

RICHARDSON'S BAY REGIONAL AGENCY

Thursday, August 19, 2010

5:30 P.M. to 7:30 P.M.

Sausalito City Council Chambers 420 Litho Street Sausalito, CA

PUBLIC COMMENT IS INVITED CONCERNING EACH AGENDIZED ITEM PURSUANT TO THE BROWN ACT. PLEASE LIMIT YOUR COMMENTS TO THREE (3) MINUTES.

AGENDA

5:30 P.M. CALL TO ORDER - ROLL CALL

1. Minutes of June 17, 2010 Meeting
2. Review report of Harbor Administrator
3. Approval of prior expenditures for July - August 2010. Re-cap of 2009-2010 final budget closing.
4. Discussion and Board comments on FY 2007-08, 2008-009 fiscal audit prepared by Maher Accountancy
5. Public comments invited concerning items NOT on this Agenda (3-minute limit)
6. Staff comments
7. Board member matters
8. CLOSED SESSION
 - Conference with Legal Counsel – Anticipated Litigation
 - Significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9:1 potential case
9. OPEN SESSION
 - Adjourn, after which the Board will go to (the public is also invited) Schoonmaker Marina in front of “Le Garage” bistro for christening of RBRA vessel Waste Aweigh II

NEXT MEETING: Tentatively planned for October 21, 2010. Board members please review your calendars and advise Staff as to your availability.

A COMPLETE AGENDA PACKET IS AVAILABLE FOR VIEWING ON THE RBRA WEBSITE <http://rbra.ca.gov> , AND AT THE SAUSALITO CITY LIBRARY.

TO RECEIVE AN ELECTRONIC MEETING NOTICE, PLEASE EMAIL REQUEST TO DON ALLEE AT dallee@co.marin.ca.us

RICHARDSON'S BAY REGIONAL AGENCY

MEMORANDUM

August 13, 2010

TO: RBRA Board

FROM: Ben Berto, RBRA Clerk

SUBJECT: August meeting

Board members:

Members from the County, Mill Valley, and Tiburon have confirmed their availability, so barring unexpected events we have a quorum. We have not yet received confirmation from our Belvedere or Sausalito members.

Staff is pleased to report that all jurisdictions have made their payments or will do so soon. Per the attached budget pie charts, RBRA was right on track in closing out the previous fiscal year's budget. Expenditures in the current fiscal year have just begun.

Maher Accountancy has completed a draft biennial audit (Agenda item 4., attached). Staff will provide a verbal report of that agenda item. In summary, there isn't much to report except a tight financial situation.

Staff continues to wait (!) for EPA approval to begin incurring expenditures against the EPA grant for water planning and monitoring efforts relating to TMDL compliance. The Feds appear to make the State look prompt and efficient when it comes to disbursements.

In true bureaucratic fashion, the State has granted (literally) us a 10-year-old but never used sewage pumpout vessel. Kudos to Harbor Administrator Price for one of his many roles and duties leading to a fortuitous conversation with a State staffer concerning the availability of the "new" vessel, and successfully securing said vessel. Per the agenda, the Board will adjourn to Schoonmaker marina for an official christening of "Waste Aweigh II" following the closed session that will close out the meeting.

Members of the public are also invited to the event, to be held in front of the "Le Garage" bistro, at around 7 pm. Waste Aweigh II will continue the valuable environmental stewardship role which RBRA has been conducting in partnership with MT Head (you have to love the names). The State took back RBRA's well-seasoned former vessel.

There has been a recent spate of newspaper articles about the possibility of the America's Cup being held in the San Francisco Bay Area. While acknowledging the many logistical hurdles to be overcome in order for that event to occur here (and a few attendant headaches no doubt), it would be thrilling to see a nautical event of that stature grace our area. Cross our fingers!

RICHARDSON'S BAY REGIONAL AGENCY
MINUTES OF JUNE 17, 2010
HELD AT SAUSALITO CITY HALL CHAMBERS

MEMBERS PRESENT: Board Chair Charles McGlashan, (Marin County); Ken Wachtel, (Mill Valley); Emmitt O'Donnell (Tiburon)

ABSENT: Jerry Butler (Belvedere); Jonathan Leone (Sausalito)

STAFF: Bill Price (Harbor Administrator); Ben Berto (RBRA Clerk)

Meeting called to order at 5:37 PM

Public comments invited concerning items NOT on this Agenda (3-minute limit)
Hillair Bell asked if there would be a discussion of the WAM (Waterfront and Marinship) subcommittee report.

Chair McGlashan said that the WAM report was prepared for the City of Sausalito by local citizens, and unless Sausalito asked the RBRA for input, the RBRA would not intervene or weigh in on the report. If a large focus of the WAM report had been on the Mooring Field concept, the RBRA would have interacted more.

Minutes of April 15, 2010 Meeting

Minutes were approved.

Review report of Harbor Administrator

Mr. Price gave an overview of the recent DBW (Dept. of Boating and Waterways) Commission meeting he attended in Stockton while representing the RBRA and the California Harbormasters and Port Captains Association. He also gave an update on the new sewage pump-out vessel which is expected to be in service by early August.

Report was accepted.

Prior Expenditures

The expenditure report was accepted.

Discussion and Board comments on Resolution 10-03 to amend the current Contract #09-214-505 and accept additional AWAFF funds of \$15,000

After a brief discussion led by Mr. Price, Member Wachtel made a motion to accept the funding and Member O'Donnell seconded. The motion passed unanimously.

Approval of contract with Maher Accountancy for audit of FY's 2008 & 2009

Member O'Donnell asked if the audit was competitively priced and Staff responded that it was, especially since the audit period covered two years.

The contract was approved unanimously.

Staff Comments

Mr. Berto announced that the 2010 anchorage census was complete, and that the number of vessels had increased by 12 from 2008. He stated that the results were directly applicable to the Mooring Plan and that the data indicated a number of conclusions that pointed favorably to a well-conceived management plan for the anchorage. He also brought up the recent changes at DBW. Considering a spate of DBW-funded projects threatened with cuts, he pointed out that sequestered boater funds being raided by the state might spark user group actions in order to recover them. He cautioned that future cuts in DBW programs may require securing additional local funds from RBRA member agencies in order to carry out the RBRA's core mission activities.

Board Member Matters

Chair McGlashan said that he would be happy to approach DBW directly if it would help in any way. He also mentioned that he and Mr. Shute were doing preparatory work for the next Mooring Field proposal for BCDC.

The meeting was adjourned at 6:35 PM

NOTE: The next meeting of the RBRA is scheduled for **August 19, 2010 at 5:30 PM** at the Sausalito City Hall Chambers.

RICHARDSON'S BAY REGIONAL AGENCY

HARBOR ADMINISTRATOR'S REPORT

August 10, 2010

WORKING RELATIONSHIPS

- **Dept. of Boating and Waterways** – 1) Received third 2009-10 grant reimbursement check from DBW AWAFF grant totaling \$16,258. 2) Picked up the new sewage pump-out vessel from DBW, and delivered it directly to the mechanics, where the motor has been serviced. The vessel is now being painted and will hit the water mid-August.
- **US Coast Guard** – 1) The Coast Guard is embarking on a program of actively pursuing unregistered derelict vessels and has asked for our assistance in identifying them.
- **Sausalito Police Department** – 1) Sausalito Police Dept's Cpl. Matt Shoup has provided invaluable assistance to our recent census program; with his help we have been able to get vessel registration information for most of the vessels anchored in Richardson's Bay. The information gathered is being shared with local law enforcement and the Coast Guard.
- **CA Association of Harbor Masters and Port Captains** – Appointed as a Director of the Clean Marina California certification group established to provide an industry-born solution to address the State's interest in establishing a marina permit program.

DEBRIS REMOVAL

- Disposed of 9 vessels as well as 2 skiffs. 4 boats are currently impounded.
- Beach clean-up efforts continue using Community Service volunteers.
- Preparing for California Coastal Clean-up Day on September 25th. Members are invited to participate!

RAPID RESPONSE

- Two vessels were retrieved from West Shore Road, Belvedere. One was salvaged by RBRA and is being held in impound while a stolen vessel investigation takes place, and one was delivered to RBRA for disposal once it was removed due to terminal leakage.

WATER QUALITY

- The new pump-out vessel is on line!
- Two new anchor-out sign ups have increased the number of participants to 18.
- Still mentoring Schoonmaker Point Marina, Pelican Yacht Harbor and Sausalito Yacht Harbor to become certified California Clean Marinas and comply with the TMDL.
- Schoonmaker Beach has continuously tested clean since weekly testing resumed in April. Out of all the Marin sites, this beach is consistently clean and never has any warnings or closures.

OTHER

- Working with the stand-up paddleboard concessionaire to establish safety rules, guidelines and a growth plan to make sure this burgeoning sport doesn't adversely affect traffic in/around the harbors.
- Completed haul-out and bottom job for the "Mud Puppy" patrol vessel. Sausalito Police Department will cover half the costs associated with the yard bill.

Richardson Bay Regional Agency

Vessel Disposal List JULY - AUGUST 2010

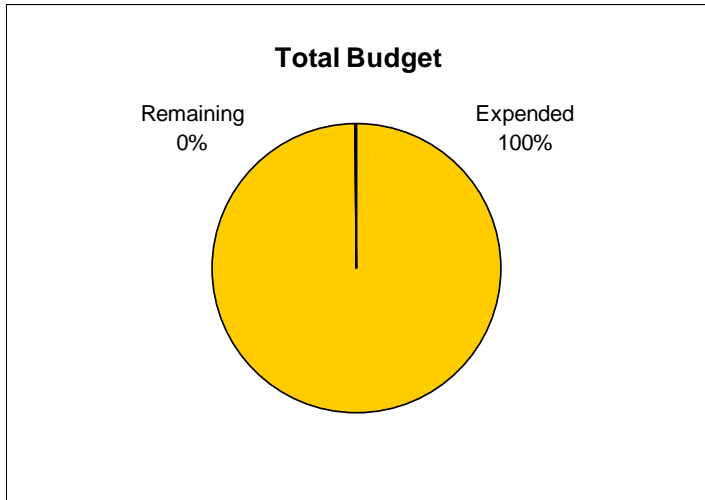
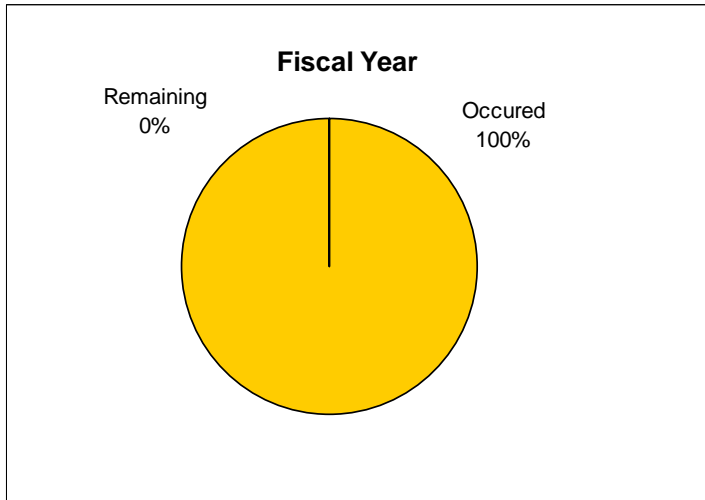
Date	Name	Type	Amount
7/12/2010	WES WHALER	25' POWER	1,650.00 SUNK
7/17/2010	21 CLIPPER	21' SAIL	1,104.00 ABANDONED
7/17/2010	CASCADE 35	35' SAIL	1,742.25 ABANDONED
7/17/2010	MERRYWEATHER	21' SAIL	200.00 ABANDONED
7/17/2010	WILDERNESS	20' SAIL	200.00 ABAN. IN HARBOR
7/24/2010	CORUJO CLIPPER 25	25' SAIL	200.00 ABAN. IN HARBOR
7/24/2010	BUCHAN 40	40' SAIL	1,220.00 SINKING - ABAN.
7/31/2010	BASTET*	34' POWER	575.00 ABAN. IN HARBOR
8/3/2010	MARIETTA	26' POWER	750.00 SUNK
8/14/2010	SEA HAWK*	52' POWER	5,524.75 SUNK
8/21/2010	KNARR *	25' SAIL	460.00 SINKING - IMPOUND
8/21/2010	HARMONY*	35' SAIL	825.00 IMPOUND - ABAN.
			14,451.00

* signifies that invoices are still coming in

RBRA FY 2010 - April 15, 2010 - June 5, 2010 BALANCE SHEET

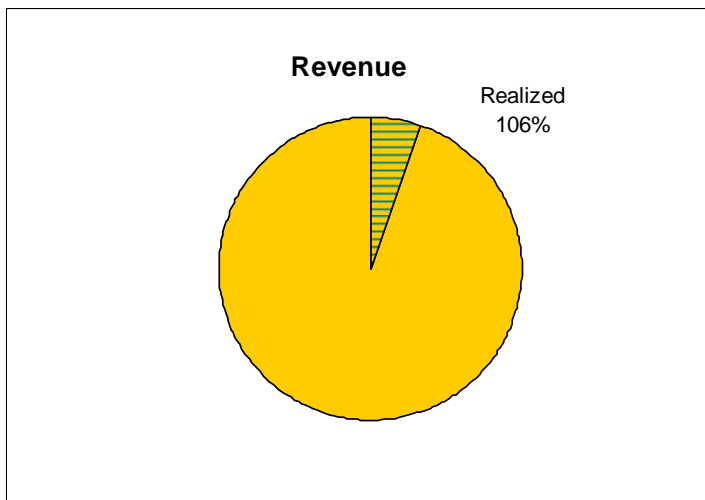
COST ELEMENT	TYPE	EXPENSES	REVENUE
City Contribution	Marin Co. Dues		-88241.00
City Contribution	Sausalito Dues		-72669.00
City Contribution	Belvedere Dues		-15572.00
City Contribution	Mill Valley Dues		-10381.00
City Contribution	Tiburon Dues		-20763.00
Sales and Services	Speary - salvage fees		-356.00
Bldgs & Grounds Rent	Mayer - mooring		-100.00
Maint & Rep Su - Oth	Sears - refund for tools		-12.03
Com Srvc - Cell Phon	Cash on Hand at Department		-13.41
		Revenue Total	-208107.44
Rent - Off Space	Schoonmaker - Pump-out boat slip	275.00	
Rent - Off Space	Schoonmaker - Patrol boat slip	147.50	
Rent - Off Space	Schoonmaker - Pump-out boat slip	275.00	
Rent - Off Space	Schoonmaker - Patrol boat slip	147.50	
Rent - Off Space	Schoonmaker - Pump-out boat slip	275.00	
Rent - Off Space	Schoonmaker - Patrol boat slip	147.50	
Rent - Off Space	Libertyship Dry Storage	240.00	
Rent - Off Space	San Rafael Yacht Harbor - impound fees	250.00	
Rent - Off Space	ICB Building - office rent	420.00	
Rent - Off Space	Sausalito Shipyard - impound berths	168.00	
Rent - Off Space	Sausalito Shipyard - impound berths	210.00	
Rent - Off Space	Sausalito Shipyard - impound berths	210.00	
Rent - Off Space	Sausalito Shipyard - impound berths	210.00	
Rent - Off Space	Sausalito Shipyard - impound berths	56.00	
Ins - Gen Liability	Insurance fees - boat policies	803.60	
Prof Svcs - Other	Parker Dive - towing fees	4524.75	
Prof Svcs - Other	Day labor - Fleshman	200.00	
Com Srvc - Broadband	AT & T Broadband	81.84	
Com Srvc - Broadband	Earthlink	5.90	
Trav-Meals	Water for crew	20.94	
Publicat & Legal Not	Marin IJ	111.25	
Printing Supplies	Best Buy - printer ink	34.87	
Postage	Fed Ex	10.78	
Postage	Fed Ex	5.86	
Prof Svcs - Other	Day labor - Fleshman	175.00	
Rent - Off Space	Schoonmaker - Pump-out boat slip	275.00	
Rent - Off Space	Schoonmaker - Patrol boat slip	147.50	
Rent - Off Space	Libertyship Dry Storage	240.00	
Prof Svcs - Other	Day labor - Fleshman	175.00	
Rent - Off Space	ICB Building - office rent	420.00	
Rent - Off Space	Sausalito Shipyard - impound berths	217.00	
Rent - Off Space	Sausalito Shipyard - impound berths	70.00	
Rent - Off Space	Sausalito Shipyard - impound berths	168.00	
Rent - Off Space	Sausalito Shipyard - impound berths	119.00	
Prof Svcs - Other	San Rafael Yacht Harbor - disposal	750.00	
Prof Svcs - Other	San Rafael Yacht Harbor - impound fees	250.00	
Memberships & Dues	CAHMPC conference fees	280.00	
	Expenditure Total	12117.79	

Percent of Budget and Percent of Year as of June 30, 2010



Expenditures vs. Budgeted Expenditures

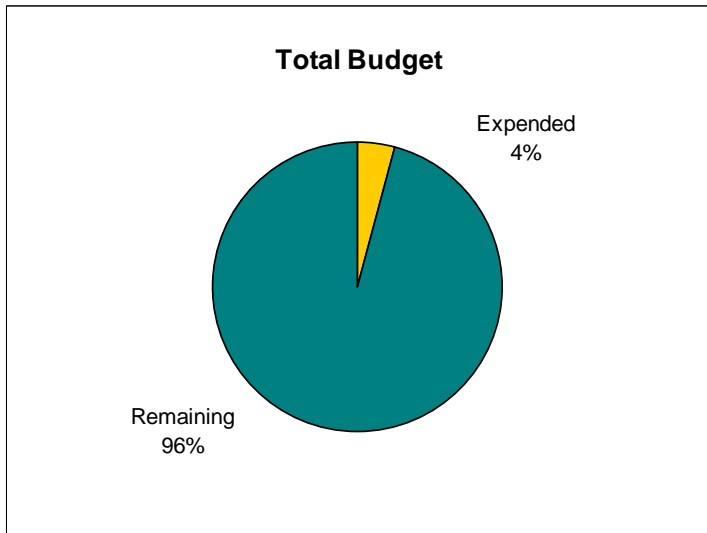
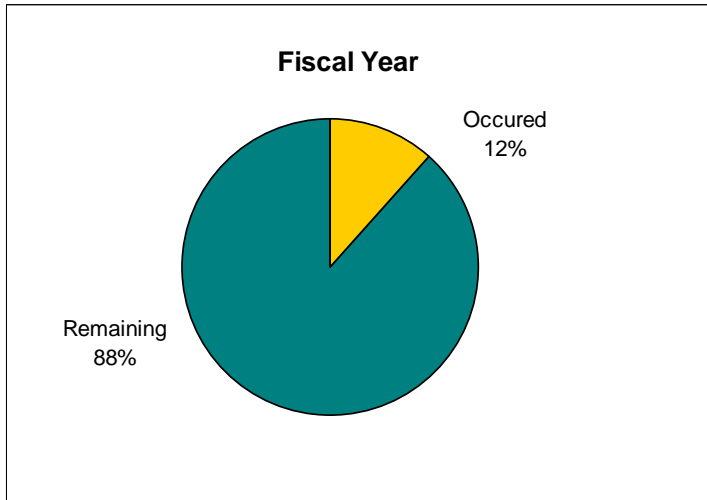
Expenditures	\$327,774
Adopted Budget	\$328,870



Realized Revenue vs. Budgeted Revenue

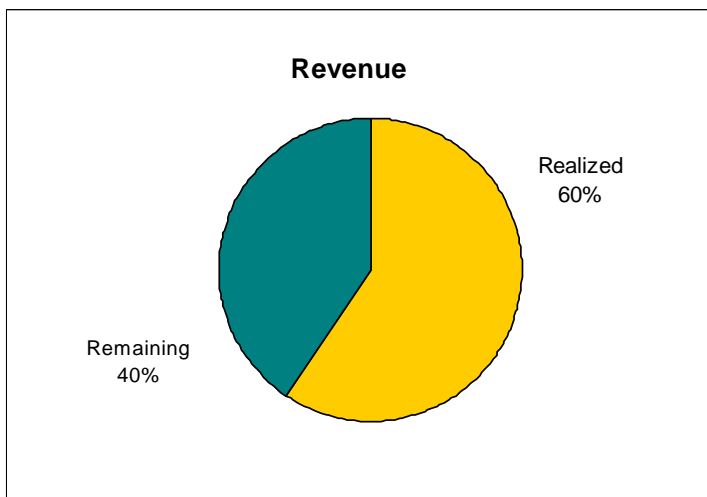
Realized Revenue	\$348,382
Budgeted Revenue	\$328,626

Percent of Budget and Percent of Year as of August 12, 2010



Expenditures vs. Budgeted Expenditures

Expenditures	\$ 14,154
Adopted Budget	\$349,590



Realized Revenue vs. Budgeted Revenue

Realized Revenue	\$208,082
Budgeted Revenue	\$349,626

RICHARDSON'S BAY REGIONAL AGENCY

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

YEARS ENDED JUNE 30, 2009 AND 2008

DRAFT

TABLE OF CONTENTS

Independent Auditors' Report	1
Management's Discussion and Analysis	2
Financial Statements:	
Balance sheets	6
Statements of Revenues and Expenses and Changes in Fund Equity	7
Statement of Cash Flows	8
Notes to Financial Statements	10
Supplemental Information:	
Budgetary Comparison Schedule-2009	16
Budgetary Comparison Schedule-2008	17
Notes to Supplemental Information	18

INDEPENDENT AUDITORS' REPORT

To the Governing Body
Richardson's Bay Regional Agency

We have audited the accompanying basic financial statements of Richardson's Bay Regional Agency (the Agency) as of and for the years ended June 30, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's *Minimum Audit Requirements and Reporting Guidelines for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Richardson's Bay Regional Agency as of June 30, 2009 and 2008, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and the state regulations governing special districts.

The management's discussion and analysis on pages 2 through 5 and supplemental information on pages 16 through 18 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We applied limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

July 30, 2010

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, 2008 and 2009. Please read it along with the Agency's financial statements, which begin on page 6.

FINANCIAL HIGHLIGHTS

The Agency's net assets decreased \$39,346 from 2008 to 2009. Total revenues decreased by \$6,367 in 2009 and total expenses increased by \$9,560 in 2009.

A budgetary comparison schedule is included in the required supplemental information section. That schedule indicates we had a negative variance of \$24,200 in 2009 and a negative variance of \$5,848 in 2008 when comparing actual activity with budgeted activity. Variance details are listed on the schedule.

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 fund equity. Over time, increases or decreases in fund equity 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 fund equity 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 fund equity were as follows:

	<u>2009</u>	<u>2008</u>	Increase (decrease)
Cash	\$ 65	\$ 29,303	\$ (29,238)
Receivables	29,925	26,187	3,738
Capital assets	<u>53,752</u>	<u>69,795</u>	<u>(16,043)</u>
Total assets	83,742	125,285	(41,543)
Current liabilities	<u>36,995</u>	<u>39,192</u>	<u>(2,197)</u>
Invested in capital assets	53,752	69,795	(16,043)
Retained earnings	<u>(7,005)</u>	<u>16,298</u>	<u>(23,303)</u>
Total fund equity	<u>\$ 46,747</u>	<u>\$ 86,093</u>	<u>\$ (39,346)</u>

The receivables amount represents money owed to us from the State of California and County Sheriff for our Department of Boating and Waterways contract. The receivables are paid to us after the Department reviews our reimbursement request.

Changes in the Agency's revenues were as follows:

	<u>2009</u>	<u>2008</u>	Increase (decrease)
Operating revenues:			
State of California contract	\$ 103,686	\$138,322	\$ (34,636)
Slip rentals and moorings	4,350	4,520	(170)
Other services	<u>8,854</u>	<u>7,655</u>	<u>1,199</u>
Total operating revenues	116,890	150,497	(33,607)
Nonoperating revenues:			
Agency member contributions	207,626	178,626	29,000
Interest income	<u>2,698</u>	<u>4,458</u>	<u>(1,760)</u>
Total nonoperating revenues	<u>210,324</u>	<u>183,084</u>	<u>27,240</u>
Total revenues	<u>\$ 327,214</u>	<u>\$333,581</u>	<u>\$ (6,367)</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our income sources did not dramatically change. However, as indicated in our budget, each member paid higher contributions during 2009.

Changes in Agency's expenses and net assets were as follows:

	<u>2009</u>	<u>2008</u>	<u>Increase (decrease)</u>
Operating expenses:			
Operating and security	\$231,083	\$244,090	\$ (13,007)
Maintenance	11,070	9,583	1,487
Administration and general	108,364	87,284	21,080
Depreciation	16,043	16,043	-
Total expenses	<u>366,560</u>	<u>357,000</u>	<u>9,560</u>
Revenues	<u>327,214</u>	<u>333,581</u>	<u>(6,367)</u>
Net income (loss)	<u>\$ (39,346)</u>	<u>\$ (23,419)</u>	<u>\$ (15,927)</u>

We incurred higher haz-mat clean-up costs in 2008, which is the main reason for the change in operating and security. Higher legal costs in 2009 accounted for most of the increase in administration.

CAPITAL ASSET ADMINISTRATION

There were no asset acquisitions during 2008 or 2009.

THE FUTURE OF THE AGENCY

The Agency has been directly involved in keeping the Bay clear of debris and abandoned vessels for years, and we fully expect to continue this vital work into the future. The ongoing problem of abandoned derelict vessels continues to plague this area and the entire State, and to that effect we have been making strides to establish a mooring field in the bay that would create a limited number of "parking spaces" to help alleviate the problems that arise from new vessels multiplying and causing additional budgetary strain on the Agency. However, the preliminary work in moving forward with the legal consultants for the mooring field has precipitated a gradual rise in membership dues from the agencies that comprise the JPA.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The State of California Department of Boating and Waterways will continue to be a major source of additional funding. Their Abandoned Vessel Abatement Fund and their Clean Vessel Act funding are running full bore and we will continue to tap into them to enhance our operation. We are also looking into alternative funding sources, such as the San Francisco Bay Conservation and Development Commission.

Water testing has become a priority issue for the RRBA and we will be asked to step up our involvement over the next few years. Certain expenses are expected to increase as a result of new mandates placed upon our agency. We expect to order a new sewage pump-out vessel to replace our existing vessel by 2010.

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,

William Price, Harbor Administrator

FINANCIAL STATEMENTS

DRAFT

**RICHARDSON'S BAY REGIONAL AGENCY
BALANCE SHEETS
JUNE 30, 2009 AND 2008**

ASSETS	2009	2008
Current assets:		
Cash and cash equivalents	\$ 65	\$ 29,303
Receivables:		
State of California	27,795	8,729
County of Marin-Sheriff		17,458
Miscellaneous	<u>2,130</u>	<u> </u>
Total current assets	29,990	55,490
Capital assets:		
Patrol boat and trailer	78,387	78,387
Pumpout vessel and equipment	89,933	89,933
Less: accumulated depreciation	<u>(114,568)</u>	<u>(98,525)</u>
Total capital assets	<u>53,752</u>	<u>69,795</u>
Total assets	<u><u>\$ 83,742</u></u>	<u><u>\$125,285</u></u>
 LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable	\$ 13,463	\$ 17,261
Accrued payroll and benefits	14,006	13,851
Accrued compensated absences	<u>9,526</u>	<u>8,080</u>
Total current liabilities	36,995	39,192
Fund equity		
Invested in capital assets	53,752	69,795
Retained earnings	<u>(7,005)</u>	<u>16,298</u>
Total fund equity	<u>46,747</u>	<u>86,093</u>
Total liabilities and fund equity	<u><u>\$ 83,742</u></u>	<u><u>\$125,285</u></u>

See accompanying notes to the financial statements

**RICHARDSON'S BAY REGIONAL AGENCY
STATEMENTS OF REVENUES AND EXPENSES
AND CHANGES IN FUND EQUITY
YEARS ENDED JUNE 30, 2009 AND 2008**

	2009	2008
OPERATING REVENUES:		
State of California contract	\$103,686	\$138,322
Harbor:		
Slip rentals and moorings	4,350	4,520
Other services	8,854	7,655
	<u>116,890</u>	<u>150,497</u>
Total operating revenues	116,890	150,497
OPERATING EXPENSES:		
Operating and security	231,083	244,090
Maintenance	11,070	9,583
Administration and general	108,364	87,284
Depreciation	16,043	16,043
	<u>366,560</u>	<u>357,000</u>
Total operating expense	366,560	357,000
Income (loss) from operations	(249,670)	(206,503)
NONOPERATING REVENUES		
Agency member contributions	207,626	178,626
Interest income	2,698	4,458
	<u>210,324</u>	<u>183,084</u>
Total nonoperating revenues	210,324	183,084
Net income (loss)	(39,346)	(23,419)
Fund equity at beginning of the year	<u>86,093</u>	<u>109,512</u>
Fund equity at end of the year	<u><u>\$ 46,747</u></u>	<u><u>\$ 86,093</u></u>

**RICHARDSON'S BAY REGIONAL AGENCY
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2009 AND 2008**

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
State of California contract	\$ 102,078	\$ 126,243
Slip rentals and moorings	4,350	4,520
Other services	6,724	7,655
Operating and security	(233,280)	(237,911)
Maintenance	(11,070)	(9,583)
Administration and general	(108,364)	(87,284)
	<u>(239,562)</u>	<u>(196,360)</u>
Net cash provided by (used for) operating activities	(239,562)	(196,360)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from agency members	207,626	178,626
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	2,698	4,458
	<u>(29,238)</u>	<u>(13,276)</u>
Net increase (decrease) in cash and cash equivalents	(29,238)	(13,276)
Cash and cash equivalents at beginning of year	29,303	42,579
Cash and cash equivalents at end of year	<u>\$ 65</u>	<u>\$ 29,303</u>

See accompanying notes to the financial statements

**RICHARDSON'S BAY REGIONAL AGENCY
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2009 AND 2008
(continued)**

**RECONCILIATION OF OPERATING INCOME
(LOSS) TO NET CASH PROVIDED (USED)
BY OPERATING ACTIVITIES**

	2009	2008
Income (loss) from operations	\$ (249,670)	\$ (206,503)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation, an expense not requiring the use of cash	16,043	16,043
(Increase) decrease in accounts receivable	(3,738)	(12,079)
Increase (decrease) in accounts payable	(3,798)	(4,348)
Increase (decrease) in accrued payroll and benefits	155	9,447
Increase (decrease) in accrued compensated absences	1,446	1,080
Net cash provided by (used for) operating activities	\$ (239,562)	\$ (196,360)

**RICHARDSON'S BAY REGIONAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008**

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 include the County of Marin and the cities of Sausalito, Tiburon, Mill Valley and Belvedere. The member's fund the agency as follows:

<u>Members</u>	<u>Year ended June 30, 2009</u>		<u>Year ended June 30, 2008</u>	
	<u>Funding %</u>	<u>Contribution</u>	<u>Funding %</u>	<u>Contribution</u>
County of Marin	42.5%	\$ 88,241	42.5%	\$ 75,916
Sausalito	35.0%	72,668	35.0%	62,519
Tiburon	10.0%	20,763	10.0%	17,863
Belvedere	7.5%	15,572	7.5%	13,397
Mill Valley	5.0%	10,382	5.0%	8,931
Total	<u>100.0%</u>	<u>\$ 207,626</u>	<u>100.0%</u>	<u>\$ 178,626</u>

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 own 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 principals (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations.). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Agency is discussed below.

**RICHARDSON'S BAY REGIONAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008**

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.

**RICHARDSON'S BAY REGIONAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008**

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 nonoperating 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 to 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.

RICHARDSON'S BAY REGIONAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008

2. CASH

The Agency 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 and Cash Equivalents."

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.

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, 2009, the County's investment pool had a weighted average maturity of 174 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."

**RICHARDSON'S BAY REGIONAL AGENCY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2009 AND 2008**

2. CASH (continued)

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, 2009:

Investments in Investment Pool	<u>Percent of Portfolio</u>
Federal Agency - discount	73%
Federal Agency - coupon	16%
Money market funds	<u>11%</u>
	<u><u>100%</u></u>

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 THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008**

3. CAPITAL ASSETS

The following is a summary of changes in capital assets:

	<u>Patrol Boat & Trailer</u>	<u>Pump out Vessel</u>	<u>Accumulated Depreciation</u>	<u>Total</u>
Balances as of June 30, 2007	\$ 78,387	\$ 89,933	\$ (82,482)	\$ 85,838
Additions			(16,043)	(16,043)
Balances as of June 30, 2008	78,387	89,933	(98,525)	69,795
Additions			(16,043)	(16,043)
Balances as of June 30, 2009	<u>\$ 78,387</u>	<u>\$ 89,933</u>	<u>\$ (114,568)</u>	<u>\$ 53,752</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.

SUPPLEMENTAL INFORMATION

DRAFT

**RICHARDSON'S BAY REGIONAL AGENCY
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2009**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest pooled invst	\$ 1,000	\$ 2,698	\$ 1,698
Slip rentals	2,500	4,350	1,850
Other sales & services	5,000	8,853	3,853
Intergovt revs-state	112,000	103,686	(8,314)
Intergovt revs-local	178,627	207,627	29,000
Projected assoc revs	2,500	-	(2,500)
	<u>\$ 301,627</u>	<u>\$ 327,214</u>	<u>\$ 25,587</u>
EXPENDITURES			
Professional services	253,980	298,528	(44,548)
Insurance premiums	14,500	13,297	1,203
Communication	1,600	1,980	(380)
Maint & repair services	250	-	250
Rental and operating leases	23,000	24,863	(1,863)
Professional development	600	338	262
Travel and meetings	2,300	2,349	(49)
Publication	1,500	-	1,500
Office expenses	500	491	9
Maint & repair equip	2,500	8,671	(6,171)
	<u>300,730</u>	<u>350,517</u>	<u>(49,787)</u>
Excess of revenues over (under) expenditures	<u>\$ 897</u>	<u>\$ (23,303)</u>	<u>\$ (24,200)</u>

**RICHARDSON'S BAY REGIONAL AGENCY
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Interest income	\$ 2,000	\$ 2,000	4,458	\$ 2,458
Slip rentals	2,500	2,500	4,520	2,020
Other sales & services	5,000	5,000	7,655	2,655
Intergovt revs-state	95,000	127,000	138,322	11,322
Intergovt revs-local	178,627	178,627	178,626	(1)
Projected assoc revs	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
Total revenues	285,627	317,627	333,581	15,954
EXPENDITURES				
Special appointment	79,423	79,423	86,047	(6,624)
Benefits	21,528	21,528	33,901	(12,373)
Professional services	91,000	132,600	142,086	(9,486)
Mooring program	30,000	30,000	11,600	18,400
Rapid response program	7,000	7,000	-	7,000
Lab services	3,000	3,000	2,850	150
Insurance premiums	14,000	14,000	14,281	(281)
Communication	1,600	2,000	2,485	(485)
Maint & repair services	400	400	180	220
Rental & operating lease	29,000	33,000	23,804	9,196
Professional development	700	700	462	238
Travel and meetings	1,000	1,000	3,507	(2,507)
Publication	3,000	3,000	115	2,885
Office expenses	700	700	581	119
Maint & repair-equip	<u>2,500</u>	<u>2,500</u>	<u>19,058</u>	<u>(16,558)</u>
Total expenditures	<u>284,851</u>	<u>330,851</u>	<u>340,957</u>	<u>(10,106)</u>
Excess of revenues over (under) expenditures	<u>\$ 776</u>	<u>\$ (13,224)</u>	<u>(7,376)</u>	<u>\$ 5,848</u>

**RICHARDSON'S BAY REGIONAL AGENCY
NOTES TO SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2009 AND 2008**

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>2009</u>	<u>2008</u>
Excess of revenues over (under) expenditures	\$ (23,303)	\$ (7,376)
Depreciation expense	<u>(16,043)</u>	<u>(16,043)</u>
Net income (loss)	<u><u>\$ (39,346)</u></u>	<u><u>(23,419)</u></u>

RICHARDSON'S BAY REGIONAL AGENCY
3501 Civic Center Drive, San Rafael, CA 94903

July 30, 2010

Maher Accountancy
1101 Fifth Avenue, Suite 200
San Rafael, CA 94901

We are providing this letter in connection with your audit of the financial statements of Richardson's Bay Regional Agency (the Agency) as of June 30, 2008 and 2009 and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

- 1) The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 2) We have made available to you all—
 - a) Financial records and related.
 - b) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 3) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 4) There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
- 5) We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
- 6) We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.

- 7) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
- 8) The Board of Directors has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 9) The following, if any, have been properly recorded or disclosed in the financial statements:
 - a) Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b) Guarantees, whether written or oral, under which the Agency is contingently liable.
 - c) All accounting estimates, (including fair value measurements), that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances, consistently applied, and adequately disclosed.
- 10) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- 11) There are no—
 - a) Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.
 - c) Reservations or designation of fund equity that were not properly authorized and approved.
- 12) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with Financial Accounting Standards Board (FASB) Statement No. 5.
- 13) As part of your audit, you prepared the draft financial statements and related notes. We have designated a competent employee to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 14) The Agency has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 15) The Agency has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 16) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

- 17) The financial statements properly classify all funds and activities.
- 18) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 19) Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
- 20) All receivables are considered collectible and, therefore, no provision for uncollectible receivables has been recorded.
- 21) The organization has a single function/program, therefore allocation of expenses among programs is not applicable.
- 22) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 23) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 24) Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
- 25) Required supplementary information (RSI) is measured and presented within prescribed guidelines.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Signed: _____
Bill Price, Harbor Administrator