

Agenda for the Regular Meeting of the Marinwood CSD Board of Directors

Tuesday – January 13, 2026 – 6:15 PM

Marinwood Community Center, 775 Miller Creek Road, San Rafael, CA 94903

Instructions on how to make a public comment during the meeting: At points in the meeting when the meeting chair requests public comment, members of the public shall indicate their desire to speak. All public comments shall be addressed to the Board of Directors and limited to three minutes per speaker. The Board of Directors may choose to respond to comments or request staff to respond at the conclusion of the public comment period.

Item Description:	Board Action
A. CALL TO ORDER	
B. AGENDA	Adopt
C. PUBLIC COMMENT ON CLOSED SESSION ITEMS ONLY	
D. CLOSED SESSION: <i>Public Employee Performance Evaluation Section 94957(b)(1): Title: District Manager</i>	
E. OPEN SESSION: <i>(Open Session will begin no earlier than 7:00PM)</i>	
F. CONSENT CALENDAR a. Draft Minutes of Regular Meeting of January 13, 2026 b. Bills Paid Nos. 9948-10016 c. Fiscal Year 2024-2025 Audited Basic Financial Statements and Management Report	Approve
G. PUBLIC COMMENT OPEN TIME FOR ITEMS NOT ON AGENDA <i>Speakers may comment only on non-agenda items within the subject matter jurisdiction of the District. The Board may not take action on, consider or debate items not on the agenda except under narrow circumstances meeting statutory tests. Response to comments on non-agenda items will be limited to factual information or clarifying questions from staff or Board at the conclusion of the public comment period. The President may refer the matter to staff or to a future meeting agenda.</i>	
H. DISTRICT MATTERS 1. Marinwood CSD Draft Policy to Establish the Criteria and Procedures for Recognizing Lease and Subscription Assets and Liabilities on the Balance Sheet, as Required by the Governmental Accounting Standards Board (GASB) Statements No. 87 and 96. 2. Fiscal Year 2025-2026: 2 nd Quarter Profit & Loss Budget-to-Actuals Financial Statements 3. District Manager Report	Approve Review Review
I. FIRE DEPARTMENT MATTERS 1. Draft Minutes of Fire Commission Meeting of February 3, 2026 2. Resolution 2026-01: Government Code section 20221. <i>Determination of Re-Evaluation of a Former Employee's Continued Qualification for Disability by the Governing Body</i> 3. Update on Current Status of Discussions with City of San Rafael regarding a Potential Agreement for Full Staffing Services of Marinwood Fire Station 58 (verbal update) 4. Chief Officer Report and Activity Summary (verbal report)	Review Approve Receive Receive
J. PARK AND RECREATION MATTERS 1. Draft Minutes of Park & Recreation Commission Meeting of January 27, 2026 2. Recommended Pay Schedule Wage Adjustments for Non-Represented Full-time Positions 3. Recreation and Park Maintenance Activity Reports	Review Review Review
K. BOARD MEMBER ITEMS OF INTEREST - REQUESTS FOR FUTURE AGENDA ITEMS	
L. ADJOURN	
DATE OF NEXT REGULAR BOARD MEETING – March 10, 2026	

Requests for disability-related modifications or accommodations, aids or services may be made to the district office no later than 72 hours prior to the meeting by contacting (415) 479-0775

Marinwood Community Services District

Draft Minutes of Board of Directors Meeting
Tuesday – January 13, 2026 – 7:00pm

Time and Place: 7:00PM Marinwood Community Center classroom.

Note: *This meeting as well as prior meetings of the Board of Directors may be viewed on the Marinwood YouTube channel here: <https://www.youtube.com/channel/UC0dvM2PvtEzE25eRAf4Jmg>*

Present:

Board Members: Board Vice President Lisa Ruggeri, Kathleen Kilkenny, Sivan Oyserman, Bill Shea.

Staff: District Manager Eric Dreikosen, Recreation Director Luke Fretwell, Accounting/Payroll Manager Tiffany Combrink.

Absent: Board President Chris Case

A. Call to Order & Pledge of Allegiance

Board Vice President Ruggeri called the meeting to order at 7:00pm

B. Agenda

Agenda adopted as presented.

C. Consent Calendar

1. *Draft Minutes of Regular Meeting of December 9, 2025*

2. *Bills Paid Nos. 9874 - 9947*

Shea to approve/Kilkenny to second “consent calendar as presented.”

Aye: Ruggeri, Kilkenny, Oyserman, Shea. Absent: Case. Motion carried.

D. Public Comment Open Time for Items Not on Agenda

No public comments received

E. District Matters

1. *Appointment of Board Liaisons to Fire Commission and Park & Recreation Commission for Calendar Year 2026*

Board Vice President Ruggeri appointed herself as liaison to the Fire Commission and appointed Director Kilkenny as liaison to the Park & Recreation Commission for Calendar Year 2026

2. *District Manager Report*

Board received District Manager Report

F. Fire Department Matters:

1. *Update on Current Status of Discussions with City of San Rafael regarding a Potential Agreement for Full Staffing Services of Marinwood Fire Station 58 (verbal update).*

Board received update.

2. *Chief Officer Report and Activity Summary*

Board reviewed Chief Officer Report and Activity Summary

G. Park and Recreation Matters:

1. *Recreation and Park Maintenance Activity Reports*

Board received Recreation and Park Maintenance Activity Reports

H. Board Member Items of Interest – Request for Future Agenda Items

1. District Manager noted Audit, Current Year Financial Statements and Wage Review for Non-Represented Full-time Employees to be reviewed at next meeting.

I. Adjourn

Meeting adjourned at 7:33pm

Tiffany Combrink, Secretary

**MARINWOOD COMMUNITY SERVICES DISTRICT
REQUEST FOR PAYMENT OF CLAIMS**

Treasury Fund 8067

Classes:
Street lights
Fire
Recreation
Park

Approved by the Board of Directors on February 10, 2026

NO.	DATE	VENDOR	TOTAL CLAIM	PURPOSE	Class	GL Account	Job	AMOUNT
9948	1/5/2026	Kathy Canfield Shepard	468.00	Fall 2025 Art Show	Rec	5220819	Community	468.00
9949	1/5/2026	Christine Costello	472.00	Zumba	Rec	5210146	Adult	472.00
9950	1/5/2026	Margaret J Dawson Schink	252.00	White Crane Silat	Rec	5210146	Youth	252.00
9951	1/5/2026	AFLAC	711.78	life/disability - Dec	Fire	5130120	General	711.78
9952	1/5/2026	AFLAC	58.92	disability - Dec	Park	5130120	General	58.92
9953	1/5/2026	Nationwide Retirement Solut	3,440.00	Deferred Comp	Fire	5130120	General	2,040.00
					Park	5130120	General	1,400.00
9954	1/12/2026	Airgas USA	678.85	pool chems	Rec	5220710	Pool	678.85
9955	1/12/2026	ASCAP	500.00	2026 annual fee	Rec	5220819	Pool	500.00
9956	1/12/2026	AT&T	373.24	phones - Dec	Fire	5210725	General	172.35
					Park	5210725	General	32.59
					Rec	5210725	General	168.30
9957	1/12/2026	AT&T	80.25	park internet - Dec	Park	5210725	General	80.25
9958	1/12/2026	C.A.P.F.	206.50	LTD - Jan	Fire	5130120	General	206.50
9959	1/12/2026	Comcast	345.07	internet - Dec	Fire	5210725	General	80.46
				internet - Jan	Rec	5210725	General	92.08
					Rec	5210725	General	92.08
9960	1/12/2026	Comcast	205.81	cable - Dec	Fire	5210725	General	205.81
9961	1/12/2026	County of Marin	547.32	park fuel - Sept	Park	5220610	General	153.95
				park fuel - Oct	Park	5220610	General	393.37
9962	1/12/2026	Ewing Irrigation Products	53.96	irrigation maintenance	Park	5220310	General	53.96
9963	1/12/2026	Got Gophers	275.00	pest control - Jan	Park	5211532	General	275.00
9964	1/12/2026	Grainger	499.57	supplies	Fire	5220810	General	499.57
9965	1/12/2026	Home Depot	246.87	supplies	Park	5220310	General	246.87
9966	1/12/2026	Jorge's Tree Service	4,800.00	tree trimming	Park	5211528	General	4,800.00
9967	1/12/2026	Landesign	3,360.00	landscape contractor - Jan	Park	5211125	General	3,360.00
9968	1/13/2026	Marin Prof Firefighters	1,068.00	dues - Jan	Fire	5211330	General	1,068.00
9969	1/13/2026	Marin Resource Recovery	266.00	debris dump	Park	5210815	General	266.00
9970	1/13/2026	Marin Sanitary Service	2,551.85	Garbage - Dec	Park	5210815	General	1,786.30
					Rec	5210815	General	510.37
					Fire	5210815	General	255.18
9971	1/13/2026	Mill Valley Refuse	314.98	porta potty - Jan	Park	5211220	General	314.98
9972	1/13/2026	Pacific Sun	590.00	summer camp ad	Rec	5210122	Summer	590.00
9973	1/13/2026	Pitney Bowes	500.00	postage	Rec	5220110	General	300.00
					Park	5220110	General	100.00
					Fire	5220110	General	100.00
9974	1/13/2026	Pest Plus	259.00	pest control	Fire	5211532	General	90.00
					Rec	5211532	General	169.00
9975	1/13/2026	PG&E	1,722.12	Streetlights - Nov	Streetlights	5210825	General	1,722.12
9976	1/13/2026	Project A	40.00	email hosting	Rec	5220110	General	20.00
					Fire	5220110	General	20.00
9977	1/13/2026	SiteOne Landscape Supply	457.92	irrigation maintenance	Park	5220310	General	457.92
9978	1/13/2026	Marin Ace	195.04	supplies	Park	5220310	General	195.04
9979	1/13/2026	T-Mobile	154.08	cell phones - Nov	Fire	5210725	General	154.08
9980	1/13/2026	VSP	347.52	Vision - Jan	Fire	5130120	General	182.45
					Park	5130120	General	91.23
					Rec	5130120	General	73.84
9981	1/13/2026	Wells Fargo	652.68	copier lease - Dec	Rec	5220130	General	424.24
					Fire	5220130	General	163.17
					Park	5220130	General	65.27
9982	1/15/2026	Marinwood CSD	1,405.28	PR 06/27/25	Rec	5110210	Pool	1,286.30
				SS + Medicare	Rec	5140140	General	98.40
				ETT + SUI	Rec	5140145	General	20.58
9983	1/15/2026	Marinwood CSD	100,912.74	Fire Salaries	Fire	5110110	General	28,778.88
				Fire OT	Fire	5120110	General	15,159.45
				FLSA	Fire	5110319	General	1,086.09
				Acting Pay	Fire	5110310	General	838.85
				4850	Fire	5110110	General	5,066.88
				Holiday	Fire	5110313	General	7,020.00
				Admin Asst	Fire	5110110	Admin	1,167.04
				Admin Mgr	Fire	5110110	Admin	2,884.80
				Admin Asst	Rec	5110110	Admin	1,167.04
				Admin Asst	Park	5110110	Admin	583.52
				Admin Mgr	Rec	5110110	Admin	1,442.40
				Admin Mgr	Park	5110110	Admin	1,442.40
				Rec Dir	Rec	5110110	General	3,155.04
				Rec Dir	Park	5110110	General	1,352.16
				Rec salary	Rec	5110110	General	9,686.40
				Park salary	Park	5110110	General	8,634.40
				Park hourly	Park	5110210	General	0.00
				Building attendants	Rec	5110210	Building	99.00
				Preschool	Rec	5110210	Preschool	0.00
				Youth programs	Rec	5110210	Youth	12,778.86
				PR fees	Fire	5210230	General	113.00

NO.	DATE	VENDOR	TOTAL CLAIM	PURPOSE	Class	GL Account	Job	AMOUNT
				PR fees	Rec	5210230	General	166.44
				PR fees	Park	5210230	General	61.56
				SS + Medicare	Fire	5140140	General	4,027.00
				SS + Medicare	Rec	5140140	General	2,477.49
				SS + Medicare	Park	5140140	General	916.33
				EDU + SUI	Fire	5140145	General	1,076.70
				EDU + SUI	Rec	5140145	General	809.64
				EDU + SUI	Park	5140145	General	299.45
				Benefits withholding	Park	2120066	General	-1,536.34
				Benefits withholding	Rec	2120066	General	-2,281.03
				Benefits withholding	Fire	2120066	General	-7,560.71
9984	1/15/2026	Marinwood CSD	18,463.07	retire 01/09/26	Park	5130510	General	2,203.52
					Rec	5130510	General	2,479.27
					Fire	5130510	General	13,780.28
9985	1/15/2026	Marinwood CSD	58,592.48	Health - Feb	Park	5130120	General	13,835.66
					Rec	5130120	General	11,173.27
					Fire	5130120	General	33,583.55
9986	1/22/2026	Brady Industries	660.96	cleaning supplies	Rec	5220827	Building	660.96
9987	1/22/2026	Cal West Rentals	137.51	saw rental	Park	5211220	General	137.51
9988	1/22/2026	CalPERS	8,333.00	CERBT - Jan	Park	5130130	General	1,917.00
					Rec	5130130	General	916.00
					Fire	5130130	General	5,500.00
9989	1/22/2026	City of San Rafael	1,960.58	E58 tires / maintenance	Fire	5210910	General	1,960.58
9990	1/22/2026	City of San Rafael	112,817.90	chief officer FY25/26 - Q1&C	Fire	5210146	General	58,080.73
					Fire	5120110	General	54,737.17
9991	1/22/2026	Comcast	213.65	cable - Jan	Fire	5210725	General	213.65
9992	1/22/2026	Delta Dental	3,806.40	dental - Jan	Fire	5130120	General	937.67
					Park	5130120	General	550.15
					Rec	5130120	General	415.38
					Fire	5130120	General	937.67
					Park	5130120	General	550.15
					Rec	5130120	General	415.38
9993	1/22/2026	Got Gophers	275.00	pest control	Park	5211532	General	275.00
9994	1/22/2026	Hagel Services	144.41	janitorial supply	Rec	5220827	Building	144.41
9995	1/22/2026	Integrity Construction Mainte	1,755.00	janitorial - January	Rec	5211110	Building	1,755.00
9996	1/22/2026	Kyocera	348.07	copier print overage	Park	5220130	General	34.80
					Rec	5220130	General	226.25
					Fire	5220130	General	87.02
9997	1/22/2026	Liebert Cassidy Whitmore	2,789.25	legal services	Fire	5210131	General	2,789.25
9998	1/22/2026	Marin Municipal Water Distri	16,854.77	Final bill: July-Oct 2024	Park	5210835	General	16,854.77
9999	1/22/2026	Nationwide Retirement Solut	3,440.00	Deferred comp 01/09/26	Fire	5130120	General	1,020.00
					Rec	5130120	General	700.00
					Fire	5130120	General	1,020.00
10000	1/22/2026	O'Connor & Company	1,940.00	FY25 Audit services	Park	5210210	General	485.00
					Rec	5210210	General	485.00
					Fire	5210210	General	970.00
10001	1/22/2026	PG&E	4,397.38	Electric - Dec	Rec	5210810	General	2,749.81
					Fire	5210810	General	1,171.43
					Park	5210810	General	476.14
10002	1/22/2026	PG&E	1,919.30	Gas - Dec	Rec	5210810	General	986.29
					Fire	5210810	General	933.01
10003	1/22/2026	SolEd Solar Holdings	441.63	Solar - Dec	Rec	5210810	General	325.34
					Fire	5210810	General	116.29
10004	1/22/2026	SDRMA	261.98	Life ins - Feb	Fire	5130120	General	77.96
					Park	5130120	General	86.52
					Rec	5130120	General	97.50
10005	1/22/2026	Tiffany Combrink	40.38	2025 forms 1099 meeting supplies	Rec	5220110	General	16.63
10006	1/22/2026	VSP	347.52	Vision - Feb	Fire	5130120	General	182.45
					Park	5130120	General	91.23
					Rec	5130120	General	73.84
10007	1/22/2026	Wells Fargo	661.70	copier lease - Jan	Rec	5220130	General	430.11
					Fire	5220130	General	132.34
					Park	5220130	General	99.25
10008	1/28/2026	Marinwood CSD	77,120.74	Fire Salaries	Fire	5110110	General	27,693.12
				Fire OT	Fire	5120110	General	10,756.14
				Acting Pay	Fire	5110310	General	738.72
				4850	Fire	5110110	General	5,066.88
				Admin Asst	Fire	5110110	Admin	1,167.04
				Admin Mgr	Fire	5110110	Admin	2,884.80
				Admin Asst	Rec	5110110	Admin	1,167.04
				Admin Asst	Park	5110110	Admin	583.52
				Admin Mgr	Rec	5110110	Admin	1,442.40
				Admin Mgr	Park	5110110	Admin	1,442.40
				Rec Dir	Rec	5110110	General	3,155.04
				Rec Dir	Park	5110110	General	1,352.16
				Rec salary	Rec	5110110	General	9,686.40
				Park salary	Park	5110110	General	8,634.40
				Park hourly	Park	5110210	General	80.00

NO.	DATE	VENDOR	TOTAL CLAIM	PURPOSE	Class	GL Account	Job	AMOUNT
				Building attendants	Rec	5110210	Building	253.50
				Pool staff	Rec	5110210	Pool	1,518.75
				Preschool	Rec	5110210	Preschool	4,427.50
				Youth programs	Rec	5110210	Youth	1,270.76
				PR fees (+ W2s)	Fire	5210230	General	2,343.66
				PR fees (+ W2s)	Rec	5210230	General	1,206.90
				PR fees (+ W2s)	Park	5210230	General	871.44
				SS + Medicare	Fire	5140140	General	2,980.69
				SS + Medicare	Rec	5140140	General	2,179.99
				SS + Medicare	Park	5140140	General	806.30
				EDU + SUI	Fire	5140145	General	0.00
				EDU + SUI	Rec	5140145	General	591.44
				EDU + SUI	Park	5140145	General	218.75
				Benefits withholding	Park	2120066	General	-2,549.45
				Benefits withholding	Rec	2120066	General	-3,424.40
				Benefits withholding	Fire	2120066	General	-11,425.15
10009	1/28/2026	Marinwood CSD	16,025.37	Retire 01/23/26	Park	5130510	General	2,203.52
					Rec	5130510	General	2,479.27
					Fire	5130510	General	11,342.58
10010	1/28/2026	Tracey Cowan	3,390.00	refund summer (replace lost	Rec	4631920	Summer	3,390.00
10011	1/28/2026	270 Media / Marin Magazine	1,800.00	summer camp ad	Rec	5210122	Summer	1,800.00
10012	1/28/2026	Master Sim	1,280.00	TKD January	Rec	5210146	Youth	1,280.00
10013	1/28/2026	Pamela Fox / Marin Mommie	875.00	summer camp ad	Rec	5210122	Summer	525.00
				preschool ad	Rec	5210122	Preschool	350.00
10014	1/28/2026	Schultz Entertainment Exper	395.00	camp entertainment 06/18/2	Rec	5220819	Summer	395.00
10015	1/28/2026	Schultz Entertainment Exper	300.00	camp entertainment 07/09/2	Rec	5220819	Summer	300.00
10016	1/28/2026	Van Midde & Son Concrete	3,200.00	pool repairs	Rec	5220215	Pool	3,200.00
TOTAL:								474,000.40

Total by Department:

Streetlights	1,722.12
Fire Department	297,478.94
Recreation Department	97,674.47
Park Department	77,124.87
Measure A	0.00
MWPA	0.00
Capital	0.00
Unclassified	0.00

DRAFT

1/30/2026

To be used only for management discussion purposes; engagement is incomplete; this draft is subject to final review and possible revision. **Report/Letter date is TENTATIVE-TBD**

**MARINWOOD COMMUNITY SERVICES DISTRICT
SAN RAFAEL, CALIFORNIA**

ANNUAL FINANCIAL REPORT

JUNE 30, 2025

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis - Required Supplementary Information (unaudited)	3-6
Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Governmental Funds Balance Sheet	9
Reconciliation of the Governmental Funds Balance Sheet with the Governmental Activities Statement of Net Position	10
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance	11
Reconciliation of the Net Change in Fund Balances with the Change in Net Position of Governmental Activities	12
Notes to Financial Statements	13-30
Required Supplementary Information (unaudited)	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	31
Schedule of Proportionate Share of the Net Pension Liability - Miscellaneous and Safety	32
Schedule of District's Contributions - Miscellaneous and Safety	33
Schedule of District's Contributions - OPEB	34
Schedule of Change in the Net OPEB Liability and Related Ratios	35

INDEPENDENT AUDITORS' REPORT

Board of Directors
Marinwood Community Services District
San Rafael, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Marinwood Community Services District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Marinwood Community Services District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Marinwood Community Services District, as of June 30, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Marinwood Community Services District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Marinwood Community Services District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Marinwood Community Services District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Marinwood Community Services District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund, the Schedule of Proportionate Share of the Net Pension Liability - Miscellaneous and Safety, the Schedule of District's Contributions - Miscellaneous and Safety, the Schedule of District's Contributions – OPEB, and the Schedule of Changes in the Net OPEB Liability and Related Ratios, (pages 31-35), listed as required supplementary information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

O'Connor & Company

Novato, California

Marinwood Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

This section of Marinwood Community Services District's (the District's) basic financial statements presents management's overview and analysis of the financial activities of the organization for the fiscal year ended June 30, 2025. We encourage the reader to consider the information presented here in conjunction with the financial statements as a whole.

Introduction to the Basic Financial Statements

The required financial statements include the Combined Government-wide and Fund Financial statements; the Statement of Net Position and Governmental Funds Balance Sheet; and the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances.

These statements are supported by notes to the financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of the District.

The Basic Financial Statements

The basic financial statements comprise the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the District's financial activities and financial position.

The Government-wide Financial Statements provide a longer-term view of the District's activities as a whole, and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the District as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all of the District's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of the District's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All the District's activities are grouped into Government Activities, as explained below.

The Fund Financial Statements report the District's operations in more detail than the Government-wide Financial Statements and focus primarily on the short-term activities of the District's Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the District and are presented individually. Major Funds are explained below.

The Government-wide Financial Statements

Government-wide Financial Statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the District as a whole.

The Statement of Net Position and the Statement of Activities present information about the following:

Governmental Activities

The District's basic services are considered to be governmental activities. These services are supported by specific revenues, state and federal grants, and general revenues from taxes and use of money.

Marinwood Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the District's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are Major Funds, was established by Governmental Accounting Standards Board (GASB) Statement No. 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Major Funds present the major activities of the District for the year, and may change from year to year as a result of changes in the pattern of the District's activities.

In the District's case, there are two Major Governmental Funds – the General Fund and the Debt Service Fund.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Comparisons of Budget and Actual financial information are presented for the General Fund.

Analyses of Major Funds

Governmental Funds:

General Fund revenue increased by \$474,114 this fiscal year, due primarily to an increase in recreation service participation and property tax revenue.

General fund expenditure decreased by \$344,241 from the prior year due to the 2024 playground remodel, and emergency creek repairs completed in the prior year.

Governmental Activities

Table 1
Governmental Net Position

	Governmental Activities	
	2025	2024
Current and other assets	\$ 10,839,154	\$ 9,159,149
Capital assets, net of accumulated depreciation	5,317,389	5,007,710
Total assets	<u>16,156,543</u>	<u>14,166,859</u>
Deferred outflows of resources	2,797,659	3,701,863
Current liabilities	1,718,124	1,337,183
Long-term liabilities	11,824,779	12,047,001
Total liabilities	<u>13,542,903</u>	<u>13,384,184</u>
Deferred inflows of resources	1,371,350	2,112,853
Net position:		
Net Investment in capital assets	4,846,860	4,434,458
Restricted	515,357	298,155
Unrestricted	<u>(1,322,268)</u>	<u>(2,360,928)</u>
Total net position	<u>\$ 4,039,949</u>	<u>\$ 2,371,685</u>

The District's governmental net position amounted to \$4,039,949 as of June 30, 2025, an increase of \$1,668,261 from 2024. This increase is the Change in Net Position reflected in the Governmental Activities column of the Statement of Activities shown in Table 2.

Marinwood Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

The District's net assets as of June 30, 2025 comprised the following:

- Cash and investments of \$10,396,140, Restricted Measure A fund cash and investments of \$197,087, and accounts receivable of \$245,927.
- Capital assets of \$5,317,389, net of depreciation charges, which includes all the District's capital assets used in governmental activities.
- Deferred outflows of resources related to the net pension liability and OPEB liability of \$2,797,659 and deferred inflows of resources related to the net pension liability and OPEB liability of \$(1,371,350).
- Accounts payable and other current liabilities of \$459,697, as well as unearned revenue of \$1,025,947 .
- Long-term debt of \$470,529 and net pension liability and OPEB liability of \$11,354,250.
- Net investment in capital assets of \$4,846,860, representing the District's investment in capital assets used in Governmental Activities, net of amounts borrowed to finance that investment.
- The Restricted Net Position of \$515,357 represents the District's Measure A & MWPA funds.
- The Unrestricted Net Position is the part of the net position that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The District had \$(1,322,268) of unrestricted net position as of June 30, 2025.

The Statement of Activities presents program revenues and expenses and general revenues in detail. All of these are elements in the Changes in Governmental Net Position summarized below.

Table 2
Changes in Governmental Net Position

	Governmental Activities	
	2025	2024
Expenses		
Park	\$ 231,773	\$ 759,282
Recreation	2,488,008	2,501,382
Public safety	3,708,000	3,678,894
Street lighting	29,225	32,795
Measure A	-	81,305
Marin Wildfire Prevention Authority	64,122	98,115
Interest on long-term debt	12,255	14,891
Total expenses	6,533,383	7,166,664
Revenues		
Program revenues:		
Charges for services	3,103,772	2,713,320
Total program revenues	3,103,772	2,713,320
General revenues:		
Taxes and special assessments	4,525,813	4,361,271
Investment earnings and other general revenues	572,059	649,778
Total general revenues	5,097,872	5,011,049
Total revenue	8,201,644	7,724,369
Change in net position	\$ 1,668,261	\$ 557,705

As Table 2 above shows, \$3,103,772, or 38% of the District's governmental revenue, came from program revenues and \$5,097,872, or 62%, came from general revenues such as taxes and special assessments.

Marinwood Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

General revenues are not allocable to programs. General revenues are used to pay for the net cost of governmental programs.

Capital Assets

GASB Statement No. 34 requires the District to record all of its capital assets, which were not recorded in prior years. As of June 30, 2025, the cost of infrastructure and other capital assets recorded in the District's financial statements was as shown in Table 3 below:

Table 3
Capital Assets, Net

	<u>June 30, 2025</u>
<u>Governmental Activities</u>	
Land (not depreciated)	\$ 1,930,268
Buildings	5,631,536
Equipment	1,996,385
Other	435,815
Less: accumulated depreciation	<u>(4,676,615)</u>
Total Governmental Activity capital assets, net	<u>\$ 5,317,389</u>

Details on capital assets, current year's additions and current year disposals can be found in Note 4.

Debt Administration

The District made all scheduled repayments of existing debt. Each of the District's debt issues is discussed in detail in Note 5 to the financial statements. As of June 30, 2025, the District's debt comprised:

Table 4
Outstanding Debt

	<u>June 30, 2025</u>
<u>Government Activities</u>	
CSDA lease	\$ 470,529
Net Pension Liability	6,292,856
Other Post Employment Benefits	<u>5,061,394</u>
Total Governmental Activity outstanding debt	<u>\$ 11,824,779</u>

Economic Outlook and Major Initiatives

Financial planning is based on specific assumptions from recent trends, State of California economic forecasts and historical growth patterns in the various communities served by the District.

The economic condition of the District as it appears on the balance sheet reflects financial stability. The District will continue to maintain a watchful eye over expenditures and remains committed to sound fiscal management practices to deliver the highest quality service to the citizens of the area.

Contacting the District's Financial Management

This comprehensive Annual Financial Report is intended to provide citizens, taxpayers, and creditors with a general overview of the District's finances. Questions about this Report should be directed to Marinwood Community Services District, 775 Miller Creek Road, San Rafael, CA 94903-1323.

Marinwood Community Services District

STATEMENT OF NET POSITION

June 30, 2025

	Governmental Activities
<u>ASSETS</u>	
Cash and investments	\$ 10,396,140
Restricted cash and investments	197,087
Accounts receivable	245,927
Non-current assets:	
Non-depreciable capital assets	1,930,268
Depreciable capital assets, net	<u>3,387,121</u>
Total assets	<u>16,156,543</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows of resources related to pensions	1,940,041
Deferred outflows of resources related to OPEB	<u>857,618</u>
Total deferred outflows of resources	<u>2,797,659</u>
<u>LIABILITIES</u>	
Accounts payable	207,471
Accrued expenses	252,226
Compensated absences	218,441
Accrued interest	14,039
Unearned revenue	1,025,947
Non-current liabilities:	
Due within one year	62,645
Due in more than one year	407,884
Net pension liability	6,292,856
Other post-employment benefit obligation	<u>5,061,394</u>
Total liabilities	<u>13,542,903</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows of resources related to pensions	202,229
Deferred inflows of resources related to OPEB	<u>1,169,121</u>
Total deferred inflows of resources	<u>1,371,350</u>
<u>NET POSITION</u>	
Net investment in capital assets	4,846,860
Restricted	515,357
Unrestricted (deficit)	<u>(1,322,268)</u>
Total net position	<u>\$ 4,039,949</u>

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

Marinwood Community Services District
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2025

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants & Contributions</u>	
			<u>Governmental Activities</u>	
Governmental activities:				
Park	\$ 231,773	\$ -	\$ -	\$ (231,773)
Recreation	2,488,008	2,222,202	-	(265,806)
Public safety	3,708,000	881,570	-	(2,826,430)
Street lighting	29,225	-	-	(29,225)
Marin Wildfire Prevention Authority	64,122	-	-	(64,122)
Interest on long-term debt	12,255	-	-	(12,255)
 Total governmental activities	 <u>\$ 6,533,383</u>	 <u>\$ 3,103,772</u>	 <u>\$ -</u>	 <u>\$ (3,429,611)</u>
General revenues:				
Taxes				2,691,687
Special assessments				1,834,126
Investment earnings, net				380,551
Other general revenues				191,508
 Total general revenues	 <u></u>	 <u></u>	 <u></u>	 <u>5,097,872</u>
 Change in net position				1,668,261
Net position, beginning of period				<u>2,371,688</u>
 Net position, end of period	 <u></u>			 <u>\$ 4,039,949</u>

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

Marinwood Community Services District
GOVERNMENTAL FUNDS BALANCE SHEET
June 30, 2025

	General Fund	Measure A Fund	Total Governmental Funds
ASSETS			
Cash and investments	\$ 10,396,140	\$ -	\$ 10,396,140
Restricted cash and investments	-	197,087	197,087
Accounts receivable	<u>245,927</u>	-	<u>245,927</u>
 Total assets	 <u>\$ 10,642,067</u>	 <u>\$ 197,087</u>	 <u>\$ 10,839,154</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 207,471	\$ -	\$ 207,471
Accrued expenses	252,226	-	252,226
Unearned revenue	<u>1,025,947</u>	-	<u>1,025,947</u>
 Total liabilities	 <u>1,485,644</u>	 -	 <u>1,485,644</u>
Fund balances:			
Restricted	318,270	197,087	515,357
Assigned for Board Designated reserves	800,000	-	800,000
Unassigned	<u>8,038,153</u>	-	<u>8,038,153</u>
 Total fund balances	 <u>9,156,423</u>	 <u>197,087</u>	 <u>9,353,510</u>
 Total liabilities and fund balances	 <u>\$ 10,642,067</u>	 <u>\$ 197,087</u>	 <u>\$ 10,839,154</u>

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

Marinwood Community Services District
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE GOVERNMENTAL ACTIVITIES STATEMENT OF NET POSITION
June 30, 2025

Total Governmental Funds Fund Balances	\$ 9,353,510
--	--------------

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

Capital Assets

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.

5,317,389

Long-Term Liabilities

The liabilities below are not due and payable in the current period and therefore are not reported in the Fund Financial Statements.

Deferred outflows of resources related to pensions	1,940,041
Deferred outflows of resources related to OPEB	857,618
Long-term debt	(470,529)
Accrued interest	(14,039)
Compensated absences	(218,441)
Net pension liability	(6,292,856)
Other post-employment benefit obligation	(5,061,394)
Deferred inflows of resources related to pensions	(202,229)
Deferred inflows of resources related to OPEB	(1,169,121)
Net Position of Governmental Activities	<u>\$ 4,039,949</u>

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

Marinwood Community Services District
**GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES**
For the Fiscal Year Ended June 30, 2025

	General Fund	Measure A Fund	Total Governmental Funds
Revenues:			
Taxes	\$ 2,561,417	\$ 130,270	\$ 2,691,687
Special assessments	1,834,126	-	1,834,126
Charges for services	3,103,772	-	3,103,772
Investment earnings, net	380,551	-	380,551
Other general revenues	191,508	-	191,508
Total revenues	8,071,374	130,270	8,201,644
Expenditures:			
Park	730,700	-	730,700
Recreation	2,373,664	-	2,373,664
Public safety	3,013,121	-	3,013,121
Street lighting	25,282	-	25,282
Measure A	-	-	-
Marin Wildfire Prevention Authority	64,122	-	64,122
Capital outlay	506,824	-	506,824
Debt service:			
Principal	102,720	-	102,720
Interest	13,688	-	13,688
Total expenditures	6,830,121	-	6,830,121
Excess (deficiency) of revenues over (under) expenditures	1,241,253	130,270	1,371,523
Fund balance, beginning of period	7,915,170	66,817	7,981,987
Fund balance, end of period	\$ 9,156,423	\$ 197,087	\$ 9,353,510

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

Marinwood Community Services District
**RECONCILIATION OF THE NET CHANGE IN FUND BALANCES WITH
 THE CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**
 For the Fiscal Year Ended June 30, 2025

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

Net Change in Fund Balances	\$ 1,371,523
-----------------------------	--------------

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

Capital Assets Transactions

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense:

The capital outlay expenditures are therefore added back to fund balance	506,824
Depreciation expense is deducted from the fund balance	(197,145)

Long-Term Debt Proceeds and Payment

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities:

Repayment of debt principal is added back to fund balance	102,720
---	---------

Accrual of Non-Current Items

The amounts below included in the Statement of Activities do not provide (or require) the use of current financial resources and therefore are not reported as revenue or expenditures in the governmental funds (net change):

Accrued interest	1,433
Compensated absences	(73,892)
Pension expense	(462,027)
Other post-employment benefits	<u>418,825</u>

Change in Net Position of Governmental Activities	<u>\$ 1,668,261</u>
---	---------------------

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

Marinwood Community Services District

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 - GENERAL

Marinwood Community Services District (the District) was formed on February 23, 1960, and is regulated under sections 61000 through 61891 of the California Government Code. The District is governed by an elected board of directors. The District does not exercise oversight responsibility over any other government unit, thus, its financial statements do not include any financial activity of any other agency. It is not a component unit of any other reporting entity.

The District offers a wide variety of recreational activities for people of all ages, from preschoolers to senior citizens. Some of the major activities include parks, playgrounds, swimming pools, recreation buildings, development of open space, and a wide range of recreation programs and activities. The District also provides fire protection, emergency services, and street lighting services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying policies of the District conform to U.S. generally accepted accounting principles and are applicable to governments. The following is a summary of the significant policies:

A. Basis of Presentation

The District's basic financial statements are prepared in conformity with U.S. generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These standards require that the financial statements described below be presented.

Government-wide Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the District). These statements include the financial activities of the overall District.

These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District has no fiduciary or business-type activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs; (b) grants and contributions that are restricted to meeting the operational needs of a particular program; and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditure or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and how spending activities are controlled.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation (concluded)

The Fund Financial Statements are presented after the government-wide financial statements. These statements display information about major funds individually in a separate column and non-major funds in the aggregate for governmental funds.

B. Major Funds

GASB Statement No. 34 defines major funds and requires that the District's major governmental and business-type funds be identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The District may also select other funds it believes should be presented as major funds.

The District reported the following major governmental funds in the accompanying financial statements:

General Fund: This is used for all the general revenues of the District not specifically levied or collected for other District funds and the related expenditure. The General Fund accounts for all financial resources of a governmental unit that are not accounted for in another fund.

Measure A Fund: This fund is used to account for resources used to complete Measure A projects.

C. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when *earned* and expenses are recorded at the times liabilities are *incurred*, regardless of when the related cash flow takes place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when "measurable" and "available". The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are property taxes, certain other intergovernmental revenues, certain charges for services and interest revenue.

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (concluded)

The District may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The District's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

D. Budgets and Budgetary Accounting

Budgets are used to control spending. Unexpended allocations lapse at the end of each fiscal year and are not carried forward to the following period. Preliminary budgets are determined by the first day of July. A notice of this budget is published, and no less than one month thereafter, the District's Board of Directors approves the final budget. The final budget is reported by the tenth day of August.

The District's budget, as included in these financial statements, represents the budget approved by the Board of Directors. The adopted budget is made for the District as a whole. The District uses the same basis of accounting for budget and financial statement purposes. All appropriations lapse at year-end. Actual General Fund expenditures were more than appropriations by \$71,986.

E. Property Taxes

Property Taxes are levied each November 1 on the assessed value as of the prior March 1. The County of Marin's property tax calendar is as follows:

	Secured	Unsecured
Valuation dates	March 1	March 1
Lien/levy dates	March 1	March 1
First installment due date	50% on November 1	July 1 (total due)
Delinquent as of	December 10	August 31
Second installment due date	50% on February 1	
Delinquent as of	April 10	

F. Compensated Absences

The District adopted a new accounting pronouncement, GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. The implementation of this new accounting standard did not have a material impact on the District's financial statements but resulted in an updated presentation of the financial statements and related disclosures in the notes to the financial statements.

The District employees earn vacation, compensatory time, floating holidays, and management leave in accordance with District policies. These balances are recorded when earned and are fully payable upon termination of employment. Employees also earn sick leave benefits in accordance with District policies. A liability is recognized for the portion of accumulated sick leave that is more likely than not to be used or paid. Management evaluates sick leave for employees to determine the amount that is probable to be used or paid, considering historical usage, forfeitures, payments, and District policies related to compensated absences. Compensated absences are measured at the estimated amount payable, including salary-related payments such as the employer's share of Social Security and Medicare taxes.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Compensated Absences (concluded)

Changes in compensated absences are as follows:

	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025
Compensated absences	\$ 144,549	\$ 73,892	\$ -	\$ 218,441

* Compensated absences activity shown in the table above is presented on a net increase (decrease) basis as permitted by GASB Statement 101.

G. Unearned Revenue

Unearned revenues represent park and recreation fees received but not yet earned. Unearned revenue at June 30, 2025 was \$1,025,947.

H. Contingent Liabilities

The District is subject to litigation arising in the normal course of business. In the opinion of the District's management there is no pending litigation that can currently be determined to have a material adverse effect on the financial position of the District.

I. Use of Estimates

The basic financial statements have been prepared in conformity with U.S. generally accepted accounting principles, and as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

J. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognizes deferred outflows and inflows of resources.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period.

K. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Marinwood Community Services District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when they are due and payable in accordance with the benefit terms. Investments are reported at fair value.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

M. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuration of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of the year end. All trade and tax receivables are shown net of an allowance for uncollectible accounts and estimated refunds due.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments at June 30, 2025 consisted of the following:

Pooled cash in the County of Marin	\$ 10,063,955
Demand deposit accounts	332,185
Total	<u>\$ 10,396,140</u>
Restricted:	
Measure A	\$ 197,087

Authorized Investments:

Under the provision of the District's Investment Policy, and in accordance with Section 53601 of the California Government Code, the District may invest in the following types of investments:

Securities of the U.S. Government or its agencies; time certificates of deposit; County of Marin Cash and Investment Pool; and California Local Agency Investment Fund deposits. The District's investment policy is consistent with the County of Marin's investment policy.

County of Marin Investment Pool:

The District maintains specific cash deposits with the County of Marin (the County) and involuntarily participates in the external investment pool of the County. The balance deposited and invested with the County at June 30, 2025 was \$10,261,042. The County is restricted by the state code in the types of investments it can make. Furthermore, the County Treasurer has a written investment policy, approved by the Board of Supervisors, which is more restrictive than the state code as to terms of maturity and type of investment. Also, the County has an investment committee, which performs regulatory oversight for its pool as required by California Government Code Section 27134. The County's investment policy authorizes the County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, and the State Treasurer's investment pool. At June 30, 2025, the District's cash with the County Treasurer is stated at fair value. However, the value of the pool shares in the County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District's position in the pool.

Custodial Credit Risk – Deposits:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

Marinwood Community Services District

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 3 - CASH AND INVESTMENTS (concluded)

The custodial credit risk for deposits and investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an agent of depositor has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by California agents of depository is held for, and in the name of, the local government.

Credit Risk – Investments:

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2025 are provided by Standard and Poor's except as noted. All District investment types are not rated.

Fair Value Measurements:

GASB Statement No. 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy consisting of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs consist of inputs other than quoted prices that are observable for an asset or liability, either directly or indirectly, that can include quoted prices for similar assets or liabilities in active or inactive markets, or market-corroborated inputs, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability.

The District did not have investments subject to recurring fair value measurements as of June 30, 2025.

Concentration of Credit Risk:

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

Interest Rate Risk:

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

Foreign Currency Risk:

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 4 - CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Effective July 1, 2016, the District's policy was updated to capitalize all land, structures and improvements more than \$5,000 and that have greater than one-year useful life.

GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Alternatively, the "modified approach" may be used for certain capital assets. Depreciation is not provided under this approach, but all expenditures on these assets are expensed, unless they are additions or improvements. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro-rata share of the cost of capital assets. Depreciation expense for the current year was \$197,145.

Depreciation is provided using the straight-line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the useful lives listed below to capital assets:

Buildings	15-30 years	Equipment	5-20 years
Improvements	5-30 years	Infrastructure	25-50 years

An analysis of fixed assets at June 30, 2025, is as follows:

<u>Governmental Activities</u>	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025
Capital assets, not being depreciated:				
Land	\$ 1,930,268	\$ _____	\$ _____	\$ 1,930,268
Total capital assets, not being deprec.	<u>1,930,268</u>	<u>_____</u>	<u>_____</u>	<u>1,930,268</u>
Capital assets, being depreciated:				
Buildings	5,494,196	137,340	-	5,631,536
Equipment – Fire	1,197,990	262,622	-	1,460,612
Equipment – Park	187,352	78,191	-	265,543
Equipment – Recreation	196,181	21,613	-	217,794
Hydrants	47,086	-	-	47,086
Office furniture and equipment	314,363	7,058	-	321,421
Streetlights	119,744	-	-	119,744
Total capital assets, being depreciated	<u>7,556,912</u>	<u>506,824</u>	<u>_____</u>	<u>8,063,736</u>
Less accumulated depreciation for:				
Buildings	2,788,092	99,237	-	2,887,329
Equipment – Fire	1,039,832	69,724	-	1,109,556
Equipment – Park	180,420	2,463	-	182,883
Equipment – Recreation	166,612	2,149	-	168,761
Hydrants	39,749	468	-	40,217
Office furniture and equipment	182,661	17,846	-	200,507
Streetlights	82,104	5,258	-	87,362
Total accumulated depreciation	<u>4,479,470</u>	<u>197,145</u>	<u>_____</u>	<u>4,676,615</u>
Total capital assets being deprec., net	<u>3,077,442</u>	<u>309,679</u>	<u>_____</u>	<u>3,387,121</u>
Capital assets, net	<u>\$ 5,007,710</u>	<u>\$ 309,679</u>	<u>\$ _____</u>	<u>\$ 5,317,389</u>

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 4 - CAPITAL ASSETS (concluded)

Depreciation allocation:

Park	\$ 7,897
Recreation	114,344
Public Safety	70,972
Street Lighting	3,943
Total	<u>\$ 197,145</u>

NOTE 5 - LONG-TERM DEBT

The District's changes in long-term debt are as follows:

<u>Governmental Activities</u>	Balance at June 30,		<u>Deletions</u>	Balance at June 30,	
	<u>2024</u>	<u>Additions</u>		<u>2025</u>	<u>Current</u>
Fire truck lease	\$ 41,511	\$ -	\$ 41,511	\$ -	\$ -
CSDA lease	531,742	-	61,213	470,529	62,645
Other Post Employment Benefits	5,046,308	15,086	-	5,061,394	-
Net Pension Liability	6,427,441	-	134,585	6,292,856	-
Total	<u>\$ 12,047,002</u>	<u>\$ 15,086</u>	<u>\$ 237,309</u>	<u>\$ 11,824,779</u>	<u>\$ 62,645</u>

CSDA Lease

In June 2021, the District entered into a lease agreement with CSDA Finance Corporation to finance the construction costs of a new maintenance facility. The lease term is for ten years with an annual interest rate of 2.34% and total lease obligation of \$650,000. Annual payments are made in July. The amortization schedule is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 62,645	\$ 11,010	\$ 73,655
2027	64,111	9,544	73,655
2028	65,611	8,044	73,655
2029	67,147	6,509	73,655
2030	68,718	4,938	73,655
2031	70,326	3,330	73,655
2032	71,972	1,684	73,656
Total	<u>\$ 470,529</u>	<u>\$ 45,060</u>	<u>\$ 515,589</u>

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Plan Description: All qualified permanent and probationary employees are eligible to participate in the District's following cost-sharing multiple employer defined benefit pension plans (Plans):

- District Miscellaneous (Tier 1)
- District Safety (Tier 1)
- District Safety (Tier 2)
- District Miscellaneous PEPRA
- District Safety PEPRA

The Plans are administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State Statute and District resolution.

CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on CalPERS' website.

Marinwood Community Services District

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The applicable PERS plan depends on the employee classification and hire date. In some situations, hiring of an employee who was previously an active member in PERS results in the "Classic" Plan benefit regardless of the date of hiring. The Plan provisions and benefits in effect at June 30, 2025, are summarized as follows:

	District Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	2% 60	2% @ 62
Benefit formula		
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensations	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7.000%	6.750%
Required employer contribution rates	9.120%	7.470%

	District Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	3% 50	2.7% 57
Benefit formula		
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensations	3%	2.0% to 2.7%
Required employee contribution rates	9.000%	13.000%
Required employer contribution rates	22.470% for Tier 1 20.640% for Tier 2	12.780%

The District's Miscellaneous and Safety Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The District sponsors five rate plans (two miscellaneous and three safety).

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 6 - **DEFINED BENEFIT PENSION PLAN** (continued)

The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2025, the contributions recognized as part of pension expense for each Plan were as follows:

	Contributions - Employer
Miscellaneous	\$ 173,275
Safety	566,696
Total	<u>\$ 739,971</u>

As of June 30, 2025, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plans as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 1,322,013
Safety	4,970,843
Total	<u>\$ 6,292,856</u>

The District's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2024, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for each Plan as of June 30, 2023 and June 30, 2024 was as follows:

	Miscellaneous	Safety	Total
Proportion - June 30, 2023	0.02664%	0.06816%	0.05152%
Proportion - June 30, 2024	0.02733%	0.06818%	0.05189%
Change – Increase/(Decrease)	-0.00069%	-0.00182%	-0.00037%

For the year ended June 30, 2025, the District recognized pension expense/(credit) of \$1,201,998. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 739,971	\$ -
Differences between expected and actual experience	519,965	17,650
Changes in assumptions	156,540	-
Change in employer proportion	30,608	-
Differences between actual contributions vs. proportionate share of contributions	176,672	52,092
Net difference between projected and actual earnings on plan investments	316,375	132,486
Total	<u>\$ 1,940,131</u>	<u>\$ 202,228</u>

Marinwood Community Services District

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

The District reported \$739,971 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Miscellaneous	Safety	Total
2026	\$ 56,267	\$ 299,745	\$ 356,012
2027	168,079	573,339	741,418
2028	2,305	6,395	8,700
2029	(26,081)	(82,209)	(108,290)
Total	<u>\$ 200,570</u>	<u>\$ 797,270</u>	<u>\$ 997,840</u>

Actuarial Assumptions - For the measurement period ended June 30, 2024, the total pension liabilities were determined by rolling forward the June 30, 2023 total pension liability. The June 30, 2024 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Investment Rate of Return Increase	6.90% Contract COLA up to 2.3% until purchasing power. Protection allowance floor on power applies.

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

The EARSL for PERF C for June 30, 2024, measurement date is 3.8 years.

Discount Rate - The discount rate used to measure the total pension liability as of June 30, 2024 was 6.90% for each Plan. This discount rate is not adjusted for administrative expenses. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for those pension plans' investments were applied to all periods of projected benefit payments to determine the total pension liability. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees' Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

Marinwood Community Services District

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 6 - DEFINED BENEFIT PENSION PLAN (concluded)

In determining the expected long-term rate of return, CalPERS considered both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical and forecast information for all the funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits of cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate.

Asset Class	Assumed Asset Allocation	Real Return Years 1-10 1,2
Global equity – cap-weighted	30.00%	4.45%
Global equity – non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

1. An expected inflation of 2.30% used for this period.
 2. Figures are based on the 2021-22 Asset Liability Management study.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Plan's Net Pension Liability	Discount Rate -1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
Miscellaneous	\$ 1,992,948	\$ 1,322,013	\$ 769,735
Safety	7,246,847	4,970,843	3,109,392
Total	\$ 9,239,795	\$ 6,292,856	\$ 3,879,127

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Post-employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the Marinwood Community Services District Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating in interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Plan Description

The District pays 90% of miscellaneous employees' cost and 80% of the safety employees' cost for post-retirement health care benefits for its retirees and their dependents.

Employees Covered by Benefit Terms

At June 30, 2024 (the measurement date), the benefit terms covered the following employees:

Number of active members	17
Number of retired members and beneficiaries	14
Inactive participants with deferred benefits	0
Total participants	<u>31</u>

Contributions

The District establishes rates based on an actuarially determined rate.

For the year ended June 30, 2025 the District's expected contribution rate is 25% of covered-employee payroll. Employees pay the difference between the benefit they receive and the monthly premium.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Marinwood Community Services District

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Actuarial Cost Method	Entry Age Normal
Amortization Methodology	Straight-line amortization
Plan Fiduciary Net Position	Market value of assets as of the measurement date
Measurement Date	June 30, 2024
Valuation Date	June 30, 2024
Funding Policy	The final equivalent single discount rate used for accounting disclosure is 4.65% with the expectation that the District will continue to pay for benefit payments from outside of the Trust and contribute \$100,000 annually to the Trust in perpetuity. Under this Funding Policy, the OPEB Trust is not expected to be depleted in the future.
Discount Rate	4.75%
Net Investment Return	5.50%
Inflation	Assumed 2.50% annual inflation.
Payroll Increases	2.80% annual increases.
Administrative Expenses	Administrative expenses were \$118 for the measurement period ending June 30, 2024.
Healthcare trend rates	Based on the Gretzen model that reflects actual premium increases through 2025 followed by 7.0% (non-Medicare)/6.0% (Medicare) in 2025, decreasing gradually to ultimate rate of 3.94% (non-Medicare/4.00% (Medicare)
Health Plan Participation	Assumed that 100% of eligible participants will participate.
Medicare Coverage	Assumed that all future and existing retirees will be eligible for Medicare when they reach the age of 65.
Termination	CalPERS Experience study and Review of Actuarial Assumptions 2021
Disability	CalPERS Experience study and Review of Actuarial Assumptions 2021
Mortality	The mortality rates used in this valuation are those produced in 2021 CalPERS experience study.
Retirement	Used the retirement rates that were based on the PERS Experience Study and Review of Actuarial Assumptions published in November 2021 for Public Agency Miscellaneous and Fire members.

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

Investment Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	34.00%	4.50%
Fixed Income	41.00%	1.40%
TIPS	5.00%	0.50%
Real Estate	17.00%	3.70%
Commodities	3.00%	1.10%
Total	100.00%	

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 4.75%. The projection of cash flows used to determine the discount rate assumed that the District contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

Changes in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Measurement as of June 30, 2023	<u>\$ 5,644,992</u>	<u>\$ 598,684</u>	<u>\$ 5,046,308</u>
Recognized Changes Resulting from:			
Service cost	\$ 164,609	\$ -	\$ 164,609
Interest	271,497	(54,845)	271,497
Net investment income	-	(290,463)	(54,845)
Contributions – employer	-	-	(290,463)
Benefit payments, including refunds of employee contributions	(190,463)	190,463	-
Differences between expected and actual experience	531	-	531
Trust administrative expenses	-	561	561
Change of assumptions	(76,804)	-	(76,804)
Net changes	<u>169,370</u>	<u>154,284</u>	<u>15,086</u>
Measurement as of June 30, 2024	<u>\$ 5,814,362</u>	<u>\$ 752,968</u>	<u>\$ 5,061,394</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1% point lower (3.75%) or 1% point higher (5.75%) than the current rate:

	Discount Rate -1% 3.75%	Current Discount Rate 4.75%	Discount Rate +1% 5.75%
Plan's Net OPEB Liability	\$ 6,656,946	\$ 5,814,362	\$ 5,123,237

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than the current set of healthcare cost trend rates:

	1% Decrease	Healthcare Trend Rates	1% Increase
Plan's Net OPEB Liability	\$ 5,903,978	\$ 5,061,394	\$ 4,370,269

Marinwood Community Services District

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (concluded)OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense/(credit) of \$(114,651). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 304,174	\$ 312,496
Differences between actual and expected experience	47,308	856,625
Changes in assumptions	495,980	-
Net differences between projected and actual earnings on plan investments	10,156	-
Total	\$ 857,618	\$ 1,169,121

The District reported \$304,174 as deferred outflows of resources related to contributions after the measurement date that will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30</u>	
2026	\$ (375,230)
2027	(93,830)
2028	37,602
2029	(116,571)
2030	(56,751)
Thereafter	(10,897)
Total	\$ (615,677)

OPEB Trust Cash and Investments

For the year ended June 30, 2025, the District established a Section 115 irrevocable trust with the CalPERS California Employees Retirement Benefit Trust (CERBT). As of June 30, 2025, the District account balance was \$936,974.

NOTE 8 - RISK MANAGEMENT

The District manages risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized, and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related joint powers agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member government entities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. The obligations and liabilities of these risk pools are not the District's responsibility.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 8 - RISK MANAGEMENT (concluded)

The District maintains insurance coverage for liability up to \$5,000,000, property up to \$1,000,000,000 per occurrence, automobile physical damage up to \$5,000,000 per accident, Public Officials and Employees Errors and Omissions up to \$5,000,000 per occurrence and Workers' Compensation up to \$5,000,000 per occurrence through the Special District Risk Management Authority (a public entity risk pool) and underwritten by various insurance companies.

Financial statements for the risk pool may be obtained from SDRMA, 1112 I Street, Suite 300, Sacramento, CA 95814.

NOTE 9 - NET POSITION AND FUND BALANCE

GASB Statement No. 34 added the concept of Net Position, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

A. Net Position

The Statement of Net Position breaks out net position as follows:

Restricted describes the portion of Net Position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions that the District cannot unilaterally alter.

Unrestricted describes the portion of Net Position that is not restricted from use.

Net investment in Capital Assets describes the portion of Net Position that is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

Net Position Flow Assumption

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

B. Fund Balance

In the fund financial statements, fund balance is reported in classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications of fund balance are Non-spendable, Restricted, Committed, Assigned, and Unassigned. Non-spendable and Restricted fund balances represent the restricted classifications, and Committed, Assigned, and Unassigned represent the unrestricted classifications:

Non-spendable fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.

Restricted fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision-making authority. The Board of Directors serves as the District's highest level of decision-making authority and has the authority to establish, modify or rescind a fund balance commitment via minutes action.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 9 - NET POSITION AND FUND BALANCE (concluded)

B. Fund Balance (concluded)

Assigned fund balance includes amounts intended to be used by the District for specific purposes, subject to change, as established either directly by the Board of Directors or by management officials to whom assignment authority has been delegated by the Board of Directors.

Unassigned fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose.

Fund Balance Flow Assumption

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, the District's policy specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the District's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

NOTE 10 - JOINT POWERS AGREEMENTS

The District, along with 15 other Districts, has a financial interest and a financial responsibility in the Hazardous Materials Response Unit pursuant to a joint powers agreement in order to coordinate management of hazardous material spills, establishing a formula for financing joint expenses for such management, and defining signatory agency responsibilities. Separate financial statements can be obtained by writing to the Marin County Administrator's Office, 3501 Civic Center Drive, Room 325, San Rafael, CA 94903, or by calling (415) 507-4104.

The District, along with 23 other Districts, also has a financial interest and financial responsibility in the Marin Emergency Radio Authority pursuant to a joint powers agreement in order to issue bonds to be used to finance the acquisition, construction, and improvement of certain public capital improvements. Separate financial statements can be obtained by contacting the Marin Emergency Radio Authority, PO Box 159, Corte Madera, CA 94976-0159, or by calling (415) 883-9100.

The District, along with 17 other Districts, has a financial interest and financial responsibility in the Marin Wildfire Prevention Authority pursuant to a joint powers agreement in order to plan, finance, implement, manage, own and operate a multi-jurisdictional and county-wide agency to prevent and mitigate wildfires in Marin County. Separate financial statements can be obtained by contacting the Marin Wildfire Prevention Authority, 1600 Los Gamos Dr, Suite 345, San Rafael, CA 94903, or by calling (415) 539-6972.

NOTE 11 - USE OF SPECIAL TAX REVENUES

The District receives revenues from three voter-approved special taxes. These taxes were applied to the appropriate department expenditures as follows:

Departments	Special Tax Revenues
Park	\$ 450,499
Public Safety	1,359,449
Street Lighting	24,178

The tax revenue amounts above were reported in the County of Marin (cash basis) general ledger at June 30, 2025, and were converted to the modified accrual basis in accordance with generally accepted accounting principles.

Marinwood Community Services District
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
General Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 2,395,700	\$ 2,395,700	\$ 2,561,417	\$ 165,717
Special assessments	1,830,389	1,830,389	1,834,126	3,737
Charges for services	2,930,280	2,930,280	3,103,772	173,492
Investment earnings, net	5,100	5,100	380,551	375,451
Other general revenues	900	900	191,508	190,608
Total revenues	7,162,369	7,162,369	8,071,374	909,005
 Expenditures:				
Park	878,891	878,891	730,700	148,191
Recreation	2,454,868	2,454,868	2,373,664	81,204
Public safety	3,000,458	3,000,458	3,013,121	(12,663)
Street lighting	24,860	24,860	25,282	(422)
Marin Wildfire Prevention Authority	-	-	64,122	(64,122)
Capital	282,650	282,650	506,824	(224,174)
Debt service:				
Principal	102,720	102,720	102,720	-
Interest	13,688	13,688	13,688	-
Total expenditures	6,758,135	6,758,135	6,830,121	(71,986)
 Excess (deficiency) of revenues over (under) expenditures	\$ 404,234	\$ 404,234	1,241,253	\$ 837,019
 Fund balance, beginning of period				7,915,170
Fund balance, end of period				\$ 9,156,423

Marinwood Community Services District
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - MISCELLANEOUS AND SAFETY
 For the Fiscal Year Ended June 30, 2025

<u>Measurement Year Ending June 30</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Plan's proportion of the net pension liability	0.05189%	0.05152%	0.05260%	0.06140%	0.04945%	0.04888%	0.04876%	0.04769%	0.05051%	0.04840%
Plan's proportionate share of the net pension liability	6,292,856	6,427,441	6,075,660	3,320,621	\$ 5,380,770	\$ 5,009,157	\$ 4,699,021	\$ 4,729,270	\$ 4,370,936	\$ 3,322,117
Plan's covered payroll	1,603,630	1,510,624	1,440,566	1,442,732	\$ 1,423,052	\$ 1,297,374	\$ 1,345,795	\$ 1,473,628	\$ 1,556,027	\$ 1,497,000
Plan's proportionate share of the net pension liability as a percentage of its covered payroll	392.41%	425.48%	421.76%	230.16%	378.11%	386.10%	349.16%	320.93%	280.90%	221.92%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	70.91%	70.24%	70.94%	83.04%	71.93%	72.64%	73.01%	72.03%	74.06%	77.08%
Plan's proportionate share of aggregate employer contributions	\$ 571,113	\$ 610,104	\$ 941,063	\$ 817,185	\$ 689,927	\$ 575,639	\$ 523,046	\$ 431,387	\$ 443,660	\$ 381,897

Marinwood Community Services District
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF DISTRICT'S CONTRIBUTIONS - MISCELLANEOUS AND SAFETY
 For the Fiscal Year Ended June 30, 2025

Measurement Year Ending June 30	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 739,971	\$ 741,909	\$ 717,396	\$ 665,718	\$ 618,668	\$ 572,798	\$ 492,452	\$ 472,676	\$ 428,599	\$ 405,307
Contributions in relation to the actuarially determined contribution	-	-	-	-	(618,668)	(572,798)	(492,452)	(472,676)	(428,599)	(405,469)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (162)
Covered payroll	\$ 1,589,478	\$ 1,510,624	\$ 1,510,624	\$ 1,440,566	\$ 1,442,732	\$ 1,297,374	\$ 1,345,795	\$ 1,473,628	\$ 1,556,027	\$ 1,497,000
Contributions as a percentage of covered payroll	46.55	49.11%	47.49%	46.21%	42.88%	44.15%	36.59%	32.08%	27.54%	27.07%

Notes to Schedule:

Fiscal year 2014 was the first year of implementation.

Marinwood Community Services District
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF DISTRICT'S CONTRIBUTIONS - OPEB
For the Fiscal Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 543,934	\$ 556,097	\$ 539,791	\$ 448,081	\$ 418,799	\$ 414,936	\$ 531,502
Contributions in relation to the actuarially determined contribution	<u>(304,174)</u>	<u>(590,463)</u>	<u>(323,857)</u>	<u>(327,906)</u>	<u>(317,213)</u>	<u>(311,322)</u>	<u>(254,225)</u>
Contribution deficiency (excess)	<u>\$ 239,760</u>	<u>\$ (34,366)</u>	<u>\$ 215,934</u>	<u>\$ 120,175</u>	<u>\$ 101,586</u>	<u>\$ 103,614</u>	<u>\$ 277,277</u>
Covered-employee payroll	\$ 1,495,806	\$ 1,452,915	\$ 1,322,934	\$ 1,377,552	\$ 1,296,259	N/A	N/A
Contributions as a percentage of covered-employee payroll	20%	20%	24%	24%	24%	N/A	N/A

The schedules present information to illustrate changes in the District's contributions over a ten year period when the information is available.

Marinwood Community Services District
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY
AND RELATED RATIOS
For the Fiscal Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019
Total OPEB Liability							
Service cost	\$ 164,609	\$ 169,824	\$ 186,939	\$ 101,946	\$ 97,092	\$ 104,223	\$ 209,502
Interest	271,497	270,122	260,828	302,846	291,210	292,697	235,360
Difference between expected and actual experience	531	(264,852)	(158,272)	(76,706)	13,169	154,672	3,936
Change of assumptions	(76,804)	(56,145)	(233,541)	1,157,284	-	(353,132)	(2,212,829)
Benefit payments	(190,463)	(223,857)	(227,906)	(237,726)	(217,213)	(211,322)	(194,225)
Net change in total OPEB liability	\$ 169,370	(104,908)	(171,952)	1,247,644	184,258	(12,862)	(1,958,256)
Total OPEB liability - beginning	5,644,992	5,749,900	5,921,852	4,674,208	4,489,950	4,502,812	6,461,068
Total OPEB liability - end	\$5,814,362	\$5,644,992	\$5,749,900	\$5,921,852	\$4,674,208	\$4,489,950	\$4,502,812
Plan Fiduciary Net Position							
Contributions - employer	\$ 100,000	\$ 100,000	\$ 327,906	\$ 337,726	\$ 317,213	\$ 311,322	\$ 254,225
Contributions - employee	-	-	-	-	-	-	-
Net investment income	54,845	20,932	(67,121)	63,251	10,969	10,363	826
Benefit payments	-	-	(227,906)	(237,726)	(217,213)	(211,322)	(194,225)
Administrative expense	(561)	(150)	(124)	(118)	(105)	(23)	(16)
Net change in plan fiduciary net position	\$ 154,284	120,782	32,755	163,133	110,864	110,340	60,810
Plan fiduciary net position - beginning	598,684	477,902	445,147	282,014	171,150	60,810	-
Plan fiduciary net position - end	\$ 752,968	598,684	477,902	445,147	282,014	171,150	60,810
Net OPEB liability - end	\$5,061,394	\$5,046,308	\$5,271,998	\$5,476,705	\$4,392,194	\$4,318,800	\$4,442,002
Plan fiduciary net position as a percentage of the total OPEB liability	13%	11%	8%	8%	6%	4%	1%
Covered employee payroll	1,495,806	1,452,915	1,322,934	1,377,552	1,296,259	N/A	N/A
Net OPEB liability as a percentage of covered employee payroll	338%	347%	399%	398%	339%	N/A	N/A

The schedules present information to illustrate changes in the District's changes in the net OPEB liability over a ten year period when the information is available.

DRAFT

1/30/2026

To be used only for management discussion purposes; engagement is incomplete; this draft is subject to final review and possible revision. **Report/Letter date is TENTATIVE-TBD**

MARINWOOD COMMUNITY SERVICES DISTRICT

SAN RAFAEL, CALIFORNIA

BOARD OF DIRECTORS & MANAGEMENT REPORT

**FOR THE YEAR ENDED
JUNE 30, 2025**

TABLE OF CONTENTS

	<u>PAGE</u>
Report on Internal Controls	1
Required Communications	2-3
Observations for Management	4

DRAFT

Board of Directors
Marinwood Community Services District
San Rafael, California

In planning and performing our audit of the financial statements of Marinwood Community Services District as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered Marinwood Community Services District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

During our audit, we noted certain matters involving internal controls and other operational matters that are presented for your consideration in this report. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are not intended to be all-inclusive, but rather represent those matters that we considered worthy of your consideration. Our comments and recommendations are submitted as constructive suggestions to assist you in strengthening controls and procedures; they are not intended to reflect on the honesty or integrity of any employee. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist Marinwood Community Services District in implementing the recommendations.

This report is intended solely for the information and use of management of Marinwood Community Services District and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

We thank Marinwood Community Services District's staff for its cooperation during our audit.

O'Connor & Company

Novato, California

Board of Directors
Marinwood Community Services District
San Rafael, California

We have audited the basic financial statements of Marinwood Community Services District for the year ended June 30, 2025,. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 9, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of Marinwood Community Services District. Such considerations were solely for the purpose of determining our audit procedures and not providing any assurance concerning such internal control.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Marinwood Community Services District are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year. There were new accounting standards issued by the Government Accounting Standards Board and their impact on Marinwood Community Services District's financial statements is currently being reviewed and considered by management. We noted no transactions entered by Marinwood Community Services District 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.

The following pronouncements became effective, but did not have a material effect on the financial statements:

GASB 101 – Compensated Absences

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. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The most sensitive estimate(s) affecting the financial statements were:

- Accrual and disclosure of compensated absences.
- Capital asset lives and depreciation expense.
- Actuarial assumptions for pension and retiree health plan disclosure.
- Calculation of unearned revenue.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Audit Adjustments

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. For the purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on Marinwood Community Services District's financial reporting process (that is, cause future financial statements to be materially misstated).

There were 7 audit adjustments proposed for June 30, 2025 to assist management in recording transactions to long term assets and liabilities.

Disagreements with Management

For the purposes of this letter, a disagreement with management is 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 our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated **XX/XX/XX**.

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 Marinwood Community Services District'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 Audit Findings or Issues

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

Other Matters

With respect to the required supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the required supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Marinwood Community Services District and is not intended to be, and should not be, used by anyone other than these specified parties.

Marinwood Community Services District
BOARD & MANAGEMENT REPORT
For the Year Ended June 30, 2025

Current Year Observations

There were no current year observations.

Prior Year Observations

1. Lease and IT Subscription Arrangements Capitalization Policy

Observation:

Marinwood Community Services District (the District) implemented Governmental Accounting Standards Board Statement No. 87, *Leases*, which became effective for the year ended June 30, 2022, and had immaterial effects on the financial statements. This new standard requires leases to be capitalized as intangible assets. In compliance with the new accounting statement the District should consider formalizing a capitalization policy for leases like their capitalization policy for capital assets.

Recommendation:

We recommend the District consider formalizing a capitalization policy for lease liabilities, IT Subscription arrangements and the right to use assets over \$100,000.

Status:

This recommendation is in the process of being implemented.



Staff Report

To: Board of Directors
From: Eric Dreikosen, District Manager
Date: February 10, 2026
Re: Agenda Item H.1: Lease and Subscription Capitalization Policy (GASB 87 & 96)

Directors,

Please see the included draft Lease and Subscription Capitalization Policy.

The Governmental Accounting Standards Board (GASB) establishes accounting and financial reporting standards for U.S. state and local governments that follow generally accepted accounting principles (GAAP). This is accomplished through the release of Statements. GASB recently introduced Statements 87 and 96, applying a new requirement for the Capitalization of lease and subscription as well as recognizing such assets and liabilities on the local government agency's balance sheet, in accordance with the policy of the local government agency.

As these Statements are relatively new, Marinwood Community Services District does not currently have such a policy.

In working with the District's auditors, and as noted in the District's most recent audit management report as a recommendation, District staff worked with our auditors to draft the attached policy.

At current time, the District is not entered in any contracts for either a lease or subscription that would cause it to capitalize and record any such assets or liabilities not already capitalized and recorded on the balance sheet. Given the financial threshold of \$100,000 as stated in the policy, staff does not anticipate any foreseeable contracts meeting this threshold and further anticipates such contracts would be quite rare given our standard business practices.

Staff Recommendation: Approve the Marinwood Community Services District Lease and Subscription Capitalization Policy as presented.

MARINWOOD COMMUNITY SERVICES DISTRICT
LEASE AND SUBSCRIPTION CAPITALIZATION POLICY

Presented to Board of Directors: February 10, 2026

Purpose:

The purpose of this policy is to establish the criteria and procedures for recognizing lease and subscription assets and liabilities on the balance sheet, as required by the Governmental Accounting Standards Board (GASB) Statements No. 87 and 96.

The policy applies to all lease and subscription agreements that contain lease or subscription components entered by Marinwood Community Services District.

Definition:

A lease is a contract, or part of a contract, that conveys the right to control the use of an identified asset (property, plant, or equipment) for a period in exchange for consideration. The lessee is the party that obtains the right to use the asset. The lessor is the party that owns the asset and makes it available for use by the lessee. GASB 87 is for capitalization of leases.

A subscription-based information technology arrangement (SBITAs) is a contract that gives the right to use another Party's IT software for a set period of time. SBITAs is also known as GASB 96.

Policy:

The Marinwood Community Services District will adopt a capitalization threshold of \$100,000 for leases and subscriptions with a term greater than 12 months. This means leases and subscriptions with an initial value of payments below \$100,000 will not be recognized on the balance sheet. This threshold was based on the materiality of leases and subscriptions recommended by the Marinwood Community Services District auditors.

If a lease or subscription is capitalized, Marinwood Community Services District will recognize a right-of-use asset and a lease or subscription liability on the balance sheet at the

commencement date of the contract or agreement. The right-of-use asset will be measured at the amount of the lease or subscription liability plus any initial direct costs incurred by Marinwood Community Services District. The lease or subscription liability will be measured at the present value of the payments that are not paid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Marinwood Community Services District incremental borrowing rate.

Marinwood Community Services District will amortize the right-of-use asset over the lease or subscription term on a straight-line basis unless another systematic basis is more representative of the pattern of benefit. Marinwood Community Services District will also recognize interest expense on the lease or subscription liability and reduce it by making payments.

Marinwood Community Services District will present right-of-use assets and lease and subscription liabilities separately from other assets and liabilities on the balance sheet. Finance leases and subscriptions will be presented within property, plant and equipment and debt. Operating leases and subscriptions will be presented as separate line items. Marinwood Community Services District will disclose information about its leases in the notes to the financial statements.

Procedure:

Marinwood Community Services District will follow these steps to implement this policy:

1. Identify all existing and new contracts that contain leases/subscriptions or potential leases/subscriptions.
2. Evaluate whether each contract meets the definition of a lease under GASB 87 and whether it contains any embedded leases. Does the contract convey control of the right to use another entity's underlying asset? Is the underlying asset controlled for a period of time in an exchange or exchange-like transaction? Does the contract contain termination options? Does the contract contain a fiscal funding or cancellation clause that is reasonably certain of being exercised? Is the contract for a period over 12 months?

3. Evaluate whether each contract meets the definition of a subscription under GASB 96. Does the subscription convey the right to use another party's IT software? Does the contract convey the right to use another party's software alone, or in combination with an underlying tangible capital asset? Is the contract a licensing arrangement that provides a perpetual license to use vendors software? Is the software controlled for a period of time in an exchange or exchange-like transaction? Is the contract over 12 months?
4. Apply the criteria for capitalizing leases/subscriptions to each identified lease/subscription and determine whether it should be recognized on the balance sheet or not based on capitalization threshold.
5. Measure and record right-of -use assets and lease subscriptions liabilities at inception and subsequent periods for capitalized leases and subscriptions.
6. Present and disclose leases in the financial statements according to GASB 87 for Leases and GASB 96 for Subscriptions requirements.

This policy will be reviewed periodically for changes in facts and circumstances that may affect its appropriateness.

Staff Report

To: Board of Directors
From: Eric Dreikosen, District Manager
Date: February 10, 2026
Re: Item H.2: FY 25/26 1st & 2nd Quarter P&L Statement

Directors,

Please see the included P&L statement detailing District revenues and expenditures through the first two quarters of FY 25/26 and the accompanying variance summary notes.

The P&L statement details actual performance versus annual budgeted projections as of 12/31/2025. The summary notes are intended to provide further information regarding select general ledger (GL) account balances. It is important to note that under the Governmental Accounting Standards Board (GASB), the District follows a *modified accrual* accounting basis. While we may be at the halfway point of the year, that does not mean the majority of GL accounts should be at 50% of their total amount budgeted as would typically be the case under a *full accrual* accounting basis.

As of 12/31/2025, the District received the first installment of ad valorem property taxes and special assessment revenue. The primary ad valorem tax revenue is derived from Current Secured property taxes and the District typically receives 55% of the anticipated annual total with the December allocations. Given the amount received, the District is slightly ahead of budgeted projections and is anticipated to end the year with higher total tax revenue than budgeted. To date, the District has received \$1.47 million in net property taxes and \$1.03 million in net special assessments.

As of 12/31/2025, the total cash balance in the District's Treasury Fund was stated at just over \$9 million. Of this total, \$800K are held as Board Designated Reserves and approximately \$312K is designated for MWPA expenditures. Taking these funds into account, the net cash balance as of 12/31/25 was approximately \$7.89 million.

As of 12/31/25, the District's Measure A cash balance was stated at \$261,856 with approximately \$60K in additional funds expected to be received this fiscal year.

It is important to note that this is simply a reflection of cash flow. While it does represent a continued positive financial trend and net revenue gains continue to amass, Unfunded Accrued Liabilities continue to grow, required annual pension UAL cash payments are forecast to increase at greater rates and the need for future capital expenditures are also anticipated.

In addition to the District's current cash assets, as of 12/31/25 (quarter end) the District's OPEB Trust Fund had a stated balance of \$1,047,502.

Looking forward, Q3 is typically the period when the District opens recreation program registration, which represent a significant cash inlay. Additionally, in January the District received the first payment towards our agreement with the County to provide fire protection services to CSA 13, representing 50% of the total revenue with the remaining balance to be received in April (25%) and June (25%) in accordance with the agreement.

Marinwood Community Services District
Profit & Loss Budget vs. Actual
FY 2025/2026: Quarter 2

	TOTAL		
	Jul - Dec 25	Budget	% of Budget
Revenue			
4110110 · PropTax - Current Secured	1,256,788.77	2,208,000.00	56.92%
4110111 · PropTax - Admin Fee (Contra)	-15,131.67	-27,000.00	56.04%
4110115 · PropTax - Unitary	0.00	12,500.00	0.0%
4110120 · PropTax - Current Unsecured	34,307.21	32,000.00	107.21%
4110140 · ERAF - Excess	156,113.59	200,000.00	78.06%
4110145 · ERAF - PY/Reverse	30,740.14	15,000.00	204.93%
4110210 · PropTax - Supplemental Current	5,415.06	36,000.00	15.04%
4110215 · PropTax - Supplemental Unsecure	1,299.02	1,000.00	129.9%
4110225 · PropTax - Supplemental Redempt	881.31	1,000.00	88.13%
4110510 · PropTax - Prior Unsecured	2,456.36	1,000.00	245.64%
4120610 · Special Tax Assessment	1,037,193.93	1,879,032.00	55.2%
4120611 · Special Tax- Admin Fee (contra)	-2,733.00	-4,000.00	68.33%
4220115 · Building Plan Review	10,611.00	9,500.00	111.7%
4410125 · Interest- Co. Pooled Investment	88,661.70	5,000.00	1,773.23%
4410127 · Interest- ERAF Co. Pooled	1,882.27	100.00	1,882.27%
4410215 · Rental Income - Pool & Picnic	16,550.87	32,500.00	50.93%
4410225 · Rental Income - Community Ctr	3,147.12	5,000.00	62.94%
4511210 · HOPTR	1,087.67	7,500.00	14.5%
4570110 · Expense Reimbursements	540.00	500.00	108.0%
4631145 · Service Contract Revenue	0.00	117,169.00	0.0%
4631911 · Advertising Sales	2,152.58	4,500.00	47.84%
4631912 · Vending Sales	30,203.98	42,000.00	71.91%
4631914 · Community Events	7,249.46	21,700.00	33.41%
4631915 · Tennis	43,283.22	90,300.00	47.93%
4631917 · Pool Operating Rev	177,768.13	224,000.00	79.36%
4631918 · Pool Memberships	42,356.13	60,000.00	70.59%
4631919 · Adult Rec Programs	15,502.53	14,100.00	109.95%
4631920 · Summer Rec Programs	978,900.63	1,366,360.00	71.64%
4631922 · Youth Rec Programs	88,513.46	191,820.00	46.14%
4640321 · CSA 13 Contract Rev	0.00	774,860.00	0.0%
4710615 · Donations (General)	0.00	1,000.00	0.0%
4710631 · Paramedic Reimbursement	0.00	40,500.00	0.0%
4710642 · Miscellaneous Rev	993.61	400.00	248.4%
Total Revenue	4,016,735.08	7,363,341.00	54.55%

Marinwood Community Services District
Profit & Loss Budget vs. Actual
FY 2025/2026: Quarter 2

	TOTAL		
	Jul - Dec 25	Budget	% of Budget
Expenditures			
5110110 · Salaries - Regular Staff	857,728.51	1,897,005.00	45.22%
5110210 · Salaries - PT/Seasonal/Temp	671,941.07	924,790.00	72.66%
5110310 · Acting Pay	12,614.16	7,500.00	168.19%
5110313 · Holiday Pay	14,243.39	48,585.00	29.32%
5110319 · FLSA Pay	8,292.17	28,748.00	28.84%
5120110 · Overtime Pay	185,849.43	150,500.00	123.49%
5130120 · Benefits - Group Medical	360,506.42	705,598.00	51.09%
5130130 · OPEB Trust Contribution	49,998.00	100,000.00	50.0%
5130510 · PERS - Pension	686,197.06	908,778.00	75.51%
5140115 · Workers Comp Ins.	112,004.73	185,532.00	60.37%
5140116 · 4850 Reimbursements (Contra)	-47,048.12	0.00	100.0%
5140130 · Physician Services	267.94	2,450.00	10.94%
5140140 · Social Security & Medicare	134,556.74	233,245.00	57.69%
5140145 · Unemployment Ins.	8,897.83	17,420.00	51.08%
5210120 · Consultant Fees	6,893.89	9,935.00	69.39%
5210122 · Marketing & Recruiting	21,671.33	57,800.00	37.49%
5210128 · Fingerprinting/Background	3,254.00	7,000.00	46.49%
5210131 · Legal Services	1,951.75	17,000.00	11.48%
5210146 · Indep. Contractor Fees	116,123.27	282,712.00	41.08%
5210210 · Audit & Accounting	0.00	17,500.00	0.0%
5210230 · Payroll Service Fees	6,608.75	15,800.00	41.83%
5210525 · Insurance - General	84,277.65	99,585.00	84.63%
5210725 · Telecom - Phone/Internet/Cable	4,960.77	12,720.00	39.0%
5210810 · Utilities - Gas & Electric	32,249.67	81,500.00	39.57%
5210815 · Garbage Removal	21,097.62	40,585.00	51.98%
5210825 · Utilities - Street Light Elec.	10,489.18	20,700.00	50.67%
5210835 · Utilities - Water & Sewer	56,885.92	73,500.00	77.4%
5210910 · Maint. - Vehicles	11,421.17	27,000.00	42.3%
5210915 · Maint. - Streetlights	2,844.78	3,975.00	71.57%
5210920 · MERA Operating	31,650.00	31,650.00	100.0%
5211110 · Janitorial Services	10,530.00	21,000.00	50.14%
5211125 · Community Landscape Contract	20,160.00	40,350.00	49.96%
5211140 · Vegetation Management	0.00	5,000.00	0.0%
5211220 · Equipment Rental	3,001.98	8,000.00	37.53%
5211315 · Professional Development	7,014.77	24,800.00	28.29%
5211325 · Conferences & Meetings	839.21	5,800.00	14.47%
5211330 · Memberships & Dues	10,364.76	13,320.00	77.81%
5211440 · Travel	425.32	2,800.00	15.19%
5211520 · Publications & Legal Notices	65.90	750.00	8.79%
5211528 · Tree Maint. & Services	10,875.00	20,000.00	54.38%
5211532 · Weed & Pest Control	1,650.00	3,800.00	43.42%
5211610 · County-Wide Fees	6,455.55	10,860.00	59.44%

Marinwood Community Services District
Profit & Loss Budget vs. Actual
FY 2025/2026: Quarter 2

	TOTAL		
	Jul - Dec 25	Budget	% of Budget
5211710 · Long Term Debt - Principal	62,645.11	62,645.00	100.0%
5211715 · Long Term Debt - Interest	11,010.37	11,010.00	100.0%
5220110 · Admin & Office Supplies	7,531.77	23,500.00	32.05%
5220130 · Copier Lease & Printing	4,505.52	9,120.00	49.4%
5220210 · Equip. Maintenance/Replacement*	5,336.31	27,000.00	19.76%
5220215 · Pool Maintenance	5,339.98	20,000.00	26.7%
5220220 · Small Tools	622.97	2,500.00	24.92%
5220310 · Land & Buildings Maintenance	36,601.15	66,000.00	55.46%
5220610 · Gasoline/Fuel	1,105.43	5,000.00	22.11%
5220710 · Pool Chemicals	4,280.62	12,500.00	34.25%
5220810 · Miscellaneous Supplies	17,098.37	28,825.00	59.32%
5220819 · Rec Program Supplies & Services	131,582.09	305,780.00	43.03%
5220825 · Uniforms & Apparel	1,801.87	20,475.00	8.8%
5220826 · Vending Supplies	23,123.78	30,000.00	77.08%
5220827 · Janitorial Supplies	5,176.74	12,000.00	43.14%
5220910 · Capital Outlay - Improvements	0.00	8,500.00	0.0%
5220916 · Capital Outlay - New Equipment	16,249.20	15,500.00	104.83%
5220920 · Capital Reserves Designation	0.00	100,000.00	0.0%
Total Expenditures	3,873,822.85	6,925,948.00	55.93%
Net Gain/Loss	142,912.23	437,393.00	32.67%

Marinwood Community Services District
Profit & Loss Budget vs. Actual
FY 2025/2026: Quarter 2

	Park Dept		
	Jul - Dec 25	Budget	% of Budget
Revenue			
4110110 · PropTax - Current Secured	501,458.72	880,992.00	56.92%
4110111 · PropTax - Admin Fee (Contra)	-6,037.54	-10,773.00	56.04%
4110115 · PropTax - Unitary	0.00	4,987.00	0.0%
4110120 · PropTax - Current Unsecured	13,688.57	12,768.00	107.21%
4110140 · ERAF - Excess	62,289.32	79,800.00	78.06%
4110145 · ERAF - PY/Reverse	12,265.32	5,985.00	204.93%
4110210 · PropTax - Supplemental Current	2,160.61	14,364.00	15.04%
4110215 · PropTax - Supplemental Unsecure	518.31	399.00	129.9%
4110225 · PropTax - Supplemental Redempt	351.64	399.00	88.13%
4110510 · PropTax - Prior Unsecured	980.09	399.00	245.64%
4120610 · Special Tax Assessment	254,508.41	462,236.00	55.06%
4120611 · Special Tax- Admin Fee (contra)	-669.58	-1,000.00	66.96%
4410125 · Interest- Co. Pooled Investment	35,376.02	1,995.00	1,773.23%
4410127 · Interest- ERAF Co. Pooled	751.03	100.00	751.03%
4511210 · HOPTR	433.98	2,992.00	14.51%
4710642 · Miscellaneous Rev	0.00	150.00	0.0%
Total Revenue	878,074.90	1,455,793.00	60.32%
Expenditures			
5110110 · Salaries - Regular Staff	156,362.63	316,790.00	49.36%
5110210 · Salaries - PT/Seasonal/Temp	2,785.00	14,400.00	19.34%
5120110 · Overtime Pay	0.00	500.00	0.0%
5130120 · Benefits - Group Medical	92,333.44	174,104.00	53.03%
5130130 · OPEB Trust Contribution	11,502.00	23,000.00	50.01%
5130510 · PERS - Pension	68,159.16	86,122.00	79.14%
5140115 · Workers Comp Ins.	19,040.80	31,597.00	60.26%
5140140 · Social Security & Medicare	20,610.63	25,370.00	81.24%
5140145 · Unemployment Ins.	1,011.70	890.00	113.67%
5210120 · Consultant Fees	4,681.39	5,860.00	79.89%
5210122 · Marketing & Recruiting	815.60	2,100.00	38.84%
5210131 · Legal Services	348.75	5,000.00	6.98%
5210210 · Audit & Accounting	0.00	4,375.00	0.0%
5210230 · Payroll Service Fees	725.06	1,200.00	60.42%
5210525 · Insurance - General	27,546.29	32,680.00	84.29%
5210725 · Telecom - Phone/Internet/Cable	566.55	2,400.00	23.61%
5210810 · Utilities - Gas & Electric	1,080.79	4,000.00	27.02%
5210815 · Garbage Removal	15,034.76	29,430.00	51.09%
5210835 · Utilities - Water & Sewer	27,979.09	40,000.00	69.95%
5210910 · Maint. - Vehicles	318.13	2,000.00	15.91%
5210920 · MERA Operating	3,165.00	3,165.00	100.0%
5211125 · Community Landscape Contract	20,160.00	40,350.00	49.96%
5211220 · Equipment Rental	3,001.98	8,000.00	37.53%
5211315 · Professional Development	0.00	2,000.00	0.0%

Marinwood Community Services District
Profit & Loss Budget vs. Actual
FY 2025/2026: Quarter 2

	Park Dept		
	Jul - Dec 25	Budget	% of Budget
5211325 · Conferences & Meetings	79.95	1,250.00	6.4%
5211330 · Memberships & Dues	2,416.25	2,950.00	81.91%
5211440 · Travel	0.00	800.00	0.0%
5211520 · Publications & Legal Notices	0.00	250.00	0.0%
5211528 · Tree Maint. & Services	10,875.00	20,000.00	54.38%
5211532 · Weed & Pest Control	1,650.00	3,800.00	43.42%
5211610 · County-Wide Fees	999.14	1,100.00	90.83%
5211710 · Long Term Debt - Principal	62,645.11	62,645.00	100.0%
5211715 · Long Term Debt - Interest	11,010.37	11,010.00	100.0%
5220110 · Admin & Office Supplies	360.89	3,100.00	11.64%
5220130 · Copier Lease & Printing	450.55	910.00	49.51%
5220210 · Equip. Maintenance/Replacement*	3,813.66	8,500.00	44.87%
5220220 · Small Tools	319.60	2,000.00	15.98%
5220310 · Land & Buildings Maintenance	27,962.58	43,500.00	64.28%
5220610 · Gasoline/Fuel	1,105.43	4,000.00	27.64%
5220810 · Miscellaneous Supplies	387.55	2,000.00	19.38%
5220825 · Uniforms & Apparel	435.00	1,000.00	43.5%
5220827 · Janitorial Supplies	0.00	1,000.00	0.0%
5220920 · Capital Reserves Designation	0.00	14,000.00	0.0%
Total Expenditures	601,739.83	1,039,148.00	57.91%
Net Gain/Loss	276,335.07	416,645.00	66.32%

Marinwood Community Services District
Profit & Loss Budget vs. Actual
FY 2025/2026: Quarter 2

	Recreation Dept		
	Jul - Dec 25	Budget	% of Budget
Revenue			
4110110 · PropTax - Current Secured	271,466.37	476,928.00	56.92%
4110111 · PropTax - Admin Fee (Contra)	-3,268.44	-5,832.00	56.04%
4110115 · PropTax - Unitary	0.00	2,700.00	0.0%
4110120 · PropTax - Current Unsecured	7,410.36	6,912.00	107.21%
4110140 · ERAF - Excess	33,720.54	43,200.00	78.06%
4110145 · ERAF - PY/Reverse	6,639.87	3,240.00	204.93%
4110210 · PropTax - Supplemental Current	1,169.65	7,776.00	15.04%
4110215 · PropTax - Supplemental Unsecure	280.59	216.00	129.9%
4110225 · PropTax - Supplemental Redempt	190.36	216.00	88.13%
4110510 · PropTax - Prior Unsecured	530.57	216.00	245.63%
4410125 · Interest- Co. Pooled Investment	19,150.93	1,080.00	1,773.23%
4410127 · Interest- ERAF Co. Pooled	406.57		
4410215 · Rental Income - Pool & Picnic	16,550.87	32,500.00	50.93%
4410225 · Rental Income - Community Ctr	3,147.12	5,000.00	62.94%
4511210 · HOPTR	234.94	1,620.00	14.5%
4570110 · Expense Reimbursements	0.00	500.00	0.0%
4631911 · Advertising Sales	2,152.58	4,500.00	47.84%
4631912 · Vending Sales	30,203.98	42,000.00	71.91%
4631914 · Community Events	7,249.46	21,700.00	33.41%
4631915 · Tennis	43,283.22	90,300.00	47.93%
4631917 · Pool Operating Rev	177,768.13	224,000.00	79.36%
4631918 · Pool Memberships	42,356.13	60,000.00	70.59%
4631919 · Adult Rec Programs	15,502.53	14,100.00	109.95%
4631920 · Summer Rec Programs	978,900.63	1,366,360.00	71.64%
4631922 · Youth Rec Programs	88,513.46	191,820.00	46.14%
4710615 · Donations (General)	0.00	1,000.00	0.0%
4710642 · Miscellaneous Rev	993.61	250.00	397.44%
Total Revenue	1,744,554.03	2,592,302.00	67.3%
Expenditures			
5110110 · Salaries - Regular Staff	202,940.90	403,103.00	50.35%
5110210 · Salaries - PT/Seasonal/Temp	669,156.07	910,390.00	73.5%
5130120 · Benefits - Group Medical	71,156.05	124,790.00	57.02%
5130130 · OPEB Trust Contribution	5,496.00	11,000.00	49.96%
5130510 · PERS - Pension	84,434.55	105,271.00	80.21%
5140115 · Workers Comp Ins.	26,545.13	44,058.00	60.25%
5140130 · Physician Services	107.94		
5140140 · Social Security & Medicare	73,846.51	99,861.00	73.95%
5140145 · Unemployment Ins.	3,435.34	15,000.00	22.9%
5210120 · Consultant Fees	737.50	1,360.00	54.23%
5210122 · Marketing & Recruiting	19,003.54	51,700.00	36.76%
5210128 · Fingerprinting/Background	3,254.00	6,500.00	50.06%
5210131 · Legal Services	0.00	2,000.00	0.0%

Marinwood Community Services District
Profit & Loss Budget vs. Actual
FY 2025/2026: Quarter 2

	Recreation Dept		
	Jul - Dec 25	Budget	% of Budget
5210146 · Indep. Contractor Fees	116,123.27	165,400.00	70.21%
5210210 · Audit & Accounting	0.00	4,375.00	0.0%
5210230 · Payroll Service Fees	4,061.69	13,000.00	31.24%
5210525 · Insurance - General	26,406.32	31,445.00	83.98%
5210725 · Telecom - Phone/Internet/Cable	1,119.51	3,050.00	36.71%
5210810 · Utilities - Gas & Electric	25,081.43	60,000.00	41.8%
5210815 · Garbage Removal	4,041.94	7,435.00	54.36%
5210835 · Utilities - Water & Sewer	21,063.93	23,500.00	89.63%
5211110 · Janitorial Services	10,530.00	21,000.00	50.14%
5211315 · Professional Development	7,014.77	12,800.00	54.8%
5211325 · Conferences & Meetings	599.31	3,150.00	19.03%
5211330 · Memberships & Dues	2,586.25	4,130.00	62.62%
5211440 · Travel	425.32	1,500.00	28.36%
5211520 · Publications & Legal Notices	0.00	250.00	0.0%
5211610 · County-Wide Fees	999.14	2,580.00	38.73%
5220110 · Admin & Office Supplies	6,332.87	15,000.00	42.22%
5220130 · Copier Lease & Printing	2,928.58	5,930.00	49.39%
5220215 · Pool Maintenance	5,339.98	20,000.00	26.7%
5220310 · Land & Buildings Maintenance	8,049.83	15,000.00	53.67%
5220710 · Pool Chemicals	4,280.62	12,500.00	34.25%
5220819 · Rec Program Supplies & Services	131,582.09	305,780.00	43.03%
5220825 · Uniforms & Apparel	20.00	8,000.00	0.25%
5220826 · Vending Supplies	23,123.78	30,000.00	77.08%
5220827 · Janitorial Supplies	5,055.54	10,000.00	50.56%
5220910 · Capital Outlay - Improvements	0.00	8,500.00	0.0%
5220916 · Capital Outlay - New Equipment	8,475.22	15,500.00	54.68%
5220920 · Capital Reserves Designation	0.00	6,000.00	0.0%
Total Expenditures	1,575,354.92	2,580,858.00	61.04%
Net Gain/Loss	169,199.11	11,444.00	1,478.5%

Marinwood Community Services District
Profit & Loss Budget vs. Actual
FY 2025/2026: Quarter 2

	Fire Dept		
	Jul - Dec 25	Budget	% of Budget
Revenue			
4110110 · PropTax - Current Secured	483,863.68	850,080.00	56.92%
4110111 · PropTax - Admin Fee (Contra)	-5,825.69	-10,395.00	56.04%
4110115 · PropTax - Unitary	0.00	4,813.00	0.0%
4110120 · PropTax - Current Unsecured	13,208.28	12,320.00	107.21%
4110140 · ERAF - Excess	60,103.73	77,000.00	78.06%
4110145 · ERAF - PY/Reverse	11,834.95	5,775.00	204.93%
4110210 · PropTax - Supplemental Current	2,084.80	13,860.00	15.04%
4110215 · PropTax - Supplemental Unsecure	500.12	385.00	129.9%
4110225 · PropTax - Supplemental Redempt	339.31	385.00	88.13%
4110510 · PropTax - Prior Unsecured	945.70	385.00	245.64%
4120610 · Special Tax Assessment	769,361.77	1,392,571.00	55.25%
4120611 · Special Tax- Admin Fee (contra)	-2,027.89	-2,900.00	69.93%
4220115 · Building Plan Review	10,611.00	9,500.00	111.7%
4410125 · Interest- Co. Pooled Investment	34,134.75	1,925.00	1,773.23%
4410127 · Interest- ERAF Co. Pooled	724.67		
4511210 · HOPTR	418.75	2,888.00	14.5%
4631145 · Service Contract Revenue	0.00	117,169.00	0.0%
4640321 · CSA 13 Contract Rev	0.00	774,860.00	0.0%
4710631 · Paramedic Reimbursement	0.00	40,500.00	0.0%
Total Revenue	1,380,277.93	3,291,121.00	41.94%
Expenditures			
5110110 · Salaries - Regular Staff	498,424.98	1,177,112.00	42.34%
5110310 · Acting Pay	12,614.16	7,500.00	168.19%
5110313 · Holiday Pay	14,243.39	48,585.00	29.32%
5110319 · FLSA Pay	8,292.17	28,748.00	28.84%
5120110 · Overtime Pay	185,849.43	150,000.00	123.9%
5130120 · Benefits - Group Medical	197,016.93	406,704.00	48.44%
5130130 · OPEB Trust Contribution	33,000.00	66,000.00	50.0%
5130510 · PERS - Pension	533,603.35	717,385.00	74.38%
5140115 · Workers Comp Ins.	66,418.80	109,877.00	60.45%
5140116 · 4850 Reimbursements (Contra)	-47,048.12		
5140130 · Physician Services	160.00	2,450.00	6.53%
5140140 · Social Security & Medicare	40,099.60	108,014.00	37.12%
5140145 · Unemployment Ins.	4,450.79	1,530.00	290.9%
5210120 · Consultant Fees	1,475.00	2,715.00	54.33%
5210122 · Marketing & Recruiting	1,852.19	4,000.00	46.31%
5210128 · Fingerprinting/Background	0.00	500.00	0.0%
5210131 · Legal Services	1,603.00	10,000.00	16.03%
5210146 · Indep. Contractor Fees	0.00	117,312.00	0.0%
5210210 · Audit & Accounting	0.00	8,750.00	0.0%
5210230 · Payroll Service Fees	1,822.00	1,600.00	113.88%
5210525 · Insurance - General	30,325.04	35,460.00	85.52%

Marinwood Community Services District
Profit & Loss Budget vs. Actual
FY 2025/2026: Quarter 2

	Fire Dept		
	Jul - Dec 25	Budget	% of Budget
5210725 · Telecom - Phone/Internet/Cable	3,274.71	7,270.00	45.04%
5210810 · Utilities - Gas & Electric	6,087.45	17,500.00	34.79%
5210815 · Garbage Removal	2,020.92	3,720.00	54.33%
5210835 · Utilities - Water & Sewer	7,842.90	10,000.00	78.43%
5210910 · Maint. - Vehicles	11,103.04	25,000.00	44.41%
5210920 · MERA Operating	28,485.00	28,485.00	100.0%
5211140 · Vegetation Management	0.00	5,000.00	0.0%
5211315 · Professional Development	0.00	10,000.00	0.0%
5211325 · Conferences & Meetings	159.95	1,400.00	11.43%
5211330 · Memberships & Dues	5,362.26	6,240.00	85.93%
5211440 · Travel	0.00	500.00	0.0%
5211520 · Publications & Legal Notices	65.90	250.00	26.36%
5211610 · County-Wide Fees	3,957.27	6,680.00	59.24%
5220110 · Admin & Office Supplies	838.01	5,400.00	15.52%
5220130 · Copier Lease & Printing	1,126.39	2,280.00	49.4%
5220210 · Equip. Maintenance/Replacement*	1,522.65	18,500.00	8.23%
5220220 · Small Tools	303.37	500.00	60.67%
5220310 · Land & Buildings Maintenance	588.74	7,500.00	7.85%
5220610 · Gasoline/Fuel	0.00	1,000.00	0.0%
5220810 · Miscellaneous Supplies	16,710.82	26,825.00	62.3%
5220825 · Uniforms & Apparel	1,346.87	11,475.00	11.74%
5220827 · Janitorial Supplies	121.20	1,000.00	12.12%
5220916 · Capital Outlay - New Equipment	7,773.98		
5220920 · Capital Reserves Designation	0.00	80,000.00	0.0%
Total Expenditures	1,682,894.14	3,280,767.00	51.3%
Net Gain/Loss	-302,616.21	10,354.00	-2,922.7%

Marinwood Community Services District
Profit & Loss Budget vs. Actual
FY 2025/2026: Quarter 2

	Streetlights		
	<u>Jul - Dec 25</u>	<u>Budget</u>	<u>% of Budget</u>
Revenue			
4120610 · Special Tax Assessment	13,323.75	24,225.00	55.0%
4120611 · Special Tax- Admin Fee (contra)	-35.53	-100.00	35.53%
4570110 · Expense Reimbursements	540.00		
Total Revenue	13,828.22	24,125.00	57.32%
Expenditures			
5210825 · Utilities - Street Light Elec.	10,489.18	20,700.00	50.67%
5210915 · Maint. - Streetlights	2,844.78	3,975.00	71.57%
5211610 · County-Wide Fees	500.00	500.00	100.0%
Total Expenditures	13,833.96	25,175.00	54.95%
Net Gain/Loss	-5.74	-1,050.00	0.55%

Marinwood Community Services District
Fiscal Year 2025-26 2nd Quarter P&L Budget-to-Actuals Summary and Variance Notes

<u>GL Number</u>	<u>GL Description</u>	<u>Summary Notes:</u>
DISTRICT-WIDE (All Depts)		
5130120	Benefits-Group Med	<i>Includes January payments (7 months)</i>
5130510	PERS - Pension	<i>Includes lump-sum payment for entirety of Unfunded Accrued Liabilities for 25/26</i>
5210835	Util-Water/Sewer	<i>Includes annual sewer fees of \$20K. Also, significant increase in assoc. fee structure</i>

PARK DEPT:

5210120	Consultant Fees	<i>Includes consultant brought in to analyze irrigation system operational efficiency</i>
5210835	Util. - Water/Sewer	<i>Includes reduced settlement payment from prior year leaks caused by meter switch</i>

RECREATION:

4631914	Community Events	<i>Does not include revenue rec'd via square to be transferred from Bank Of Marin account</i>
5110210	PT/Seasonal/Temp	<i>Seasonal Impact of summer staffing</i>
5210146	Rec Program Contract	<i>Includes tennis and contracted sports programs as well as specialty classes</i>

FIRE DEPT:

4631145	Service Contract Rev	<i>Typically rec'd after 12/31</i>
4640321	CSA 13 Contract Rev	<i>Rec'd \$403,734 in January (50% of total contract)</i>
5110110	Salaries - Reg. Saff	<i>Under projections due to vacant positions</i>
5110310	Acting Pay	<i>Over projections due to upfill for injury leave and vacant engineer position</i>
5120110	Overtime Pay	<i>Over projections due to injury leaves & vacant position.</i>
5210146	Indep. Contractor	<i>Invoice for Q1-Q2 Chief Services (approx. 50% of total) rec'd in January</i>
5220910	Cap. Outlay-Improve	<i>Bunkroom project architect and permitting fees</i>

Streetlights:

4570110	Exp. Reimbursement	<i>Reimbursement for resident(s) requested installation of streetlight shields</i>
5210910	Maint. Streetlights	<i>Includes reimbursed expenses for resident(s) requested installation of streetlight shields</i>

District Manager Report
February 10, 2026
Submitted by: Eric Dreikosen, District Manager

The information below is intended to provide a brief update on select District initiatives, activities and items of note and should not be viewed as a complete list of all current District activities or initiatives.

ADP Payroll Tax Filing Challenges

Even though we terminated (for cause) our agreement with our former payroll provider ADP in mid-December, we continue to be impacted by their erroneous actions. Despite the fact they were clearly instructed in December – in writing and receipt acknowledged – not to submit any year-end tax filings nor produce W-2's on behalf of Marinwood CSD, sure enough, ADP submitted incomplete and thus incorrect year-end tax filings and produced W-2's.

ADP has acknowledged their error and are reportedly “in process” of making the needed corrections with the respective taxing agencies. However, their error also caused the correct filings and W-2's as produced by our new payroll provider to be rejected.

Further complicating the matter, ADP has advised they will not be able to have the needed corrections performed, submitted and processed until at least late-February and have further advised that Marinwood employees wait until this date at the earliest by which to file their personal tax returns.

Needless to say, staff are exploring what remedies and other actions may be available to expedite this concerning situation.

Carmelite Monastery Property

In January, Marinwood CSD allowed use of the classroom to conduct a community meeting hosted by County officials to discuss upcoming plans and programs intended for the Carmelite Monastery property located at 530 Blackstone Dr. Beyond County officials and representatives of Catholic Charities, attendees were almost exclusively residents of nearby properties. In coordination with Marin County Health & Human Services, Catholic Charities intends to remodel a portion of the existing facility to create 9 single occupancy living units to be used as permanent housing for individuals ready to leave a more transitional housing environment.

Other Items of Note:

- I recently attended the “annual meeting” of the Marin County Special Districts Association, a local chapter affiliate of the California Special Districts Association (CSDA). The meeting was hosted by Tamalpais CSD and was the first in-person gathering of the chapter since 2019 (pre-Covid). Presenters included Marin County Executive Derek Johnson, Regional CSDA Representative Colleen Haley and LAFCo Executive Officer Jason Fried.
- Work has officially begun on the creation of the District’s FY26-27 operating budget. Draft budgets representing progress to date will be presented to the Board beginning with the March board meeting and subsequently thereafter leading up to adoption, anticipated at the May board meeting.

Several other items of note that staff have been working on during the past month are included as separate agenda items. These will be presented and discussed at those times.

MARINWOOD COMMUNITY SERVICES DISTRICT
DRAFT MINUTES OF FIRE COMMISSION MEETING
February 3, 2025

Time and Place: 7:00PM at Marinwood Community Center, 775 Miller Creek Rd, San Rafael

Present:

Commissioners: Chair Steve Farac, Pascal Karsenti, John Seratt, Pete Stout

Absent: Greg Stilson

Staff: Deputy Fire Chief Robert Sinnott, Wildfire Mitigation Specialist Joe Aiello, District Manager Eric Dreikosen

Board: Lisa Ruggeri

1. Agenda

Item 5 was moved to immediately preceding Item 2. Chair Farac adopted the agenda as amended.

5. Planning Discussion for Potential Community Meeting to Educate and Encourage Residents/Property Owners in the Creation of Firewise Communities & Inform on other Current Fire Prevention Efforts

Wildfire Mitigation Specialist Aiello provided a broad overview of the Firewise program including procedures for establishment. Commission discussed core topics and structure of potential community-wide meeting and identified potential dates.

2. Public Comment on Non-Agenda Items

No comments from the public were received.

3. Commissioner Items of Interest

-District Manager Dreikosen thanked Commissioners Seratt and Stilson for their support and involvement with the annual Marinwood-Lucas Valley Santa Claus visit and neighborhood tour conducted in December

4. Draft Minutes of December 2, 2025 Fire Commission Meeting

M/s Seratt/Karsenti to approve Draft Minutes of December 2, 2025 Fire Commission Meeting as presented.

Ayes: Farac, Karsenti, Seratt, Stout. Nays: None. Absent: Stilson. Motion carried.

6. Chief Officer Report and Activity Summary

Commission received Chief Officer Report and Activity Summary.

7. Commissioner Requests for Future Agenda Items

-None.

The meeting was adjourned at 8:44pm.

Eric Dreikosen



Staff Report

To: Board of Directors
From: Eric Dreikosen, District Manager
Date: February 10, 2026
Re: Item I.2: Resolution 2026-01, Re-evaluation of former member's disability retirement status

Directors,

Please see the included Resolution 2026-01, stating a determination of re-evaluation of a former employee's continued qualification for disability.

In September 2025, Marinwood CSD was contacted by CalPERS who informed the District that a former firefighter-paramedic who previously retired on an industrial disability retirement had become the subject of a required re-evaluation of his medical condition originally leading to his retirement. They further informed that since the former employee was classified as a "safety" member, in accordance with government code it was the responsibility and requirement of the member agency (Marinwood CSD) to conduct the re-evaluation process.

The District was required to obtain updated medical evaluation(s) in addition to other information including a re-evaluation questionnaire completed by the former employee in question.

In accordance with government code, *...the Board of Directors is to required review the medical and other evidence relevant to such approved condition(s)...* and make a determination *...based on competent medical opinion...* of whether or not the former employee *...continues to be substantially incapacitated within the meaning of the Public Employees' Retirement Law for performance of his duties in the position of Firefighter-Paramedic.*

To protect the former employee's privacy rights, information and medical opinions in the possession of the District were confidentially shared with the Board to the extent needed for the Board to make their informed determination.

Staff Recommendation: Make determination as to the former employee's disability status based on current re-evaluation of medical condition and other information. If determined the employee remains substantially incapacitated from performing the duties of their former position, approve Resolution 2026-01 as presented.

RESOLUTION NO. 2026-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
MARINWOOD COMMUNITY SERVICES DISTRICT
(Government Code Section 20221)**

WHEREAS, the Marinwood Community Services District (hereinafter referred to as "Agency") is a contracting agency of the California Public Employees' Retirement System (CalPERS); and

WHEREAS, the California Public Employees' Retirement Law requires that a contracting agency to furnish the Board of the change in status of any former member resulting from reinstatement and any additional information concerning any former member that the Board may require; and

WHEREAS, a re-evaluation on the continued qualification of disability retirement benefit of Michael T. Prince employed by the Agency in the position of Firefighter-Paramedic was conducted based on the previous approved disabling condition; orthopedic, back; and

WHEREAS, the Board of Directors has reviewed the medical and other evidence relevant to such approved condition(s) and certify under the penalty of perjury that this determination was made based on competent medical opinion. The re-evaluation process is used to re-evaluate a former members previously approved disabling condition(s) and is not used to discover a new disabling condition(s).

NOW, THEREFORE, BE IT RESOLVED:

That the Board of Directors find and determine and it does hereby find and determine that Michael T. Prince continues to be substantially incapacitated within the meaning of the Public Employees' Retirement Law for performance of his duties in the position of Firefighter-Paramedic.

AND

Michael T. Prince's disability retirement benefit will be continued.

PASSED AND ADOPTED at a regular meeting of the Marinwood Community Services District Board of Directors held on the 10th day of February 2026, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Agency: _____
Christopher Case, Board President

Attest:

Tiffany Combrink, Secretary to the Board of Directors

Marinwood Community Services District

Minutes of Park & Recreation Commission Meeting
Tuesday – January 27, 2026

Time and Place: 7:00PM at Marinwood Community Center, 775 Miller Creek Rd, San Rafael

Present:

Commissioners: Chair Michael Benesch, Angela Bliss-Steiner, Jon Campo, Ian Fein, Ryan Madden

Staff: District Manager Eric Dreikosen, Recreation Director Luke Fretwell

Board: Kathleen Kilkenny

1. Agenda

No changes were requested by Commissioners. The agenda was adopted as presented.

2. Public Comment on Non-Agenda Items

No comments from the public were received

3. Draft Minutes of September 23, 2025 P&R Commission Meeting

M/s Fein/Campo to approve Draft Minutes of September 23, 2025 P&R Commission Meeting.

All in favor. Motion carried unanimously.

4. Minutes of December 9, 2025 & January 13, 2026 Board of Directors Meetings

Commission reviewed minutes.

5. Recreation and Park Maintenance Activity Report

Commission received Recreation and Park Maintenance Activity Report.

6. Commissioner Items of Interest – Requests for Future Agenda Items

- Bliss-Steiner requested review of capital project planning needs.
- Campo inquired as to District's plans for eventual transition from gas-powered tools and equipment to electric-powered.

7. Adjourn

Meeting adjourned at 8:17 PM

Eric Dreikosen, District Manager



Staff Report

To: Board of Directors
From: Eric Dreikosen, District Manager
Date: February 10, 2026
Re: Item J.2: Recommended Wage Adjustments for Non-Represented Full-time Positions

Directors,

This item is for review and discussion only. There is no formal action to be taken by the Board at this time.

In accordance with the District's *Pay Schedule Review of Non-Represented Full-Time Positions Policy* (Policy), each February the Board is to review current pay schedules of non-represented full-time positions and consider initial proposals for potential pay schedule adjustments. The Policy established the following factors to be reviewed when considering Pay Schedule adjustments: (*the complete Policy can be viewed on the District website at <https://www.marinwood.org/finance>*)

- a. Current District Pay Schedules of non-represented full-time positions within the following departments and functions:
 - i. Park
 - ii. Recreation
 - iii. Administrative
- b. Pay Schedules of similar positions identified within comparable agencies and/or organizations. To the extent possible and practical, the same agencies/organizations will be utilized each year as points of comparison, and those agencies will be made known to the Board of Directors.
- c. Consumer Price Index (CPI) change factor for the preceding December as published by the U.S. Bureau of Labor & Statistics (BLS).

In determining the District's ability to afford the proposed pay schedule adjustments, the Policy also identifies Board review of the most recent audited financial statements as well as the impact to the respective operating budget.

Audited financial statements for fiscal year 2024-2025 were provided for acceptance during this February 2026 board meeting and will be posted to the District website at <https://www.marinwood.org/finance>.

In the coming months staff will be creating and presenting drafts of the FY 2026-2027 operating budget for which any pay schedule adjustments would become effective. Final adoption of the FY 2026-2027 operating budget is anticipated to occur during the May 2026 board meeting.

The following information will focus on Policy items A - C as stated above.

Item A – Current District Pay Schedules

While the current pay schedules for the applicable positions are included within this report, the complete pay schedules of all District positions can be viewed on the District website at <https://www.marinwood.org/finance>.

Item C – Consumer Price Index (CPI) change factor

The CPI change factor for December 2025 as published by the U.S. Bureau of Labor & Statistics for the San Francisco Region was stated at 3.0%. (<https://www.bls.gov/data/>)

Item B – Pay Schedules of Comparable Agencies

Marinwood CSD is a unique agency. While we represent one of the smaller agencies in our region in regards to financial and staffing resources available, especially compared to local towns/cities, the offerings provided by our Recreation Department rival and often exceed those of much larger agencies in terms of scope and individuals served. Our Parks Maintenance staff perform a wide range of duties that are often performed by specialized employees or focused individual departments within comparable agencies. Staff made their best efforts to identify similar positions of comparable agencies, recognizing it was far from an *apples-to-apples* comparison.

With that understanding, staff believes the data presented in this report does represent an accurate assessment of how our agency currently compares to pay schedules offered by these local agencies for similar positions.

Parks Maintenance:

The chart below shows the current base salary pay schedule for our park maintenance position as well as the current base salary pay schedule for similar positions in the area (applicable fiscal year noted under each agency):

Maintenance Worker II		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
		A	B	C	D	E	EE	
Marinwood (current)	Monthly:	5,035	5,287	5,551	5,829	6,120	6,426	
	Annual:	60,420	63,444	66,612	69,948	73,440	77,112	
Marin County FY2526	Monthly:	6,888				7,521		
	Annual:	82,661				90,246		
Tamalpais CSD FY2526	Monthly:	6,919	7,284	7,667	8,070	8,495		
	Annual:	83,032	87,402	92,002	96,844	101,941		
Sonoma FY2526	Monthly:	5,800	6,090	6,395	6,715	7,050		
	Annual:	69,600	73,080	76,740	80,580	84,600		
San Rafael FY2627	Monthly:	6,084	6,388	6,708	7,043	7,395		
	Annual:	73,008	76,656	80,496	84,516	88,740		
San Anselmo FY2627	Monthly:	6,168	6,473	6,798	7,138	7,495		
	Annual:	74,016	77,676	81,576	85,656	89,940		
Corte Madera	Monthly:	5,751	6,039	6,341	6,658	6,991		

FY2526	Annual:	69,014	72,467	76,086	79,893	83,886		
Novato	Monthly:	5,665	5,948	6,246	6,558	6,886		
FY2526	Annual:	67,980	71,376	74,952	78,696	82,632		
Mill Valley	Monthly:	4,980	5,229	5,490	5,764	6,052	6,355	6,673
FY2627	Annual:	59,760	62,748	65,880	69,168	72,624	76,260	80,076

As illustrated in the preceding chart, the District's pay schedule for this position is notably lower than that of similar positions for all but one (1) of the comparable agencies. This equates to those comparable positions being compensated between 12.5% - 37.5% greater than Marinwood's park maintenance positions. In consideration of the above compensation disparity while also considering the District's limited resources available, staff recommends the Board consider implementing a 4% pay schedule adjustment for the Parks Maintenance II position to be applied to all steps as listed above. Such an adjustment would reduce the compensation disparity to approximately 8% - 32%, with just over one-third (3 of 8) of those comparable positions being in the 8% - 11% disparity range.

The following chart illustrates the impact of a 4% pay schedule adjustment to the Parks Maintenance position:

Maintenance Worker II		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
		A	B	C	D	E	EE
Marinwood (current)	Monthly:	5,035	5,287	5,551	5,829	6,120	6,426
	Annual:	60,420	63,444	66,612	69,948	73,440	77,112
4% Increase	Monthly:	5,236	5,498	5,773	6,062	6,365	6,683
	Annual:	62,837	65,979	69,278	72,741	76,379	80,197

Lead Maintenance Worker:

The lead maintenance worker position was created during fiscal year 24-25 and resulted in the elimination of one (1) of the three (3) Maintenance Worker II positions. The approved pay scale for this position was set at 10% above the Maintenance Worker II position, reflective of the increased responsibilities assigned to this position.

The following chart illustrates the current base salary pay schedule for our lead maintenance worker position as well as the impact of a 4% pay schedule adjustment:

Lead Maintenance Worker		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
		A	B	C	D	E	EE
Marinwood (current)	Monthly:	5,539	5,815	6,106	6,412	6,732	7,069
	Annual:	66,468	69,780	73,272	76,944	80,784	84,828
4% Increase	Monthly:	5,761	6,049	6,351	6,669	7,002	7,352
	Annual:	69,127	72,583	76,212	80,023	84,024	88,225

Fiscal Impact: Applying a 4% pay schedule adjustment to both positions (3 total personnel) would result in a fully burdened fiscal impact of approximately \$11,797 to the FY26-27 operating budget.

Recreation Dept Positions:

Given the varying degree of tasks and responsibilities identified from agency to agency, comparing our specific recreation positions to those of similar position titles made comparing pay schedules a challenging exercise. Again though, staff believes the data presented below does represent an accurate assessment of how our agency currently compares to pay schedules offered by similar local agencies.

Recreation Director:

The following chart shows the current base salary pay schedule for our recreation director position as well as the current base salary pay schedule for other recreation director positions in the area:

Recreation Director		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
		A	B	C	D	E	EE	
Marinwood (current)	Monthly	8,034	8,435	8,857	9,300	9,765	10,253	
	Annual	96,408	101,220	106,284	111,600	117,180	123,036	
San Rafael FY2627	Monthly	17,598	18,478	19,402	20,372	21,390		
	Annual	211,176	221,736	232,824	244,464	256,680		
Albany FY2526	Monthly	16,052	16,854	17,697	18,582	19,511	20,487	
	Annual	192,624	202,248	212,364	222,984	234,132	245,844	
Novato FY2526	Monthly	14,233	14,942	15,689	16,473	17,297		
	Annual	170,796	179,304	188,268	197,676	207,564		
Mill Valley FY2627	Monthly	13,451	14,124	14,830	15,571	16,350	17,167	18,026
	Annual	161,412	169,488	177,960	186,852	196,200	206,004	216,312
Corte Madera FY2526	Monthly	12,466	13,089	13,743	14,430	15,152		
	Annual	149,592	157,068	164,916	173,160	181,824		
San Anselmo FY2627	Monthly	12,137	12,777	13,449	14,157	14,902		
	Annual	145,644	153,324	161,388	169,884	178,824		

As clearly illustrated, the pay schedule for our recreation director position is significantly lower than that of every comparable agency. It should also be noted our recreation director position is responsible for the overall management of both the Recreation Department and Park Department.

Considering the District's limited financial resources, staff proposes the Board consider implementing a 6% pay schedule adjustment for the Recreation Director position to be applied to all steps as listed above. The following chart illustrates the impact of a 6% pay schedule adjustment to the position:

Recreation Director		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
		A	B	C	D	E	EE
Marinwood (current)	Monthly	8,034	8,435	8,857	9,300	9,765	10,253
	Annual	96,408	101,220	106,284	111,600	117,180	123,036
6% Increase	Monthly	8,516	8,942	9,389	9,858	10,351	10,869
	Annual	102,192	107,302	112,667	118,301	124,216	130,426

Assistant Recreation Director and Recreation Supervisor:

As stated, identifying matching position titles & responsibilities proves to be challenging for the specific positions. As such, the chart below shows the current base salary pay schedule for our assistant recreation director position and our recreation supervisor position compared to current base salary pay schedules for only “recreation supervisor” positions identified in other agencies:

<u>Recreation Supervisor</u>		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
		A	B	C	D	E	EE	
Marinwood	Monthly	6,005	6,306	6,621	6,952	7,299	7,664	
Asst Rec Dir.	Annual	72,060	75,672	79,452	83,424	87,588	91,968	
Marinwood	Monthly	5,459	5,732	6,018	6,319	6,635	6,967	
Rec Supervisor	Annual	65,508	68,784	72,216	75,828	79,620	83,604	
San Rafael	Monthly	9,138	9,595	10,075	10,579	11,108		
FY2627	Annual	109,656	115,140	120,900	126,948	133,296		
Corte Madera	Monthly	7,624	8,005	8,405	8,825	9,267		
FY2526	Annual	91,488	96,060	100,860	105,900	111,204		
Albany	Monthly	7,806	8,196	8,606	9,036	9,488	9,962	
FY2526	Annual	93,672	98,352	103,272	108,432	113,856	119,544	
Novato	Monthly	7,477	7,851	8,243	8,655	9,088		
FY2526	Annual	89,724	94,212	98,916	103,860	109,056		
Mill Valley	Monthly	7,302	7,667	8,050	8,452	8,875	9,319	9,785
FY2627	Annual	87,624	92,004	96,600	101,424	106,500	111,828	117,420
San Anselmo	Monthly	7,274	7,640	8,021	8,421	8,843		
FY2627	Annual	87,288	91,680	96,252	101,052	106,116		
Tamalpais CSD*	Monthly	6,919	7,284	7,667	8,070	8,495		
FY2526	Annual	83,032	87,402	92,002	96,844	101,941		

As the chart illustrates, the pay schedules of both of our respective positions are once again notably lower than the recreation supervisor position of all other agencies.

Once again considering the District's limited financial resources, staff proposes the Board consider implementing a 6% pay schedule adjustment for both the Assistant Recreation Director position and the Recreation Supervisor position to be applied to all steps as listed above. The following charts illustrate the impact of a 6% pay schedule adjustment to both positions:

Assistant Recreation Director

		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
		A	B	C	D	E	EE
Marinwood (current)	Monthly	6,005	6,306	6,621	6,952	7,299	7,664
	Annual	72,060	75,672	79,452	83,424	87,588	91,968
6% Increase	Monthly	6,365	6,684	7,018	7,369	7,737	8,124
	Annual	76,384	80,203	84,213	88,424	92,845	97,487

Recreation Supervisor

		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
		A	B	C	D	E	EE
Marinwood (current)	Monthly	5,459	5,732	6,018	6,319	6,635	6,967
	Annual	65,508	68,784	72,216	75,828	79,620	83,604
6% Increase	Monthly	5,787	6,076	6,380	6,699	7,034	7,385
	Annual	69,438	72,910	76,556	80,384	84,403	88,623

Senior Administrative Assistant:

This position which almost exclusively serves the recreation department was extremely challenging to identify comparable positions without extensive direct conversations with personnel from the comparable agencies. While most every agency shows varying levels of administrative assistant positions, information readily available did not list specific responsibilities and/or departments served. That said, our research showed the same trend as with the above positions in that our pay schedules for administrative positions were below, and in some cases significantly, those of the comparable agencies.

Staff proposes the Board consider implementing a 6% pay schedule adjustment for the Senior Administrative Assistant position to be applied to all steps. The following chart illustrates the impact of a 6% pay schedule adjustment to the Senior Administrative Assistant position:

**Senior Administrative
Assistant**

		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
		A	B	C	D	E	EE
Marinwood (current)	Monthly	5,241	5,503	5,778	6,067	6,370	6,688
	Annual	62,892	66,036	69,336	72,804	76,440	80,256
Marinwood (6% increase)	Monthly	5,555	5,833	6,125	6,431	6,753	7,090
	Annual	66,666	69,999	73,499	77,174	81,032	85,084

Fiscal Impact: Applying a 6% pay schedule adjustment for all recreation department positions listed above (4 total personnel) would result in a fully burdened fiscal impact of approximately \$26,899 to the FY26-27 operating budget.

District Administration Position:

Beyond the District Manager position, the District relies on only one other position to manage all District-wide business administration needs.

Accounting & Payroll Manager:

Much like the senior administrative assistant position, staff were challenged to find similar positions amongst comparable agencies. For the District, this position is primarily responsible for all accounting, payroll, and benefit management needs, amongst other responsibilities.

The pay schedule for this position is fairly unique amongst the District in that rather than being presented as a step system, it was established as a traditional salary range. The current salary range for this position as approved by the Board is \$68,640 - \$87,000 annual salary.

Consistent with the Recreation Department positions, staff is proposing a 6% salary adjustment for this position. Of note, a 6% salary adjustment will remain within the established Board-approved salary range and does not require formal Board approval. It is being presented here for transparency and to be added to the total fiscal impact of all recommended pay schedule adjustments.

Fiscal Impact: Applying a 6% salary adjustment for the accounting & payroll position would result in a fully burdened fiscal impact of approximately \$5,306 to the FY26-27 operating budget.

Summary:

If all proposed pay schedule adjustments were to be formally approved, the fully burdened total fiscal impact (wages, workers' comp, pension, payroll taxes) to the FY26-27 operating budget would be \$44,002.

While the above proposed wage increases and the resulting fiscal impact does represent a significant increase in annual expenditures for a District the size of Marinwood CSD, the bottom-line is still fails to keep pace with the rate by which wages are increasing at comparable public agency positions. If during the budget creation process it is shown the District has the ability to afford even greater wage increases for these positions, if even slightly greater, the potential for further increases beyond those proposed should be strongly considered, especially for recreation positions.

In accordance with the District's *Pay Schedule Review of Non-Represented Full-Time Positions Policy*, at the direction of the Board the pay schedule adjustments proposed will be incorporated into forthcoming drafts of the FY26-27 operating budget. As the budget is developed and total anticipated revenues and expenditures are further established, the Board and staff will be better informed as to the overall affordability of the proposed adjustments. If warranted, the proposed adjustments can be further refined right up until final adoption of the FY26-27 operating budget anticipated to occur at the May board meeting.

The formal board action of approving the pay schedule adjustments would occur during the June board meeting when the Board approves the FY26-27 Pay Schedules for all positions.

Staff Recommendation: Direct staff to incorporate the proposed pay schedule adjustments for non-represented full-time positions into forthcoming FY26-27 operating budget drafts for further review and potential refinement.

Parks and Recreation Report
February 2026
Submitted by: Luke Fretwell, Recreation Director

RECREATION ACTIVITY REPORT

Spring/Summer Marinwood Review

The spring/summer issue of the Marinwood Review has been submitted to the printer and will be mailed out in the next couple weeks. In the meantime, the digital version of the catalog has been uploaded to our website and notifications sent out. I want to thank the Recreation Staff, especially Carolyn Sullivan, for putting in countless hours to create a catalog that is well-organized, informative, and nicely laid out.

Summer Camp / Swim Lesson Registration

Registration for all our summer programs will open at 9:00am on March 3rd for Marinwood residents and March 5th for non-residents. Over the next few weeks staff will be checking and double-checking all the online links and information to make sure everything will be ready to go for the opening day of registration.

“The Big Alta” Trail Running Event

Throughout the weekend of March 19-22 Daybreak Racing will once again be hosting a series of trail running events based in Marinwood. This year’s events will feature 50K, 100K, and 28K trail races on Friday, Saturday, and Sunday respectively. All 3 races, which take runners over dozens of trails throughout the county, will incorporate sections of Queenstone Fire Road and will finish in Marinwood Park, where post-race festivities and awards ceremonies will take place. We are pleased to be partnering with Daybreak Racing for the 3rd consecutive year and are looking forward to the event.

Pool Season

The Waterdevils Swim Team will begin holding practice on March 2nd and the official 2026 Marinwood Pool Season will open to the public on Monday, March 30th. During the spring season we will be offering adult lap swim, recreation swim, tot pool hours, private swim lessons, pool party rentals, lifeguard training classes, swim team, and water polo. John Paul and the staff will be spending the coming weeks getting the facility prepped and making sure the lifeguard staff are refreshed on all their skills.

Raise a Glass – Wine Tasting

Our next community event will be our “Raise a Glass” winter wine tasting, taking place Saturday, March 7th from 2-5pm at the community center. This year we will have 16 wineries pouring, hors d’oeuvres and snacks from Marinwood Market, and live music by returning French Café band Duo Gadjø.

Spring Art Show

Our Spring Art Show will take place on Saturday, April 25th in the community center. The theme of this year’s show is “A Slice of Life” and will feature artwork from 40-50 of Marin’s finest artists.

Recreation programs currently taking place this winter include Tae Kwon Do, White Crane Silat, Mahjong, Pilates, LEGO Engineering, Irish Dance, Babysitter’s Training, Little Explorers Art, Zumba, Watercolor Workshops, CPR/First Aid, All Sorts of Sport Camps, Dungeons & Dragons, Youth and Adult Tennis, and the Preschool Program.

PARKS MAINTENANCE ACTIVITY REPORT

Pool Deck Repair

In mid-January we had minor repairs performed to several areas of the pool deck in preparation for the 2026 pool season. Repairs included patching the corners of some of the drains where the concrete had begun to crack and crumble, replacing mastic in several cracks which had become brittle from age, and grinding down a metal panel that had become rough from corrosion. The deck is once again barefoot-friendly and just in time for the start of swim team practice.

Pool Facility Preparation

Over the past few weeks staff have inspected all the equipment in the pump house and, besides some minor repairs to a leaking stretch of chlorine tubing and a CO2 regulator that had stopped sealing, all of our equipment seems to be in working order and ready to ramp up for the start of the season.

This week the staff have spent time repairing drains along the edge of the tot pool lawn that had become cracked and full of grass, as well as cleaning up the landscaping in the pool party areas.

Over the next two weeks staff will be cleaning the chlorine generators, adding filter media to the 3 pool filters, and touching up paint in the restrooms to get everything ready for the start of the season.

Playground Maintenance

This past month staff spent time re-leveling the rubber matting in the playground which had become uneven from wear and the accumulation of sand and woodchips underneath. They also replaced a swing that had become cracked and replaced some hardware that was beginning to show signs of wear.

Later this spring a new batch of engineered wood fiber will be delivered and blown into the playground to help maintain the necessary level of fall material. These safety-rated woodchips get carried out in shoes and on clothes, and naturally break down over time, necessitating occasional replenishment.

Weeds

The rains last month coupled with the recent sunshine has caused the weeds to start sprouting up all over. Staff have begun making the rounds to get the weeds under control in the main park, the firemen's hill, and the pool. Next week they will start to tackle Creekside Park and the Mini Park as time allows.

Pool Re-Plaster Project Update

Last fall we hired an engineering firm, RSM Design & Engineering, to create updated drawings of the pool facility, assemble an RFP, and help us navigate the bid process for the pool replaster project.

Early in the process it became apparent that the project would likely extend beyond the current "off-season" and risk pushing back our 2026 pool season start date. To avoid this we opted to delay the start of the project until fall 2026, which will give us ample time to secure a contractor, acquire the necessary permits, and complete the project well before the 2027 season start date.

Last week RSM sent over rough drawings for our review and we have begun identifying the specific materials to be used in the project. This replaster job will mostly be a repeat of what was done during the last replaster job in 2010, with no major modifications made to the pools, plumbing, or other aspects of the facility. However, due to recent changes in the health code, we are being forced to modify our skimmer systems to further protect against entrapment.

To bring the pools into compliance we can either add a second skimmer equalizer to each of the 11 skimmer mechanisms—which would involve cutting into the pool shell in 11 places to add additional plumbing—or add an auto-refill mechanism to each pool, which would negate the need for any equalizers. We have selected the latter, as it will involve far less labor, materials, and ongoing maintenance.

Preliminary drawings and materials have been received and once finalized, RSM will begin drafting the RFP and getting the plans approved with the health department and building department. We are expecting to initiate the formal bidding process by late spring and are planning for the work to start immediately following the close of the pool season in early October 2026. We are planning to have both the main pool and, if financially possible, the tot pool replastered and retiled and have a non-slip concrete overlay added to the deck around the main pool.

Daily/Weekly Tasks:

- Clean and restock Community Center
- Clean and restock park bathroom
- Empty garbage in all 3 parks and at trailheads
- Restock dog waste bags at dog stations
- Mow, edge, and blow in all 3 parks
- Check drains and culverts
- Check playground equipment in all 3 playgrounds for damage/vandalism
- Check and adjust pool chemistry