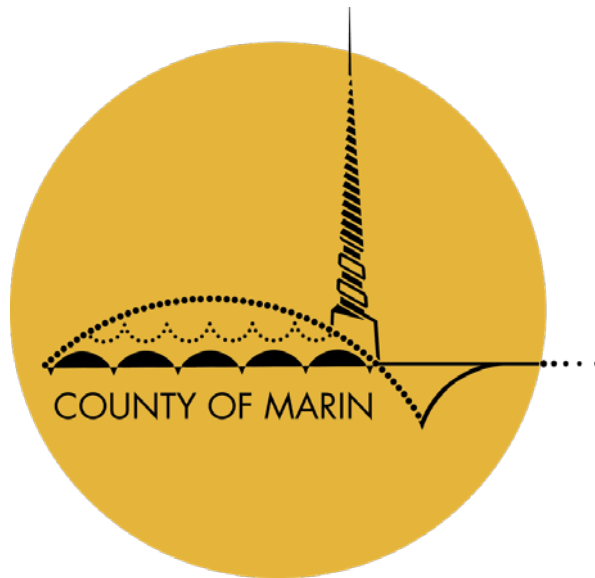


**COUNTY OF MARIN**  
DEPARTMENT OF FINANCE  
INTERNAL AUDIT DIVISION



Measure A - Marin Parks, Open Space, and Farmland Preservation  
Sales Tax Sub-Recipient Compliance Audit  
For the Fiscal Year Ended June 30, 2022

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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, 2021 THROUGH JUNE 30, 2022**

Marin County Parks Management

Measure A Community Oversight Committee:

Jonathan Kathrein  
Larry Kennings  
Joe Meylan  
Pat O'Brien  
Daniel Russell  
Robert Steinberg

**I. EXECUTIVE SUMMARY**

**Background**

Measure A was approved by voters in 2012 and became operative on April 1, 2013, whereby a 0.25% sales tax was applied countywide to support the preservation and maintenance of Marin County parks, open space preserves, and farmland. The tax levy expired nine years from the operative date, or March 31, 2022. Corresponding County Ordinance No. 3586, known as the "Marin Parks, Open Space, and Farmland Preservation Transactions and Use Tax Ordinance," includes an Expenditure Plan that outlines how the sales tax proceeds are to be allocated among three program areas, as follows:

- 65% - Parks and Open Space Program
- 20% - Farmland Preservation Program.
- 15% - City, Town, and Applicable Special Districts Program

Measure A sales tax is collected by the State Board of Equalization, which in turn is remitted to the County monthly. Financial transactions are reported in the County's general ledger in special revenue fund 2560.

A portion of Measure A proceeds are awarded to external agencies, known as "sub-recipients," through three grant programs, collectively referred to as "Sub-Recipient Grant Programs":

- (1) Grant allocations to cities, towns and applicable special districts
- (2) Matching grants through the Farmland Preservation Program
- (3) Grants to non-profit organizations, per the approval of the Marin County Board of Supervisors

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Per the provisions of Ordinance No. 3586, grant allocations under the City, Town, and Applicable Special District Program are made available through a formula-driven 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.

It should be noted that the 2012 Measure A Sales Tax had a 9-year term, which expired 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 (Oversight 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 Oversight 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 Oversight Committee is comprised of seven members appointed by the Board of Supervisors.

### **Compliance Oversight**

The Oversight Committee is responsible for the annual review of Measure A expenditures to ensure they conform to the Expenditure Plan, and to oversee an annual audit and prepare an annual report describing how Measure A 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 to sub-recipients, and to audit claims made against the Expenditure Plan for the duration of the Sub-Recipient Grant Programs.

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## II. SUMMARY OF WORK

### Audit Scope, Objective, and Approach

The scope of this compliance audit spanned a measurement period of July 1, 2021 through June 30, 2022 (FY 2022). Our audit objective was to verify that the sub-recipients of Measure A sales tax revenue were compliant in fulfilling the provisions of their respective grant agreements with the County, and that the nature of the activities contained within the grant agreements were in compliance with the Expenditure Plan.

This compliance audit was conducted in accordance with Generally Accepted Government Auditing Standards and the Institute of Internal Auditors Standards for the Professional Practice of Internal Auditing, based on an audit plan that included an assessment of the Measure A grant funds awarded to sub-recipients, and the corresponding funds spent by the sub-recipient agencies during the scope period. The Department of Finance Internal Audit Division performed its compliance testing through inquiry, observation, examination, 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 and discussed the overall Measure A funding and disbursement process. Per our review of the County's general ledger as of June 30, 2022, we note the following life-to-date Measure A Sales Tax Revenues and corresponding grants awarded to sub-recipient agencies:

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
FY 2021-22	13,219,549	2,652,341
TOTAL \$	124,279,296	\$ 34,493,933

### Audit Procedures Performed

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 the Measure A Sub-Recipient Grant Programs 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 as of June 30, 2022 agreed to their total Measure A life-to-date disbursements received less their life-to-date Measure A

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expenditures spent and reported as of June 30, 2022. In instances where there were cash reconciliation items as of June 30, 2022, we reviewed for reasonableness and reconciled to corresponding supporting documentation for completeness and accuracy. Based on the procedures performed, no exceptions were noted.

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 16 Sub-Recipients who reported Measure A funds spent from July 1, 2021 through June 30, 2022. Our sample selection provided 50% 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 2021-22 expenditures selected for testing.

### III. FINDINGS AND RECOMMENDATIONS

#### Results of Audit Procedures

Based on the compliance procedures performed, no findings were noted. Detailed work papers can be made available for review upon written request.

#### Conclusion

We have audited the sub-recipient's compliance to the specific requirements described in the Measure A Expenditure Plan for the scope period from July 1, 2021 through June 30, 2022, 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 our 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 Camacho, Audit Manager

Issued this 31<sup>st</sup> day of January 2023



Mina Martinovich  
Director of Finance

## APPENDIX A

#	Agency Name (Sub-Recipient)	* Program Area	** Amount Awarded	Amount Spent	
1	City of Belvedere	CTSD	19,650.73	-	
2	Town of Corte Madera	CTSD	87,797.13	-	
3	Town of Fairfax	CTSD	70,642.78	(10,404.47)	
4	City of Larkspur	CTSD	113,241.35	(114,795.98)	
5	City of Mill Valley	CTSD	133,268.89	(93,690.00)	A
6	City of Novato	CTSD	495,074.11	(454,562.39)	A
7	Town of Ross	CTSD	23,042.03	(22,782.70)	A
8	Town of San Anselmo	CTSD	117,103.67	(121,553.00)	
9	City of San Rafael	CTSD	548,091.52	(116,946.30)	A
10	City of Sausalito	CTSD	67,034.81	-	
11	Town of Tiburon	CTSD	85,074.67	(116,214.78)	
12	Bel Marin Keys Community Services	CTSD	68,618.61	(51,640.00)	A
13	Marin City Community Services	CTSD	78,686.94	(11,276.85)	
14	Marinwood Community Services	CTSD	102,972.51	(319,323.25)	
15	Muir Beach Community Services	CTSD	43,447.77	(13,055.75)	A
16	Strawberry Recreation District	CTSD	105,615.12	(14,555.00)	A
17	Tamalpais Community Services	CTSD	130,178.15	(111,018.99)	
18	Tomales Community Services	CTSD	42,324.60	(17,656.68)	A
19	Firehouse Community Park Agency	CTSD	60,955.04	(67,046.57)	
20	Marin Resource Conservation	FP	159,521.37	(76,691.52)	A
21	North Marin Community Services	CGP	8,000.00	(8,000.00)	A
22	Marin Community Clinics	CGP	8,000.00	(8,000.00)	A
23	West Marin Community Services	CGP	8,000.00	(8,000.00)	A
24	LITA-Love is the answer	CGP	6,000.00	(6,000.00)	A
25	Golden Gate National Parks	CGP	8,000.00	(8,000.00)	A
26	City of Sausalito	CGP	7,750.00	(7,750.00)	
27	First Missionary Baptist Church	CGP	7,225.00	(7,225.00)	
28	Mercy Housing California	CGP	8,000.00	(8,000.00)	
29	Multicultural Center of Marin Inc.	CGP	23,025.00	(23,025.00)	
30	Intersection for the Arts	CGP	8,000.00	(8,000.00)	A
31	Side By Side	CGP	8,000.00	(8,000.00)	A
TOTAL			\$2,652,341.8	(\$1,833,214.23)	

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

\*\*Agrees to County General Ledger for FY 2021-22  
 A Selected for audit \$915,580, 50%