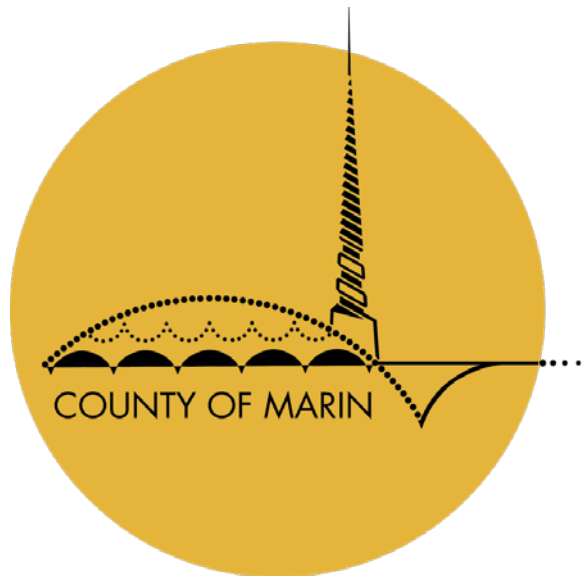


COUNTY OF MARIN
DEPARTMENT OF FINANCE
INTERNAL AUDIT DIVISION



Measure A - Marin Parks, Open Space, and Farmland Preservation Sales Tax
Sub-Recipient Compliance Audit
For the Fiscal Year Ended June 30, 2021

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DEPARTMENT OF FINANCE - INTERNAL AUDIT DIVISION
MEASURE A - MARIN PARKS, OPEN SPACE, AND FARMLAND PRESERVATION SALES TAX
SUB-RECIPIENT COMPLIANCE AUDIT
FOR THE AUDIT PERIOD JULY 1, 2020 THROUGH JUNE 30, 2021

Marin County Parks Management
Measure A Community Oversight Committee:
Jonathan Kathrein
Larry Kennings
Carolyn Lown Joe
Meylan Daniel
Russell Mary Stompe
Robert Steinberg

I. EXECUTIVE SUMMARY

Background

Measure A approved in 2012 by the voters of Marin County, which implemented a 0.25% sales tax for the purpose of funding the preservation and maintenance of open space, parks, and farmland. Provisions of Measure A are supported by Ordinance No. 3586, known as the “Marin Parks, Open Space, and Farmland Preservation Transactions and Use Tax Ordinance,” and became operative on April 1, 2013.

The Measure A Sales Tax includes an Expenditure Plan, which governs how the sales tax proceeds are to be spent:

- 65% allocated to the Marin County Parks and Open Space Program, of which 80% is used towards the protection and restoration of natural resources, repair and maintenance of existing County parks and open space preserves, and the restoration and improvement of public access, and 20% is used towards natural lands preservation.
- 20% allocated towards the Farmland Preservation Program.
- 15% allocated to the City, Town, and Applicable Special Districts Program

A portion of Measure A proceeds are awarded to Sub-Recipients through three grant application processes (Sub-Recipient Grant Program):

- (1) Allocation to Cities, Towns and Special Districts Program
- (2) Farmland Preservation Program matching grants
- (3) Community Grant Programs per the approval of the Marin County Board of Supervisors

Per the provisions of Ordinance No. 3586, funds are made available through a grant allocation process that is designed in concert with the cities, towns, and applicable special districts. The grant allocation process, but not the individual projects, are subject to approval by the Marin County Board of Supervisors. Annual awards disbursed to Sub-Recipients may be accumulated, carried over, and accrued for expenditures in future years, not to exceed ten years after the termination date of Measure A. Measure A sales tax is collected by the State Board of Equalization, which in turn is remitted to the County on a monthly basis. All transactions of the Measure A Sales tax are reported in the Measure A Parks and Open Space Fund of the County of Marin (special revenue fund number 2560). A separate set of accounts were established by the County Parks management to account for revenues earned and expenditures incurred according to Measure A.

It should be noted that the 2012 Measure A Sales Tax had a 9-year term, which ended on March 31, 2022. While the voters of Marin County subsequently approved the re-implementation of the Measure A Sales Tax in June of 2022, the scope period of this compliance audit pertains solely to the 2012 Measure A Sales Tax and the corresponding provisions contained within Ordinance No. 3586.

Governance Structure

A Community Oversight Committee (Committee) was created by the Marin County Board of Supervisors and reports to the Director and General Manager of Marin County Parks. Members of the Committee must be residents of the County and cannot be elected officials of any government, nor employees from any agency or organization that either oversees the benefits from the proceeds of the sales tax. The Committee shall consist of seven at-large members. The Committee shall dissolve after all revenue collected from the Measure is expended and a final report is submitted.

Compliance Oversight

It is the responsibility of the Committee to annually review Measure A expenditures to ensure they conform to the Expenditure Plan, and to oversee an annual audit and prepare an annual report describing how funds were spent. The annual audits are conducted through a two-fold process, described below:

1. An external public accounting firm is engaged to conduct a compliance audit over Measure A funding overall, and in turn produces an annual Independent Auditor's Report on Compliance with Measure A Funds and Schedule of Revenues and Expenditures. We note that this compliance audit includes, but is not limited to, the following audit procedures:
 - Verify County deposited 100% of Measure A sales tax receipts into County's Measure A Fund.
 - Verify proper allocation of Measure A receipts in accordance with Expenditure Plan.
 - Verify payments made from Measure A funds were valid and properly supported, and that the nature of such payments (expenditures) were for allowable activities/purposes prescribed by the Expenditure Plan.
 - Verify payroll costs charged to the Measure A Fund were appropriate and valid.
 - Verify County did not exceed the 5% administration cost limit for the Marin County Parks and Open Space program and the Farmland Preservation Program.
2. The Department of Finance Internal Audit division is engaged to conduct a compliance audit over the Measure A proceed awards granted made to Sub-Recipients, and to audit claims made against the Expenditure Plan for the duration of the Sub-Recipient Grant Program.

II. SUMMARY OF WORK

Audit Scope, Objective, and Approach

The scope of this compliance audit will encompass Fiscal Year 2020-21, which spans July 1, 2020 through June 30, 2021. Our audit objective is to verify that the Sub-Recipients of the County's Measure A sales tax revenue were compliant with their corresponding grant agreements established with the County, and that the nature of the grant agreements were in compliance with the Expenditure Plan.

This compliance audit will be conducted based on an audit plan that included an assessment of the Measure A Sub-Recipient grants awarded, and the corresponding funds spent by the Sub-Recipient entity, during the scope period. The Department of Finance Internal Audit Division will perform its compliance testing through inquiry, observation, inspection, and recalculation and re-performance. To obtain an understanding of the processes, risks, and controls of the Measure A program, we met with Marin County Parks fiscal personnel and the Measure A Lead Program Coordinator. Per our review of the County's general ledger as of June 30, 2021, we note the following life-to-date Measure A Sales Tax Revenues and corresponding grants awarded to Sub-Recipients:

Fiscal Year	Measure A Sales Tax Revenue	Grants Awarded to Sub-Recipients
FY 2013-14	\$ 14,457,591	\$ 2,313,994
FY 2014-15	12,779,350	1,857,767
FY 2015-16	13,312,972	4,389,224
FY 2016-17	13,177,763	3,819,713
FY 2017-18	13,344,388	8,748,295
FY 2018-19	14,673,946	5,896,813
FY 2019-20	13,766,174	2,350,448
FY 2020-21	15,547,563	2,465,338
TOTAL	\$ 111,059,747	\$ 31,841,592

Audit Procedures Performed

Our audit procedures, as detailed below, were conducted in accordance with Generally Accepted Government Auditing Standards and the Institute of Internal Auditors Standards for the Professional Practice of Internal Auditing. Detailed work papers can be made available for review upon written request.

1. To assess the adequacy of internal controls, we obtained and documented an understanding of the overall Measure A funding and disbursement process. On a sample selection basis, we performed an assessment of the internal control structure maintained by the Sub-Recipient through our examination of their respective Measure A Work Plan and corresponding expenditure reports for the scope period. This assessment helped inform the framework and scope of our substantive audit procedures. Based on the procedure performed, we determined that the internal controls surrounding Measure A were adequate and effective in mitigating risk of errors, omissions and possibilities of fraud. No exceptions were noted.
2. We verified that the Sub-Recipients maintained their Measure A funds in either a separate bank account or special revenue fund, by obtaining and reviewing copies of their general ledger as of June 30, 2021. Based on the procedures performed, no exceptions were noted.
3. We confirmed that the Sub-Recipients' cash balance of Measure A funds at June 30, 2021 agreed to their total Measure A life-to-date disbursements received less their life-to-date Measure A expenditures spent and reported as of June 30, 2021. In instances where there were cash reconciliation items as of June 30, 2021, we reviewed for reasonableness and reconciled to corresponding supporting documentation for completeness and accuracy. Based on the procedures performed, no exceptions were noted.

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4. On a sample selection basis, we verified that Measure A expenditures incurred and reported by Sub-Recipients were spent in accordance with the requirements stipulated within the Expenditure Plan. We traced Sub-Recipient expenditures to supporting invoices and payment details and reviewed the nature of each expenditure to determine if it was allowable and in accordance with the Expenditure Plan. We judgmentally selected 20 Sub-Recipients who reported Measure A funds spent from July 1, 2020 through June 30, 2021. Our sample selection provided 64% audit coverage for the measurement period. Based on the procedures performed, no exceptions were noted. Refer to **APPENDIX A** for a list of all Measure A Sub-Recipients and the FY 2020-21 expenditures selected for testing.

III. FINDINGS AND RECOMMENDATIONS

Results of Audit Procedures

Based on the compliance procedures performed, no findings were noted.

Conclusion

We have audited the Sub-Recipient's compliance to the specific requirements described in the Measure A Expenditure Plan for the period from July 1, 2020 through June 30, 2021, noting no findings.

We appreciate the assistance and cooperation of each of the Sub-Recipients and staff of Marin County Parks during the performance of the audit. Please contact us if you have any questions or comments regarding any of the information contained in this audit report.

IV. DISTRIBUTION

Marin County Parks Management
Measure A Community Oversight Committee

Audit Team:
Michelle Babb, Auditor II

Issued this 31st day of October 2022



Mina Martinovich
Director of Finance

APPENDIX A

#	Sub-Recipient Name	Measure A Program Area*	Amount Awarded to Sub-Recipient**	Amount Spent by Sub-Recipient	
1	City of Belvedere	CTSD	17,943.12	-	
2	Town of Corte Madera	CTSD	80,167.72	(334,931.64)	
3	Town of Fairfax	CTSD	64,504.05	(90,500.65)	A
4	City of Larkspur	CTSD	103,400.88	(122,291.59)	A
5	City of Mill Valley	CTSD	121,688.06	(136,927.96)	
6	City of Novato	CTSD	452,053.04	(191,580.00)	A
7	Town of Ross	CTSD	21,039.73	(19,896.88)	
8	Town of San Anselmo	CTSD	106,927.56	(46,553.00)	A
9	City of San Rafael	CTSD	500,463.33	(72,158.31)	
10	City of Sausalito	CTSD	61,209.60	(362,177.00)	A
11	Town of Tiburon	CTSD	77,681.84	(68,344.00)	A
12	Bel Marin Keys Community Services	CTSD	62,655.77	(114,028.00)	A
13	Marin City Community Services	CTSD	71,849.18	(74,599.19)	A
14	Marinwood Community Services	CTSD	94,024.38	(115,264.17)	A
15	Muir Beach Community Services	CTSD	39,672.24	(57,167.66)	
16	Strawberry Recreation District	CTSD	96,437.34	(22,903.59)	
17	Tamalpais Community Services	CTSD	118,865.90	(87,449.71)	A
18	Tomales Community Services	CTSD	38,646.72	(14,057.51)	
19	Firehouse Community Park Agency	CTSD	55,658.16	(68,678.47)	A
20	Marin Resource Conservation	FP	145,659.24	(72,305.58)	
21	San Geronimo Valley Comm Ctr	CGP	8,000.00	(8,000.00)	
22	Bay Area Community Resource	CGP	8,000.00	(8,000.00)	
23	Marin Link	CGP	6,000.00	(6,000.00)	
24	North Marin Community Services	CGP	8,000.00	(8,000.00)	
25	Marin Community Clinics	CGP	8,000.00	(8,000.00)	
26	West Marin Community Services	CGP	8,000.00	(8,000.00)	
27	LITA-Love is the answer	CGP	3,367.00	(3,367.00)	
28	Golden Gate National Parks	CGP	8,000.00	(8,000.00)	
29	Marin Museum Society	CGP	8,000.00	(8,000.00)	
30	City of Sausalito	CGP	7,870.00	(7,870.00)	A
31	First Missionary Baptist Church	CGP	8,000.00	(8,000.00)	A
32	Marin City Community Development	CGP	2,400.00	(2,400.00)	A
33	Mercy Housing California	CGP	4,200.00	(4,200.00)	A
34	School of Environmental Leadership	CGP	8,000.00	(8,000.00)	A
35	Spahr Center	CGP	7,000.00	(7,000.00)	A
36	Multicultural Center of Marin Inc.	CGP	15,953.00	(15,953.00)	A
37	Vivalon	CGP	8,000.00	(8,000.00)	A
38	Youth Transforming Justice	CGP	8,000.00	(8,000.00)	A
TOTAL			\$2,465,337.86	(\$2,206,604.91)	

* CTSD = Cities, Towns & Special Districts
 FP - Farmland Preservation
 CGP - Community Grant Program

**Agrees to County General Ledger for FY 2020-21

A Selected for audit \$1,410,889, 64%