MAHER ACCOUNTANCY 1101 FIFTH AVENUE • SUITE 200 • SAN RAFAEL, CA 94901

Financial Plumbline

March 20, 2017

To the Board of Directors
Marin Telecommunications Agency

We have audited the financial statements of the Marin Telecommunications Agency for the year ended June 30, 2016, and have issued our report thereon March 20, 2017. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 16, 2016, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Marin Telecommunications Agency are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no significant estimates used in preparing the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Routine adjustments were required in order to present MTA's financial statements on the full accrual basis of accounting in addition to the modified-accrual basis of accounting under

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which it maintains its books. Any misstatements detected as a result of audit procedures and corrected by management were immaterial, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 20, 2017,

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other matters

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

MTA's agreement with Community Media Center of Marin (CMCM) requires that CMCM be responsible for the proper maintenance, recordkeeping and safekeeping of all equipment and facilities under the agreement. We recommend that management evaluate the effectiveness of CMCM's procedures.

This information is intended solely for the use of Board of Directors and management of Marin Telecommunications Agency and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Maher Accountancy

MARIN
TELECOMMUNICATIONS AGENCY

FINANCIAL STATEMENTS AND AUDITORS' REPORT
YEAR ENDED JUNE 30, 2016

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MAHER ACCOUNTANCY 1101 FIFTH AVENUE • SUITE 200 • SAN RAFAEL, CA 94901

Financial Plumbline

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Marin Telecommunications Agency

We have audited the accompanying financial statements of the governmental activities of the Marin Telecommunications Agency (Agency) as of and for the year ended June 30, 2016, 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 opinion.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the Marin Telecommunication Agency's basic financial statements. The other supplemental information is presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplemental information has 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.

Maher Accountancy

March 20, 2017

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

FINANCIAL HIGHLIGHTS

MTA's net position is $178,282, an increase of $8,037 over the prior year. Total revenues decreased by $256,849 and total expenses decreased by $367,749.

Budgetary comparison schedules are found starting on page 18. Those schedules indicate we had a positive variance of $57,985 in the Operating Fund, and a negative variance of $248 in the PEG Fund when comparing actual activity with budgeted.

USING THIS ANNUAL REPORT

This annual report consists of financial statements for Marin Telecommunications Agency as a whole. The statement of net position and the statement of activities provide information about the activities of MTA as a whole and present a long-term view of MTA's finances. The fund financial statements present a short-term view of MTA's activities (they include only current assets expected to be collected in the very near future and liabilities expected to be paid in the very near future).

MTA AS A WHOLE

One important question asked about MTA's finances is, "Is MTA better or worse off as a result of the year's activities?" The information in the government-wide financial statements helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the basis of accounting used by most private-sector companies.

The change in *net position* (the difference between total assets and total liabilities) over time is one indicator of whether MTA's financial health is improving or deteriorating. However, one must consider other nonfinancial factors in making an assessment of the Agency's health, such as changes in the economy and changes in its jurisdiction, etc.

Changes in MTA's net position were as follows:

	2016	2015	Increase (Decrease)
Current assets	$ 1,257,323	$ 1,381,104	$ (123,781)
Current liabilities	1,079,041	1,210,859	(131,818)
Net assets			
Restricted	8,252	8,200	52
Unrestricted	170,030	162,045	7,985
Total net position	$ 178,282	$ 170,245	$ 8,037

MTA experienced decreases in both current assets and current liabilities during the year ended June 30, 2016. This was due to the departure of Larkspur at the start of the fiscal year. MTA no longer collects revenues on Larkspur's behalf or carries a liability to distribute funds to the City.

Changes in MTA's revenues were as follows:

	2016	2015	Increase (Decrease)
Franchise/PEG fees	$ 4,212,130	$ 4,469,135	$ (257,005)
Investment earnings	867	711	156
Total revenue	4,212,997	4,469,846	(256,849)

MTA franchise and PEG revenues are determined as a fixed percentage of its franchisee's qualifying revenue. As mentioned above, the departure of Larkspur resulted in an overall decrease of revenues to the agency. This decrease was offset in part by greater revenues for the remaining members of approximately $80,000.

Changes in MTA's expenses and net position were as follows:

	2016	2015	Increase (Decrease)
Expenses:			
Telecommunications	$ 3,781,806	$ 4,120,327	$ (338,521)
PEG	423,154	452,382	(29,228)
Total expenses	4,204,960	4,572,709	(367,749)
Less: program revenues	4,212,997	4,469,846	(256,849)
Changes in net position	$ 8,037	$ (102,863)	$ 110,900

The decrease in telecommunications expense from the prior year is mostly the result of the Larkspur departure, as no expense was recognized for franchise fee distributions to the city in 2016. The franchisees erroneously included Larkspur's franchise and PEG fees in their normal payments to MTA for several quarters, and MTA did distribute these funds to Larkspur. These transactions are not recognized as a revenue or an expense of MTA. Included in 2015 was $40,000 of grant expense that did not occur in 2016. This was mostly offset by increased 2016 expenses in professional services and administration. During both 2015 and 2016, payments of $220,000 funded from franchise fees were made to CMCM as part of the 2014 DAP Agreement. These funds reduced amounts available for distributions made to the members.

PEG expenses are related to PEG revenue MTA received from its various franchise arrangements. In 2015 and 2016, the expense equaled the PEG revenue received, which is in accordance with the recent DAP agreement.

FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the MTA's funds - the general (Telecommunications) fund and PEG Special Revenue funds.

The fund financial statements provide a short-term view of MTA's operations. They are reported using an accounting basis called *modified accrual* which measures amounts using only cash and other short-term assets and liabilities (receivables and payables) that will soon be converted to cash or will soon be paid with cash.

Total governmental fund balances increased by $8,037, as shown on page 10.

FUTURE OF THE AGENCY

In November 2016 MTA approved its revised Strategic Plan which outlines the updated Mission of the Agency and Four Strategic Directions. The work of the Agency will closely align with the refined Strategic Directions going forward. MTA is in discussions with the City of Larkspur regarding establishing terms for an agreement for their continued use of MTA's PEG channels since Larkspur is no longer a MTA member. MTA continues to closely monitor franchise and PEG fee revenues. A franchise revenue review of Comcast revenues is currently in progress.

REQUESTS FOR INFORMATION

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

Please address any questions about this report or requests for additional financial information to Marin Telecommunications Agency, 555 Northgate Dr. #230, San Rafael, CA 94903.

Respectively submitted,

Barbara Thornton

Barbara Thornton
Executive Officer

MARIN TELECOMMUNICATIONS AGENCY

STATEMENT OF NET POSITION
AS OF JUNE 30, 2016

ASSETS	
Current assets:	
Cash in County treasury	$ 216,300
Receivables:	
Franchise fees	1,041,023
Total current assets	1,257,323
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	38,018
Payable to CMCM	103,726
Franchise fees payable to agency members	937,297
Total current liabilities	1,079,041
NET POSITION	
Restricted for PEG project	8,252
Unrestricted	170,030
Total net position	$ 178,282

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

MARIN TELECOMMUNICATIONS AGENCY

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

	Telecom-munications	PEG	Total
EXPENSES			
Professional services	$ 206,089		$ 206,089
Administration and financial	41,981		41,981
Insurance	9,106		9,106
Memberships, conference, webinars	3,350		3,350
Office expenses, rent and supplies	13,405		13,405
Franchise fee distributions	3,287,875		3,287,875
Grants for PEG System	220,000	$ 423,154	643,154
Total expenses	3,781,806	423,154	4,204,960
PROGRAM REVENUES			
Franchise/PEG fees	3,788,976	423,154	4,212,130
Interest income	815	52	867
Total program revenues	3,789,791	423,206	4,212,997
Net program revenue (expense)	$ 7,985	$ 52	$ 8,037
NET POSITION - BEGINNING OF THE YEAR			170,245
NET POSITION - END OF THE YEAR			$ 178,282

MARIN TELECOMMUNICATIONS AGENCY

BALANCE SHEET
YEAR ENDED JUNE 30, 2016

	General Fund Fund 70040	Special Revenue PEG Fund 70041	Total Governmental Funds
ASSETS			
Cash in County treasury	$ 208,048	$ 8,252	$ 216,300
Receivables:			
Franchise/ PEG fees	937,297	103,726	1,041,023
Total assets	$ 1,145,345	$ 111,978	$ 1,257,323
LIABILITIES			
Accounts payable and accrued expenditures	$ 38,018		$ 38,018
Payable to CMCM		$ 103,726	103,726
Franchise fees payable to agency members	937,297		937,297
Total liabilities	975,315	103,726	1,079,041
FUND BALANCE			
Restricted		8,252	8,252
Unassigned	170,030		170,030
Total fund balance	170,030	8,252	178,282
Total liabilities and fund balance	$ 1,145,345	$ 111,978	$ 1,257,323

MARIN TELECOMMUNICATIONS AGENCY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2016

	General Fund Fund 70040	Special Revenue PEG Fund 70041	Total Governmental Funds
REVENUES			
Franchise fees	$ 3,788,976	$ 423,154	$ 4,212,130
Interest income	815	52	867
Total revenues	3,789,791	423,206	4,212,997
EXPENDITURES			
Services, supplies and grants:			
Professional services	206,089		206,089
Administration and financial	41,981		41,981
Insurance	9,106		9,106
Memberships, conference, webinars	3,350		3,350
Office expenses, rent and supplies	13,405		13,405
Grants for PEG system		423,154	423,154
Total services, supplies and grants	273,931	423,154	697,085
Franchise fee distributions	3,507,875		3,507,875
Total expenditures	3,781,806	423,154	4,204,960
Excess (deficiency) of revenues over expenditures	7,985	52	8,037
FUND BALANCES - BEGINNING	162,045	8,200	170,245
FUND BALANCES - ENDING	$ 170,030	$ 8,252	$ 178,282

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Marin Telecommunications Agency (MTA) was formed under a joint powers agreement between the County of Marin and ten municipalities within Marin County. MTA manages the video services franchises for the member agencies and video services customers, and advises participants on the exercise of their license authority. MTA receives franchise fees from Comcast, AT&T and Horizon Cable and remits them to each member agency. MTA further supports availability, accessibility, affordability and public inclusion in the advancement and enhancement of telecommunications infrastructure and services in Marin on behalf of MTA's members and the community.

The governing board of MTA consists of one appointed official from each of the governing bodies of the participants. The powers and responsibilities of MTA are contained in the Joint Powers Agreement.

INTRODUCTION

Marin Telecommunications 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.).

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE STATEMENTS

The Organization's basic financial statements include both government-wide (reporting MTA as a whole) and fund financial statements (reporting MTA's major funds).

In the government-wide Statement of Net Position, the MTA's activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. MTA's net position is reported in two parts: (1) restricted net position and (2) unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of MTA's functions. The function is supported by general government revenues and franchise and related fees from the local video service providers. The Statement of Activities reduces gross expenses by related program revenues.

The net costs (by function) are normally covered by general revenues.

The government-wide focus is more on the sustainability of the MTA as an entity and the change in its net position resulting from the current year's activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FUND FINANCIAL STATEMENTS

The financial transactions of MTA are reported in individual funds in the fund balancing accounts that comprise its assets, liabilities, restrictions, fund balance, revenues and expenditures.

MTA uses the following fund type:

Governmental funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial positions (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of Marin Telecommunications Agency:

General fund accounts for the Organization's general operations. It is used to account for all financial resources except those required to be accounted for in another fund.

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. MTA's "PEG" Fund is used to account for fees paid from cable television franchisees that are restricted for the development and operation of public, educational and governmental (PEG) access channels and the media center. MTA makes grants to Community Media Center of Marin (CMCM) to operate the PEG activities.

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

ACCRUAL:

The governmental activities in the governmental-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

MODIFIED ACCRUAL:

The government fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

FINANCIAL STATEMENT AMOUNTS

CASH AND CASH EQUIVALENTS:

Management has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with fiscal agent (County of Marin).

Capital Assets

Capital assets purchased or acquired with an original cost of $1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance is expensed as incurred.

MTA has an agreement with Community Media Center of Marin (CMCM) for the construction and operation of a media center. Accordingly, certain funds provided to CMCM have been used to purchase equipment and other capital assets. The equipment and other capital assets are included in CMCM's financial statements. In the event the agreement with CMCM is terminated or not renewed, the equipment and capital assets will be transferred to MTA.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which MTA is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned. Following is a description of the components applicable to MTA:

Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislations.

Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund.

2. CASH

MTA maintains all of its cash in the County of Marin pooled investment fund for the purpose of increasing interest earnings through pooled investment activities. Interest earned on the investment pool is allocated quarterly to the participating funds using the daily cash balance of each fund. This pool, which is available for use by all funds, is displayed in the financial statements as “Cash.”

The County Pool includes both voluntary and involuntary participation from external entities. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer.

The County’s investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County’s investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield, and public trust. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the types of investments in the pool, maturity dates, par value, actual costs and fair value.

2. CASH (continued)

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, 2016, the County's investment pool had a weighted average maturity of 204 days.

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

CREDIT RISK

State law and the County's Investment Policy limits investments in commercial paper, corporate bonds, and medium term notes to the rating of "A" or higher as provided by Moody's Investors Service or Standard & Poor's Corporation. The County's Investment Policy limits investments purchased by Financial Institution Investment Accounts, a type of mutual fund, to United States Treasury and 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, 2016.

Investments in investment pool	Percent of portfolio
Federal agency - discount	78%
Federal agency - coupon	20%
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.

2. CASH (continued)

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 statue.

3. FRANCHISE FEES

MTA receives revenue from multiple franchisees and distinguishes these revenues as franchise fees and PEG fees. These fees are based on a percentage of the franchisees' sales.

The franchisee remits the franchise fees to MTA, who then distributes the fees to member agencies shortly after received. MTA retains a portion of the franchise fee revenue for administrative purposes. The largest franchisee is responsible for approximately 91% of all such fees collected.

PEG fees are also collected from the same franchisees. The franchisee remits the PEG fees to MTA, and based on current Board policy and contractual agreements, MTA then distributes the money to CMCM. The majority of the PEG fees are distributed to CMCM shortly after received.

5. RISK MANAGEMENT

MTA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year, the MTA purchased liability insurance with limits of $5,000,000.

6. COMMITMENTS

The Agency entered into professional service agreements that extend beyond the fiscal year ended June 30, 2016. These commitments were approximately $144,000.

The Agency shares office space with Marin General Services Agency (MGSA). In March 2016, MTA and MGSA entered into a four-year lease to rent office space. Rent expense for the year was approximately $12,000. The current lease will continue through February 28, 2020, with required future minimum lease payments remaining of approximately $48,000.

Required future minimum lease payments are as follows:

Year ended June 30,	
2017	$12,484
2018	12,858
2019	13,244
2020	9,004
	$ 47,590

MARIN TELECOMMUNICATIONS AGENCY

BUDGETARY COMPARISON SCHEDULE
OPERATING FUND
YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Franchises	$ 3,900,000	$ 4,300,000	$ 3,954,397	$ (345,603)
Interest on pooled investments	1,000	1,000	815	(185)
Total revenues	3,901,000	4,301,000	3,955,212	(345,788)
EXPENDITURES				
Operating expenditures				
Professional services	209,000	214,000	183,070	30,930
Administration and financial	15,500	15,500	14,550	950
Insurance premiums	10,500	10,500	9,106	1,394
Communication services	3,000	3,000	2,019	981
Rent and operating leases	14,100	14,100	12,041	2,059
Memberships, conference, webinars	4,000	4,000	2,460	1,540
Travel	3,000	3,000	890	2,110
Office supplies	3,500	8,000	1,364	6,636
Total operating expenditures	262,600	272,100	225,500	46,600
Excess (deficiency) of revenues over operating expenditures	3,638,400	4,028,900	3,729,712	(392,388)
Other expenditures				
Grant for low income/youth projects	20,000	-	-	-
CMCM network services	21,000	21,000	21,000	-
Franchise & PEG fee audit	16,000	28,000	27,431	569
Grant for Marin Broadband Task Force	20,000	-	-	-
DAP - franchise fees to CMCM	220,000	220,000	220,000	-
Franchise fee distributions to members	3,341,400	3,809,900	3,453,296	356,604
Total other expenditures	3,638,400	4,078,900	3,721,727	357,173
Excess (deficiency) of revenues over expenditures	$ -	$ (50,000)	$ 7,985	$ 57,985

MARIN TELECOMMUNICATIONS AGENCY

BUDGETARY COMPARISON SCHEDULE
PEG FUND
YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
PEG fees	$ 443,000	$ 488,000	$ 442,068	$ (45,932)
Interest on pooled investments	300	300	52	(248)
Total revenues	443,300	488,300	442,120	(46,180)
EXPENDITURES				
PEG fee payments to CMCM	443,000	488,000	442,068	45,932
Total expenditures	443,000	488,000	442,068	45,932
Excess (deficiency) of revenues over expenditures	$ 300	$ 300	$ 52	$ (248)

See notes to the required supplemental information

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2016

BUDGETARY BASIS OF PRESENTATION

The budget included in these financial statements represents the original budget and amendments approved by the Board of Directors. Budgets expire at the end of each year. The budgetary basis is the modified accrual basis of accounting. Various reclassifications have been made to the actual amounts to conform to classifications included in the approved budget.

MTA budgeted for the receipt and distribution of franchise and PEG fees collected on behalf of Larkspur as a revenue and expense. For comparison purposes, the budget schedules above included these transactions in the "Actual" column as intended by the budget. The government-wide financial statements that precede the budget schedules are prepared on a full accrual basis and exclude these Larkspur transactions from revenue and expense.

OTHER SUPPLEMENTAL INFORMATION

CAPITAL ASSETS HELD BY CMCM

MTA has an agreement with Community Media Center of Marin (CMCM) for the construction and operation of a media center. Accordingly, certain funds provided to CMCM have been used to purchase equipment and other capital assets. The equipment and other capital assets are included in CMCM's financial statements. In the event the agreement with CMCM is terminated or not renewed, the equipment and capital assets will be transferred to MTA.

The following unaudited information has been provided by CMCM:

Balances as of June 30, 2016	
Furniture & equipment	$ 776,256
Facilities	924,518
Total capital assets	1,700,774
Accumulated depreciation	(1,323,072)
Total capital assets, net	$ 377,702