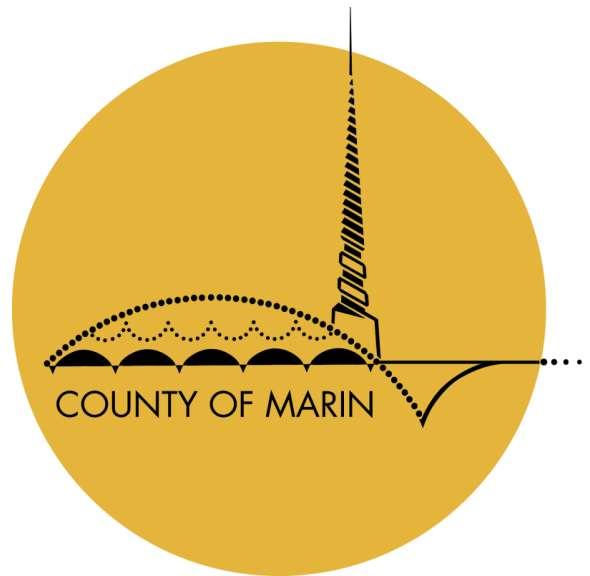


**COUNTY OF MARIN**

DEPARTMENT OF FINANCE

INTERNAL AUDIT DIVISION



Measure A Community Oversight Committee

Measure A Marin County Parks Sub-Recipient Compliance Audit

For the period July 1, 2018 through June 30, 2019

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**DEPARTMENT OF FINANCE - INTERNAL AUDIT DIVISION**  
**MEASURE A MARIN COUNTY PARKS SUB-RECIPIENT COMPLIANCE AUDIT**  
**FOR THE PERIOD JULY 1, 2018 THROUGH JUNE 30, 2019**

Marin County Parks Management  
Measure A Community Oversight Committee:  
Robert Berner  
Michael Dybeck  
Larry Kennings  
Joe Meylan  
Daniel Russell  
Mary Stompe  
Jeff Williams

**I. EXECUTIVE SUMMARY**

**Background**

Measure A was approved in 2012 by the voters of Marin County, which calls for the imposition and collection of a quarter of one percent sales tax for the purpose of funding the preservation and maintenance of open space, parks, and farmland. The 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 effective on April 1, 2013. Tax revenue is collected by the State Board of Equalization and remitted to the County each month.

Measure A includes an Expenditure Plan, which governs how the sales tax proceeds are to be spent as follows:

- (1) 65% is 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.
  - 20% is used towards natural lands preservation.
- (2) 20% is allocated towards the Farmland Preservation Program
- (3) 15% is allocated to the City, Town, and Applicable Special Districts Program

A Community Oversight Committee (the Committee) was created by the Board of Supervisors (BOS) and reports to the Director and General Manager of Marin County Parks and the Marin County Open Space District. It is the responsibility of the Committee to review expenditures on an annual basis to ensure they conform to the Expenditure Plan. In accordance with the provisions of Measure A, Marin County Parks engages an external auditing firm to conduct annual compliance audits of Measure A funding as a whole. The compliance audit procedures include:

- (1) Verify that the County deposited 100% of Measure A sales tax receipts into the County's Measure A Fund
- (2) Verify the correct allocation of Measure A receipts to the three programs included in the Expenditure Plan
- (3) Verify that the payments made from Measure A funds were valid and for allowable activities, as stated in the Expenditure Plan
- (4) Verify that payroll costs charged to the Measure A Fund were appropriate and valid
- (5) Verify that the County did not exceed the 5% administration cost limit for Parks and Open Space program and Farmland Preservation Program

The table below provides the Measure A annual and life-to-date revenues, expenditures and unspent balances as of fiscal year-end through the measurement period of this report.

	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	Life to Date
<b>Balance from Prior Year</b>	-	<b>10,431,018</b>	<b>17,419,701</b>	<b>20,424,587</b>	<b>21,918,661</b>	<b>17,603,403</b>	
Measure A Tax Revenue	14,457,591	12,779,350	13,312,972	13,177,763	13,344,388	14,673,946	81,746,010
Interest Income	6,383	24,317	39,578	96,050	176,361	274,103	616,792
Grant Revenue	-	-	31,234	97,144	170,017	327,222	625,617
Miscellaneous Revenue	-	-	85,719	23,909	170,037	82,509	362,174
<b>Total Revenues</b>	<b>14,463,974</b>	<b>12,803,667</b>	<b>13,469,503</b>	<b>13,394,866</b>	<b>13,860,803</b>	<b>15,357,780</b>	<b>83,350,593</b>
Salaries and Benefits	878,257	1,686,322	2,285,336	3,035,708	3,063,428	3,419,965	14,369,016
Services and Supplies	571,664	1,370,178	2,625,787	4,727,848	6,012,915	4,251,953	19,560,345
Admin & Financial Services	217,416	336,880	411,960	435,924	493,645	555,718	2,451,543
Contributions to Other	1,711,508	1,594,200	2,260,438	1,751,057	1,945,992	2,433,302	11,696,497
Pass-through Grantee Awards	602,486	263,567	2,136,661	1,950,255	6,660,081	3,373,389	14,986,439
Capital Outlay	51,625	230,040	15,443	-	-	38,000	335,108
Preserve natural lands	-	-	605,000	-	-	3,098,325	3,703,325
<b>Total Expenditures</b>	<b>4,032,956</b>	<b>5,481,187</b>	<b>10,340,625</b>	<b>11,900,792</b>	<b>18,176,061</b>	<b>17,170,652</b>	<b>67,102,273</b>
Transfers in/(out)	-	(107,500)	12,795	-	-	-	(94,705)
Interfund charges	-	(226,297)	(136,787)	-	-	-	(363,084)
<b>Total Other Financing Uses</b>	<b>-</b>	<b>(333,797)</b>	<b>(123,992)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(457,789)</b>
<b>Unspent balance</b>	<b>10,431,018</b>	<b>17,419,701</b>	<b>20,424,587</b>	<b>21,918,661</b>	<b>17,603,403</b>	<b>15,790,531</b>	<b>15,790,531</b>

Source: Annual Independent Auditor's Report on Compliance with Measure A Funds

Measure A funds have been awarded to sub-recipients through three grant application processes as follows:

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

The annual awards 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 the sales tax increase. The Department of Finance Internal Audit Division (DOF-IAD) was called upon by the Committee to audit claims against the Expenditure Plan for the duration of the sub-recipient programs.

From FY 2013-14 through FY 2018-19, \$27,133,876 has been awarded to sub-recipients, of which \$23,003,859 has been spent by the sub-recipients. The table below provides the annual disbursements and corresponding sub-recipient expenditures.

	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	Total
Cities, Towns &	1,711,508	1,594,200	2,203,761	1,751,057	1,945,992	2,404,801	11,611,319
Farmland	602,486	263,567	2,110,886	1,950,255	6,660,081	3,373,389	14,986,439
Community Grant	-	82,295	74,577	118,401	142,222	118,623	536,118
<b>Total Disbursements</b>	<b>2,313,994</b>	<b>1,940,062</b>	<b>4,389,224</b>	<b>3,819,713</b>	<b>8,748,295</b>	<b>5,896,813</b>	<b>27,133,876</b>
<b>Sub-Recipient</b>	<b>560,453</b>	<b>1,082,278</b>	<b>3,815,698</b>	<b>3,440,432</b>	<b>8,551,755</b>	<b>5,553,243</b>	<b>23,003,859</b>
Selected for Audit	330,095	318,632	2,525,704	1,332,755	6,816,375	3,781,460	15,105,021
Audit Coverage	59%	29%	66%	39%	80%	68%	66%

The table below presents disbursements made to sub-recipients from July 1, 2018 through June 30, 2019.

#	Sub-Recipient	Program*	Amount Allocated**	Amount Spent	
1	City of Belvedere	CTSD	17,293.93	(10,234.00)	A
2	Town of Corte Madera	CTSD	77,267.19	-	
3	Town of Fairfax	CTSD	62,170.25	(33,537.00)	A
4	City of Larkspur	CTSD	99,659.75	(69,898.61)	A
5	City of Mill Valley	CTSD	172,743.90	-	
6	City of Novato	CTSD	641,717.89	(463,266.63)	
7	Town of Ross	CTSD	29,867.22	(20,107.00)	
8	Town of San Anselmo	CTSD	103,058.85	-	
9	City of San Rafael	CTSD	482,356.19	(885,905.89)	
10	City of Sausalito	CTSD	86,890.90	-	
11	Town of Tiburon	CTSD	74,871.25	(82,525.23)	A
12	Bel Marin Keys Community Services	CTSD	60,388.84	(51,528.35)	
13	Marin City Community Services District	CTSD	69,249.63	(29,355.51)	A
14	Marinwood Community Services	CTSD	90,622.51	(27,423.61)	
15	Muir Beach Community Services	CTSD	38,236.87	(37,913.78)	

#	Sub-Recipient	Program*	Amount Allocated**	Amount Spent	
16	Strawberry Recreation District	CTSD	92,948.18	(21,074.79)	
17	Tamalpais Community Services District	CTSD	114,565.24	(191,371.94)	
18	Tomales Community Services District	CTSD	37,248.46	(9,776.92)	A
19	Firehouse Community Park Agency	CTSD	53,644.41	(53,191.13)	
20	Marin Resource Conservation District	FP	140,389.19	(194,510.51)	A
21	Marin Agricultural Land trust	FP	3,233,000.00	(3,233,000.00)	A
22	San Geronimo Valley Community	CGP	24,750.00	(24,750.00)	A
23	Marin City Community Services District	CGP	15,470.10	(15,470.10)	A
24	Trips for Kids	CGP	8,000.00	(8,000.00)	A
25	Bay Area Community Resources	CGP	20,000.00	(20,000.00)	A
26	Marin Link	CGP	9,401.54	(9,401.54)	A
27	Marin Community Clinics	CGP	25,000.00	(25,000.00)	A
28	Clark, Bridget	CGP	3,999.89	(3,999.89)	A
29	West Marin Environmental Action	CGP	8,000.00	(8,000.00)	A
30	LITA - Love Is the Answer	CGP	4,001.00	(4,001.00)	A
	<b>Total</b>		<b>\$5,896,813.18</b>	<b>(\$5,533,243.43)</b>	

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

\*\* Agrees to County General Ledger for FY 2018-19  
 A Selected for audit \$3,781,460, 68%

### Objective

Our overall audit objective was to verify that the sub-recipients of the County's Measure A sales tax revenue were compliant with their corresponding grant agreements with the County. Specific compliance audit objectives included the following:

1. Obtain an understanding of Measure A funding and disbursements to sub-recipients.
2. Verify that sub-recipient's expenditures made from Measure A funds are allowable per the requirements specified in the Expenditure Plan.
  - a. City, Town, and Applicable Special District Program (CTSD)
  - b. Farmland Preservation Program (FP)
  - c. Community Grant Program (CGP)
3. Verify that Measure A funds are maintained by sub-recipients in a separate general ledger or special revenue fund.

### Scope and Approach

The sub-recipient compliance audit was conducted based on an audit plan that included an assessment of the subrecipient's Measure A revenues and expenditures. To ascertain an understanding of the process, risks, and controls of the Parks Measure A program, we met with Marin County Parks Measure A Program Coordinator and Fiscal Officer. The scope of this audit included an examination and assessment of the sub-recipient's compliance to the Measure A expenditures for the period July 1, 2018 through June 30, 2019.

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### **Summary of Work**

We performed testing through inquiry, inspection and examination during the scope period noted above, and performed our examination in accordance with Generally Accepted Government Auditing Standards and the Institute of Internal Auditors Standards for the Professional Practice of Internal Auditing. The following audit procedures were performed for Measure A funds distributed to sub-recipients for the period from July 1, 2018 through June 30, 2019:

1. Obtained and documented an understanding of the overall Measure A funding and disbursements procedures to assess adequacy of internal controls. The knowledge of the ordinance and procedures were considered when substantive testing was performed.
2. Verified that sub-recipient expenditures made from Measure A funds are allowable per the approved Measure A Expenditure Plan, over the following programs:
  - a. City, Town and Applicable Special District Program (CTSD)
  - b. Farmland Preservation Program (FP)
  - c. Community Grant Program (CGP)
3. Confirmed that Measure A funds received by sub-recipients for the year-ended June 30, 2019 were maintained in a separate general ledger or special revenue fund. Of the 30 sub-recipients that received funds during the fiscal year, 19 are under the City, Town, and Special District Program, 2 are under the Farmland Preservation Program and 9 are under Community Grant Program.

Please note that detailed audit work papers are available for review upon written request to the DOF-IAD.

## **II. FINDINGS AND RECOMMENDATIONS**

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

### **Results of Audit Procedures**

1. We obtained and documented an understanding of the overall Measure A funding and disbursement procedures, as well as obtained a high-level understanding of selected for audit sub-recipients' internal controls by examining the supporting Measure A work plan and expenditure reports they submitted. We determined that the 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 sub-recipient's expenditures were spent in accordance with the requirements in the Expenditure Plan by reviewing approved work plan, tracing expenditures to supporting invoices and payment information, and reviewing the nature of each expenditure to determine if it was in accordance with the Expenditure Plan. We judgmentally selected 17 sub-recipients with FY 2019 expenditures, which in turn provided 68% audit coverage for the measurement period under audit. No exceptions were noted. See the

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detailed table in the Background section for the list of sub-recipients and expenditures that were tested.

3. We confirmed the Measure A fund balances as of June 30, 2019 by requesting sub-recipients to complete a confirmation letter, showing the beginning balance from prior year, plus current year's revenues and current year's expenditures, as well as a obtaining a copy of their general ledger. No exceptions were noted.

### **Conclusion**

We have audited the sub-recipient's compliance with the specific compliance requirements described in the County's Measure A Expenditure Plan for the period from July 1, 2018 through June 30, 2019, 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.

### **III. DISTRIBUTION**

Marin County Parks Management

Measure A Community Oversight Committee

Audit Team:

Margie Roberts, Audit Manager

Michelle Babb, Auditor I

Issued this 3<sup>rd</sup> day of February 2021



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**Roy Given, CPA**  
**Director of Finance**