

Marin County Parks

Measure A Funds

San Rafael, California

*Independent Auditor's Report on
Compliance with Measure A Funds*

For the fiscal year ended June 30, 2018

Marin County Parks
County of Marin - Measure A Funds
For the fiscal year ended June 30, 2018

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INDEPENDENT AUDITOR'S REPORT ON MEASURE A COMPLIANCE

To the Marin County Board of Supervisors, Measure A Community Oversight Committee,
And Management of Marin County Parks
San Rafael, California

Compliance

We have audited the Marin County Parks' (County) compliance with the types of compliance requirements described in County of Marin Ordinance 3586 applicable to the County of Marin's Measure A Funds (Measure A Funds) for the fiscal year ended June 30, 2018.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of the County's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; and the standards applicable to financial audits contained in *Government Audit Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Measure A Funds occurred. An audit also includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

Opinion

In our opinion the County complied, in all material respects, with the compliance requirements referred to above that are applicable to the Measure A Funds for the fiscal year ended June 30, 2018.

Internal Control Over Compliance

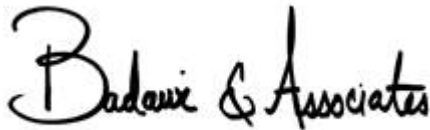
Management of the County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

To the Marin County Board of Supervisors, Measure A Community Oversight Committee,
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A deficiency in internal control over compliance 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, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on County of Marin Ordinance 3586. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates
Certified Public Accountants
Oakland, California
February 7, 2019

**Marin County Parks
County of Marin - Measure A
Schedule of Revenues and Expenditures
For the fiscal year ended June 30, 2018**

	Parks and Open Space Program	Farmland Preservation Program	City, Town, and Applicable Special District Program	Total
Unspent balance, July 1, 2017	\$ 15,671,816	\$ 5,640,348	\$ 606,497	\$ 21,918,661
Revenues				
Measure A revenue	8,673,852	2,668,878	2,001,658	13,344,388
Use of money and property	176,361	-	-	176,361
Grant	170,017	-	-	170,017
Other	170,037	-	-	170,037
Total revenues	9,190,267	2,668,878	2,001,658	13,860,803
Expenditures				
Salaries and benefits	3,063,428	-	-	3,063,428
Services and supplies	6,012,915	-	-	6,012,915
Administration and financial services ¹	383,084	68,282	42,279	493,645
Contributions to other governments	-	-	1,945,992	1,945,992
Pass-through grantee awards	-	6,660,081	-	6,660,081
Total expenditures	9,459,427	6,728,363	1,988,271	18,176,061
Unspent balance, June 30, 2018 ²	\$ 15,402,656	\$ 1,580,863	\$ 619,884	\$ 17,603,403

1 The Administrative and financial services include overhead cost charged by the County which was shown as interfund charges under other financing uses in the prior years.

2 The unspent balance as of June 30, 2018 is the cumulative result of Measure A revenues and expenditures since the passage of Measure A.

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**Marin County Parks
County of Marin – Measure A Funds
Notes to Schedule of Revenues and Expenditures
For the fiscal year ended June 30, 2018**

1. MEASURE A

Under Measure A, approved by the voters of Marin County in 2012 (Measure A), the County receives a portion of the proceeds of an additional one-quarter cent sales tax to be used to preserve quality of life and maintain open space, parks, and farmland, with funds that cannot be taken by the State. Measure A includes an Expenditure Plan, which governs how the funds raised by the sales.

2. EXPENDITURE PLAN

The programs included in the Expenditure Plan were as follows:

Parks and Open Space Program – The purpose of this program is to protect or restore natural resources, maintain existing county parks and open space preserves, and preserve natural lands. Sixty five percent (65%) of revenues generated annually by this Measure shall be made available for the following uses:

- Protect or restore natural resources and maintain existing county parks and open space preserves. The purpose of this element is to protect or restore natural resources, and maintain our existing county parks and open space preserves. Eighty percent (80%) of the Parks and Open Space Program’s annual amount shall be used for the following purposes.
 - i. Protect and restore wetlands along Marin's coastline and bay shoreline to protect wildlife habitat, including habitat for shorebirds, waterfowl, and endangered wildlife such as the California clapper rail and salt marsh harvest mouse.
 - ii. Protect water quality and fish habitat by reducing erosion and sedimentation, and/ or engaging in restoration projects in streams and creeks within county parks and preserves including, but not limited to, Coyote Creek, Miller Creek, Lagunitas Creek, Corte Madera Creek, Rush Creek, Novato Creek, and Las Gallinas Creek.
 - iii. Reduce the risk of wildfire, enhance biodiversity, and control populations of invasive, non-native weeds in communities throughout Marin in close consultation with city, town, and county fire districts and agencies, in accordance with the Marin County Parks Vegetation and Biodiversity Management Plan.
 - iv. Repair, maintain, and/or replace deteriorating facilities and infrastructure in open space preserves that orient and inform visitors, enable public access, protect natural resources, enhance safety, and prevent slope instability and flooding affecting downstream areas. Facilities and infrastructure include, but are not limited to, signs, gates, fences, flood prevention and drainage improvements, slope stability improvements, culverts, retaining walls, and bridges.
 - v. Repair, maintain, and/or replace deteriorating recreation facilities and infrastructure in county parks and on county regional pathways. Facilities and infrastructure include, but are not limited to, children's playgrounds, bathrooms, water fountains, water lines, picnic areas and tables, the swimming pool at McNear's Beach Park, signs, sea walls, kayak and canoe

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For the fiscal year ended June 30, 2018

2. EXPENDITURE PLAN, Continued

launches, fishing piers, paved multiuse pathways such as Mill Valley/Sausalito bike path and Corte Madera Creek bike path, tennis courts, basketball courts, the skate park at John F. McInnis Park, landscape plantings, parking lots, irrigation systems, and ball fields.

- vi. Implement trail projects to protect water quality, sensitive habitats and natural areas (including habitat for rare and endangered species); reduce erosion; avoid unstable slopes; improve trail safety and sustainability; improve trail enjoyment and recreation opportunities; and reduce maintenance costs, in accordance with the Marin County Parks Road and Trail Management Plan. Project types may include, but are not limited to, rerouting existing trails; decommissioning (closing) unauthorized and redundant trails with concurrent habitat restoration; converting redundant or unnecessary fire roads to trails (in consultation with Marin fire agencies); building new or modifying existing trails when necessary to improve trail safety and/or achieve connections to other trails or destinations; and entering into arrangements with private land owners for essential trail connections.
- vii. Augment current visitor services for parks and open space preserves - via rangers, programming, and partnerships - to protect natural resources; support visitor safety and enjoyment; and support volunteerism and environmental education.
- Preserve natural lands - The purpose of this element is to enable fulfillment of the Marin County Parks Strategic Plan goals related to the permanent preservation of land for public open space, community separators, wildlife corridors, greenbelts, and habitat. Twenty percent (20%) of the Parks and Open Space Program's annual amount shall be used for the following purposes; however, the annual amount or its balance may be accumulated, carried over, and accrued for expenditure in future years, not to exceed ten (10) years after the termination date of the sales tax increase:
 - i. Purchase land or conservation easements from willing sellers for the purposes of permanently protecting and/or restoring natural areas, streams, bay lands, and native ecosystems with high natural resource values.
 - ii. To the extent possible, these funds would be used to leverage matching funds from public and private partners.

Farmland Preservation Program - The purpose of this program is to protect Marin County farmland at risk of subdivision and development and preserve Marin's working farms and ranches. Twenty percent (20%) of revenues generated by this Measure shall be made available for the following uses:

- Purchase perpetual agricultural conservation easements, and on land already encumbered by agricultural conservation easements, purchase additional real property interests, to protect and permanently preserve Marin County farms and ranches for productive agricultural use through voluntary transactions with landowners.

**Marin County Parks
County of Marin – Measure A Funds
Notes to Schedule of Revenues and Expenditures
For the fiscal year ended June 30, 2018**

2. EXPENDITURE PLAN, Continued

- Provide matching grants to qualified organizations to support and facilitate the purchase of perpetual agricultural conservation easements, and additional real property interests on land already encumbered by an agricultural conservation easement, through voluntary transactions with landowners.
- Provide matching grants to the Marin Resource Conservation District for the purpose of assisting ranchers and farmers in enhancing the agricultural and natural resource values on easement-protected properties. Grants for this purpose shall not exceed five percent (5%) of the Farmland Preservation Program’s annual amount.
- Provide matching grants to the entities holding easements acquired with program funds, for the purpose of monitoring and enforcing such easements. Grants for this purpose shall not exceed five percent (5%) of the Farmland Preservations Program’s annual amount.

City, Town, and Applicable Special District Program - The purpose of this Program is to assist in Marin’s municipalities and applicable special districts in managing their parks, open space preserves, recreation programs, and vegetation to promote biodiversity and reduce wildfire risk. Fifteen (15%) of the revenues generated annually by this Measure shall be made available for the following uses.

- Provide grants to cities, towns, and applicable special districts (special districts that provide for parks, open space and/or recreation in unincorporated areas), to maintain, restore, and/or renovate existing parks, preserves, and recreational facilities; to construct new parks and recreational facilities or acquire parklands; or to engage in vegetation management to reduce wildfire risk, promote biodiversity, or control invasive non-native weeds on private, municipal, or district lands.
- Funds shall be available through a grant allocation process that will be designed in concert with the cities, towns, and applicable special districts. The grant allocation process, but not the individual projects, shall be subject to approval by the Marin County Board of Supervisors. This program’s annual amount or its balance, may be accumulated, carried over, and accrued for expenditure in future years, not to exceed ten (10) years after the termination date of the sales tax increase.

3. OVERSIGHT COMMITTEE AND IMPLEMENTATION

A. *Community Oversight Committee*

A Community Oversight Committee shall be created by the Marin County Board of Supervisors within six months of the effective date of Ordinance No. 3586 levying the sales tax increase. The responsibilities of this committee shall be to review Plan expenditures on an annual basis to ensure they conform to the Plan, and oversee an annual audit and prepare an annual report describing how the funds were spent.

**Marin County Parks
County of Marin – Measure A Funds
Notes to Schedule of Revenues and Expenditures
For the fiscal year ended June 30, 2018**

3. OVERSIGHT COMMITTEE AND IMPLEMENTATION, Continued

A. Community Oversight Committee, continued

Members of the committee shall be appointed by the Board. The role of the committee shall be to advise the Board and staff on these matters. The committee shall report to the Director and General Manager of Marin County Parks.

Members of the Community Oversight Committee shall be county residents who are neither elected officials of the government, nor employees from any agency or organization that either oversees or benefits from the proceeds from the sales tax. The committee shall consist of seven at-large members.

The Board shall approve bylaws related to the conduct of committee meetings and business. Meetings of the committee shall be open to the public and shall be held in compliance with the Ralph M. Brown Act, California's open meeting law.

The committee shall dissolve after all revenue collected from this Measure is expended and a final report is submitted.

B. Implementation Requirements

Implementation of the plan shall be guided by the following procedures to ensure that the revenue generated by the Measure is spent in the most efficient and effective manner possible, consistent with servicing the public interest in Marin County, and the desires of the voters of Marin County:

- a. The Marin County Parks and Open Space Commission shall conduct a public meeting annually to gain public input on selection of projects to expend the sales tax revenues as part of the County's annual budget development process.
- b. The County of Marin is charged with the fiduciary duty to administer sales tax proceeds in accordance with applicable laws. Disbursement of funds as grants shall be subject to terms and conditions that may include, but are not limited to, the County's right to 1) require grantees to enter into funding agreements with the County; 2) require matching funds; and 3) audit a grantee's use of tax proceeds.
- c. Actual revenues generated by the Measure may be higher or lower than estimates in this Plan due to variability in annual tax receipts. The County shall annually estimate revenue from the Measure.
- d. The County may accumulate revenue over multiple years so that sufficient funding is available for larger and long-term projects. All interest income shall be used for the purposes identified in this Plan, and shall accrue proportionately to the sales tax increase, unused funds and accrued interest from the Farmland Preservation Program, and the City, town, and Applicable Special District Program shall be available for any purpose consistent with this Plan, subject to approval by the Board of Supervisors.

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3. OVERSIGHT COMMITTEE AND IMPLEMENTATION, Continued

B. Implementation Requirements, continued

- e. Sales tax proceeds are intended to augment annual County of Marin General Fund support for Marin County Parks. Any reduction in the annual net county costs below the 2012-13 allocation to Marin County Parks from the General Fund will be within the range of reductions being required from other county departments.
- f. To enhance local workforce development and employment opportunities, and involve youth and young adults in caring for our natural resources, the county will reach out to local community based, not-for-profit, and/or for profit businesses and consider these entities for the provision of new contracted services funded by this measure.
- g. No more than five percent (5%) of the Parks and Open Space Program’s annual amount may be used for administrative expenses by the County.
- h. No more than five percent (5%) of the Farmland Preservation Program’s annual amount may be used for administrative expenses by the County.

4. SUMMARY OF PROCEDURES PERFORMED

- 1) We performed the following tests of compliance:
 - a. Allocation of Measure A Sales tax receipts:
 - i. We verified that the County deposited 100% of Measure A sales tax receipts into the County’s Measure A Funds.
 - ii. We verified that the County had correctly allocated the Measure A receipts to the three programs included in the Expenditure Plan.
 - 1. The Park and Open Space Program was allocated sixty five percent (65%) of total Measure A sales tax receipts.
 - 2. The Farmland Preservation Program was allocated twenty percent (20%) of total Measure A sales tax receipts.
 - 3. The City, Town, and Applicable Special District Program was allocated fifteen percent (15%) of total Measure A sales tax receipts.

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4. SUMMARY OF PROCEDURES PERFORMED, Continued

b. Expenditures Plan:

- i. We verified that the payments made from Measure A funds were valid and for allowable activities stated in Expenditure Plan.
 1. Parks and Open Space Program – Payments made against Measure A funds allocated for this program were used to protect or restore natural resources, maintain existing county parks and open space preserves, and preserve natural lands.
 2. Farmland Preservation Program – Payments made against Measure A funds allocated for this program were used to protect Marin County farmland at risk of subdivision and development and preserve Marin’s working farms and ranches.
 3. City, Town, and Applicable Special District Program – Payments made against Measure A funds allocated for this program were used to assist in Marin’s municipalities and applicable special districts in managing their parks, open space preserves, recreation programs, and vegetation to promote biodiversity and reduce wildfire risk.
- ii. We verified payroll costs charged to Measure A funds were appropriate and valid by reviewing employee job descriptions, personnel action form, and time activity reports.
- iii. We verified that the County did not exceed the five percent (5%) administration cost limit for Parks and Open Space Program and Farmland Preservation Program.

**Marin County Parks
County of Marin - Measure A Funds
Schedule of Findings
For the fiscal year ended June 30, 2018**

CURRENT YEAR FINDINGS

No current year findings.

PRIOR YEAR FINDINGS

No prior year findings.