u>	<u>53,497,585</u>	<u>166,657,586</u>
Unassigned	1,819,492	-	-	-	1,819,492
Total Fund Balance	<u>\$ 171,382,146</u>	<u>\$ 840,361</u>	<u>\$ 44,740,402</u>	<u>\$ 202,313,473</u>	<u>\$ 419,276,382</u>

The amounts assigned in the General Fund for general government purposes are comprised of amounts which have been earmarked for public defense services, affordable housing preservation, building maintenance services, investment in IST systems and applications, and various other general government purposes, including short-term coverage of costs associated with unanticipated expenses.

The amounts restricted in the General Fund for general government purposes is comprised of open contracts and purchase orders within various functions of the government including public protection, public ways and facilities, public assistance, education and recreation and cultural services.

Deficit Net Position

Successor Agency to the Marin County Redevelopment Agency reported a deficit net position of (\$4,964,809). This fund accounts for the activities of the Successor Agency to the Marin County Redevelopment Agency (RDA). The assets and liabilities of the former RDA were transferred to the Successor Agency in February 2012 as a result of the dissolution of the former RDA. The Successor Agency acts in a fiduciary capacity to wind down the affairs of the former RDA, which includes disposing of the assets and liabilities and is reported as a private-purpose trust fund.

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REQUIRED SUPPLEMENTARY INFORMATION

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**COUNTY OF MARIN
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017**

Proportionate Share of the Net Pension Liability

	County of Marin		
	Reporting Period		
	<i>Measurement Date</i>		
Last 10 Fiscal Years*	June 30, 2017 <i>June 30, 2016</i>	June 30, 2016 <i>June 30, 2015</i>	June 30, 2015 <i>June 30, 2014</i>
Proportion of the Net Pension Liability	54.4105 %	52.5803 %	57.4629 %
Proportionate Share of the Net Pension Liability	260,044,342	203,688,484	142,013,491
Covered - Payroll	\$ 180,339,571	\$ 167,380,610	\$ 160,513,845
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	144.2 %	121.7 %	88.5 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Collective)	81.5 %	84.3 %	89.0 %

*Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

Schedule of County Contributions – Pension Plan Liability

Last 10 Fiscal Years*	County of Marin		
	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contributions (Actuarially Determined)	\$ 48,693,249	\$ 48,302,383	\$ 45,217,493
Contributions in Related to the Actuarially Determined Contribution	48,693,249	48,302,383	45,217,493
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 180,339,571	\$ 167,380,610	\$ 160,513,845
Contributions as a Percentage of Covered Payroll	27.0 %	28.9 %	28.2 %

*Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

In accordance with GASB Statement No. 68, a cost-sharing employer is required to recognize a liability for its proportionate share of the net pension liability. The County's net pension liability is measured as its proportionate share of the total pension plan's liability less the County's proportionate share of the pension plan's fiduciary net position. The net pension liability is an accounting measurement for financial statement reporting purposes. In addition, a cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions.

The schedules above present information to illustrate changes in the County's proportionate share of the net pension liability and contributions over a 10-year period when the information is available.

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MARIN
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017**

Schedule of Funding Progress – Other Postemployment Benefit Plan

The table below presents historical information about the funding status of the County's OPEB Plan by providing an analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial liability as a percentage of the annual covered payroll as of the most recent actuarial report (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 Percent- age of Covered Payroll ((b-a)/c)
7/1/2015	\$ 54,688	\$ 349,063	\$ 294,375	15.67 %	\$ 165,972	177.36 %
7/1/2013	26,366	361,711	335,345	7.29	156,928	213.69
7/1/2011	-	382,720	382,720	-	155,293	246.45
7/1/2009	-	359,934	359,934	-	167,616	214.74
7/1/2005	-	378,183	378,183	-	140,993	268.23

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MARIN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 192,559,000	\$ 213,522,527	\$ 218,529,495	\$ 5,006,968
Licenses and Permits	5,280,529	5,065,529	5,490,031	424,502
Intergovernmental Revenues	36,047,641	90,946,134	38,945,418	(52,000,716)
Charges for Services	39,320,969	46,733,996	51,149,700	4,415,704
Fines and Forfeits	7,337,432	7,337,432	7,692,686	355,254
From Use of Money and Property	2,377,664	2,927,664	3,254,235	326,571
Miscellaneous	1,490,104	2,656,358	1,826,745	(829,613)
Total Revenues	284,413,339	369,189,640	326,888,310	(42,301,330)
EXPENDITURES				
Current:				
General Government:				
Assessor-Recorder	8,146,546	8,227,671	7,335,904	891,767
Board of Supervisors	3,665,670	3,719,379	3,328,781	390,598
County Administrator	6,903,252	6,611,950	5,800,566	811,384
County Counsel	5,731,000	5,678,479	5,199,048	479,431
Cultural Services	46,249	426,249	380,678	45,571
Department of Finance	8,504,703	8,440,478	7,455,148	985,330
Elections	2,899,128	3,018,779	2,561,844	456,935
Human Resources	7,054,616	6,632,749	5,720,753	911,996
Information Services and Technology	23,557,141	19,681,703	19,281,630	400,073
Nondepartmental	2,235,798	(4,884,328)	(10,199,545)	5,315,217
Public Works	22,168,629	32,938,136	20,315,014	12,623,122
Total General Government	90,912,732	90,491,245	67,179,821	23,311,424
Public Protection:				
Agricultural Weights and Measures	2,530,230	2,561,661	2,257,251	304,410
Assessor-Recorder	2,068,563	2,050,435	1,851,127	199,308
Child Support Services	1,109,219	1,109,219	971,985	137,234
Community Development Agency	5,840,652	7,829,321	6,616,620	1,212,701
County Administrator	3,346,062	3,356,062	3,347,469	8,593
Department of Finance	518,992	536,857	528,011	8,846
District Attorney	14,559,571	15,474,194	14,671,747	802,447
Fire Department	23,448,409	27,161,745	25,353,990	1,807,755
Nondepartmental	2,108,700	1,456,569	1,404,516	52,053
Probation	17,143,153	17,392,562	16,172,426	1,220,136
Public Defender	7,714,671	7,918,972	7,597,308	321,664
Public Works	5,145,873	7,675,903	5,221,732	2,454,171
Sheriff	66,274,879	66,825,333	65,528,889	1,296,444
Total Public Protection	151,808,974	161,348,833	151,523,071	9,825,762

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MARIN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Current (Continued):				
Public Ways and Facilities:				
Public Works	2,806,173	3,845,274	1,782,154	2,063,120
Total Public Ways and Facilities	<u>2,806,173</u>	<u>3,845,274</u>	<u>1,782,154</u>	<u>2,063,120</u>
Health and Sanitation:				
Community Development Agency	157,943	257,121	211,348	45,773
Public Works	2,350,018	2,457,204	2,201,693	255,511
Total Health and Sanitation	<u>2,507,961</u>	<u>2,714,325</u>	<u>2,413,041</u>	<u>301,284</u>
Public Assistance:				
Community Development Agency	1,677,025	2,308,500	623,427	1,685,073
Health and Human Services	294	319,707	-	319,707
Total Public Assistance	<u>1,677,319</u>	<u>2,628,207</u>	<u>623,427</u>	<u>2,004,780</u>
Education:				
Farm Advisor/UC Coop Ext	296,885	346,885	326,895	19,990
Total Education	<u>296,885</u>	<u>346,885</u>	<u>326,895</u>	<u>19,990</u>
Recreation and Cultural Services:				
Cultural Services	3,813,924	3,465,791	2,894,781	571,010
Parks	6,409,147	6,139,289	5,816,577	322,712
Total Recreation and Cultural Services	<u>10,223,071</u>	<u>9,605,080</u>	<u>8,711,358</u>	<u>893,722</u>
Capital Outlay	9,257,820	16,281,448	7,316,521	8,964,927
Debt Service:				
Principal	270,000	321,450	287,407	34,043
Interest	51,000	61,550	52,391	9,159
Total Debt Service	<u>321,000</u>	<u>383,000</u>	<u>339,798</u>	<u>43,202</u>
Total Expenditures	<u>269,811,935</u>	<u>287,644,297</u>	<u>240,216,086</u>	<u>47,428,211</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	14,601,404	81,545,343	86,672,224	(5,126,881)

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MARIN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	130,992	130,992
Transfers In	1,656,125	3,317,920	3,407,154	89,234
Transfers Out	(65,990,031)	(81,529,667)	(75,791,966)	5,737,701
Total Other Financing Sources (Uses), Net	(64,333,906)	(78,211,747)	(72,253,820)	5,957,927
NET CHANGE IN FUND BALANCE	(49,732,502)	3,333,596	14,418,404	11,084,808
Fund Balance - Beginning of Year	156,963,742	156,963,742	156,963,742	-
FUND BALANCE - END OF YEAR	<u>\$ 107,231,240</u>	<u>\$ 160,297,338</u>	<u>\$ 171,382,146</u>	<u>\$ 11,084,808</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MARIN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
HEALTH AND HUMAN SERVICES OPERATING FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and Permits	\$ 15,000	\$ 15,000	\$ 19,463	\$ 4,463
Intergovernmental	63,590,529	70,514,791	65,012,748	(5,502,043)
Charges for Services	3,487,971	3,463,971	3,334,232	(129,739)
Fines and Forfeits	50,880	50,880	40,848	(10,032)
From Use of Money and Property	8,000	8,000	9,784	1,784
Miscellaneous	115,600	503,600	201,882	(301,718)
Total Revenues	<u>67,267,980</u>	<u>74,556,242</u>	<u>68,618,957</u>	<u>(5,937,285)</u>
EXPENDITURES				
Current:				
Public Protection:				
Health and Human Services	2,171,438	2,021,749	2,018,816	2,933
Health and Sanitation:				
Health and Human Services	99,028,144	102,772,000	87,602,608	15,169,392
Public Assistance:				
Health and Human Services	79,426,529	82,816,261	75,926,172	6,890,089
Capital Outlay	134,808	291,093	121,619	169,474
Total Expenditures	<u>180,760,919</u>	<u>187,901,103</u>	<u>165,669,215</u>	<u>22,231,888</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(113,492,939)	(113,344,861)	(97,050,258)	16,294,603
OTHER FINANCING USES				
Transfers In	110,820,947	123,402,643	100,260,127	(23,142,516)
Transfers Out	(2,869,522)	(2,938,847)	(2,369,508)	569,339
Total Other Financing Uses	<u>107,951,425</u>	<u>120,463,796</u>	<u>97,890,619</u>	<u>(22,573,177)</u>
NET CHANGE IN FUND BALANCE	(5,541,514)	7,118,935	840,361	(6,278,574)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ (5,541,514)</u></u>	<u><u>\$ 7,118,935</u></u>	<u><u>\$ 840,361</u></u>	<u><u>\$ (6,278,574)</u></u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF MARIN
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017**

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 all governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered 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, 2017 totaled to \$50.9 million.

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

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SUPPLEMENTARY INFORMATION

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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, 2017**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
ASSETS				
Cash and Investments in County Pool	\$ 168,209,246	\$ 5,217,723	\$ 7,450,300	\$ 180,877,269
Cash with Fiscal Agent	-	3,658,285	-	3,658,285
Accounts Receivable	304,527	20,444	-	324,971
Prepaid Items	7,000	2,104	-	9,104
Notes Receivable - Long Term	21,458,411	-	-	21,458,411
Due from Other Governmental Agencies	5,590,847	-	444,874	6,035,721
Inventory of Supplies	114,885	-	-	114,885
	<u>\$ 195,684,916</u>	<u>\$ 8,898,556</u>	<u>\$ 7,895,174</u>	<u>\$ 212,478,646</u>
LIABILITIES				
Accounts Payable and Accrued Expenditures	\$ 3,878,278	\$ 27,720	\$ 531,187	\$ 4,437,185
Accrued Salaries and Benefits	1,294,999	-	56,834	1,351,833
Due to Other Funds	63,600	-	-	63,600
Advances Payable	667,988	-	-	667,988
Unearned Revenue	1,052,954	-	-	1,052,954
Other Liabilities	2,450,038	7,579	4,899	2,462,516
Total Liabilities	<u>9,407,857</u>	<u>35,299</u>	<u>592,920</u>	<u>10,036,076</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	<u>129,097</u>	<u>-</u>	<u>-</u>	<u>129,097</u>
FUND BALANCES				
Nonspendable	121,885	2,104	-	123,989
Restricted	126,811,077	1,131,221	-	127,942,298
Committed	20,749,601	-	-	20,749,601
Assigned	38,465,399	7,729,932	7,302,254	53,497,585
Total Fund Balances	<u>186,147,962</u>	<u>8,863,257</u>	<u>7,302,254</u>	<u>202,313,473</u>
Total Liabilities and Fund Balances	<u>\$ 195,684,916</u>	<u>\$ 8,898,556</u>	<u>\$ 7,895,174</u>	<u>\$ 212,478,646</u>

**COUNTY OF MARIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
REVENUES				
Taxes	\$ 51,757,983	\$ 741,818	\$ -	\$ 52,499,801
Licenses and Permits	9,141,680	-	-	9,141,680
Intergovernmental Revenues	96,917,820	-	1,508,393	98,426,213
Charges for Services	2,812,480	-	-	2,812,480
Fines and Forfeits	1,150,345	-	303,673	1,454,018
From Use of Money and Property	961,955	139,163	36,384	1,137,502
Miscellaneous	2,517,218	2,237,567	8,781	4,763,566
Total Revenues	<u>165,259,481</u>	<u>3,118,548</u>	<u>1,857,231</u>	<u>170,235,260</u>
EXPENDITURES				
Current:				
General Government	2,728,539	44,110	1,587,601	4,360,250
Public Protection	28,016,824	-	-	28,016,824
Public Ways and Facilities	10,889,904	-	-	10,889,904
Health and Sanitation	8,979,123	6,474	281	8,985,878
Public Assistance	3,920,877	-	-	3,920,877
Education	15,099,440	-	-	15,099,440
Recreation and Cultural Services	18,552,502	26,114	249,643	18,828,259
Capital Outlay	6,951,897	-	10,019,315	16,971,212
Debt Service:				
Principal	91,277	7,090,031	-	7,181,308
Interest	37,291	10,719,821	-	10,757,112
Total Expenditures	<u>95,267,674</u>	<u>17,886,550</u>	<u>11,856,840</u>	<u>125,011,064</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	69,991,807	(14,768,002)	(9,999,609)	45,224,196
OTHER FINANCING SOURCES (USES)				
Transfers In	4,260,122	15,054,280	4,937,700	24,252,102
Transfers Out	(66,930,010)	(615,523)	(385,439)	(67,930,972)
Total Other Financing Sources (Uses), Net	<u>(62,669,888)</u>	<u>14,438,757</u>	<u>4,552,261</u>	<u>(43,678,870)</u>
NET CHANGE IN FUND BALANCES	7,321,919	(329,245)	(5,447,348)	1,545,326
Fund Balances - Beginning of Year - Restated	<u>178,826,043</u>	<u>9,192,502</u>	<u>12,749,602</u>	<u>200,768,147</u>
FUND BALANCES - END OF YEAR	<u>\$ 186,147,962</u>	<u>\$ 8,863,257</u>	<u>\$ 7,302,254</u>	<u>\$ 202,313,473</u>

NONMAJOR SPECIAL REVENUE FUNDS

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COUNTY OF MARIN NONMAJOR SPECIAL REVENUE FUNDS

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 Maintenance Fund

The Road Maintenance 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, motor fuel, and federal grants. Once moneys are deposited into the Road Maintenance 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.

Marin County Free Library Fund (Library Fund)

Funded primarily from its share of property taxes and user fees, 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 Board. The Board appoints the Director of County Library Services, approves the Library budget, and has the ultimate responsibility for County Library services.

Fish and Game Fund

The Fish and Game Fund provides for expenditures of funds to projects that benefit fish and wildlife in the County pursuant to California Fish and Game Code Section 13100, to advise and make recommendations to the Board 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 Fund (Child Support Fund)

Child Support Services Fund 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. The Fund receives funding from federal and state grants, as well as matching funds from the County 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.

Health and Sanitation Fund

The Health and Sanitation Fund provides for the benefit of well-being of the County residents including administration of federal, state and local entitlement programs, and a vast array of community-based health and human services, including realignment.

- **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.
- **Health and Human Services Operating Fund** – The state of California provides support to the Health and Human Services Operating 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.

**COUNTY OF MARIN
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

Building Inspection Fund

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.

Environmental Health Services Fund

The Environmental Health Services 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 Services 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 Fund (Fishnet Fund)

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 salmon 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 Fund (HUD Fund)

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 Fund

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 Fund

The Sewer Districts Fund provides maintenance of reliable sanitary sewer systems, providing sensitive sewage treatment and disposal to sewer and sanitary districts within the County. The Sewer Districts 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 Fund (CSA's Fund)

The County Service Areas Fund accounts 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.

**COUNTY OF MARIN
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

Lighting District Fund (Lighting Fund)

The Lighting District 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 Fund (PRD's Fund)

The Permanent Road Districts (PRD) Fund is 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 Fund

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 Fund (IHSS Fund)

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 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 Stormwater Management Fund

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 Fund

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 16,000 acres of open space and 160 miles of public trails. Monies in this fund are used for the acquisition and development of parks and open space parcels, for renovation of existing parks and recreation facilities, and for maintenance of acquired properties.

Low-Income Housing Fund

The Low-Income Housing Fund was created to increase the inventory of permanently affordable housing units in the County. This fund provides a local funding source for financial and technical assistance to help affordable housing developers produce and provide affordable housing.

Flood Control District Zones Fund

The Flood Control District 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.

Miscellaneous Special Revenue Fund

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

**COUNTY OF MARIN
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

Public Protection Fund

- Public Safety Realignment – Established by AB 109 (2011), the legislation that realigned low-level offenders from state prison to county jails. The Community Corrections Partnership Board manages the provision of criminal justice services through the departments of Probation, Health and Human Services, the Public Defender, the District Attorney, Marin County Sheriff and the Courts. Other funds providing related services included the Juvenile Justice Crime Prevention Fund, the Youth Offender Fund, and the Adult Felony Probation Fund.
- 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.
- 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.
- COPS Juvenile Justice (Odd and 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 Fund

- 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 Fund

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

Recreational and Cultural Services Fund

- 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.

MCERA Employee Operations Fund

The Marin County Employee Retirement Association (MCERA) is an independent special district, governed by the Retirement Board. This County fund accounts solely for the salaries and benefits of MCERA employees.

Health Services Fund

The Health Service Fund accounts for federal and state funding to support health services for Medi-Cal beneficiaries and other underserved populations.

**COUNTY OF MARIN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017**

	Road Maintenance Fund	Library Fund	Fish and Game Fund	Child Support Fund
ASSETS				
Cash and Investments in County Pool	\$ 1,984,275	\$ 7,730,209	\$ 61,310	\$ 467,238
Accounts Receivable	-	49,011	-	-
Prepaid Items	-	-	-	-
Notes Receivable - Long Term	-	-	-	-
Due from Other Governmental Agencies	251,264	-	-	-
Inventory of Supplies	114,885	-	-	-
	<u>1,984,275</u>	<u>7,730,209</u>	<u>61,310</u>	<u>467,238</u>
Total Assets	<u>\$ 2,350,424</u>	<u>\$ 7,779,220</u>	<u>\$ 61,310</u>	<u>\$ 467,238</u>
LIABILITIES				
Accounts Payable and Accrued Expenditures	\$ 153,463	\$ 101,313	\$ -	\$ 103,330
Accrued Salaries and Benefits	225,593	346,419	-	100,132
Due to Other Funds	-	-	-	-
Advances Payable	-	-	-	-
Unearned Revenue	-	-	-	-
Other Liabilities	21	10,375	-	-
Total Liabilities	<u>379,077</u>	<u>458,107</u>	<u>-</u>	<u>203,462</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	<u>-</u>	<u>45,324</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	114,885	-	-	-
Restricted	-	5,207,827	60,119	257,360
Committed	25,092	-	-	-
Assigned	1,831,370	2,067,962	1,191	6,416
Total Fund Balances	<u>1,971,347</u>	<u>7,275,789</u>	<u>61,310</u>	<u>263,776</u>
Total Liabilities and Fund Balances	<u>\$ 2,350,424</u>	<u>\$ 7,779,220</u>	<u>\$ 61,310</u>	<u>\$ 467,238</u>

**COUNTY OF MARIN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017**

	Health and Sanitation Fund	Building Inspection Fund	Environmental Health Services Fund	Fishnet Fund
ASSETS				
Cash and Investments in County Pool	\$ 30,248,761	\$ 2,043,378	\$ 705,885	\$ 136,716
Accounts Receivable	12	34,402	89,331	-
Prepaid Items	-	-	-	-
Notes Receivable - Long Term	-	-	-	-
Due from Other Governmental Agencies	1,625,062	5,970	195,883	-
Inventory of Supplies	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 31,873,835</u>	<u>\$ 2,083,750</u>	<u>\$ 991,099</u>	<u>\$ 136,716</u>
LIABILITIES				
Accounts Payable and Accrued Expenditures	\$ -	\$ 83,162	\$ 20,254	\$ 6,085
Accrued Salaries and Benefits	-	124,135	51,353	-
Due to Other Funds	-	-	-	-
Advances Payable	-	-	-	-
Unearned Revenue	933	-	407,135	-
Other Liabilities	80,330	-	-	-
Total Liabilities	<u>81,263</u>	<u>207,297</u>	<u>478,742</u>	<u>6,085</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	9,982,672	1,670,047	17,042	129,296
Committed	-	-	-	-
Assigned	21,809,900	206,406	495,315	1,335
Total Fund Balances	<u>31,792,572</u>	<u>1,876,453</u>	<u>512,357</u>	<u>130,631</u>
Total Liabilities and Fund Balances	<u>\$ 31,873,835</u>	<u>\$ 2,083,750</u>	<u>\$ 991,099</u>	<u>\$ 136,716</u>

**COUNTY OF MARIN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017**

	HUD Fund	High Tech Theft Fund	Sewer Districts Fund	CSA's Fund
ASSETS				
Cash and Investments in County Pool	\$ 25,925	\$ 289,953	\$ 531,791	\$ 17,816,748
Accounts Receivable	-	-	344	19,014
Prepaid Items	-	-	-	-
Notes Receivable - Long Term	14,838,134	-	-	-
Due from Other Governmental Agencies	961,942	-	-	-
Inventory of Supplies	-	-	-	-
	<u>15,826,001</u>	<u>289,953</u>	<u>532,135</u>	<u>17,835,762</u>
Total Assets	<u>\$ 15,826,001</u>	<u>\$ 289,953</u>	<u>\$ 532,135</u>	<u>\$ 17,835,762</u>
LIABILITIES				
Accounts Payable and Accrued Expenditures	\$ 120,145	\$ 274,997	\$ 923	\$ 320,889
Accrued Salaries and Benefits	3,701	2,218	-	-
Due to Other Funds	63,600	-	-	-
Advances Payable	594,688	-	-	-
Unearned Revenue	-	-	-	30
Other Liabilities	-	-	855	-
Total Liabilities	<u>782,134</u>	<u>277,215</u>	<u>1,778</u>	<u>320,919</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	344	19,014
	<u>-</u>	<u>-</u>	<u>344</u>	<u>19,014</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	15,043,867	9,479	524,821	17,259,459
Committed	-	-	-	-
Assigned	-	3,259	5,192	236,370
Total Fund Balances	<u>15,043,867</u>	<u>12,738</u>	<u>530,013</u>	<u>17,495,829</u>
Total Liabilities and Fund Balances	<u>\$ 15,826,001</u>	<u>\$ 289,953</u>	<u>\$ 532,135</u>	<u>\$ 17,835,762</u>

**COUNTY OF MARIN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017**

	<u>Lighting Fund</u>	<u>PRD's Fund</u>	<u>Tobacco Settlement Fund</u>	<u>IHSS Fund</u>
ASSETS				
Cash and Investments in County Pool	\$ 2,785,020	\$ 494,621	\$ 19	\$ 362,839
Accounts Receivable	3,543	327	-	-
Prepaid Items	-	-	-	-
Notes Receivable - Long Term	-	-	-	-
Due from Other Governmental Agencies	-	-	75,000	-
Inventory of Supplies	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 2,788,563</u></u>	<u><u>\$ 494,948</u></u>	<u><u>\$ 75,019</u></u>	<u><u>\$ 362,839</u></u>
LIABILITIES				
Accounts Payable and Accrued Expenditures	\$ 9,835	\$ -	\$ -	\$ 70,493
Accrued Salaries and Benefits	-	-	-	15,365
Due to Other Funds	-	-	-	-
Advances Payable	-	-	73,300	-
Unearned Revenue	-	-	-	-
Other Liabilities	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	9,835	-	73,300	85,858
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	<u> 3,543</u>	<u> 327</u>	<u> -</u>	<u> -</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	2,738,820	460,860	813	270,020
Committed	-	-	-	-
Assigned	36,365	33,761	906	6,961
	<u> 2,775,185</u>	<u> 494,621</u>	<u> 1,719</u>	<u> 276,981</u>
Total Fund Balances	<u><u> 2,775,185</u></u>	<u><u> 494,621</u></u>	<u><u> 1,719</u></u>	<u><u> 276,981</u></u>
	<u><u>\$ 2,788,563</u></u>	<u><u>\$ 494,948</u></u>	<u><u>\$ 75,019</u></u>	<u><u>\$ 362,839</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 2,788,563</u></u>	<u><u>\$ 494,948</u></u>	<u><u>\$ 75,019</u></u>	<u><u>\$ 362,839</u></u>

**COUNTY OF MARIN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017**

	Bay Area Stormwater Management Fund	Open Space District Fund	Low-Income Housing Fund	Flood Control District Zones Fund
ASSETS				
Cash and Investments in County Pool	\$ -	\$ 8,569,366	\$ 6,132,194	\$ 25,286,893
Accounts Receivable	-	38,397	-	62,648
Prepaid Items	-	-	-	-
Notes Receivable - Long Term	-	-	6,074,602	-
Due from Other Governmental Agencies	-	-	-	636
Inventory of Supplies	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ 8,607,763</u>	<u>\$ 12,206,796</u>	<u>\$ 25,350,177</u>
LIABILITIES				
Accounts Payable and Accrued Expenditures	\$ -	\$ 177,830	\$ 505	\$ 253,504
Accrued Salaries and Benefits	-	108,799	-	-
Due to Other Funds	-	-	-	-
Advances Payable	-	-	-	-
Unearned Revenue	-	5,933	-	-
Other Liabilities	-	237	14,887	43
Total Liabilities	<u>-</u>	<u>292,799</u>	<u>15,392</u>	<u>253,547</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	<u>-</u>	<u>34,967</u>	<u>-</u>	<u>25,578</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	4,240,140	12,030,383	24,994,028
Committed	-	3,000,000	-	-
Assigned	-	1,039,857	161,021	77,024
Total Fund Balances	<u>-</u>	<u>8,279,997</u>	<u>12,191,404</u>	<u>25,071,052</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 8,607,763</u>	<u>\$ 12,206,796</u>	<u>\$ 25,350,177</u>

**COUNTY OF MARIN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017**

	Miscellaneous Special Revenue Fund	Public Protection Fund	Public Ways and Facilities Fund	Restricted Housing Fund
ASSETS				
Cash and Investments in County Pool	\$ 2,694,214	\$ 31,055,459	\$ 4,265,555	\$ 2,087,899
Accounts Receivable	2,656	446	4,396	-
Prepaid Items	-	-	-	-
Notes Receivable - Long Term	-	-	-	545,675
Due from Other Governmental Agencies	-	-	-	39,757
Inventory of Supplies	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 2,696,870</u></u>	<u><u>\$ 31,055,905</u></u>	<u><u>\$ 4,269,951</u></u>	<u><u>\$ 2,673,331</u></u>
LIABILITIES				
Accounts Payable and Accrued Expenditures	\$ 6,982	\$ 450,855	\$ 26,719	\$ -
Accrued Salaries and Benefits	647	111,213	-	-
Due to Other Funds	-	-	-	-
Advances Payable	-	-	-	-
Unearned Revenue	224,139	-	-	-
Other Liabilities	-	2,340,801	2,361	-
Total Liabilities	<u>231,768</u>	<u>2,902,869</u>	<u>29,080</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	2,465,102	18,136,770	3,092,676	2,656,986
Committed	-	8,037,264	-	-
Assigned	-	1,979,002	1,148,195	16,345
Total Fund Balances	<u>2,465,102</u>	<u>28,153,036</u>	<u>4,240,871</u>	<u>2,673,331</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u><u>\$ 2,696,870</u></u>	<u><u>\$ 31,055,905</u></u>	<u><u>\$ 4,269,951</u></u>	<u><u>\$ 2,673,331</u></u>

**COUNTY OF MARIN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017**

	Recreational and Cultural Services Fund	MCERA Employee Operations Fund	Health Services Fund	Total
ASSETS				
Cash and Investments in County Pool	\$ 21,439,859	\$ 249,645	\$ 743,474	\$ 168,209,246
Accounts Receivable	-	-	-	304,527
Prepaid Items	7,000	-	-	7,000
Notes Receivable - Long Term	-	-	-	21,458,411
Due from Other Governmental Agencies	2,435,333	-	-	5,590,847
Inventory of Supplies	-	-	-	114,885
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 23,882,192</u>	<u>\$ 249,645</u>	<u>\$ 743,474</u>	<u>\$ 195,684,916</u>
LIABILITIES				
Accounts Payable and Accrued Expenditures	\$ 1,590,561	\$ -	\$ 106,433	\$ 3,878,278
Accrued Salaries and Benefits	128,904	76,520	-	1,294,999
Due to Other Funds	-	-	-	63,600
Advances Payable	-	-	-	667,988
Unearned Revenue	-	-	414,784	1,052,954
Other Liabilities	128	-	-	2,450,038
Total Liabilities	<u>1,719,593</u>	<u>76,520</u>	<u>521,217</u>	<u>9,407,857</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,097</u>
FUND BALANCES				
Nonspendable	7,000	-	-	121,885
Restricted	5,178,952	173,125	210,413	126,811,077
Committed	9,687,245	-	-	20,749,601
Assigned	7,289,402	-	11,844	38,465,399
Total Fund Balances	<u>22,162,599</u>	<u>173,125</u>	<u>222,257</u>	<u>186,147,962</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 23,882,192</u>	<u>\$ 249,645</u>	<u>\$ 743,474</u>	<u>\$ 195,684,916</u>

**COUNTY OF MARIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017**

	Road Maintenance Fund	Library Fund	Fish and Game Fund	Child Support Fund
REVENUES				
Taxes	\$ -	\$ 15,124,710	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	4,770,911	232,189	-	3,614,944
Charges for Services	357,931	562,451	-	-
Fines and Forfeits	-	-	23,937	-
From Use of Money and Property	11,713	28,246	259	3,295
Miscellaneous	11,571	824,763	-	-
Total Revenues	<u>5,152,126</u>	<u>16,772,359</u>	<u>24,196</u>	<u>3,618,239</u>
EXPENDITURES				
Current:				
General Government	30,071	127,800	-	-
Public Protection	-	-	39,223	3,500,435
Public Ways and Facilities	9,634,047	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	-
Education	-	15,099,440	-	-
Recreation and Cultural Services	-	-	-	-
Capital Outlay	138,217	8,360	-	27,706
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>9,802,335</u>	<u>15,235,600</u>	<u>39,223</u>	<u>3,528,141</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,650,209)	1,536,759	(15,027)	90,098
OTHER FINANCING SOURCES (USES)				
Transfers In	2,503,786	269,525	-	-
Transfers Out	(247,936)	(344,405)	-	(90,099)
Total Other Financing Sources (Uses), Net	<u>2,255,850</u>	<u>(74,880)</u>	<u>-</u>	<u>(90,099)</u>
NET CHANGE IN FUND BALANCES	(2,394,359)	1,461,879	(15,027)	(1)
Fund Balances - Beginning of Year	<u>4,365,706</u>	<u>5,813,910</u>	<u>76,337</u>	<u>263,777</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,971,347</u>	<u>\$ 7,275,789</u>	<u>\$ 61,310</u>	<u>\$ 263,776</u>

**COUNTY OF MARIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017**

	Health and Sanitation Fund	Building Inspection Fund	Environmental Health Services Fund	Fishnet Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	52,579	3,212,152	3,669,699	-
Intergovernmental Revenues	53,200,322	-	199,050	-
Charges for Services	79,605	75,540	344,476	-
Fines and Forfeits	586,901	723	-	-
From Use of Money and Property	154,278	9,371	2,623	644
Miscellaneous	-	-	94,788	-
Total Revenues	<u>54,073,685</u>	<u>3,297,786</u>	<u>4,310,636</u>	<u>644</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Protection	-	3,249,892	-	-
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	3,801,213	-
Public Assistance	-	-	-	-
Education	-	-	-	-
Recreation and Cultural Services	-	-	-	-
Capital Outlay	-	58,468	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>-</u>	<u>3,308,360</u>	<u>3,801,213</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	54,073,685	(10,574)	509,423	644
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	29,622	-
Transfers Out	(49,803,264)	(67,394)	(86,678)	-
Total Other Financing Sources (Uses), Net	<u>(49,803,264)</u>	<u>(67,394)</u>	<u>(57,056)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	4,270,421	(77,968)	452,367	644
Fund Balances - Beginning of Year	<u>27,522,151</u>	<u>1,954,421</u>	<u>59,990</u>	<u>129,987</u>
FUND BALANCES - END OF YEAR	<u>\$ 31,792,572</u>	<u>\$ 1,876,453</u>	<u>\$ 512,357</u>	<u>\$ 130,631</u>

COUNTY OF MARIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	HUD Fund	High Tech Theft Fund	Sewer Districts Fund	CSA's Fund
REVENUES				
Taxes	\$ -	\$ -	\$ 140,290	\$ 6,409,632
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	2,828,489	1,437,908	337	101,380
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
From Use of Money and Property	-	1,611	2,410	88,530
Miscellaneous	-	-	-	1,091
Total Revenues	<u>2,828,489</u>	<u>1,439,519</u>	<u>143,037</u>	<u>6,600,633</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Protection	-	1,428,755	-	3,793,178
Public Ways and Facilities	-	-	-	31,383
Health and Sanitation	-	-	99,147	425,457
Public Assistance	2,266,869	-	-	-
Education	-	-	-	-
Recreation and Cultural Services	-	-	-	2,015,583
Capital Outlay	-	24,636	-	635,387
Debt Service:				
Principal	-	-	-	48,700
Interest	-	-	-	29,340
Total Expenditures	<u>2,266,869</u>	<u>1,453,391</u>	<u>99,147</u>	<u>6,979,028</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	561,620	(13,872)	43,890	(378,395)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	25,000
Transfers Out	(9,756)	-	-	-
Total Other Financing Sources (Uses), Net	<u>(9,756)</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
NET CHANGE IN FUND BALANCES	551,864	(13,872)	43,890	(353,395)
Fund Balances - Beginning of Year	<u>14,492,003</u>	<u>26,610</u>	<u>486,123</u>	<u>17,849,224</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 15,043,867</u></u>	<u><u>\$ 12,738</u></u>	<u><u>\$ 530,013</u></u>	<u><u>\$ 17,495,829</u></u>

**COUNTY OF MARIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017**

	Lighting Fund	PRD's Fund	Tobacco Settlement Fund	IHSS Fund
REVENUES				
Taxes	\$ 983,903	\$ 95,150	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	3,465	320	149,998	2,635,416
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
From Use of Money and Property	12,022	2,232	-	1,724
Miscellaneous	3,975	-	-	-
Total Revenues	<u>1,003,365</u>	<u>97,702</u>	<u>149,998</u>	<u>2,637,140</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Protection	-	-	-	-
Public Ways and Facilities	469,448	77,511	-	-
Health and Sanitation	-	-	-	2,419,988
Public Assistance	-	-	-	-
Education	-	-	-	-
Recreation and Cultural Services	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	42,577	-	-	-
Interest	7,951	-	-	-
Total Expenditures	<u>519,976</u>	<u>77,511</u>	<u>-</u>	<u>2,419,988</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	483,389	20,191	149,998	217,152
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	(150,000)	-
Total Other Financing Sources (Uses), Net	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	483,389	20,191	(2)	217,152
Fund Balances - Beginning of Year	<u>2,291,796</u>	<u>474,430</u>	<u>1,721</u>	<u>59,829</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,775,185</u>	<u>\$ 494,621</u>	<u>\$ 1,719</u>	<u>\$ 276,981</u>

**COUNTY OF MARIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017**

	Bay Area Stormwater Management Fund	Open Space District Fund	Low-Income Housing Fund	Flood Control District Zones Fund
REVENUES				
Taxes	\$ -	\$ 7,174,961	\$ -	\$ 8,586,247
Licenses and Permits	-	-	220,295	40
Intergovernmental Revenues	-	100,491	-	24,759
Charges for Services	-	553	42,133	363,016
Fines and Forfeits	-	-	-	-
From Use of Money and Property	-	60,939	112,266	140,294
Miscellaneous	-	96,254	757,600	660,429
Total Revenues	<u>-</u>	<u>7,433,198</u>	<u>1,132,294</u>	<u>9,774,785</u>
EXPENDITURES				
Current:				
General Government	50	318,501	-	-
Public Protection	-	-	-	9,052,906
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	1,266,691	-
Education	-	-	-	-
Recreation and Cultural Services	-	6,469,694	-	-
Capital Outlay	-	46,865	-	3,838,945
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>50</u>	<u>6,835,060</u>	<u>1,266,691</u>	<u>12,891,851</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(50)	598,138	(134,397)	(3,117,066)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	1,250,000	177,189
Transfers Out	-	(133,069)	(175,047)	-
Total Other Financing Sources (Uses), Net	<u>-</u>	<u>(133,069)</u>	<u>1,074,953</u>	<u>177,189</u>
NET CHANGE IN FUND BALANCES	(50)	465,069	940,556	(2,939,877)
Fund Balances - Beginning of Year	<u>50</u>	<u>7,814,928</u>	<u>11,250,848</u>	<u>28,010,929</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 8,279,997</u>	<u>\$ 12,191,404</u>	<u>\$ 25,071,052</u>

**COUNTY OF MARIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017**

	Miscellaneous Special Revenue Fund	Public Protection Fund	Public Ways and Facilities Fund	Restricted Housing Fund
REVENUES				
Taxes	\$ -	\$ -	\$ 65,327	\$ -
Licenses and Permits	-	-	1,986,915	-
Intergovernmental Revenues	269,929	22,451,377	81,271	-
Charges for Services	533,118	427,448	22,985	-
Fines and Forfeits	-	538,784	-	-
From Use of Money and Property	14,079	155,113	48,117	7,520
Miscellaneous	-	21,394	24,668	-
Total Revenues	<u>817,126</u>	<u>23,594,116</u>	<u>2,229,283</u>	<u>7,520</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Protection	620,490	6,331,945	-	-
Public Ways and Facilities	-	-	677,515	-
Health and Sanitation	136,703	696,764	77,050	-
Public Assistance	-	387,317	-	-
Education	-	-	-	-
Recreation and Cultural Services	-	-	-	-
Capital Outlay	223,080	183,050	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>980,273</u>	<u>7,599,076</u>	<u>754,565</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(163,147)	15,995,040	1,474,718	7,520
OTHER FINANCING SOURCES (USES)				
Transfers In	5,000	-	-	-
Transfers Out	(264,746)	(12,609,950)	(1,750,000)	-
Total Other Financing Sources (Uses), Net	<u>(259,746)</u>	<u>(12,609,950)</u>	<u>(1,750,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(422,893)	3,385,090	(275,282)	7,520
Fund Balances - Beginning of Year	<u>2,887,995</u>	<u>24,767,946</u>	<u>4,516,153</u>	<u>2,665,811</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,465,102</u>	<u>\$ 28,153,036</u>	<u>\$ 4,240,871</u>	<u>\$ 2,673,331</u>

COUNTY OF MARIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Recreational and Cultural Services Fund	MCERA Employee Operations Fund	Health Services Fund	Total
REVENUES				
Taxes	\$ 13,177,763	\$ -	\$ -	\$ 51,757,983
Licenses and Permits	-	-	-	9,141,680
Intergovernmental Revenues	97,144	2,329,386	2,388,734	96,917,820
Charges for Services	3,224	-	-	2,812,480
Fines and Forfeits	-	-	-	1,150,345
From Use of Money and Property	97,570	-	7,099	961,955
Miscellaneous	20,685	-	-	2,517,218
Total Revenues	<u>13,396,386</u>	<u>2,329,386</u>	<u>2,395,833</u>	<u>165,259,481</u>
EXPENDITURES				
Current:				
General Government	-	2,252,117	-	2,728,539
Public Protection	-	-	-	28,016,824
Public Ways and Facilities	-	-	-	10,889,904
Health and Sanitation	-	-	1,322,801	8,979,123
Public Assistance	-	-	-	3,920,877
Education	-	-	-	15,099,440
Recreation and Cultural Services	10,067,225	-	-	18,552,502
Capital Outlay	1,767,183	-	-	6,951,897
Debt Service:				
Principal	-	-	-	91,277
Interest	-	-	-	37,291
Total Expenditures	<u>11,834,408</u>	<u>2,252,117</u>	<u>1,322,801</u>	<u>95,267,674</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,561,978	77,269	1,073,032	69,991,807
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	4,260,122
Transfers Out	(66,400)	(65,333)	(1,065,933)	(66,930,010)
Total Other Financing Sources (Uses), Net	<u>(66,400)</u>	<u>(65,333)</u>	<u>(1,065,933)</u>	<u>(62,669,888)</u>
NET CHANGE IN FUND BALANCES	1,495,578	11,936	7,099	7,321,919
Fund Balances - Beginning of Year	<u>20,667,021</u>	<u>161,189</u>	<u>215,158</u>	<u>178,826,043</u>
FUND BALANCES - END OF YEAR	<u>\$ 22,162,599</u>	<u>\$ 173,125</u>	<u>\$ 222,257</u>	<u>\$ 186,147,962</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
ROAD MAINTENANCE FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 5,831,264	\$ 5,831,264	\$ 4,770,911	\$ (1,060,353)
Charges for Services	1,000,000	1,000,000	357,931	(642,069)
From Use of Money and Property	5,000	5,000	11,713	6,713
Miscellaneous	60,000	60,000	11,571	(48,429)
Total Revenues	<u>6,896,264</u>	<u>6,896,264</u>	<u>5,152,126</u>	<u>(1,744,138)</u>
EXPENDITURES				
Current:				
General Government:				
Public Works	-	34,310	30,071	4,239
Public Ways and Facilities:				
Public Works	10,761,091	10,305,451	9,634,047	671,404
Capital Outlay	<u>222,334</u>	<u>268,431</u>	<u>138,217</u>	<u>130,214</u>
Total Expenditures	<u>10,983,425</u>	<u>10,608,192</u>	<u>9,802,335</u>	<u>805,857</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,087,161)	(3,711,928)	(4,650,209)	(938,281)
OTHER FINANCING SOURCES (USES)				
Transfers In	2,503,786	2,503,786	2,503,786	-
Transfers Out	<u>-</u>	<u>(256,357)</u>	<u>(247,936)</u>	<u>8,421</u>
Total Other Financing Sources (Uses), Net	<u>2,503,786</u>	<u>2,247,429</u>	<u>2,255,850</u>	<u>8,421</u>
NET CHANGE IN FUND BALANCE	(1,583,375)	(1,464,499)	(2,394,359)	(929,860)
Fund Balance - Beginning of Year	<u>4,365,706</u>	<u>4,365,706</u>	<u>4,365,706</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 2,782,331</u></u>	<u><u>\$ 2,901,207</u></u>	<u><u>\$ 1,971,347</u></u>	<u><u>\$ (929,860)</u></u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
LIBRARY FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 14,355,000	\$ 14,355,000	\$ 15,124,710	\$ 769,710
Intergovernmental Revenues	204,358	230,396	232,189	1,793
Charges for Services	708,640	708,640	562,451	(146,189)
From Use of Money and Property	7,725	7,725	28,246	20,521
Miscellaneous	53,012	118,494	824,763	706,269
Total Revenues	<u>15,328,735</u>	<u>15,420,255</u>	<u>16,772,359</u>	<u>1,352,104</u>
EXPENDITURES				
Current:				
General Government:				
Marin County Free Library	500,000	133,896	127,800	6,096
Education:				
Law Library	173,976	184,602	168,646	15,956
Marin County Free Library	16,264,922	16,127,646	14,930,794	1,196,852
Total Education	<u>16,438,898</u>	<u>16,312,248</u>	<u>15,099,440</u>	<u>1,212,808</u>
Capital Outlay	<u>86,980</u>	<u>443,329</u>	<u>8,360</u>	<u>434,969</u>
Total Expenditures	<u>17,025,878</u>	<u>16,889,473</u>	<u>15,235,600</u>	<u>1,653,873</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,697,143)	(1,469,218)	1,536,759	3,005,977
OTHER FINANCING SOURCES (USES)				
Transfers In	161,000	215,479	269,525	54,046
Transfers Out	<u>-</u>	<u>(350,000)</u>	<u>(344,405)</u>	<u>5,595</u>
Total Other Financing Sources (Uses), Net	<u>161,000</u>	<u>(134,521)</u>	<u>(74,880)</u>	<u>59,641</u>
NET CHANGE IN FUND BALANCE	(1,536,143)	(1,603,739)	1,461,879	3,065,618
Fund Balance - Beginning of Year	<u>5,813,910</u>	<u>5,813,910</u>	<u>5,813,910</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 4,277,767</u></u>	<u><u>\$ 4,210,171</u></u>	<u><u>\$ 7,275,789</u></u>	<u><u>\$ 3,065,618</u></u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
FISH AND GAME FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and Forfeits	\$ 55,000	\$ 55,000	\$ 23,937	\$ (31,063)
From Use of Money and Property	-	-	259	259
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>24,196</u>	<u>(30,804)</u>
EXPENDITURES				
Current:				
Public Protection:				
Nondepartmental	<u>55,000</u>	<u>55,000</u>	<u>39,223</u>	<u>15,777</u>
NET CHANGE IN FUND BALANCE	-	-	(15,027)	(15,027)
Fund Balance - Beginning of Year	<u>76,337</u>	<u>76,337</u>	<u>76,337</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 76,337</u>	<u>\$ 76,337</u>	<u>\$ 61,310</u>	<u>\$ (15,027)</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
CHILD SUPPORT FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 3,858,270	\$ 3,869,987	\$ 3,614,944	\$ (255,043)
From Use of Money and Property	2,000	2,000	3,295	1,295
Miscellaneous	128,876	117,159	-	(117,159)
Total Revenues	<u>3,989,146</u>	<u>3,989,146</u>	<u>3,618,239</u>	<u>(370,907)</u>
EXPENDITURES				
Current:				
Public Protection:				
Child Support Services	3,995,238	3,870,145	3,500,435	369,710
Capital Outlay	-	28,000	27,706	294
Total Expenditures	<u>3,995,238</u>	<u>3,898,145</u>	<u>3,528,141</u>	<u>370,004</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,092)	91,001	90,098	(903)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(91,000)	(90,099)	901
NET CHANGE IN FUND BALANCE	(6,092)	1	(1)	(2)
Fund Balance - Beginning of Year	<u>263,777</u>	<u>263,777</u>	<u>263,777</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 257,685</u></u>	<u><u>\$ 263,778</u></u>	<u><u>\$ 263,776</u></u>	<u><u>\$ (2)</u></u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
HEALTH AND SANITATION FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and Permits	\$ 66,000	\$ 66,000	\$ 52,579	\$ (13,421)
Intergovernmental Revenues	52,243,848	57,713,711	53,200,322	(4,513,389)
Charges for Services	-	45,000	79,605	34,605
Fines and Forfeits	1,134,700	765,255	586,901	(178,354)
From Use of Money and Property	-	-	154,278	154,278
Total Revenues	<u>53,444,548</u>	<u>58,589,966</u>	<u>54,073,685</u>	<u>(4,516,281)</u>
EXPENDITURES				
Health and Sanitation				
Health and Human Services	<u>-</u>	<u>45,000</u>	<u>-</u>	<u>45,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	53,444,548	58,544,966	54,073,685	(4,471,281)
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(53,444,548)</u>	<u>(58,813,196)</u>	<u>(49,803,264)</u>	<u>9,009,932</u>
NET CHANGE IN FUND BALANCE	-	(268,230)	4,270,421	4,538,651
Fund Balance - Beginning of Year	<u>27,522,151</u>	<u>27,522,151</u>	<u>27,522,151</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 27,522,151</u></u>	<u><u>\$ 27,253,921</u></u>	<u><u>\$ 31,792,572</u></u>	<u><u>\$ 4,538,651</u></u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
BUILDING INSPECTION FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and Permits	\$ 2,820,500	\$ 3,000,500	\$ 3,212,152	\$ 211,652
Charges for Services	52,000	52,000	75,540	23,540
Fines and Forfeits	-	-	723	723
From Use of Money and Property	-	-	9,371	9,371
Total Revenues	<u>2,872,500</u>	<u>3,052,500</u>	<u>3,297,786</u>	<u>245,286</u>
EXPENDITURES				
Current:				
Public Protection:				
Community Development Agency	3,195,573	3,251,430	3,249,892	1,538
Capital Outlay	<u>35,000</u>	<u>66,799</u>	<u>58,468</u>	<u>8,331</u>
Total Expenditures	<u>3,230,573</u>	<u>3,318,229</u>	<u>3,308,360</u>	<u>9,869</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(358,073)	(265,729)	(10,574)	255,155
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>-</u>	<u>(68,000)</u>	<u>(67,394)</u>	<u>606</u>
NET CHANGE IN FUND BALANCE	(358,073)	(333,729)	(77,968)	255,761
Fund Balance - Beginning of Year	<u>1,954,421</u>	<u>1,954,421</u>	<u>1,954,421</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,596,348</u></u>	<u><u>\$ 1,620,692</u></u>	<u><u>\$ 1,876,453</u></u>	<u><u>\$ 255,761</u></u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
ENVIRONMENTAL HEALTH SERVICES FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and Permits	\$ 3,624,502	\$ 3,624,502	\$ 3,669,699	\$ 45,197
Intergovernmental Revenues	220,000	428,602	199,050	(229,552)
Charges for Services	233,550	388,124	344,476	(43,648)
From Use of Money and Property	-	-	2,623	2,623
Miscellaneous	3,500	91,500	94,788	3,288
Total Revenues	<u>4,081,552</u>	<u>4,532,728</u>	<u>4,310,636</u>	<u>(222,092)</u>
EXPENDITURES				
Current:				
Health and Sanitation:				
Community Development Agency	4,392,450	4,711,133	3,801,213	909,920
Capital Outlay	<u>31,350</u>	<u>51,187</u>	<u>-</u>	<u>51,187</u>
Total Expenditures	<u>4,423,800</u>	<u>4,762,320</u>	<u>3,801,213</u>	<u>961,107</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(342,248)	(229,592)	509,423	739,015
OTHER FINANCING SOURCES (USES)				
Transfers In	-	145,000	29,622	(115,378)
Transfers Out	<u>-</u>	<u>(87,434)</u>	<u>(86,678)</u>	<u>756</u>
Total Other Financing Sources (Uses), Net	<u>-</u>	<u>57,566</u>	<u>(57,056)</u>	<u>(114,622)</u>
NET CHANGE IN FUND BALANCE	(342,248)	(172,026)	452,367	624,393
Fund Balance - Beginning of Year	<u>59,990</u>	<u>59,990</u>	<u>59,990</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (282,258)</u>	<u>\$ (112,036)</u>	<u>\$ 512,357</u>	<u>\$ 624,393</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
FISHNET FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
From Use of Money and Property	\$ -	\$ -	\$ 644	\$ 644
NET CHANGE IN FUND BALANCE	-	-	644	644
Fund Balance - Beginning of Year	129,987	129,987	129,987	-
FUND BALANCE - END OF YEAR	<u>\$ 129,987</u>	<u>\$ 129,987</u>	<u>\$ 130,631</u>	<u>\$ 644</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
HUD FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 1,766,214	\$ 4,509,254	\$ 2,828,489	\$ (1,680,765)
EXPENDITURES				
Current:				
Public Assistance:				
Community Development Agency	<u>1,766,214</u>	<u>4,499,254</u>	<u>2,266,869</u>	<u>2,232,385</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	10,000	561,620	551,620
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>-</u>	<u>(10,000)</u>	<u>(9,756)</u>	<u>244</u>
NET CHANGE IN FUND BALANCE	-	-	551,864	551,864
Fund Balance - Beginning of Year	<u>14,492,003</u>	<u>14,492,003</u>	<u>14,492,003</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 14,492,003</u></u>	<u><u>\$ 14,492,003</u></u>	<u><u>\$ 15,043,867</u></u>	<u><u>\$ 551,864</u></u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
HIGH TECH THEFT FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 3,078,791	\$ 3,078,791	\$ 1,437,908	\$ (1,640,883)
From Use of Money and Property	-	-	1,611	1,611
Total Revenues	<u>3,078,791</u>	<u>3,078,791</u>	<u>1,439,519</u>	<u>(1,639,272)</u>
EXPENDITURES				
Current:				
Public Protection:				
District Attorney	2,808,778	2,808,778	1,428,755	1,380,023
Capital Outlay	<u>282,082</u>	<u>282,082</u>	<u>24,636</u>	<u>257,446</u>
Total Expenditures	<u>3,090,860</u>	<u>3,090,860</u>	<u>1,453,391</u>	<u>1,637,469</u>
NET CHANGE IN FUND BALANCE	(12,069)	(12,069)	(13,872)	(1,803)
Fund Balance - Beginning of Year	<u>26,610</u>	<u>26,610</u>	<u>26,610</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 14,541</u></u>	<u><u>\$ 14,541</u></u>	<u><u>\$ 12,738</u></u>	<u><u>\$ (1,803)</u></u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
SEWER DISTRICTS FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 116,367	\$ 116,367	\$ 140,290	\$ 23,923
Intergovernmental Revenues	310	310	337	27
Charges for Services	-	680	-	(680)
From Use of Money and Property	680	-	2,410	2,410
Total Revenues	<u>117,357</u>	<u>117,357</u>	<u>143,037</u>	<u>25,680</u>
EXPENDITURES				
Current:				
Health and Sanitation:				
SMD Murray Park	96,057	96,057	72,025	24,032
SMD San Quentin	<u>68,289</u>	<u>36,536</u>	<u>27,122</u>	<u>9,414</u>
Total Expenditures	<u>164,346</u>	<u>132,593</u>	<u>99,147</u>	<u>33,446</u>
NET CHANGE IN FUND BALANCE	(46,989)	(15,236)	43,890	59,126
Fund Balance - Beginning of Year	<u>486,123</u>	<u>486,123</u>	<u>486,123</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 439,134</u>	<u>\$ 470,887</u>	<u>\$ 530,013</u>	<u>\$ 59,126</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
COUNTY SERVICE AREAS FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 5,691,616	\$ 5,752,623	\$ 6,409,632	\$ 657,009
Intergovernmental Revenues	17,543	17,543	101,380	83,837
From Use of Money and Property	16,224	16,223	88,530	72,307
Miscellaneous	-	-	1,091	1,091
Total Revenues	<u>5,725,383</u>	<u>5,786,389</u>	<u>6,600,633</u>	<u>814,244</u>
EXPENDITURES				
Current:				
Public Protection:				
CSA #31 County Fire	-	565,200	508,000	57,200
CSA #13 Marin County Upper Lucas	835,501	823,123	676,668	146,455
CSA #17 Kentfield	181,368	185,675	185,675	-
CSA #19 Fire Protection Services	2,115,876	2,315,876	2,315,876	-
CSA #29 Paradise Cay	50,676	120,100	18,112	101,988
CSA #6 Santa Venetia	116,006	144,501	88,847	55,654
Total Public Protection	<u>3,299,427</u>	<u>4,154,475</u>	<u>3,793,178</u>	<u>361,297</u>
Public Ways and Facilities:				
CSA #17 Kentfield LPR	-	56,700	777	55,923
CSA #1 Loma Verde	77,798	77,798	8,314	69,484
CSA #9 Northbridge	31,400	31,062	22,292	8,770
Total Public Ways and Facilities	<u>109,198</u>	<u>165,560</u>	<u>31,383</u>	<u>134,177</u>
Health and Sanitation:				
CSA #27 Ross Valley Paramedic	45,554	45,554	47,049	(1,495)
CSA #28 West Marin Paramedic	6,408	388,508	378,408	10,100
Total Health and Sanitation	<u>51,962</u>	<u>434,062</u>	<u>425,457</u>	<u>8,605</u>
Recreation and Cultural Services:				
CSA #14 Homestead Valley	420,814	377,748	263,102	114,646
CSA #16 Greenbrae	513,583	408,902	286,375	122,527
CSA #17 Kentfield	1,667,238	1,588,520	1,262,279	326,241
CSA #18 Gallinas Village Area	218,984	208,306	177,795	30,511
CSA #20 Indian Valley	100,084	100,084	84	100,000
CSA #33 Stinson Beach	48,158	32,902	25,948	6,954
Total Recreation and Cultural Services	<u>2,968,861</u>	<u>2,716,462</u>	<u>2,015,583</u>	<u>700,879</u>
Capital Outlay	200,000	5,720,000	635,387	5,084,613
Debt Service:				
Principal	48,695	48,700	48,700	-
Interest	29,345	29,340	29,340	-
Total Debt Service	<u>78,040</u>	<u>78,040</u>	<u>78,040</u>	<u>-</u>
Total Expenditures	<u>6,707,488</u>	<u>13,268,599</u>	<u>6,979,028</u>	<u>6,289,571</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
COUNTY SERVICE AREAS FUND (CONTINUED)
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (982,105)	\$ (7,482,210)	\$ (378,395)	\$ 7,103,815
OTHER FINANCING SOURCES (USES)				
Transfers In	25,000	25,000	25,000	-
Transfers Out	(947,300)	-	-	-
Total Other Financing Sources (Uses), Net	(922,300)	25,000	25,000	-
NET CHANGE IN FUND BALANCE	(1,904,405)	(7,457,210)	(353,395)	7,103,815
Fund Balance - Beginning of Year	17,849,224	17,849,224	17,849,224	-
FUND BALANCE - END OF YEAR	<u>\$ 15,944,819</u>	<u>\$ 10,392,014</u>	<u>\$ 17,495,829</u>	<u>\$ 7,103,815</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
LIGHTING FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 882,260	\$ 882,260	\$ 983,903	\$ 101,643
Intergovernmental Revenues	3,541	3,541	3,465	(76)
Fines and Forfeits	3,229	3,229	-	(3,229)
From Use of Money and Property	-	-	12,022	12,022
Miscellaneous	16,450	16,450	3,975	(12,475)
Total Revenues	<u>905,480</u>	<u>905,480</u>	<u>1,003,365</u>	<u>97,885</u>
EXPENDITURES				
Current:				
Public Ways and Facilities:				
Marin County Lighting	519,218	478,752	378,747	100,005
Rush Creek Lighting	165,428	152,587	90,701	61,886
Total Public Ways and Facilities	<u>684,646</u>	<u>631,339</u>	<u>469,448</u>	<u>161,891</u>
Debt Service:				
Principal	38,618	63,386	42,577	20,809
Interest	11,910	15,718	7,951	7,767
Total Debt Service	<u>50,528</u>	<u>79,104</u>	<u>50,528</u>	<u>28,576</u>
Total Expenditures	<u>735,174</u>	<u>710,443</u>	<u>519,976</u>	<u>190,467</u>
NET CHANGE IN FUND BALANCE	170,306	195,037	483,389	288,352
Fund Balance - Beginning of Year	<u>2,291,796</u>	<u>2,291,796</u>	<u>2,291,796</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 2,462,102</u></u>	<u><u>\$ 2,486,833</u></u>	<u><u>\$ 2,775,185</u></u>	<u><u>\$ 288,352</u></u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
PERMANENT ROAD DISTRICTS FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 85,318	\$ 85,318	\$ 95,150	\$ 9,832
Intergovernmental Revenues	323	323	320	(3)
From Use of Money and Property	268	268	2,232	1,964
Total Revenues	<u>85,909</u>	<u>85,909</u>	<u>97,702</u>	<u>11,793</u>
EXPENDITURES				
Current:				
Public Ways and Facilities:				
PRD Bolinas Highlands	37,005	37,005	2,334	34,671
PRD Inverness Div#2	23,000	23,000	-	23,000
PRD Monte Cristo	30,070	30,070	-	30,070
PRD Mt. View Ave. Lagunitas	100,000	-	-	-
PRD Paradise Estates	-	100,000	75,177	24,823
Total Public Ways and Facilities	<u>190,075</u>	<u>190,075</u>	<u>77,511</u>	<u>112,564</u>
NET CHANGE IN FUND BALANCE	(104,166)	(104,166)	20,191	124,357
Fund Balance - Beginning of Year	<u>474,430</u>	<u>474,430</u>	<u>474,430</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 370,264</u>	<u>\$ 370,264</u>	<u>\$ 494,621</u>	<u>\$ 124,357</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
TOBACCO SETTLEMENT FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 150,000	\$ 150,000	\$ 149,998	\$ (2)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(150,000)	(150,000)	(150,000)	-
NET CHANGE IN FUND BALANCE	-	-	(2)	(2)
Fund Balance - Beginning of Year	1,721	1,721	1,721	-
FUND BALANCE - END OF YEAR	<u>\$ 1,721</u>	<u>\$ 1,721</u>	<u>\$ 1,719</u>	<u>\$ (2)</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
IN-HOME SUPPORTIVE SERVICES FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ 326,844	\$ 2,635,416	\$ 2,308,572
From Use of Money and Property	-	-	1,724	1,724
Total Revenues	-	326,844	2,637,140	2,310,296
EXPENDITURES				
Current:				
Health and Sanitation:				
IHSS Public Authority	2,244,050	2,570,894	2,419,988	150,906
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,244,050)	(2,244,050)	217,152	2,461,202
OTHER FINANCING SOURCES (USES)				
Transfers In	2,244,050	2,244,050	-	(2,244,050)
NET CHANGE IN FUND BALANCE	-	-	217,152	217,152
Fund Balance - Beginning of Year	59,829	59,829	59,829	-
FUND BALANCE - END OF YEAR	<u>\$ 59,829</u>	<u>\$ 59,829</u>	<u>\$ 276,981</u>	<u>\$ 217,152</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
BAY AREA STORMWATER MANAGEMENT FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
From Use of Money and Property	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
General Government:				
Public Works	-	-	50	(50)
NET CHANGE IN FUND BALANCE	-	-	(50)	(50)
Fund Balance - Beginning of Year	50	50	50	-
FUND BALANCE - END OF YEAR	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ (50)</u>

Note: Fund did not have activity in FY 2016-17 and has been liquidated in the current year.

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
OPEN SPACE DISTRICT FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 6,749,834	\$ 6,749,834	\$ 7,174,961	\$ 425,127
Intergovernmental Revenues	35,809	35,809	100,491	64,682
Charges for Services	-	-	553	553
From Use of Money and Property	32,434	32,434	60,939	28,505
Miscellaneous	82,000	82,000	96,254	14,254
Total Revenues	<u>6,900,077</u>	<u>6,900,077</u>	<u>7,433,198</u>	<u>533,121</u>
EXPENDITURES				
Current:				
General Government:				
Open Space	132,942	329,745	318,501	11,244
Recreation and Cultural Services:				
Open Space	7,252,479	6,889,702	6,469,694	420,008
Capital Outlay	<u>57,928</u>	<u>53,136</u>	<u>46,865</u>	<u>6,271</u>
Total Expenditures	<u>7,443,349</u>	<u>7,272,583</u>	<u>6,835,060</u>	<u>437,523</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(543,272)	(372,506)	598,138	970,644
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>-</u>	<u>(135,000)</u>	<u>(133,069)</u>	<u>1,931</u>
NET CHANGE IN FUND BALANCE	(543,272)	(507,506)	465,069	972,575
Fund Balance - Beginning of Year, Restated	<u>7,814,928</u>	<u>7,814,928</u>	<u>7,814,928</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 7,271,656</u>	<u>\$ 7,307,422</u>	<u>\$ 8,279,997</u>	<u>\$ 972,575</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
LOW-INCOME HOUSING FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and Permits	\$ 450,000	\$ 450,000	\$ 220,295	\$ (229,705)
Charges for Services	-	-	42,133	42,133
From Use of Money and Property	-	-	112,266	112,266
Miscellaneous	-	757,600	757,600	-
Total Revenues	<u>450,000</u>	<u>1,207,600</u>	<u>1,132,294</u>	<u>(75,306)</u>
EXPENDITURES				
Current:				
Public Assistance:				
Community Development Agency	<u>544,886</u>	<u>1,280,955</u>	<u>1,266,691</u>	<u>14,264</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(94,886)	(73,355)	(134,397)	(61,042)
OTHER FINANCING SOURCES (USES)				
Transfers In	250,000	1,250,000	1,250,000	-
Transfers Out	<u>(175,047)</u>	<u>(175,047)</u>	<u>(175,047)</u>	<u>-</u>
Total Other Financing Sources (Uses), Net	<u>74,953</u>	<u>1,074,953</u>	<u>1,074,953</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(19,933)	1,001,598	940,556	(61,042)
Fund Balance - Beginning of Year	<u>11,250,848</u>	<u>11,250,848</u>	<u>11,250,848</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 11,230,915</u>	<u>\$ 12,252,446</u>	<u>\$ 12,191,404</u>	<u>\$ (61,042)</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
FLOOD CONTROL DISTRICT ZONES FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 7,170,072	\$ 7,170,072	\$ 8,586,247	\$ 1,416,175
Licenses and Permits	-	-	40	40
Intergovernmental Revenues	24,966	24,966	24,759	(207)
Charges for Services	-	-	363,016	363,016
From Use of Money and Property	47,888	47,888	140,294	92,406
Miscellaneous	490,900	491,400	660,429	169,029
Total Revenues	<u>7,733,826</u>	<u>7,734,326</u>	<u>9,774,785</u>	<u>2,040,459</u>
EXPENDITURES				
Current:				
Public Protection:				
FCZ #1 Novato	2,743,186	5,093,578	3,410,148	1,683,430
FCZ #3 Richardson Bay	1,051,173	4,090,557	1,509,173	2,581,384
FCZ #4 Bel Air and Strawberry Circle	661,328	989,440	419,814	569,626
FCZ #5 Stinson Beach	34,335	77,032	35,485	41,547
FCZ #6 San Rafael Meadows	27,313	23,360	22,344	1,016
FCZ #7 Santa Venetia	374,089	548,583	360,239	188,344
FCZ #9 Ross Valley Corte Madera	4,665,227	5,094,753	2,510,936	2,583,817
FCZ #10 Inverness	13,826	7,001	2,278	4,723
Marin County Stormwater Pollution	735,110	884,490	782,489	102,001
Total Public Protection	<u>10,305,587</u>	<u>16,808,794</u>	<u>9,052,906</u>	<u>7,755,888</u>
Capital Outlay	-	3,840,000	3,838,945	1,055
Total Expenditures	<u>10,305,587</u>	<u>20,648,794</u>	<u>12,891,851</u>	<u>7,756,943</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,571,761)</u>	<u>(12,914,468)</u>	<u>(3,117,066)</u>	<u>9,797,402</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	180,000	180,000	177,189	(2,811)
Transfers Out	-	(3,300,000)	-	3,300,000
Total Other Financing Sources (Uses), Net	<u>180,000</u>	<u>(3,120,000)</u>	<u>177,189</u>	<u>3,297,189</u>
NET CHANGE IN FUND BALANCE	(2,391,761)	(16,034,468)	(2,939,877)	13,094,591
Fund Balance - Beginning of Year	<u>28,010,929</u>	<u>28,010,929</u>	<u>28,010,929</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 25,619,168</u>	<u>\$ 11,976,461</u>	<u>\$ 25,071,052</u>	<u>\$ 13,094,591</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ 1,041,535	\$ 269,929	\$ (771,606)
Charges for Services	505,000	1,541,000	533,118	(1,007,882)
From Use of Money and Property	-	-	14,079	14,079
Total Revenues	<u>505,000</u>	<u>2,582,535</u>	<u>817,126</u>	<u>(1,765,409)</u>
EXPENDITURES				
Current:				
Public Protection:				
Health and Human Services	244,335	240,466	203,008	37,458
Sheriff	10,769	439,553	417,482	22,071
Total Public Protection	<u>255,104</u>	<u>680,019</u>	<u>620,490</u>	<u>59,529</u>
Health and Sanitation:				
Health and Human Services	212,504	153,276	136,703	16,573
Capital Outlay	6,634	282,659	223,080	59,579
Total Expenditures	<u>474,242</u>	<u>1,115,954</u>	<u>980,273</u>	<u>135,681</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	30,758	1,466,581	(163,147)	(1,629,728)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	5,000	5,000	-
Transfers Out	(260,665)	(1,533,412)	(264,746)	1,268,666
Total Other Financing Sources (Uses), Net	<u>(260,665)</u>	<u>(1,528,412)</u>	<u>(259,746)</u>	<u>1,268,666</u>
NET CHANGE IN FUND BALANCE	(229,907)	(61,831)	(422,893)	(361,062)
Fund Balance - Beginning of Year	<u>2,887,995</u>	<u>2,887,995</u>	<u>2,887,995</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,658,088</u>	<u>\$ 2,826,164</u>	<u>\$ 2,465,102</u>	<u>\$ (361,062)</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
PUBLIC PROTECTION FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 18,811,476	\$ 20,182,131	\$ 22,451,377	\$ 2,269,246
Charges for Services	219,018	394,018	427,448	33,430
Fines and Forfeits	450,000	562,600	538,784	(23,816)
From Use of Money and Property	-	-	155,113	155,113
Miscellaneous	-	44,000	21,394	(22,606)
Total Revenues	<u>19,480,494</u>	<u>21,182,749</u>	<u>23,594,116</u>	<u>2,411,367</u>
EXPENDITURES				
Current:				
General Government				
Nondepartmental	-	11,000	-	11,000
Public Protection:				
District Attorney	-	88,752	8,019	80,733
Public Defender	114,000	114,000	32,783	81,217
Probation	4,974,799	5,245,477	4,853,678	391,799
Sheriff	1,511,848	1,636,553	1,437,465	199,088
Total Public Protection	<u>6,600,647</u>	<u>7,084,782</u>	<u>6,331,945</u>	<u>752,837</u>
Health and Sanitation:				
Health and Human Services	988,666	849,728	696,764	152,964
Public Assistance:				
Health and Human Services	444,708	558,850	387,317	171,533
Capital Outlay	<u>31,110</u>	<u>211,437</u>	<u>183,050</u>	<u>28,387</u>
Total Expenditures	<u>8,065,131</u>	<u>8,715,797</u>	<u>7,599,076</u>	<u>1,116,721</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,415,363	12,466,952	15,995,040	3,528,088
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(11,771,857)</u>	<u>(14,997,035)</u>	<u>(12,609,950)</u>	<u>2,387,085</u>
NET CHANGE IN FUND BALANCE	(356,494)	(2,530,083)	3,385,090	5,915,173
Fund Balances - Beginning of Year	<u>24,767,946</u>	<u>24,767,946</u>	<u>24,767,946</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 24,411,452</u></u>	<u><u>\$ 22,237,863</u></u>	<u><u>\$ 28,153,036</u></u>	<u><u>\$ 5,915,173</u></u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
PUBLIC WAYS AND FACILITIES FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 42,000	\$ 65,000	\$ 65,327	\$ 327
Licenses and Permits	790,000	790,000	1,986,915	1,196,915
Intergovernmental Revenues	-	1,410,664	81,271	(1,329,393)
Charges for Services	-	-	22,985	22,985
From Use of Money and Property	-	6,000	48,117	42,117
Miscellaneous	-	-	24,668	24,668
Total Revenues	<u>832,000</u>	<u>2,271,664</u>	<u>2,229,283</u>	<u>(42,381)</u>
EXPENDITURES				
Current:				
Public Ways and Facilities:				
Public Works	120,960	2,407,799	677,515	1,730,284
Health and Sanitation:				
Community Development Agency	<u>75,591</u>	<u>78,941</u>	<u>77,050</u>	<u>1,891</u>
Total Expenditures	<u>196,551</u>	<u>2,486,740</u>	<u>754,565</u>	<u>1,732,175</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>635,449</u>	<u>(215,076)</u>	<u>1,474,718</u>	<u>1,689,794</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(1,790,000)</u>	<u>(1,770,000)</u>	<u>(1,750,000)</u>	<u>20,000</u>
NET CHANGE IN FUND BALANCE	(1,154,551)	(1,985,076)	(275,282)	1,709,794
Fund Balance - Beginning of Year, Restated	<u>4,516,153</u>	<u>4,516,153</u>	<u>4,516,153</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,361,602</u>	<u>\$ 2,531,077</u>	<u>\$ 4,240,871</u>	<u>\$ 1,709,794</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
RESTRICTED HOUSING FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
From Use of Money and Property	\$ -	\$ -	\$ 7,520	\$ 7,520
NET CHANGE IN FUND BALANCE	-	-	7,520	7,520
Fund Balance - Beginning of Year	2,665,811	2,665,811	2,665,811	-
FUND BALANCE - END OF YEAR	<u>\$ 2,665,811</u>	<u>\$ 2,665,811</u>	<u>\$ 2,673,331</u>	<u>\$ 7,520</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
RECREATIONAL AND CULTURAL SERVICES FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 12,822,393	\$ 12,857,393	\$ 13,177,763	\$ 320,370
Intergovernmental Revenues	-	-	97,144	97,144
Charges for Service	-	-	3,224	3,224
From Use of Money and Property	-	-	97,570	97,570
Miscellaneous	-	17,725	20,685	2,960
Total Revenues	<u>12,822,393</u>	<u>12,875,118</u>	<u>13,396,386</u>	<u>521,268</u>
EXPENDITURES				
Current:				
General Government				
Parks	166,500	166,500	-	166,500
Recreation and Cultural Services				
Parks	16,559,524	14,418,013	10,067,225	4,350,788
Capital Outlay	<u>75,000</u>	<u>3,037,347</u>	<u>1,767,183</u>	<u>1,270,164</u>
Total Expenditures	<u>16,801,024</u>	<u>17,621,860</u>	<u>11,834,408</u>	<u>5,787,452</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,978,631)	(4,746,742)	1,561,978	6,308,720
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>-</u>	<u>(66,400)</u>	<u>(66,400)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(3,978,631)	(4,813,142)	1,495,578	6,308,720
Fund Balance - Beginning of Year, Restated	<u>20,667,021</u>	<u>20,667,021</u>	<u>20,667,021</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 16,688,390</u>	<u>\$ 15,853,879</u>	<u>\$ 22,162,599</u>	<u>\$ 6,308,720</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
MCERA EMPLOYEE OPERATIONS FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,714,251	\$ 2,714,251	\$ 2,329,386	\$ (384,865)
EXPENDITURES				
Current:				
General Government:				
Retirement	2,714,251	2,714,251	2,252,117	462,134
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	77,269	77,269
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(65,333)	(65,333)
NET CHANGE IN FUND BALANCE	-	-	11,936	11,936
Fund Balance - Beginning of Year	161,189	161,189	161,189	-
FUND BALANCE - END OF YEAR	<u>\$ 161,189</u>	<u>\$ 161,189</u>	<u>\$ 173,125</u>	<u>\$ 11,936</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
HEALTH SERVICES FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 248,661	\$ 4,262,733	\$ 2,388,734	\$ (1,873,999)
From Use of Money and Property	-	-	7,099	7,099
Total Revenues	<u>248,661</u>	<u>4,262,733</u>	<u>2,395,833</u>	<u>(1,866,900)</u>
EXPENDITURES				
Current:				
Health and Sanitation:				
Health and Human Services	<u>1,380,608</u>	<u>2,920,736</u>	<u>1,322,801</u>	<u>1,597,935</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,131,947)	1,341,997	1,073,032	(268,965)
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(152,638)</u>	<u>(1,217,976)</u>	<u>(1,065,933)</u>	<u>152,043</u>
NET CHANGE IN FUND BALANCE	(1,284,585)	124,021	7,099	(116,922)
Fund Balance - Beginning of Year	<u>215,158</u>	<u>215,158</u>	<u>215,158</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (1,069,427)</u>	<u>\$ 339,179</u>	<u>\$ 222,257</u>	<u>\$ (116,922)</u>

NONMAJOR DEBT SERVICE FUNDS

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**COUNTY OF MARIN
NONMAJOR DEBT SERVICE 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 Fund

The Open Space Debt Service Fund is used to account for the accumulation of resources for the payment of the 2013 Open Space Revenue Bonds debt principal, interest, and related costs. In August 2013, the Marin County Open Space Finance Authority issued \$6.2 million in revenue bonds for the purpose of refunding on a current basis the Marin County Open Space Financing Authority's 2002 revenue bonds, and to provide funds to finance public capital improvements.

Pension Obligation Bond Fund (2003 POB Fund)

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

Debt Service Fund

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 Fund

The Tobacco Securitization 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 principle, interest, and related costs.

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**COUNTY OF MARIN
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2017**

	Open Space Debt Service Fund	2003 POB Fund	Debt Service Fund	Tobacco Securitization Fund	Total
ASSETS					
Cash and Investments in County Pool	\$ 637,750	\$ 4,439,196	\$ 140,373	\$ 404	\$ 5,217,723
Cash with Fiscal Agent	-	212	121	3,657,952	3,658,285
Accounts Receivable	-	-	-	20,444	20,444
Prepaid Items	-	-	2,104	-	2,104
Total Assets	<u>\$ 637,750</u>	<u>\$ 4,439,408</u>	<u>\$ 142,598</u>	<u>\$ 3,678,800</u>	<u>\$ 8,898,556</u>
LIABILITIES					
Accounts Payable and Accrued Expenditures	\$ 6,921	\$ -	\$ 355	\$ 20,444	\$ 27,720
Other Liabilities	-	-	-	7,579	7,579
Total Liabilities	<u>6,921</u>	<u>-</u>	<u>355</u>	<u>28,023</u>	<u>35,299</u>
FUND BALANCES					
Nonspendable	-	-	2,104	-	2,104
Restricted	-	-	-	1,131,221	1,131,221
Assigned	630,829	4,439,408	140,139	2,519,556	7,729,932
Total Fund Balances	<u>630,829</u>	<u>4,439,408</u>	<u>142,243</u>	<u>3,650,777</u>	<u>8,863,257</u>
Total Liabilities and Fund Balances	<u>\$ 637,750</u>	<u>\$ 4,439,408</u>	<u>\$ 142,598</u>	<u>\$ 3,678,800</u>	<u>\$ 8,898,556</u>

**COUNTY OF MARIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2017**

	Open Space Debt Service Fund	2003 POB Fund	Debt Service Fund	Tobacco Securitization Fund	Total
REVENUES					
Taxes	\$ 654,331	\$ -	\$ 87,487	\$ -	\$ 741,818
From Use of Money and Property	1,772	8,200	843	128,348	139,163
Miscellaneous	-	-	-	2,237,567	2,237,567
Total Revenues	<u>656,103</u>	<u>8,200</u>	<u>88,330</u>	<u>2,365,915</u>	<u>3,118,548</u>
EXPENDITURES					
Current:					
General Government	-	3,646	23,553	16,911	44,110
Health and Sanitation	-	-	6,474	-	6,474
Recreation and Cultural Services	26,114	-	-	-	26,114
Debt Service:					
Principal	459,986	4,200,000	1,850,045	580,000	7,090,031
Interest	155,002	5,219,406	3,596,113	1,749,300	10,719,821
Total Expenditures	<u>641,102</u>	<u>9,423,052</u>	<u>5,476,185</u>	<u>2,346,211</u>	<u>17,886,550</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	15,001	(9,414,852)	(5,387,855)	19,704	(14,768,002)
OTHER FINANCING SOURCES (USES)					
Transfers In	615,523	9,063,983	5,374,774	-	15,054,280
Transfers Out	(615,523)	-	-	-	(615,523)
Total Other Financing Sources (Uses), Net	<u>-</u>	<u>9,063,983</u>	<u>5,374,774</u>	<u>-</u>	<u>14,438,757</u>
NET CHANGE IN FUND BALANCES	15,001	(350,869)	(13,081)	19,704	(329,245)
Fund Balances - Beginning of Year	<u>615,828</u>	<u>4,790,277</u>	<u>155,324</u>	<u>3,631,073</u>	<u>9,192,502</u>
FUND BALANCES - END OF YEAR	<u>\$ 630,829</u>	<u>\$ 4,439,408</u>	<u>\$ 142,243</u>	<u>\$ 3,650,777</u>	<u>\$ 8,863,257</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
OPEN SPACE DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 658,500	\$ 658,500	\$ 654,331	\$ (4,169)
From Use of Money and Property	500	500	1,772	1,272
Total Revenues	<u>659,000</u>	<u>659,000</u>	<u>656,103</u>	<u>(2,897)</u>
EXPENDITURES				
Current:				
Recreation and Cultural Services:				
Open Space	26,000	26,000	26,114	(114)
Debt Service:				
Principal	461,000	461,000	459,986	1,014
Interest	157,000	157,000	155,002	1,998
Total Debt Service	<u>618,000</u>	<u>618,000</u>	<u>614,988</u>	<u>3,012</u>
Total Expenditures	<u>644,000</u>	<u>644,000</u>	<u>641,102</u>	<u>2,898</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	15,000	15,000	15,001	1
OTHER FINANCING SOURCES (USES)				
Transfers In	630,000	630,000	615,523	(14,477)
Transfers Out	(630,000)	(630,000)	(615,523)	14,477
Total Other Financing Sources (Uses), Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	15,000	15,000	15,001	1
Fund Balance - Beginning of Year	<u>615,828</u>	<u>615,828</u>	<u>615,828</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 630,828</u>	<u>\$ 630,828</u>	<u>\$ 630,829</u>	<u>\$ 1</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
PENSION OBLIGATION BOND FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
From Use of Money and Property	\$ 5,000	\$ 5,000	\$ 8,200	\$ 3,200
Miscellaneous	-	-	-	-
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>8,200</u>	<u>3,200</u>
EXPENDITURES				
Current:				
General Government:				
Nondepartmental	12,000	11,674	3,646	8,028
Debt Service:				
Principal	4,200,000	4,200,000	4,200,000	-
Interest	<u>5,219,194</u>	<u>5,219,520</u>	<u>5,219,406</u>	<u>114</u>
Total Debt Service	<u>9,419,194</u>	<u>9,419,520</u>	<u>9,419,406</u>	<u>114</u>
Total Expenditures	<u>9,431,194</u>	<u>9,431,194</u>	<u>9,423,052</u>	<u>8,142</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,426,194)	(9,426,194)	(9,414,852)	11,342
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>9,426,194</u>	<u>9,426,194</u>	<u>9,063,983</u>	<u>(362,211)</u>
NET CHANGE IN FUND BALANCE	-	-	(350,869)	(350,869)
Fund Balance - Beginning of Year	<u>4,790,277</u>	<u>4,790,277</u>	<u>4,790,277</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 4,790,277</u></u>	<u><u>\$ 4,790,277</u></u>	<u><u>\$ 4,439,408</u></u>	<u><u>\$ (350,869)</u></u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 95,200	\$ 95,200	\$ 87,487	\$ (7,713)
From Use of Money and Property	-	-	843	843
Total Revenues	<u>95,200</u>	<u>95,200</u>	<u>88,330</u>	<u>(6,870)</u>
EXPENDITURES				
Current:				
General Government:				
Nondepartmental	20,000	19,999	23,553	(3,554)
Health and Sanitation				
Community Development Agency	10,000	13,515	6,474	7,041
Debt Service:				
Principal	1,833,000	1,850,045	1,850,045	-
Interest	3,619,641	3,619,632	3,596,113	23,519
Total Debt Service	<u>5,452,641</u>	<u>5,469,677</u>	<u>5,446,158</u>	<u>23,519</u>
Total Expenditures	<u>5,482,641</u>	<u>5,503,191</u>	<u>5,476,185</u>	<u>27,006</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,387,441)	(5,407,991)	(5,387,855)	20,136
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>5,387,441</u>	<u>5,407,991</u>	<u>5,374,774</u>	<u>(33,217)</u>
NET CHANGE IN FUND BALANCE	-	-	(13,081)	(13,081)
Fund Balance - Beginning of Year	<u>155,324</u>	<u>155,324</u>	<u>155,324</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 155,324</u>	<u>\$ 155,324</u>	<u>\$ 142,243</u>	<u>\$ (13,081)</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
TOBACCO SECURITIZATION FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
From Use of Money and Property	\$ 125,000	\$ 125,000	\$ 128,348	\$ 3,348
Miscellaneous	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,237,567</u>	<u>37,567</u>
Total Revenues	<u>2,325,000</u>	<u>2,325,000</u>	<u>2,365,915</u>	<u>40,915</u>
EXPENDITURES				
Current:				
General Government:				
Nondepartmental	75,000	75,000	16,911	58,089
Debt Service:				
Principal	400,000	400,000	580,000	(180,000)
Interest	<u>1,850,000</u>	<u>1,850,000</u>	<u>1,749,300</u>	<u>100,700</u>
Total Debt Service	<u>2,250,000</u>	<u>2,250,000</u>	<u>2,329,300</u>	<u>(79,300)</u>
Total Expenditures	<u>2,325,000</u>	<u>2,325,000</u>	<u>2,346,211</u>	<u>(21,211)</u>
NET CHANGE IN FUND BALANCE	-	-	19,704	19,704
Fund Balance - Beginning of Year	<u>3,631,073</u>	<u>3,631,073</u>	<u>3,631,073</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 3,631,073</u></u>	<u><u>\$ 3,631,073</u></u>	<u><u>\$ 3,650,777</u></u>	<u><u>\$ 19,704</u></u>

NONMAJOR CAPITAL PROJECTS FUNDS

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**COUNTY OF MARIN
NONMAJOR CAPITAL PROJECT FUNDS**

CAPITAL PROJECT FUNDS

Capital project 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 Fund

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.

Miscellaneous Capital Projects Fund

This fund is a general government fund used to account for revenues and expenditures related to capital improvements and infrastructure rehabilitation.

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**COUNTY OF MARIN
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2017**

	Courthouse Construction Fund	Miscellaneous Capital Projects Fund	Total
ASSETS			
Cash and Investments in County Pool	\$ 667,118	\$ 6,783,182	\$ 7,450,300
Due from Other Governmental Agencies	-	444,874	444,874
	\$ 667,118	\$ 7,228,056	\$ 7,895,174
LIABILITIES			
Accounts Payable and Accrued Expenditures	\$ -	\$ 531,187	\$ 531,187
Accrued Salaries and Benefits	-	56,834	56,834
Other Liabilities	3,885	1,014	4,899
Total Liabilities	3,885	589,035	592,920
FUND BALANCES			
Assigned	663,233	6,639,021	7,302,254
Total Fund Balances	663,233	6,639,021	7,302,254
Total Liabilities and Fund Balances	\$ 667,118	\$ 7,228,056	\$ 7,895,174

**COUNTY OF MARIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
YEAR ENDED JUNE 30, 2017**

	Courthouse Construction Fund	Miscellaneous Capital Projects Fund	Total
REVENUES			
Intergovernmental Revenues	\$ -	\$ 1,508,393	\$ 1,508,393
Fines and Forfeits	303,673	-	303,673
Use of Money and Property	3,916	32,468	36,384
Miscellaneous	-	8,781	8,781
Total Revenues	<u>307,589</u>	<u>1,549,642</u>	<u>1,857,231</u>
EXPENDITURES			
Current:			
General Government	-	1,587,601	1,587,601
Health and Sanitation	-	281	281
Recreation and Cultural Services	-	249,643	249,643
Capital Outlay	-	10,019,315	10,019,315
Total Expenditures	<u>-</u>	<u>11,856,840</u>	<u>11,856,840</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	307,589	(10,307,198)	(9,999,609)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	4,937,700	4,937,700
Transfers Out	<u>(352,756)</u>	<u>(32,683)</u>	<u>(385,439)</u>
Total Other Financing Sources (Uses), Net	<u>(352,756)</u>	<u>4,905,017</u>	<u>4,552,261</u>
NET CHANGE IN FUND BALANCES	(45,167)	(5,402,181)	(5,447,348)
Fund Balances - Beginning of Year - Restated	<u>708,400</u>	<u>12,041,202</u>	<u>12,749,602</u>
FUND BALANCES - END OF YEAR	<u>\$ 663,233</u>	<u>\$ 6,639,021</u>	<u>\$ 7,302,254</u>

**COUNTY OF MARIN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
OTHER CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ 4,923,747	\$ 2,102,128	\$ (2,821,619)
From Use of Money and Property	-	-	43,456	43,456
Miscellaneous	-	-	51,203	51,203
Total Revenues	<u>-</u>	<u>4,923,747</u>	<u>2,196,787</u>	<u>(2,726,960)</u>
EXPENDITURES				
Current:				
General Government:				
Department of Public Works	-	602,301	453,834	148,467
Public Ways and Facilities:				
Public Works	10,476,997	2,328,892	2,291,919	36,973
Capital Outlay	<u>-</u>	<u>38,100,985</u>	<u>4,205,776</u>	<u>33,895,209</u>
Total Expenditures	<u>10,476,997</u>	<u>41,032,178</u>	<u>6,951,529</u>	<u>34,080,649</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,476,997)	(36,108,431)	(4,754,742)	31,353,689
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>8,000,000</u>	<u>16,833,084</u>	<u>16,418,268</u>	<u>(414,816)</u>
NET CHANGE IN FUND BALANCE	(2,476,997)	(19,275,347)	11,663,526	30,938,873
Fund Balance - Beginning of Year	<u>33,076,876</u>	<u>33,076,876</u>	<u>33,076,876</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 30,599,879</u>	<u>\$ 13,801,529</u>	<u>\$ 44,740,402</u>	<u>\$ 30,938,873</u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
COURTHOUSE CONSTRUCTION FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and Forfeits	\$ 350,000	\$ 355,000	\$ 303,673	\$ (51,327)
From Use of Money and Property	-	-	3,916	3,916
Total Revenues	<u>350,000</u>	<u>355,000</u>	<u>307,589</u>	<u>(47,411)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(350,000)</u>	<u>(355,000)</u>	<u>(352,756)</u>	<u>2,244</u>
NET CHANGE IN FUND BALANCE	-	-	(45,167)	(45,167)
Fund Balance - Beginning of Year	<u>708,400</u>	<u>708,400</u>	<u>708,400</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 708,400</u></u>	<u><u>\$ 708,400</u></u>	<u><u>\$ 663,233</u></u>	<u><u>\$ (45,167)</u></u>

**COUNTY OF MARIN
BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS CAPITAL PROJECT FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ -	\$ 1,508,393	\$ 1,508,393
Charges for Services	678,931	466,329	-	(466,329)
From Use of Money and Property	-	-	32,468	32,468
Miscellaneous	-	85,000	8,781	(76,219)
Total Revenues	<u>678,931</u>	<u>551,329</u>	<u>1,549,642</u>	<u>998,313</u>
EXPENDITURES				
Current:				
General Government:				
County Administrator	112,804	112,804	109,093	3,711
Public Works	7,746,208	7,469,344	1,478,508	5,990,836
Total general government	<u>7,859,012</u>	<u>7,582,148</u>	<u>1,587,601</u>	<u>5,994,547</u>
Health and Sanitation:				
Community Development Agency	-	58,679	281	58,398
Recreation and Cultural Services:				
Parks	327,353	361,273	249,643	111,630
Capital Outlay				
	<u>-</u>	<u>14,288,772</u>	<u>10,019,315</u>	<u>4,269,457</u>
Total Expenditures	<u>8,186,365</u>	<u>22,290,872</u>	<u>11,856,840</u>	<u>10,434,032</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,507,434)	(21,739,543)	(10,307,198)	11,432,345
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 4,000,000	\$ 10,466,537	\$ 4,937,700	\$ (5,528,837)
Transfers Out	<u>-</u>	<u>(365,000)</u>	<u>(32,683)</u>	<u>332,317</u>
Total Other Financing Sources (Uses), Net	<u>4,000,000</u>	<u>10,101,537</u>	<u>4,905,017</u>	<u>(5,196,520)</u>
NET CHANGE IN FUND BALANCE	(3,507,434)	(11,638,006)	(5,402,181)	6,235,825
Fund Balance - Beginning of Year	<u>12,041,202</u>	<u>12,041,202</u>	<u>12,041,202</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,533,768</u>	<u>\$ 403,196</u>	<u>\$ 6,639,021</u>	<u>\$ 6,235,825</u>

NONMAJOR ENTERPRISE FUNDS

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COUNTY OF MARIN 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.

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 County Fair

The Marin County Fair fund was established to provide for operations of the annual Marin County Fair. The Marin County Fair offers colorful traditions and innovations, unparalleled art and photography, farm animals, family activities, popular concerts, thrilling rides, leading-edge exhibits, and spectacular fireworks. The Marin County Fair fund is used to account for both revenues and expenses generated by the annual Marin County Fair.

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 Commons Property Management

The Marin Commons Property Management fund was established to account for the property management activities of 1600 Los Gamos Blvd. in San Rafael.

Marin Center Promotions

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

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**COUNTY OF MARIN
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2017**

	Gross Airport	Marin County Fair	Marin.Org	Marin Commons Property Management	Marin Center Promotions	Total
ASSETS						
Current Assets:						
Cash and Investments in County Pool	\$ 274,268	\$ 52	\$ 105,325	\$ 1,070,542	\$ 26,070	\$ 1,476,257
Accounts Receivable	-	-	-	213,228	-	213,228
Prepaid Items and Other Assets	-	758,926	-	-	-	758,926
Total Current Assets	<u>274,268</u>	<u>758,978</u>	<u>105,325</u>	<u>1,283,770</u>	<u>26,070</u>	<u>2,448,411</u>
Noncurrent Assets:						
Capital Assets:						
Nondepreciable	4,191,384	1,777,659	-	-	-	5,969,043
Depreciable and Amortizable, Net	1,685,787	645,765	151,033	1,214,776	-	3,697,361
Total Noncurrent Assets	<u>5,877,171</u>	<u>2,423,424</u>	<u>151,033</u>	<u>1,214,776</u>	<u>-</u>	<u>9,666,404</u>
Total Assets	<u>\$ 6,151,439</u>	<u>\$ 3,182,402</u>	<u>\$ 256,358</u>	<u>\$ 2,498,546</u>	<u>\$ 26,070</u>	<u>\$ 12,114,815</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 31,672	\$ 338,529	\$ 16,330	\$ 488,759	\$ -	\$ 875,290
Interest Payable	-	-	7,212	-	-	7,212
Due to Other Funds	-	550,150	-	-	-	550,150
Salaries and Benefits Payable	6,238	-	9,560	-	-	15,798
Other Liabilities	-	-	-	131,092	-	131,092
Unearned Revenue	-	161,852	-	-	-	161,852
Long-Term Notes Payable	-	-	-	197,911	-	197,911
Compensated Absences	19,091	-	-	-	-	19,091
Total Current Liabilities	<u>57,001</u>	<u>1,050,531</u>	<u>33,102</u>	<u>817,762</u>	<u>-</u>	<u>1,958,396</u>
Long-Term Liabilities:						
Long-Term Notes Payable	-	-	-	717,393	-	717,393
Compensated Absences	4,516	-	-	-	-	4,516
Total Noncurrent Liabilities	<u>4,516</u>	<u>-</u>	<u>-</u>	<u>717,393</u>	<u>-</u>	<u>721,909</u>
Total Liabilities	61,517	1,050,531	33,102	1,535,155	-	2,680,305
NET POSITION						
Net Investment in Capital Assets	5,877,171	2,423,424	151,033	299,472	-	8,751,100
Unrestricted	212,751	(291,553)	72,223	663,919	26,070	683,410
Total Net Position	<u>\$ 6,089,922</u>	<u>\$ 2,131,871</u>	<u>\$ 223,256</u>	<u>\$ 963,391</u>	<u>\$ 26,070</u>	<u>\$ 9,434,510</u>
Total Liabilities and Net Position	<u>\$ 6,151,439</u>	<u>\$ 3,182,402</u>	<u>\$ 256,358</u>	<u>\$ 2,498,546</u>	<u>\$ 26,070</u>	<u>\$ 12,114,815</u>

**COUNTY OF MARIN
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2017**

	Gross Airport	Marin County Fair	Marin.Org	Marin Commons Property Management	Marin Center Promotions	Total
OPERATING REVENUES						
Charges for Services	\$ 666,914	\$ 2,232,658	\$ 1,035,207	\$ 1,523,392	\$ 46,050	\$ 5,504,221
Other Revenue	11,204	253,442	-	23,174	592	288,412
Total Operating Revenues	<u>678,118</u>	<u>2,486,100</u>	<u>1,035,207</u>	<u>1,546,566</u>	<u>46,642</u>	<u>5,792,633</u>
OPERATING EXPENSES						
Salaries and Employee Benefits	78,166	418,958	179,316	-	-	676,440
Services and Supplies	562,315	2,268,740	1,297,758	2,879,071	28,814	7,036,698
Depreciation and Amortization	116,052	17,938	54,913	150,983	-	339,886
Total Operating Expenses	<u>756,533</u>	<u>2,705,636</u>	<u>1,531,987</u>	<u>3,030,054</u>	<u>28,814</u>	<u>8,053,024</u>
OPERATING LOSS	(78,415)	(219,536)	(496,780)	(1,483,488)	17,828	(2,260,391)
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental Revenue	200,927	37,902	-	-	-	238,829
Investment Income - Unrestricted	1,232	330	1,429	1,163	7,835	11,989
Interest Expense	-	-	-	(17,394)	-	(17,394)
Total Nonoperating Revenues (Expenses)	<u>202,159</u>	<u>38,232</u>	<u>1,429</u>	<u>(16,231)</u>	<u>7,835</u>	<u>233,424</u>
LOSS BEFORE TRANSFERS	123,744	(181,304)	(495,351)	(1,499,719)	25,663	(2,026,967)
Transfers In	-	15,000	-	2,490,109	-	2,505,109
Transfers Out	(37,354)	-	(26,959)	(680,000)	-	(744,313)
CHANGE IN NET POSITION	86,390	(166,304)	(522,310)	310,390	25,663	(266,171)
Net Position - Beginning of Year	<u>6,003,532</u>	<u>2,298,175</u>	<u>745,566</u>	<u>653,001</u>	<u>407</u>	<u>9,700,681</u>
NET POSITION - END OF YEAR	<u>\$ 6,089,922</u>	<u>\$ 2,131,871</u>	<u>\$ 223,256</u>	<u>\$ 963,391</u>	<u>\$ 26,070</u>	<u>\$ 9,434,510</u>

**COUNTY OF MARIN
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2017**

	<u>Gross Airport</u>	<u>Marin County Fair</u>	<u>Marin.Org</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Customers	\$ 678,118	\$ 2,416,711	\$ 1,035,207
Cash Paid to Suppliers for Goods and Services	(575,082)	(2,253,534)	(1,281,807)
Cash Paid to Employees for Salaries and Benefits	(78,364)	(418,958)	(178,979)
Net Cash Provided (Used) by Operating Activities	<u>24,672</u>	<u>(255,781)</u>	<u>(425,579)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental Revenues	200,927	37,902	-
Interfund Loans	-	195,150	-
Notes Receivable Issued	144,885	-	75,547
Internal Activities - Receipts from Other Funds	-	15,000	-
Transfers In	-	-	-
Transfers Out	(37,354)	-	(26,959)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>308,458</u>	<u>248,052</u>	<u>48,588</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payments Related to the Acquisition of Capital Assets	(193,392)	-	(43,374)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(193,392)</u>	<u>-</u>	<u>(43,374)</u>
CASH FLOWS FROM INVESTING ACTIVITY			
Interest and Investments Earnings Received	<u>1,232</u>	<u>330</u>	<u>1,429</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	140,970	(7,399)	(418,936)
Cash and Cash Equivalents - Beginning of Year	<u>133,298</u>	<u>7,451</u>	<u>524,261</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 274,268</u></u>	<u><u>\$ 52</u></u>	<u><u>\$ 105,325</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Loss	\$ (78,415)	\$ (219,536)	\$ (496,780)
Depreciation and Amortization	116,052	17,938	54,913
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	-	-	-
Prepaid Items and Other Assets	-	(101,639)	-
Increase (Decrease) in:			
Accounts Payable	(12,767)	15,229	15,951
Accrued Salaries and Benefits	(94)	-	337
Unearned Revenues	-	32,250	-
Compensated Absences	(104)	-	-
Other Liabilities	-	(23)	-
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 24,672</u></u>	<u><u>\$ (255,781)</u></u>	<u><u>\$ (425,579)</u></u>

**COUNTY OF MARIN
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2017**

	Marin Commons Property Management	Marin Center Promotions	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Customers	\$ 1,259,434	\$ 46,642	\$ 5,436,112
Cash Paid to Suppliers for Goods and Services	(2,586,207)	(28,814)	(6,725,444)
Cash Paid to Employees for Salaries and Benefits	-	-	(676,301)
Net Cash Provided (Used) by Operating Activities	<u>(1,326,773)</u>	<u>17,828</u>	<u>(1,965,633)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental Revenues	-	-	238,829
Interfund Loans	-	-	195,150
Notes Receivable Issued	-	-	220,432
Internal Activities - Receipts from Other Funds	-	-	15,000
Transfers In	2,490,109	-	2,490,109
Transfers Out	(680,000)	-	(744,313)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,810,109</u>	<u>-</u>	<u>2,415,207</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payments Related to the Acquisition of Capital Assets	20,340	-	(216,426)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>20,340</u>	<u>-</u>	<u>(216,426)</u>
CASH FLOWS FROM INVESTING ACTIVITY			
Interest and Investments Earnings Received	<u>1,163</u>	<u>7,835</u>	<u>11,989</u>
Net increase (decrease) in cash and cash equivalents	504,839	25,663	245,137
Cash and Cash Equivalents - Beginning of Year	<u>565,703</u>	<u>407</u>	<u>1,231,120</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,070,542</u>	<u>\$ 26,070</u>	<u>\$ 1,476,257</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Loss	\$ (1,483,488)	\$ 17,828	\$ (2,260,391)
Depreciation and Amortization	150,983	-	339,886
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	(160,905)	-	(160,905)
Prepaid Items and Other Assets	17,483	-	(84,156)
Increase (Decrease) in:			
Accounts Payable	292,864	-	311,277
Accrued Salaries and Benefits	-	-	243
Unearned Revenues	(23,116)	-	9,134
Compensated Absences	-	-	(104)
Other Liabilities	(120,594)	-	(120,617)
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,326,773)</u>	<u>\$ 17,828</u>	<u>\$ (1,965,633)</u>

FIDUCIARY FUNDS

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COUNTY OF MARIN FIDUCIARY FUNDS

INVESTMENT TRUST FUNDS

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

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.

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.

AGENCY FUNDS

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

PRIVATE-PURPOSE TRUST FUNDS

These funds are utilized to account for various assets held in trust for others.

Successor Agency – Marin County Redevelopment Agency

This fund was established to account for the activities of the Successor Agency to the Marin County Redevelopment Agency.

The reporting entity of the Successor Agency to the Marin County Redevelopment Agency (Successor Agency) includes the accounts of the Gateway Improvement Authority (the GIA), the Community Facilities District No. 1 Marin City U.S.A. Public Improvements (the District), and the Gateway Refinancing Authority (the GRA). The Successor Agency has accounted for the financial activity of the GIA, District and the the GRA in its financial statements, as these entities are so intertwined with the Successor Agency that they are, in substance, part of the Successor Agency operations. Accordingly, the balances and transactions of these entities are reported within the Successor Agency.

The primary purpose of the Former RDA is to eliminate blighted areas by encouraging the development of residential, commercial, industrial, recreational, and public facilities. The Former RDA was dissolved effective February 1, 2012, at which time the County of Marin took over as the Successor Agency.

Marin City Community Services District (CSD) Trust Fund

The Marin City Community Services District (CSD) Trust Fund was established in 2013 from the proceeds of the sale of the Gateway Shopping Center. These funds were allocated by the Board of Supervisors for the benefit of the Marin City CSD to support Marin City recreational programs and other Community Service District (CSD) programs.

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**COUNTY OF MARIN
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 INVESTMENT TRUST FUNDS
 JUNE 30, 2017**

	<u>Special Districts</u>	<u>School Districts</u>	<u>Total</u>
ASSETS			
Cash and Investments in County Pool	\$ 101,068,787	\$ 520,533,384	\$ 621,602,171
Other Cash	99,363	430,406	529,769
Total Assets	<u>\$ 101,168,150</u>	<u>\$ 520,963,790</u>	<u>\$ 622,131,940</u>
NET POSITION			
Net Position Held in Trust for Investment Pool Participants and Others	<u>\$ 101,168,150</u>	<u>\$ 520,963,790</u>	<u>\$ 622,131,940</u>

**COUNTY OF MARIN
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 INVESTMENT TRUST FUNDS
 YEAR ENDED JUNE 30, 2017**

	<u>Special Districts</u>	<u>School Districts</u>	<u>Total</u>
ADDITIONS			
Contributions to Investment Pool	391,785,710	1,197,755,605	\$ 1,589,541,315
Interest	<u>415,226</u>	<u>1,865,404</u>	<u>2,280,630</u>
Total Additions	392,200,936	1,199,621,009	1,591,821,945
DEDUCTIONS			
Distributions from Investment Pool	<u>385,311,812</u>	<u>1,042,223,388</u>	<u>1,427,535,200</u>
CHANGE IN NET POSITION	6,889,124	157,397,621	164,286,745
Net Position - Beginning of Year	<u>94,279,026</u>	<u>363,566,169</u>	<u>457,845,195</u>
NET POSITION - END OF YEAR	<u>\$ 101,168,150</u>	<u>\$ 520,963,790</u>	<u>\$ 622,131,940</u>

**COUNTY OF MARIN
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2017**

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
MCRDA MARIN CITY MELLO-ROOS				
Assets:				
Cash	\$ 97,700	\$ 177,178	\$ 188,999	\$ 85,879
Cash with Fiscal Agent	1,080,043	482	-	1,080,525
Taxes Receivable	1,270,411	553,918	697,229	1,127,100
Total Assets	<u>\$ 2,448,154</u>	<u>\$ 731,578</u>	<u>\$ 886,228</u>	<u>\$ 2,293,504</u>
Liabilities:				
Agency Funds Held for Others	\$ 2,448,154	\$ 731,578	\$ 886,228	\$ 2,293,504
Total Liabilities	<u>\$ 2,448,154</u>	<u>\$ 731,578</u>	<u>\$ 886,228</u>	<u>\$ 2,293,504</u>
COUNTY AGENCY FUNDS				
Assets:				
Cash	\$ 34,125,811	\$ 5,312,975,734	\$ 5,316,502,295	\$ 30,599,250
Taxes Receivable	14,267,129	969,870,995	969,698,423	14,439,701
Other Receivable	-	63,188	-	63,188
Prepaid Items	1,051,064	1,113,848	1,051,064	1,113,848
Total Assets	<u>\$ 49,444,004</u>	<u>\$ 6,284,023,765</u>	<u>\$ 6,287,251,782</u>	<u>\$ 46,215,987</u>
Liabilities:				
Agency Funds Held for Others	\$ 49,444,004	\$ 6,284,023,765	\$ 6,287,251,782	\$ 46,215,987
Total Liabilities	<u>\$ 49,444,004</u>	<u>\$ 6,284,023,765</u>	<u>\$ 6,287,251,782</u>	<u>\$ 46,215,987</u>
AGENCY FUNDS COMBINED				
Assets:				
Cash	\$ 34,223,511	\$ 5,313,152,912	\$ 5,316,691,294	\$ 30,685,129
Cash with Fiscal Agent	1,080,043	482	-	1,080,525
Taxes Receivable	15,537,540	970,424,913	970,395,652	15,566,801
Other Receivable	-	63,188	-	63,188
Prepaid Items	1,051,064	1,113,848	1,051,064	1,113,848
Total Assets	<u>\$ 51,892,158</u>	<u>\$ 6,284,755,343</u>	<u>\$ 6,288,138,010</u>	<u>\$ 48,509,491</u>
Liabilities:				
Agency Funds Held for Others	\$ 51,892,158	\$ 6,284,755,343	\$ 6,288,138,010	\$ 48,509,491
Total Liabilities	<u>\$ 51,892,158</u>	<u>\$ 6,284,755,343</u>	<u>\$ 6,288,138,010</u>	<u>\$ 48,509,491</u>

**COUNTY OF MARIN
STATEMENT OF NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2017**

	Successor Agency - Marin County Redevelopment Agency	Marin City CSD Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current Assets:			
Cash and Investments in County Pool	\$ 1,422,320	\$ 238,508	\$ 1,660,828
Cash with Fiscal Agent	514,627	-	514,627
Interest Receivable	57,150	-	57,150
Notes Receivable	110,000	-	110,000
Capital Assets:			
Nondepreciable	30,014	-	30,014
	<u> </u>	<u> </u>	<u> </u>
Total Assets	2,134,111	238,508	2,372,619
LIABILITIES			
Current Liabilities:			
Accounts Payable	157,771	234,932	392,703
Accrued Interest Payable	126,825	-	126,825
Bond Payable, Current Portion	550,833	-	550,833
Total current liabilities	<u>835,429</u>	<u>234,932</u>	<u>1,070,361</u>
Long-Term Liabilities:			
Bond Payable	6,267,067	-	6,267,067
Due to Bondholders	-	-	-
Total Long-Term Liabilities	<u>6,267,067</u>	<u> </u>	<u>6,267,067</u>
Total Liabilities	<u>7,102,496</u>	<u>234,932</u>	<u>7,337,428</u>
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	30,014	-	30,014
Unrestricted (Deficit)	(4,998,399)	3,576	(4,994,823)
Total Net Position (Deficit)	<u>\$ (4,968,385)</u>	<u>\$ 3,576</u>	<u>\$ (4,964,809)</u>

**COUNTY OF MARIN
STATEMENT OF CHANGES IN NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
YEAR ENDED JUNE 30, 2017**

	Successor Agency - Marin County Redevelopment Agency	Marin City CSD Trust Fund	Total
ADDITIONS			
Property Tax Revenue	\$ 3,433,014	\$ -	\$ 3,433,014
Interest	7,919	1,159	9,078
Total Additions	<u>3,440,933</u>	<u>1,159</u>	<u>3,442,092</u>
DEDUCTIONS			
Tax Disbursements	2,366,424	-	2,366,424
Administrative and Other	131,686	-	131,686
Total Deductions	<u>2,498,110</u>	<u>-</u>	<u>2,498,110</u>
CHANGE IN NET POSITION	942,823	1,159	943,982
Net Position (Deficit) - Beginning of the Year	<u>(5,911,208)</u>	<u>2,417</u>	<u>(5,908,791)</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ (4,968,385)</u>	<u>\$ 3,576</u>	<u>\$ (4,964,809)</u>

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STATISTICAL SECTION

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**COUNTY OF MARIN
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.	174-178
<u>Revenue Capacity</u>	
This segment includes information to help the reader assess the County's most significant local revenue source, property tax.	179-182
<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.	183-185
<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.	186-188
<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.	189-190

**COUNTY OF MARIN
GOVERNMENT-WIDE NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Governmental Activities:										
Net Investment in Capital Assets ¹	\$ 1,339,735,080	\$ 1,340,606,232	\$ 1,323,738,129	\$ 1,311,853,403	\$ 1,276,774,561	\$ 1,273,344,540	\$ 1,302,696,113	\$ 1,317,857,743	\$ 1,300,175,426	\$ 1,307,079,747
Restricted	90,025,545	96,059,870	104,933,566	173,980,351	2,861,133	164,729,907	180,676,987	197,508,591	174,870,093	169,513,523
Unrestricted	120,604,017	77,080,634	78,853,651	11,266,738	48,905,187	19,059,115	6,281,718	(229,883,825)	(153,404,084)	(101,487,886)
Total Governmental Activities Net Position	<u>\$ 1,550,364,642</u>	<u>\$ 1,513,746,736</u>	<u>\$ 1,507,525,346</u>	<u>\$ 1,497,100,492</u>	<u>\$ 1,328,540,881</u>	<u>\$ 1,457,133,562</u>	<u>\$ 1,489,654,818</u>	<u>\$ 1,285,482,509</u>	<u>\$ 1,321,641,435</u>	<u>\$ 1,375,105,384</u>
Business-Type Activities:										
Net Investment in Capital Assets ¹	\$ 26,484,886	\$ 27,414,256	\$ 28,492,170	\$ 28,317,111	\$ 30,730,037	\$ 32,934,675	\$ 32,713,894	\$ 33,647,390	\$ 43,142,844	\$ 45,737,269
Restricted	8,346,472	9,883,350	8,565,480	9,403,055	9,071,725	7,343,795	6,793,821	6,774,022	7,159,321	7,108,961
Unrestricted	12,108,240	14,933,495	12,796,903	13,712,010	7,942,516	11,751,468	13,722,499	16,833,618	18,112,302	21,461,226
Total Business-Type Activities Net Position	<u>\$ 46,939,598</u>	<u>\$ 52,231,101</u>	<u>\$ 49,854,553</u>	<u>\$ 51,432,176</u>	<u>\$ 47,744,278</u>	<u>\$ 52,029,938</u>	<u>\$ 53,230,214</u>	<u>\$ 57,255,030</u>	<u>\$ 68,414,467</u>	<u>\$ 74,307,456</u>
Primary Government:										
Net Investment in Capital Assets ¹	\$ 1,366,219,966	\$ 1,368,020,488	\$ 1,352,230,299	\$ 1,340,170,514	\$ 1,307,504,598	\$ 1,306,279,215	\$ 1,335,410,007	\$ 1,351,505,133	\$ 1,343,318,270	\$ 1,352,817,016
Restricted	98,372,017	105,943,220	113,499,046	183,383,406	11,932,858	172,073,702	187,470,808	204,282,613	182,029,414	176,622,484
Unrestricted	132,712,257	92,014,129	91,650,554	24,978,748	56,847,703	30,810,583	20,004,217	(213,050,207)	(135,291,782)	(80,026,660)
Total Primary Government Net Position ^{2,3}	<u>\$ 1,597,304,240</u>	<u>\$ 1,565,977,837</u>	<u>\$ 1,557,379,899</u>	<u>\$ 1,548,532,668</u>	<u>\$ 1,376,285,159</u>	<u>\$ 1,509,163,500</u>	<u>\$ 1,542,885,032</u>	<u>\$ 1,342,737,539</u>	<u>\$ 1,390,055,902</u>	<u>\$ 1,449,412,840</u>
Percent of Increase (Decrease) in Primary Government Net Position	(1.42)%	(1.96)%	(0.55)%	(0.57)%	(11.12)%	9.65 %	2.23 %	(12.97)%	3.52 %	4.27 %

Notes:

- ¹ Capital assets include land, land improvement, easements, construction in progress, intangible assets, structures and improvements, equipment, infrastructure, and other property.
- ² Accounting standards require that net position be reported in three components in the government-wide financial statements: net investment in capital assets; 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.
- ³ The decrease in net position starting with the fiscal year ended June 30, 2015 was primarily due to the recording of the County's net pension liability in accordance with GASB Statement No. 68.

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

**COUNTY OF MARIN
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

COUNTY OF MARIN

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
EXPENSES										
Governmental Activities:										
General Government	\$ 95,010,097	\$ 78,944,173	\$ 71,617,475	\$ 78,174,626	\$ 77,172,865	\$ 121,258,708	\$ 84,027,170	\$ 82,921,707	\$ 86,880,607	\$ 89,409,204
Public Protection	159,494,067	169,921,297	169,011,775	160,691,198	158,129,592	156,064,850	156,154,574	154,983,553	163,364,793	176,550,146
Public Ways and Facilities	41,518,385	40,003,824	35,134,260	33,946,789	26,208,192	32,538,571	44,560,810	32,075,029	17,609,082	15,563,001
Health and Sanitation	97,826,891	96,157,874	94,895,462	87,682,812	89,241,808	90,853,837	89,232,186	85,648,934	95,898,060	97,961,789
Public Assistance	61,789,547	64,310,157	73,137,027	73,445,107	68,793,982	63,600,190	68,703,203	67,182,553	65,199,856	79,787,633
Education	13,346,183	13,376,491	13,025,776	13,415,872	13,348,168	15,521,694	15,811,986	13,120,661	14,635,952	15,375,928
Recreation and Cultural Services	17,274,181	17,060,038	15,941,380	16,854,659	16,191,066	17,139,646	25,554,382	18,229,115	26,649,314	27,530,700
Debt Service:										
Interest and Fiscal Charges	12,155,613	11,312,313	11,190,274	11,751,268	12,017,811	10,936,573	10,512,668	10,001,182	10,432,237	11,720,752
Total Governmental Activities Expense	498,414,964	491,086,167	483,953,429	475,962,331	461,103,484	507,914,069	494,556,979	464,162,734	480,669,901	513,899,153
Business-Type Activities:										
Housing Authority	33,585,123	36,119,347	36,591,718	39,403,887	41,825,266	39,919,898	39,280,670	39,317,842	38,621,407	41,725,977
Other Business-Type Activities	27,413,673	30,357,102	31,891,178	32,205,334	32,475,679	30,287,766	32,758,672	34,873,634	35,586,849	37,552,519
Total Business-Type Activities Expenses	60,998,796	66,476,449	68,482,896	71,609,221	74,300,945	70,207,664	72,039,342	74,191,476	74,208,256	79,278,496
Total Primary Government Expenses	\$ 559,413,760	\$ 557,562,616	\$ 552,436,325	\$ 547,571,552	\$ 535,404,429	\$ 578,121,733	\$ 566,596,321	\$ 538,354,210	\$ 554,878,157	\$ 593,177,649
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 29,213,708	\$ 29,853,998	\$ 24,023,409	\$ 28,148,514	\$ 25,973,978	\$ 24,598,118	\$ 15,154,492	\$ 31,833,841	\$ 25,433,009	\$ 15,234,296
Public Protection	28,126,901	31,585,415	38,555,176	38,912,554	36,397,954	37,629,406	50,836,345	37,902,032	44,274,532	45,569,728
Other Activities	11,772,651	11,220,698	15,028,100	15,681,773	18,715,086	19,186,522	20,479,315	17,702,864	18,841,627	21,136,907
Operating Grants and Contributions	178,914,115	165,629,111	172,043,483	167,332,764	169,407,784	176,334,689	185,429,959	199,007,331	184,740,139	197,130,229
Capital Grants and Contributions	-	10,764,586	21,165,980	15,331,128	2,134,985	5,789,750	1,881,829	2,897,874	4,153,767	7,356,278
Total Governmental Activities Program Revenues	248,027,375	249,053,808	270,816,148	265,406,733	252,629,787	263,538,485	273,781,940	289,343,942	277,443,074	286,427,438
Business-Type Activities:										
Charges for Services:										
Housing Authority	2,804,727	3,880,406	2,960,138	4,359,716	1,804,211	1,557,962	2,231,254	1,530,162	1,719,140	1,737,680
Other Business-Type Activities	11,754,323	12,705,975	12,119,158	13,710,708	11,074,217	11,194,640	10,806,818	11,034,225	11,379,022	11,211,984
Operating Grants and Contributions	47,461,190	48,705,910	45,471,438	50,103,335	49,918,083	50,579,746	53,957,004	54,484,780	56,816,161	60,426,442
Capital Grants and Contributions	548,994	13,659,585	2,138,810	1,628,485	3,603,727	4,358,421	2,010,153	2,894,521	12,392,023	4,525,493
Total Business-Type Activities Program Revenues	62,569,234	78,951,876	62,689,544	69,802,244	66,400,238	67,690,769	69,005,229	69,943,688	82,306,346	77,901,599
Total Primary Government Program Revenues	\$ 310,596,609	\$ 328,005,684	\$ 333,505,692	\$ 335,208,977	\$ 319,030,025	\$ 331,229,254	\$ 342,787,169	\$ 359,287,630	\$ 359,749,420	\$ 364,329,037
NET REVENUE (EXPENSE)¹										
Governmental Activities	\$ (250,387,589)	\$ (242,032,359)	\$ (213,137,281)	\$ (210,555,598)	\$ (208,473,697)	\$ (244,375,584)	\$ (220,775,039)	\$ (174,818,792)	\$ (203,226,827)	\$ (227,471,715)
Business-Type Activities	1,570,438	12,475,427	(5,793,352)	(1,806,977)	(7,900,707)	(2,516,895)	(3,034,113)	(4,247,788)	8,098,090	(1,376,897)
Total Primary Government Net Expense	\$ (248,817,151)	\$ (229,556,932)	\$ (218,930,633)	\$ (212,362,575)	\$ (216,374,404)	\$ (246,892,479)	\$ (223,809,152)	\$ (179,066,580)	\$ (195,128,737)	\$ (228,848,612)

**COUNTY OF MARIN
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 165,848,803	\$ 195,047,145	\$ 183,657,725	\$ 189,146,127	\$ 181,655,215	\$ 183,586,166	\$ 179,525,969	\$ 201,773,959	\$ 212,879,125	\$ 244,942,858
Sales and Use Taxes	2,980,581	2,920,483	2,627,825	2,617,299	3,843,242	3,784,814	3,881,496	16,575,719	18,664,903	18,260,803
Other	9,830,520	8,438,480	3,952,498	3,912,590	3,595,633	4,398,288	6,380,276	7,569,436	7,492,496	7,825,635
Unrestricted Interest and Investment Earnings	14,711,655	13,928,177	9,082,873	6,053,144	4,785,362	2,956,134	2,988,564	3,718,232	3,838,317	4,823,768
Miscellaneous	14,525,509	3,538,084	2,962,336	2,561,688	2,036,152	3,389,105	5,496,912	2,200,297	2,175,600	2,237,567
Tobacco Settlement	2,545,345	2,856,389	3,131,196	2,632,091	2,199,785	2,243,241	3,410,665	4,854,591	1,464,157	4,605,829
Transfers	-	-	-	(7,048)	86,461	19,615	(50,000)	(1,509,557)	(1,922,343)	(1,760,796)
Total Governmental Activities	210,442,413	226,728,758	205,414,453	206,915,891	198,201,850	200,377,363	201,633,882	235,182,677	244,592,255	280,935,664
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	3,611,357	3,848,373	4,111,657
Investment Earnings	534,171	382,508	803,328	150,809	40,958	289,122	616,378	359,221	440,017	201,731
Related Party Contribution	-	-	-	-	-	400,000	-	-	-	-
Miscellaneous	-	510,973	64,679	-	-	2,763,769	2,531,026	2,677,010	1,250,251	1,195,702
Transfers	-	-	-	7,048	(86,461)	(19,615)	50,000	1,509,557	1,922,343	1,760,796
Total Business-Type Activities	3,440,694	4,127,026	4,093,859	3,416,804	3,095,674	6,602,064	6,427,162	8,157,145	7,460,984	7,269,886
Total Primary Government	<u>\$ 213,883,107</u>	<u>\$ 230,855,784</u>	<u>\$ 209,508,312</u>	<u>\$ 210,332,695</u>	<u>\$ 201,297,524</u>	<u>\$ 206,979,427</u>	<u>\$ 208,061,044</u>	<u>\$ 243,339,822</u>	<u>\$ 252,053,239</u>	<u>\$ 288,205,550</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ (39,945,176)	\$ (15,303,601)	\$ (7,722,828)	\$ (3,639,707)	\$ (10,271,847)	\$ (8,096,334)	\$ (42,720,952)	\$ 60,363,885	\$ 41,365,428	\$ 53,463,949
Business-Type Activities	5,011,132	16,602,453	(1,699,493)	1,609,827	(4,805,033)	(1,298,643)	3,910,267	3,909,357	15,559,074	5,892,989
Total Primary Government	<u>\$ (34,934,044)</u>	<u>\$ 1,298,852</u>	<u>\$ (9,422,321)</u>	<u>\$ (2,029,880)</u>	<u>\$ (15,076,880)</u>	<u>\$ (9,394,977)</u>	<u>\$ (38,810,685)</u>	<u>\$ 64,273,242</u>	<u>\$ 56,924,502</u>	<u>\$ 59,356,938</u>

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)**

	2007-08	2008-09	2009-10	2010-11 ²	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
General Fund:										
Reserved	\$ 16,378	\$ 28,289	\$ 32,956							
Unreserved	142,742	143,216	156,096							
Total General Fund	<u>\$ 159,120</u>	<u>\$ 171,505</u>	<u>\$ 189,052</u>							
Capital Projects Fund:										
Reserved	\$ 5,155	\$ -	\$ -							
Unreserved	33,334	-	-							
Total Capital Projects Fund	<u>\$ 38,489</u>	<u>\$ -</u>	<u>\$ -</u>							
Flood Control District Zones:										
Reserved	\$ -	\$ 2,225	\$ 866							
Unreserved	-	11,828	15,446							
Total Flood Control District Zones	<u>\$ -</u>	<u>\$ 14,053</u>	<u>\$ 16,312</u>							
All Other Governmental Funds: ¹										
Reserved	\$ 11,469	\$ 14,479	\$ 14,547							
Unreserved, Reported in:	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	<u>\$ 97,039</u>	<u>\$ 103,983</u>	<u>\$ 119,287</u>							
General Fund:										
Nonspendable				\$ 1,765	\$ 3,939,117	\$ 4,719,830	\$ 4,137,997	\$ 3,647,441	\$ 3,443,062	\$ 4,051,967
Restricted				10,097	12,093,012	10,740,177	17,650,224	27,298,270	18,029,448	40,820,909
Committed				118,593	114,628,535	68,600,588	77,384,472	67,592,806	75,183,409	56,360,224
Assigned				48,097	44,626,225	37,094,588	36,770,748	51,133,913	60,208,192	68,329,554
Unassigned				14,837	6,588,685	4,176,408	3,896,463	3,215,908	99,631	1,819,492
Total General Fund	<u>\$ 193,389</u>	<u>\$ 181,875,574</u>	<u>\$ 125,331,591</u>	<u>\$ 139,839,904</u>	<u>\$ 152,888,338</u>	<u>\$ 156,963,742</u>	<u>\$ 171,382,146</u>			
Other Major Special Revenue Funds:										
Nonspendable	\$ -	\$ -	\$ 13,276							\$ -
Restricted	1,637	30,353,031	18,747,903							750,316
Assigned	-	-	11,202,104							90,045
Total Miscellaneous Special Revenue Fund	<u>\$ 1,637</u>	<u>\$ 30,353,031</u>	<u>\$ 29,963,283</u>							<u>\$ 840,361</u>
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							44,740,402
Total Miscellaneous Capital Projects Fund	<u>\$ 58,966</u>	<u>\$ 59,470,249</u>	<u>\$ 63,075,401</u>							<u>\$ 44,740,402</u>
All Other Governmental Funds: ¹										
Nonspendable	\$ 6,327	\$ 6,273,145	\$ 112,376	\$ 106,351	\$ 108,962	\$ 103,310	\$ 123,989			
Restricted	114,873	91,926,263	110,612,255	143,013,079	151,795,932	156,840,645	127,942,298			
Committed	1,164	2,459,990	500,000	525,092	140,092	140,092	20,749,601			
Assigned	20,708	22,975,609	14,130,484	20,726,807	27,298,060	76,760,976	53,497,585			
Total All Other Governmental Funds	<u>\$ 143,072</u>	<u>\$ 123,635,007</u>	<u>\$ 125,355,115</u>	<u>\$ 164,371,329</u>	<u>\$ 179,343,046</u>	<u>\$ 233,845,023</u>	<u>\$ 202,313,473</u>			

Notes:

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)

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
REVENUES										
Taxes	\$ 206,032	\$ 190,740	\$ 195,676	\$ 189,886	\$ 192,014	\$ 189,788	\$ 223,824	\$ 225,919	\$ 239,037	\$ 271,029
Licenses, Fees, and Permits	9,272	9,280	10,385	11,395	12,884	13,655	15,620	15,139	15,003	14,651
Intergovernmental Revenues	188,291	9,559	12,695	182,664	171,543	11,505	10,437	12,145	10,222	9,188
Charges for Services	52,907	9,083	6,053	58,234	55,986	2,989	3,315	3,233	3,464	4,445
Fines and Forfeits	7,566	176,194	188,421	13,768	12,217	182,124	187,312	201,372	188,894	204,487
From Use of Money and Property	13,928	54,587	56,828	4,785	2,956	56,322	60,471	60,688	63,324	57,296
Miscellaneous	6,394	6,093	4,726	4,181	5,632	8,908	3,539	7,055	3,640	6,843
Total Revenues	484,390	455,536	474,784	464,913	453,232	465,291	504,518	525,551	523,584	567,939
EXPENDITURES										
Current:										
General Government	83,507	62,051	54,432	59,576	60,063	113,846	71,713	69,589	64,062	71,994
Public Protection	145,944	153,674	155,404	154,993	147,075	153,065	162,849	164,831	173,724	181,559
Public Ways and Facilities	29,552	27,787	24,321	23,885	16,038	22,797	34,294	31,922	19,893	14,964
Health and Sanitation	93,272	90,416	91,008	85,285	85,864	90,784	88,476	88,845	99,774	99,002
Public Assistance	57,190	59,671	68,972	67,638	65,988	63,496	67,607	69,330	77,352	80,470
Education	12,276	12,589	12,136	12,898	12,677	15,542	14,600	14,762	15,024	15,426
Recreation and Cultural Services	15,411	15,116	14,722	15,869	15,105	16,866	21,899	22,192	27,654	27,540
Capital Outlay	28,837	25,312	4,550	5,575	37,594	18,257	42,901	26,887	23,877	28,615
Debt Service:										
Principal	4,243	4,657	4,744	5,259	5,130	7,548	5,215	6,361	7,304	7,469
Interest	10,313	10,227	10,162	10,590	11,261	11,103	10,419	10,298	10,481	10,810
Bond Issuance Costs	-	-	-	1,062	-	-	-	-	-	-
Total Expenditures	480,545	461,500	440,451	442,630	456,795	513,304	519,973	505,017	519,145	537,848
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	3,845	(5,964)	34,333	22,283	(3,563)	(48,013)	(15,455)	20,534	4,439	30,091
OTHER FINANCING SOURCES (USES)										
Inception of Capital Lease	-	-	96	1,689	-	-	-	-	-	-
Sale of Capital Assets	5	-	-	-	1,989	6	-	-	-	131
Debt Refunding to Escrow Agent	-	-	-	(17,465)	-	-	-	-	(60,483)	-
Proceeds from Borrowing	-	858	682	63,885	1,980	124	6,413	1,769	82,721	-
Payment Refunded to Escrow Agent	-	-	-	-	-	-	(6,003)	-	-	-
Transfers In	41,235	21,824	33,776	136,668	114,039	110,017	100,196	105,469	178,847	144,338
Transfers Out	(41,235)	(21,824)	(33,778)	(136,577)	(114,014)	(113,713)	(96,574)	(106,973)	(180,763)	(146,092)
Total Other Financing Sources (Uses), Net	5	858	776	48,200	3,994	(3,566)	4,032	265	20,322	(1,624)
NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEM/SPECIAL ITEMS	3,850	(5,106)	35,109	70,483	431	(51,579)	(11,423)	20,799	24,761	28,468
EXTRAORDINARY ITEM/SPECIAL ITEM										
RDA Dissolution	-	-	-	-	(600)	21	-	-	-	-
NET CHANGE IN FUND BALANCES	<u>\$ 3,850</u>	<u>\$ (5,106)</u>	<u>\$ 35,109</u>	<u>\$ 70,483</u>	<u>\$ (169)</u>	<u>\$ (51,558)</u>	<u>\$ (11,423)</u>	<u>\$ 20,799</u>	<u>\$ 24,761</u>	<u>\$ 28,468</u>
Debt Service as a Percentage of Noncapital Expenditures	3.22%	3.41%	3.42%	3.63%	3.91%	3.77%	3.28%	3.48%	3.59%	3.59%

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	Secured ¹	Unsecured ²	Exempt ³	Total Taxable Assessed Value	Total Direct Tax Rate
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
2013-14	58,938,343	1,480,668	2,013,902	58,405,109	1.00
2014-15	62,341,701	1,530,991	2,037,580	61,835,112	1.00
2015-16	66,718,112	1,556,521	2,067,204	66,207,429	1.00
2016-17	70,952,207	1,566,336	2,079,024	70,439,519	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 Property Tax Division - 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 Rates ²			Total Direct and Overlapping ²
		Local Special Districts	Schools	Cities	
2007-08	1.0000 %	0.6924 %	0.6186 %	0.2778 %	0.0259 %
2008-09	1.0000	0.7121	0.5836	0.2734	0.0257
2009-10	1.0000	0.6741	0.6468	0.2757	0.0260
2010-11	1.0000	0.7677	0.7423	0.2860	0.0280
2011-12	1.0000	0.8093	0.7808	0.2523	0.0284
2012-13	1.0000	0.7721	0.7884	0.2522	2.8127
2013-14	1.0000	0.7850	0.7775	0.2601	2.8226
2014-15	1.0000	0.8156	0.8000	0.2519	2.8675
2015-16	1.0000	0.8200	0.8114	0.2510	2.8824
2016-17	1.0000	0.9221	0.8506	0.2394	3.0121

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 Property Tax Division - County of Marin, California

**COUNTY OF MARIN
PRINCIPAL REVENUE TAXPAYERS
CURRENT FISCAL YEAR AND TEN YEARS AGO**

June 30, 2017

Taxpayer	Type of Business	Total Taxes ^{1,2}	Percentage of Total County Taxes
Pacific Gas and Electric Company	Utilities	\$ 6,556,079	0.67 %
JCC Cal Properties, LLC	Commercial Rental Property	2,894,053	0.29
California Corporate Acquisition LLC	Commercial Rental Property	2,789,138	0.28
Skywalker Properties LTD	Film and Entertainment	2,664,224	0.27
Biomarin Pharmaceutical, Inc.	Pharmaceutical	2,058,903	0.21
Northgate Mall Association	Commercial Rental Property	1,887,109	0.19
Corte Madera Village LLC	Commercial Rental Property	1,828,483	0.19
Novato FF Property LLC	Commercial Rental Property	1,722,756	0.17
RP Maximus Cove Owner, LLC	Commercial Rental Property	1,722,345	0.17
RPR Larkspur Owner LLC	Residential Rental Property	1,588,025	0.16
Total		<u>\$ 25,711,115</u>	2.61
Total Taxes of All Taxpayers		<u>\$ 985,186,932</u>	

June 30, 2007

Taxpayer	Type of Business	Total Taxes ¹	Percentage of Total County Taxes
Pacific Gas and Electric Co.	Utilities	\$ 2,675,224	0.42 %
First States Investors 239 LLC	Commercial Rental Property	2,220,274	0.35
Skywalker Properties LTD	Film and Entertainment	2,045,936	0.32
James Campbell Co LLC	Commercial Rental Property	1,539,373	0.24
Corete Madera Village LLC	Commercial Rental Property	1,517,780	0.24
Northgate Mall Assoc.	Commercial Rental Property	1,257,677	0.20
MC VAY W H TR L/L ETAL	Commercial Rental Property	1,038,164	0.16
770 Tamalpais Dr. Inc.	Commercial Rental Property	1,008,267	0.16
Hines San Rafael LLC	Commercial Rental Property	776,127	0.12
Pacific Bell Telephone Co.	Utilities	749,334	0.12
Total		<u>\$ 14,828,155</u>	2.35
Total Taxes of All Taxpayers		<u>\$ 630,501,965</u>	

Notes:

¹ Taxable assessed secured amounts

² Taxable secured amounts on APNs assessed over \$100,000.

Source: Department of Finance Property Tax Division - County of Marin, California

**COUNTY OF MARIN
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ending 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
2008	\$ 684,007,251	\$ 667,706,143	97.62 %	\$ 15,958,934	\$ 683,665,077	99.95 %	\$ 342,174	0.05 %
2009	717,958,385	696,748,890	97.05	19,257,342	716,006,232	99.73	1,952,153	0.27
2010	746,290,576	727,942,762	97.54	17,392,108	745,334,870	99.87	955,706	0.13
2011	755,085,588	740,943,048	98.13	12,975,421	753,918,469	99.85	1,167,119	0.15
2012	769,537,466	757,441,903	98.43	11,009,830	768,451,733	99.86	1,085,733	0.14
2013	782,812,148	773,795,588	98.85	7,961,974	781,757,562	99.87	1,054,586	0.13
2014	817,201,889	808,364,147	98.92	7,818,662	816,182,809	99.88	1,019,080	0.12
2015	858,418,809	850,569,761	99.09	5,904,347	856,474,108	99.77	1,944,701	0.23
2016	929,551,558	922,760,747	99.27	5,330,714	928,091,461	99.84	1,460,097	0.16
2017	985,641,306	977,622,873	99.19	-	977,622,873	99.19	8,018,433	0.81

Source: Department of Finance Property Tax Division - 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	Governmental Activities								Business-Type Activities			Primary Government				General Bonded Debt Per Capita ¹
	Revenue Bonds	Pension Obligation Bonds	Asset Backed Bonds	Limited Obligation Improvement Bonds	Certificates of Participation	Term Loan Payable	Capital Leases	Subtotal	Term Loan Payable	Capital Leases	Subtotal	Total Primary Government Debt	Total General Bonded Debt	Percentage of Personal Income ¹	Per Capita ¹	
2007-08	\$ 11,670	\$ 112,805	\$ 48,884	\$ -	\$ 39,110	\$ 1,838	\$ 913	\$ 215,220	\$ 5,150	\$ 46	\$ 5,196	\$ 220,416	\$ 212,469	0.95 %	\$ 888	\$ 856
2008-09	11,390	112,755	48,502	-	36,005	2,398	882	211,932	5,107	-	5,107	217,039	208,652	0.97	866	832
2009-10	11,080	112,325	48,481	-	32,760	3,062	558	208,266	5,674	-	5,674	213,940	204,646	1.03	846	810
2010-11	10,740	111,480	48,779	-	75,178	3,453	1,955	251,585	6,061	202	6,263	257,848	246,177	1.18	1,011	965
2011-12 ²	6,185	110,185	48,999	-	73,410	4,722	1,536	245,037	5,169	-	5,169	250,206	238,779	10.50	977	932
2012-13	5,860	108,400	48,163	-	71,097	2,766	1,103	237,389	4,212	2,172	6,384	243,773	233,520	0.97	944	904
2013-14	6,163	106,085	48,550	-	68,731	2,780	700	233,009	4,535	2,147	6,682	239,691	229,529	0.93	919	880
2014-15	5,743	103,195	48,902	430	66,308	3,912	354	228,844	4,622	2,051	6,673	235,517	224,578	0.83	902	860
2015-16	5,295	99,675	49,309	416	91,411	3,662	-	249,768	5,084	1,939	7,023	256,791	246,106	0.85	985	944
2016-17	4,835	95,475	49,762	400	89,476	3,206	-	243,154	5,664	1,573	7,237	250,391	239,948	Unavailable	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
JUNE 30, 2017
(IN THOUSANDS)**

	Fiscal Year 2017	
	1.25 %	3.75 %
Debt Limit	\$ 880,494	\$ 2,641,482
Total Net Debt Applicable to Limit	232,575	232,591
Legal Debt Margin	\$ 647,919	\$ 2,408,891
 Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	 26.41%	 8.81%
 Legal Debt Margin Calculation for Fiscal Year 2014		
Assessed Value	\$ 72,518,543	\$ 72,518,543
Less: Exempt Real Property	(2,079,024)	(2,079,024)
Total Assessed Value	\$ 70,439,519	\$ 70,439,519
 CERTIFICATES OF PARTICIPATION		
Debt Limit (1.25% and 3.75% of Total Assessed Value) ¹	\$ 880,494	\$ 2,641,482
Debt Applicable to Limit:		
Certificates of Participation	89,476	89,476
Less: Amount Set Aside for Repayment of Outstanding Debt	(1,998)	(1,998)
Total Net Debt Applicable to Limit	87,478	87,478
 OTHER BONDED DEBT		
Debt Applicable to Limit:		
Revenue Bonds	4,835	4,835
Pension Obligation Bonds	95,475	95,475
Tobacco Settlement Asset-Backed Bonds	49,762	49,762
Limited Obligation Improvement Bond 2014	400	416
Less: Amount Set Aside for Repayment of Outstanding Debt	(5,375)	(5,375)
Total Net Debt Applicable to Limit	145,097	145,113
Legal Debt Margin	\$ 1,113,069	\$ 2,874,073

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 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
JUNE 30, 2017**

FY 2016-17 Assessed Valuation (including unitary utility valuation)

\$ 71,343,117,990

	Percentage Applicable (1)	County's Share of Overlapping Debt
OVERLAPPING TAX AND ASSESSMENT DEBT		
School Districts:		
Marin Community College District	100.000%	\$ 313,510,000
Novato Unified School District	100.000%	121,295,000
Shoreline Joint Unified School District	55.020%	6,398,826
Petaluma Joint Union High School District	0.881%	531,531
San Rafael High School District	100.000%	71,215,315
Tamalpais Union High School District	100.000%	117,095,000
Larkspur-Corte Madera School District	100.000%	56,004,433
Mill Valley School District	100.000%	63,582,831
Reed Union School District	100.000%	29,260,000
Ross Valley School District	100.000%	44,891,171
San Rafael School District	100.000%	69,670,289
Other School Districts	0.129%-100%	83,665,556
Cities:		
Town of Fairfax	100.000%	7,209,200
City of Novato	100.000%	10,372,907
City of San Anselmo	100.000%	5,630,000
City of Sausalito	100.000%	12,148,894
Special Districts:		
Strawberry Recreation and Park District Zone No. 4	100.000%	505,000
Marin County Healthcare District	100.000%	157,385,000
Marin Emergency Radio Authority Parcel Tax Obligations	100.000%	33,000,000
Public Utility Districts	100.000%	82,000
County Water Districts	100.000%	62,570,497
Marin County Limited Obligation Bonds	100.000%	5,235,731
1915 Act Bonds	100.000%	22,605,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		1,293,864,181
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		
Direct General Fund Obligation Debt:		
Marin County General Fund Obligations	100.000%	\$ 89,475,999 (2)
Marin County Pension Obligation Bonds	100.000%	95,475,000
Marin County Loan Obligations	100.000%	3,205,950
School Districts:		
Marin Community College District General Fund Obligations	100.000%	2,420,834
San Rafael School District General Fund Obligations	100.000%	3,405,000
Sausalito School District Certificates of Participation	100.000%	4,390,000
Other School District General Fund Obligations	0.129%-0.881%	51,604
Cities and Towns:		
Town of Corte Madera General Fund Obligations	100.000%	9,434,468
City of Novato Certificates of Participation and Pension Obligations	100.000%	17,232,744
City of San Rafael General Fund and Pension Obligations	100.000%	11,434,686
Other Cities and Towns General Fund and Pension Obligations	100.000%	18,249,643
Special Districts:		
Marin County Transit District General Fund Obligations	100.000%	111,628
Marinwood Community Services District Certificates of Participation	100.000%	191,356
Fire Protection District Certificates of Participation	100.000%	5,460,167
Other Special District General Fund Obligations	100.000%	502,326
Total Gross Direct and Overlapping General Fund Obligation Debt		\$ 261,041,405
Less: City of San Rafael obligations supported by enterprise revenues		5,445,000
Total Net Direct and Overlapping General Fund Debt		\$ 255,596,405
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies)	100.000%	\$ 59,631,504
TOTAL DIRECT DEBT		\$ 193,392,680
TOTAL GROSS OVERLAPPING DEBT		\$ 1,421,144,410
TOTAL NET OVERLAPPING DEBT		\$ 1,415,699,410
COMBINED TOTAL DEBT		\$ 1,614,537,090 (3)
COMBINED TOTAL DEBT		1,609,092,090
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) Includes 2001, 2012, & 2015 certificates of participation and share of Marin's Emergency Radio Authority Bonds (\$3,325,190). Excludes Tobacco Settlement Bonds payable from tobacco settlement proceeds.		
(3) 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 2016-17 Assessed Valuation:		
Total Overlapping Tax and Assessment Debt	1.81%	
Total Direct Debt (\$194,416,887)	0.27%	
Gross Combined Total Debt	2.26%	
Net Combined Total Debt	2.26%	
Ratios to Redevelopment Incremental Valuation (\$4,228,086,516):		
Total Overlapping Tax Increment Debt	1.32%	
Marin County General Fund Obligations	\$ 89,475,999	
Marin County population	260,651	
Marin County General Fund Obligations per capita	\$ 343	

Source: California Municipal Statistics, Inc.

**COUNTY OF MARIN
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ending June 30,</u>	<u>Population¹</u>	<u>Personal Income¹</u>	<u>Per Capita Personal Income¹</u>	<u>School Enrollment²</u>	<u>Unemployment Rate³</u>
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	7.00
2013	258,365	25,093,401,000	97,124	32,793	5.40
2014	260,750	25,716,754,000	98,626	33,207	4.20
2015	261,221	28,492,821,000	109,076	33,638	3.50
2016	260,651	30,222,883,000	115,952	33,633	3.50
2017	Unavailable	Unavailable	Unavailable	Unavailable	2.20

Sources:

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

² California Department of Education, Educational Demographics Office - www.ed-data.org/county/Marin

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

**COUNTY OF MARIN
PRINCIPAL EMPLOYERS
MOST RECENT YEAR AND TEN YEARS AGO**

2016			2006		
Employer	Employees	Percentage of Total County Employment	Employer	Employees	Percentage of Total County Employment
County of Marin	2,282	1.67 %	County of Marin	2,195	1.76 %
Kaiser Permanente Medical Center	2,061	1.51	San Quentin Prison	1,718	1.37
Marin General Hospital	1,757	1.29	Kaiser Permanente	1,380	1.10
San Quentin State Prison	1,662	1.22	Firemna's Fund Insurance Co.	1,150	0.92
Novato Unified School District	800	0.59	Novato Unified School District	1,000	0.80
Autodesk, Inc.	719	0.53	Autodesk, Inc.	988	0.79
San Rafael City Schools	700	0.51	Marin General Hospital	867	0.69
Glassdoor	500	0.37	Safeway, Inc.	636	0.51
Dominican University	456	0.33	GreenPoint Mortgage	589	0.47
Marin County Office of Education	351	0.26	Macy's	535	0.43
Total	<u>11,288</u>	8.27	Total	<u>11,058</u>	8.85
Total County Employment	<u>136,500</u>		Total County Employment	<u>125,000</u>	

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**

<u>Function/Program</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>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
General Government	363.12	362.82	362.57	356.73	354.15	354.58	360.20	372.08	374.08	372.25
Public Protection	740.70	723.29	709.97	681.58	663.16	666.91	663.03	670.53	673.78	678.07
Public Ways and Facilities	315.83	324.10	321.03	304.53	300.78	307.93	312.53	318.03	324.53	333.53
Health and Sanitation	387.33	391.53	376.34	352.66	338.50	340.22	360.58	379.67	379.67	414.97
Public Assistance	258.22	261.02	250.89	235.10	225.67	226.81	240.39	253.11	253.11	276.65
Education	95.12	96.76	95.93	94.83	94.95	100.11	98.95	104.74	104.75	106.25
Recreation and Cultural Services	<u>82.25</u>	<u>81.75</u>	<u>81.00</u>	<u>77.50</u>	<u>76.50</u>	<u>87.80</u>	<u>93.92</u>	<u>95.75</u>	<u>95.75</u>	<u>101.05</u>
Total Full-Time Equivalent Employees	<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>	<u>2,129.60</u>	<u>2,193.91</u>	<u>2,205.67</u>	<u>2,282.77</u>

Source: Department of Finance - County of Marin, California

**COUNTY OF MARIN
OPERATING INDICATORS BY FUNCTION
LAST SEVEN FISCAL YEARS**

	Fiscal Year						
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Public Protection							
<u>Sheriff</u>							
Jail Bookings	7,638	7,761	7,619	7,511	7,144	6,994	6,640
Jail Average Daily Population	295	289	289	287	266	293	324
Average Daily Dispatch Calls	82	83	83	82	84	113	181
Number of Major Crimes Task Force Cases Assigned	144	134	98	126	126	200	186
Number of Physical Arrests	7,638	7,761	7,619	7,511	7,039	1,807	1,769
Number of Parking Violations	5,454	5,650	3,506	5,125	3,610	5,570	5,286
Number of Fire or Emergency Medical Calls Received	23,718	23,739	24,796	24,903	26,234	28,442	31,949
<u>District Attorney</u>							
Number of Felony Referrals	3,172	2,912	2,600	2,579	2,141	1,981	1,835
Number of Misdemeanor Referrals	5,374	5,706	5,412	5,404	5,726	5,855	5,411
Number of Felony Cases Filed	853	832	843	909	783	702	648
Number of Misdemeanor Cases Filed	4,357	3,705	3,113	3,120	3,220	3,187	2,882
DUI's Cases Referred	1,436	1,251	1,320	1,347	1,383	1,235	1,072
DUI's Cases Filed	1,343	1,155	1,228	1,275	1,258	1,147	996
Domestic Violence Cases Referred	828	874	813	838	788	795	761
Domestic Violence Cases Filed	308	329	272	297	277	339	272
<u>Probation</u>							
Probation Investigations and Reports	582	536	486	542	505	685	567
Juvenile Hall Average Daily Population	22	16	12	9	14	15	12
Number of Adult Probation Cases Supervised	2,522	2,566	2,024	2,289	1,955	1,908	1,729
<u>Public Defender</u>							
Number of Requests for Public Defender Assistance at Arraignments	3,091	1,975	n/a	n/a	1,859	1,888	1,562
Number of Cases Settled through Negotiation at Arraignment	191	264	n/a	n/a	501	688	336
<u>Environmental Health</u>							
Food Facility Operating Permits Issued	1,680	1,535	1,545	1,545	1,519	1,544	1,367
Housing and Institution Operating Permits Issued	646	686	679	679	682	691	684
Recreational Health Operating Permits Issued	549	548	548	578	551	547	379
Liquid Waste Operating Permits Issued	295	307	318	318	351	371	383
Health and Sanitation							
<u>Youth and Family Services</u>							
Number of Children Assessed who Need Treatment	435	359	187	272	261	80	83
Total Days in Residential Treatment	3,516	3,376	-	-	-	-	1,463
<u>Mental Health</u>							
Total Number of Medi-Cal beneficiaries	22,963	24,147	23,261	25,855	41,436	2,442	43,369
Number of Children and Adolescents Admitted to Psychiatric Emergency Services	147	112	153	135	136	127	172
Number of Adults Admitted to Psychiatric Emergency Services	931	924	865	982	1,120	825	885
Public Ways and Facilities							
<u>Roads</u>							
Street Resurfacing (Square Miles)	13	6	48.0	68	25	11.5	4
Potholes Repaired	1,800	1,800	1,800	1,800	1,800	1,800	2,200
Public Assistance							
<u>Social Services</u>							
Number of New Applications Received for Food Stamps	7,713	5,850	6,814	6,446	6,086	5,892	5,626
Percent of New Food Stamp Applications Approved	61%	62%	57%	58%	61%	64%	68%
Number of New Applications Received for Medi-Cal	13,709	8,950	9,371	17,141	12,119	9,420	9,567
Percent of New Medi-Cal Applications Approved	62%	57%	58%	62%	59%	63%	95%
Number of Children Served by Child Welfare Services	99	176	142	157	247	197	2,217
Number of Adoptive Parents Served in Adoption Assistant Program Families	235	207	227	223	183	166	164
Education							
<u>Library</u>							
Number of Virtual Visits	883,862	300,304	414,820	412,733	393,695	359,014	827,896
Number of Community Outreach Activities	300	989	897	256	325	458	n/a
Number of Community Partnerships	35	75	93	149	159	193	n/a
Number of Items Circulated	2,100,000	1,717,470	2,197,422	2,335,607	1,986,529	1,863,463	1,717,322
Number of Visits to all Branch Libraries	1,450,000	1,134,067	1,046,825	961,943	1,045,756	1,092,871	1,100,000
Recreation and Cultural Services							
<u>Parks</u>							
Number of Park Passes Issued	321	315	348	348	325	637	725
Transit District							
<u>Buses</u>							
Total Number of Passengers	3,376,520	3,376,520	3,410,383	3,546,112	3,424,628	3,332,265	3,216,894
Service Hours	188,287	188,287	194,563	204,500	213,218	216,640	234,489
Total Number of Routes	26	26	25	30	30	31	28

Source: Various Marin County departments

**COUNTY OF MARIN
CAPITAL ASSET STATISTICS BY FUNCTION
LAST SEVEN FISCAL YEARS**

Function	Fiscal Year						
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Public Protection:							
Sheriff:							
Stations (Headquarters and Substations)	4	4	4	4	4	5	5
Patrol Units	31	31	31	31	31	31	33
Marine Crafts	2	2	2	2	2	2	2
Fire Stations:							
Stations	6	6	6	6	6	6	6
Lookouts	2	2	2	2	2	2	2
Type 1 Fire Engines	7	7	7	7	7	7	6
Type 3 Fire Engines	12	11	11	11	11	11	11
Type 4 Fire Engines	1	1	1	1	2	2	2
Ambulances	5	5	5	5	5	4	4
Graders	1	1	1	1	1	1	1
Dozers	1	1	1	1	1	1	1
Water Tenders	3	3	3	3	3	3	3
USAR Support Vehicles	1	1	1	1	1	2	2
Heavy Rescue Vehicles	2	2	2	2	2	4	4
Transport	1	1	1	1	1	1	1
Crew Carrier	1	-	1	1	1	1	1
Utilities/Support Vehicles	23	23	23	23	23	23	24
ATV	-	2	3	3	3	3	3
Corrections:							
Capacity of All Correctional Facilities	376	376	376	376	376	376	376
Public Ways and Facilities:							
Roads:							
Streets (Miles)	420	420	420	420	420	419	419
Bridges	56	56	56	56	56	56	56
Street Light	2,025	2,025	2,025	2,025	2,025	1,724	1,724
Traffic Signals	13	13	13	13	13	15	15
Education:							
Library:							
Number of Library Branches	11	11	11	11	11	10	10
Recreation and Cultural Services:							
Parks and Open Space:							
Number of Open Space Acres Maintained	15,067	15,087	15,109	15,113	15,159	15,171	15,262
Number of Parks Acres Maintained	934	934	934	942	942	458	2,100
Transit District:							
Buses:							
Total Number of Buses	50	50	58	64	66	90	113

Source: Various Marin County departments