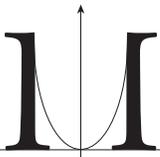


**RICHARDSON'S BAY REGIONAL AGENCY**  
**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**  
**YEARS ENDED JUNE 30, 2017 AND 2016**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Richardson's Bay Regional Agency

We have audited the accompanying financial statements of the Richardson's Bay Regional Agency (the Agency) as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2017 and 2016, and the changes in financial position 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, 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 an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The budgetary comparison schedules and the notes to the supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

*Maher Accountancy*

December 31, 2018

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

The Management's Discussion and Analysis provides an overview of the Agency's financial activities for the fiscal years ended June 30, 2017 and 2016. Please read it along with the Agency's financial statements, which begin on page 7.

### **FINANCIAL HIGHLIGHTS**

The Agency's net position decreased by \$24,000 from 2016 to 2017. Total revenues increased \$104,000 and total expenses increased by \$118,000 in 2017 as compared to 2016.

A budgetary comparison schedule is included in the supplemental information section. That schedule indicates that in 2017 revenues were \$75,110 more than budget and expenses were \$50,465 more than budgeted. Fiscal year 2015-16's revenues exceeded budget by \$4,574 and expenses less than budgeted by \$5,442.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements comprise two components: (1) government-wide financial statements and (2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, similar to a private-sector business.

The balance sheet presents information on all of the Agency's assets and liabilities, with the difference between assets and liabilities 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 Agency is improving or deteriorating.

The statement of revenues and expenses presents information showing how the Agency's net income or loss changed during the fiscal year. All changes in net position are recognized at the date the underlying event that gives rise to the change occurs, regardless of the timing of the related cash flows.

The Agency is a single-purpose entity that has elected to account for its activity as an enterprise fund type under governmental accounting standards. Accordingly, the Agency presents only government-wide financial statements

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in the Agency's net position were as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<b>Increase (decrease) (2017-2016)</b>
Cash	\$ 75,823	\$ 53,010	\$ 64,513	\$ 11,503
Receivables	61,125	36,019	13,078	(22,941)
Preaid expenses	-	3,644	3,746	102
Capital assets, net	<u>46,465</u>	<u>39,677</u>	<u>32,889</u>	<u>(6,788)</u>
Total assets	183,413	132,350	114,226	(18,124)
Current liabilities	<u>65,601</u>	<u>23,618</u>	<u>29,321</u>	<u>5,703</u>
Investment in capital assets	46,465	39,677	32,889	(6,788)
Unrestricted	<u>71,347</u>	<u>69,055</u>	<u>52,016</u>	<u>(17,039)</u>
Total net position	<u>\$ 117,812</u>	<u>\$ 108,732</u>	<u>\$ 84,905</u>	<u>\$ (23,827)</u>

A large portion of the receivable from 2015 represented money owed to us from the State of California for our Department of Boating and Waterways (DBW) contract. During 2016 and 2017, expenditures related to DBW revenue were incurred well before year end and so the revenue was received and expenditures paid before year-end.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in the Agency's revenues were as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<b>Increase (decrease) (2017-2016)</b>
Operating revenues:				
State of California contracts	\$ 250,319	\$ 184,818	\$ 212,209	\$ 27,391
County of Marin grant	-	-	63,521	63,521
Slip rentals and moorings	7,131	10,205	11,389	1,184
Sales and services	9,016	12,331	10,424	(1,907)
Total operating revenues	<u>266,466</u>	<u>207,354</u>	<u>297,543</u>	<u>90,189</u>
Nonoperating revenues:				
Agency member contributions	252,014	269,101	282,101	13,000
Other contributions	9,664	-	-	-
Capital grant	30,000	-	-	-
Interest income	265	319	666	347
Total nonoperating revenues	<u>291,943</u>	<u>269,420</u>	<u>282,767</u>	<u>13,347</u>
Total revenues	<u>\$ 558,409</u>	<u>\$ 476,774</u>	<u>\$ 580,310</u>	<u>\$ 103,536</u>

The Agency receives money from the California Department of Boating and Waterways (DBW) to fund the disposition of derelict vessels in the Bay. In addition to direct funding, DBW allows grantees to obtain unused DBW funding originally granted to other jurisdictions. The Agency received DBW funding from other jurisdictions of approximately \$12,000 and \$56,000 in 2016-17 and 2015-16, respectively. During 2016-17, the Agency also received special funding from the County of Marin of approximately \$64,000 which also was used to dispose of derelict vessels.

## MANAGEMENT’S DISCUSSION AND ANALYSIS

Changes in Agency’s expenses and net position were as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<b>Increase (decrease) (2017-2016)</b>
Operating expenses:				
Operating and security	\$ 422,106	\$ 325,984	\$ 417,793	\$ 91,809
Maintenance	10,259	13,228	9,996	(3,232)
Administration and general	138,886	146,642	176,348	29,706
Total expenses	571,251	485,854	604,137	118,283
Revenues	558,409	476,774	580,310	103,536
Increase in net position	<u>\$ (12,842)</u>	<u>\$ (9,080)</u>	<u>\$ (23,827)</u>	<u>\$ (14,747)</u>

In conjunction with increases in our State contract, salvaging expenses have increased, which accounts for most of the increase in operating and security. Administrative and general expenses during 2017 were more than 2016 due to increased attorney fees.

### THE FUTURE OF THE AGENCY

The RBRA’s focus in 2017-18 was strategic planning towards the goal of a safe, healthy and well-managed Richardson’s Bay, as it also adjusted to the withdrawal of the City of Sausalito from the agency effective July 1, 2017. The 2017-18 fiscal year budget contained increases in member contributions and partial use of fund balance to offset the loss of Sausalito’s 35% share of the member agencies’ contributions. Despite the separation, RBRA and Sausalito engage in communication about policies and operations on the bay.

The Board of Directors hired a quarter-time Executive Director beginning October 1, 2017, to assist in strategic planning and overall management. The Board adopted a work plan, guiding principles, and a more aggressive meeting schedule. After engaging the public in work sessions about options for the future, the Board adopted a direction that revolves around secure moorings and requirements for vessels as a means of achieving its health, safety and management goal.

In 2018-19 the Board plans to undertake a marine ecology based mooring feasibility and planning study to inform about safe and healthy mooring locations and equipment/technique, as well as overall capacity and accessing the shore. It also plans to strengthen its ordinance definitions and requirements for vessels on the Bay, and adopt enforcement priorities that are more focused on unoccupied vessels than those that are liveboards. All of these efforts are aimed towards improving both efficiency and effectiveness for management of the agency and bay.

RBRA has had continued success with grants from the Surrendered and Abandoned Vessel Exchange Program through the State of California Division of Boating & Waterways. In 2017-18, RBRA received \$180,000 in SAVE funds, which are valid through September 2020. RBRA also is seeking grants from other agencies, such as the National Oceanic & Atmospheric Administration.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### REQUESTS FOR INFORMATION

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

Please address any questions about this report or requests for additional financial information to the address on our letterhead.

Respectfully submitted,

*Beth Pollard*

Beth Pollard, Executive Director

## **FINANCIAL STATEMENTS**

**RICHARDSON'S BAY REGIONAL AGENCY  
STATEMENTS OF NET POSITION  
YEARS ENDED JUNE 30, 2017 AND 2016**

<b>ASSETS</b>	<b>2017</b>	<b>2016</b>
Current assets:		
Cash and cash equivalents	\$ 64,513	\$ 53,010
Receivables		
State of California	-	26,167
County of Marin	9,664	9,664
Miscellaneous	3,414	188
Prepaid	3,746	3,644
Total current assets	<u>81,337</u>	<u>92,673</u>
Capital assets, net of depreciation	<u>32,889</u>	<u>39,677</u>
Total assets	<u>114,226</u>	<u>132,350</u>
 <b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	12,919	2,426
Accrued payroll and benefits	-	5,377
Accrued compensated absences	16,402	15,815
Total current liabilities	<u>29,321</u>	<u>23,618</u>
 <b>NET POSITION</b>		
Investment in capital assets	32,889	39,677
Unrestricted	<u>52,016</u>	<u>69,055</u>
Total net position	<u>\$ 84,905</u>	<u>\$ 108,732</u>

**RICHARDSON'S BAY REGIONAL AGENCY  
STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
YEARS ENDED JUNE 30, 2017 AND 2016**

	<b>2017</b>	<b>2016</b>
<b>OPERATING REVENUES:</b>		
State of California contracts	\$ 212,209	\$ 184,818
County of Marin grant	63,521	-
Harbor:		
Slip rentals and moorings	11,389	10,205
Sales and services	10,424	12,331
Total operating revenues	297,543	207,354
<b>OPERATING EXPENSES:</b>		
Operating and security	417,793	325,984
Maintenance	9,996	13,228
Administration and general	176,348	146,642
Total operating expense	604,137	485,854
Income (loss) from operations	(306,594)	(278,500)
<b>NONOPERATING REVENUES</b>		
Agency member contributions	282,101	269,101
Interest income	666	319
Net nonoperating revenues	282,767	269,420
<b>CHANGE IN NET POSITION</b>	(23,827)	(9,080)
Net position at beginning of the year	108,732	117,812
Net position at end of the year	\$ 84,905	\$ 108,732

**RICHARDSON'S BAY REGIONAL AGENCY  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2017 AND 2016**

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
State of California contract	\$ 238,564	\$ 209,884
County of Marin grant	63,521	-
Slip rentals and moorings	11,389	10,245
Sales and services	7,010	12,331
Operating and security	(418,221)	(334,094)
Maintenance	(9,996)	(13,228)
Administration and general	<u>(163,531)</u>	<u>(150,286)</u>
Net cash provided by (used for) operating activities	(271,264)	(265,148)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Cash received from agency members	282,101	269,101
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition of fixed assets	-	(27,085)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest income	<u>666</u>	<u>319</u>
Net increase (decrease) in cash and cash equivalents	11,503	(22,813)
Cash and cash equivalents at beginning of year	<u>53,010</u>	<u>75,823</u>
Cash and cash equivalents at end of year	<u><u>\$ 64,513</u></u>	<u><u>\$ 53,010</u></u>

**RICHARDSON'S BAY REGIONAL AGENCY  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2017 AND 2016  
(continued)**

<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>2017</b>	<b>2016</b>
Income (loss) from operations	\$ (306,594)	\$ (278,500)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation, an expense not requiring the use of cash	6,788	6,788
(Increase) decrease in operating accounts receivable	22,941	25,106
(Increase) decrease in prepaid expenses	(102)	(3,644)
Increase (decrease) in operating accounts payable	10,493	(22,113)
Increase (decrease) in accrued payroll and benefits	(5,377)	5,377
Increase (decrease) in accrued compensated absences	587	1,838
Net cash provided by (used for) operating activities	<u>\$ (271,264)</u>	<u>\$ (265,148)</u>

**RICHARDSON'S BAY REGIONAL AGENCY  
NOTES TO SUPPLEMENTARY INFORMATION  
YEARS ENDED JUNE 30, 2017 AND 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

The Richardson's Bay Regional Agency (the Agency) is a separate governmental unit organized on July 16, 1985, by a joint powers agreement and later revised by an agreement dated October 5, 2000. The Agency's purpose is to maintain and implement those provisions of the Richardson's Bay Special Area Plan relative to mooring, dredging and navigational channel implementation, including but not limited to, the establishment and enforcement of permitted anchorage zones.

Agency members included the County of Marin and the cities of Sausalito, Tiburon, Mill Valley and Belvedere. The member's funded the agency as follows:

<u>Members</u>	<u>Year ended June 30, 2017</u>		<u>Year ended June 30, 2016</u>	
	<u>Funding %</u>	<u>Contribution</u>	<u>Funding %</u>	<u>Contribution</u>
County of Marin	43.6%	\$ 122,868	42.5%	\$ 114,368
Sausalito	33.4%	94,185	35.0%	94,185
Tiburon	10.2%	28,910	10.0%	26,910
Belvedere	7.7%	21,683	7.5%	20,183
Mill Valley	5.1%	14,455	5.0%	13,455
Total	<u>100.0%</u>	<u>\$ 282,101</u>	<u>100.0%</u>	<u>\$ 269,101</u>

The City of Sausalito resigned from membership effective July 1, 2017,

The Agency is governed by a five-person board. The Board is comprised of a County Supervisor and a City Council member from each member city. The Board elects from its members a Chairman and Vice Chairman, who serve two-year terms.

**INTRODUCTION**

The Agency's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

**RICHARDSON'S BAY REGIONAL AGENCY  
NOTES TO SUPPLEMENTARY INFORMATION  
YEARS ENDED JUNE 30, 2017 AND 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING**

The Agency's operations are accounted for as a governmental enterprise fund. Generally accepted accounting principles require that enterprise funds use the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned and expenses are recognized at the time liabilities are incurred.

The Agency distinguishes between operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with an entity's principal ongoing operation. The principal operating revenues of the Agency relate to mooring, dredging and navigational channel implementation activities. Operating expenses include the cost of services, administrative expenses and depreciation on capital assets. Any revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**FINANCIAL STATEMENT AMOUNTS**

**Cash and cash equivalents:**

For purposes of the statement of cash flows, the Agency has defined cash and cash equivalents to include cash on hand and demand deposits, if any, and short-term investments with fiscal agent (County of Marin).

**Capital assets:**

Capital assets owned by the Agency are recorded at cost, or if received in-kind, at estimated fair market value on the date received. The cost of normal repairs and maintenance are recorded as expenses. Improvements that add to the value or extend the life of assets are capitalized. Assets capitalized have an original cost of \$2,500 or more, and over one year of estimated useful life.

Depreciation expense is calculated using the straight-line method over estimated useful lives of ten years for boats and related equipment.

**RICHARDSON'S BAY REGIONAL AGENCY**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**YEARS ENDED JUNE 30, 2017 AND 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenues:**

Grants received for operating purposes, or which may be utilized for either operations or capital expenditures at the discretion of the recipient, are recognized as operating revenues. Resources restricted for the acquisition or construction of capital assets are recorded as non-operating revenue.

**Salaries and Benefits:**

The Agency's Harbor Administrator is an employee of the County of Marin and participates in the Marin County Employees' Retirement Association (MCERA). Pension information for this employee is included in the County's financial statements. The Agency reimburses the County for salary and benefits paid for the Administrator.

**Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Management estimates that the salary and related benefits of the Harbor Administrator are allocable in the following manner: 50% to operating and security, 2% to maintenance, and 48% to administration and general.

**2. CASH**

The Agency maintains all of its cash in the County of Marin pooled investment fund to increase interest earnings through pooled investment activities. Interest earned on the investment pool is allocated quarterly to the participating funds using the daily cash balance of each fund. This pool, which is available for use by all funds, is displayed in the financial statements as "Cash and Cash Equivalents."

The County Pool includes both voluntary and involuntary participation from external entities. The District is a voluntary participant. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer. The District has approved by resolution, the investment policy of the County of Marin which complies with the California Government Code.

The County's investment pool is not registered with the Securities and Exchange Commission as an investment company. The pool has a credit rating of "AAA/V1." Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield, and public trust.

**RICHARDSON'S BAY REGIONAL AGENCY  
NOTES TO SUPPLEMENTARY INFORMATION  
YEARS ENDED JUNE 30, 2017 AND 2016**

**2. CASH (continued)**

The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the types of investments in the pool, maturity dates, par value, actual costs and fair value.

**FAIR VALUE MEASUREMENT**

The District categorized its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2017, The District held no individual investments. All funds are invested in the Marin County Investment Pool.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals from the County Pool are made on the basis of \$1 and not fair value. Accordingly, the District's proportionate share of investments in the County Pool at June 30, 2017 of \$212,209 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input. The Marin County Investment Pool invests substantially all its funds in U.S. government obligations and registered money market funds rated 'AAAmmf' by Fitch Ratings or equivalent.

**INTEREST RATE RISK**

In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment pool to 540 days, or 1.5 years. At June 30, 2017, the County's investment pool had a weighted average maturity of 237 days.

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

**RICHARDSON'S BAY REGIONAL AGENCY  
NOTES TO SUPPLEMENTARY INFORMATION  
YEARS ENDED JUNE 30, 2017 AND 2016**

**2. CASH (continued)**

**CREDIT RISK**

State law and the County's Investment Policy limits investments in commercial paper, corporate bonds, and medium term notes to the rating of "A" or higher as provided by Moody's Investors Service or Standard & Poor's Corporation. The County's Investment Policy limits investments purchased by Financial Institution Investment Accounts, a type of mutual fund, to United States Treasury and Agency obligations with a credit quality rating of "AAA."

**CONCENTRATION OF CREDIT RISK**

The following is a summary of the concentration of credit risk by investment type as a percentage of each pool's fair value at June 30, 2017:

<b>Investments in Investment Pool</b>	<b>Percent of Portfolio</b>
Federal Agency - discount	70%
Federal Agency - coupon	28%
Money market funds	2%
	100%

**CUSTODIAL CREDIT RISK**

For investments and deposits held with safekeeping agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year end, the County's investment pool had no securities exposed to custodial credit risk.

**LOCAL AGENCY INVESTMENT FUND**

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

**RICHARDSON'S BAY REGIONAL AGENCY  
NOTES TO SUPPLEMENTARY INFORMATION  
YEARS ENDED JUNE 30, 2017 AND 2016**

**3. CAPITAL ASSETS**

The following is a summary of changes in capital assets:

	<u>Patrol Boat &amp; Trailers</u>	<u>Pump out Vessel</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Balances as of June 30, 2015	\$ 105,472	\$ 56,133	\$ (115,140)	\$ 46,465
Additions	<u>-</u>	<u>-</u>	<u>(6,788)</u>	<u>(6,788)</u>
Balances as of June 30, 2016	105,472	56,133	(121,928)	39,677
Additions	<u>-</u>	<u>-</u>	<u>(6,788)</u>	<u>(6,788)</u>
Balances as of June 30, 2017	<u>\$ 105,472</u>	<u>\$ 56,133</u>	<u>\$ (128,716)</u>	<u>\$ 32,889</u>

**4. RISK MANAGEMENT**

The Agency is exposed to various risks of loss related to torts, bodily and personal injury, property damage, errors and omissions, and non-owned auto coverage for which the Agency carries commercial insurance. The Agency also maintains watercraft insurance, and related protection and indemnity insurance. Additional coverage is provided by the County for injuries to employees.

Each Agency member is responsible for its pro-rata share of any court-imposed liability, using the joint powers' agreement cost-sharing formula.

**5. RELATED PARTY TRANSACTIONS**

The Agency's staff are employees of the County of Marin (a member of the Agency) and provided to the Agency the County's estimated cost of approximately \$196,000 and \$199,000 for 2016-17 and 2015-16, respectively.

The County also provided funding during 2016-17 of \$63,521.

**SUPPLEMENTARY INFORMATION**

**RICHARDSON'S BAY REGIONAL AGENCY  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Interest pooled investments	\$ 300	\$ 300	\$ 666	\$ 366
Slip rentals	7,000	7,000	11,389	4,389
Other sales & services	6,000	6,000	10,424	4,424
Grants from other governments	202,800	202,800	275,730	72,930
Member dues	269,100	289,100	282,101	(6,999)
Total revenues	485,200	505,200	580,310	75,110
<b>EXPENDITURES</b>				
Professional services	461,334	481,334	527,964	(46,630)
Insurance premiums	17,000	17,000	14,881	2,119
Communication	2,400	2,400	3,339	(939)
Rental and operating leases	32,000	32,000	42,137	(10,137)
Professional development	600	600	650	(50)
Travel and meetings	2,200	2,200	345	1,855
Publication	2,400	2,400	-	2,400
Office expenses	350	350	462	(112)
Maintenance & repair of equipment	8,000	8,000	6,769	1,231
Oil and gas	600	600	802	(202)
Total expenditures	526,884	546,884	597,349	(50,465)
Excess of revenues over (under) expenditures	<u>\$ (41,684)</u>	<u>\$ (41,684)</u>	<u>\$ (17,039)</u>	<u>\$ 24,645</u>

**RICHARDSON'S BAY REGIONAL AGENCY  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Interest pooled investments	\$ 300	\$ 300	319	\$ 19
Slip rentals	7,000	7,000	10,205	3,205
Other sales & services	6,000	6,000	12,331	6,331
Intergovernmental revenues - state	126,000	189,800	184,818	(4,982)
Intergovernmental revenues - local	360,100	269,100	269,101	1
Total revenues	<u>499,400</u>	<u>472,200</u>	<u>476,774</u>	<u>4,574</u>
<b>EXPENDITURES</b>				
Professional services	432,958	418,958	418,821	137
Insurance premiums	17,000	17,000	12,481	4,519
Communication	2,400	2,400	2,152	248
Rental and operating leases	32,000	32,000	31,091	909
Professional development	2,800	600	665	(65)
Travel and meetings	-	-	1,279	(1,279)
Publication	2,400	2,400	155	2,245
Office expenses	350	350	1,532	(1,182)
Maintenance & repair of equipment	8,000	8,000	10,124	(2,124)
Oil and gas	600	2,800	766	2,034
Total expenditures	<u>498,508</u>	<u>484,508</u>	<u>479,066</u>	<u>5,442</u>
Excess of revenues over (under) expenditures	<u>\$ 892</u>	<u>\$ (12,308)</u>	<u>\$ (2,292)</u>	<u>\$ 10,016</u>

**RICHARDSON'S BAY REGIONAL AGENCY  
NOTES TO SUPPLEMENTARY INFORMATION  
YEARS ENDED JUNE 30, 2017 & 2016**

**1. BUDGETARY BASIS OF PRESENTATION**

The budget included in these financial statements represents the original budget and amendments approved by the Board of Directors. The budgetary basis is the modified accrual basis. Various reclassifications have been made to the actual amounts to conform to classifications included in the budget approved by the Board of Directors. Additionally, various reclassifications have been made to the budget amounts to conform to the Agency's accounting records.

**2. BUDGET RECONCILIATION TO STATEMENT OF REVENUES AND EXPENSES**

The following reconciles the actual amount listed on the budgetary comparison schedule to the statement of revenues and expenses:

	<u>2017</u>	<u>2016</u>
Excess of revenues over (under) expenditures	\$ (17,039)	\$ (2,292)
Depreciation expense	<u>(6,788)</u>	<u>(6,788)</u>
Change in net position	<u><u>\$ (23,827)</u></u>	<u><u>\$ (9,080)</u></u>