
County of San Mateo
Controller's Office

Report on Measure A
Sales and Use Tax Revenues

For The Period July 1, 2014 Through
June 30, 2015



November 23, 2015

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INTRODUCTION

On November 6, 2012, the voters of San Mateo County (County) passed by majority vote Measure A, *The County of San Mateo Sales and Use Tax Ordinance*. Measure A levies a half-cent tax, for a period of 10 years, on the gross receipts of any retailer selling tangible personal property in the incorporated and unincorporated territory of the County. The proceeds are to be used to support general fund services and facilities which include, among others, child abuse protection programs, 911 dispatch services, healthcare services, County parks, fire protection and other safety services, and educational programs and services. Measure A will sunset on March 31, 2023.

In open meetings the County's Board of Supervisors (Board) identified programs and services that can benefit from Measure A funds. The Board also designated a Measure A Oversight Committee (Committee) as required by the ordinance to ensure the completion of an annual audit of the Measure A sales and use tax revenues generated. Section I of this report fulfills this requirement. In addition to the required performance of an annual audit of Measure A sales and use tax revenues generated, the Committee by-laws ensure the performance of additional agreed-upon procedures related to Measure A.

This report is divided into two sections as follows:

Section I: Internal Audit of Measure A Revenues Received By the County of San Mateo, California for the Period July 1, 2014 through June 30, 2015

Section II: Agreed Upon Procedures Performed On Measure A Expenditures for the Period July 1, 2014 through June 30, 2015.

The County Controller's Office Internal Audit Division (Internal Audit Division) performed an internal audit as required by the ordinance of the Measure A sales and use tax revenues generated. The result of this audit is presented in Section I. Additionally the Internal Audit Division performed certain Agreed Upon Procedures. The results of these procedures are included in Section II.

This report covers the period July 1, 2014 through June 30, 2015. All procedures were performed in accordance with the *International Standards for the Professional Practice of Internal Auditing* established by the Institute of Internal Auditors. This report is intended solely for the information and use by the Committee, the Board, and County management. This report should not be used by anyone other than these specified parties. However, as the County is a government entity, this report is subject to public inspection.

SECTION I – Internal Audit of Measure A Revenues Received By the County of San Mateo, California for the Period July 1, 2014 - June 30, 2015

The Internal Audit Division reviewed State Remittance Advice Forms, the County's financial accounting system records, and the Comprehensive Annual Financial Report (CAFR) audited by the independent certified public accountants to determine if Measure A sales and use tax revenues received have been recorded in a separate fund in a timely and accurate manner.

Results

No exceptions noted. The Measure A fund (Fund) was established in the County's financial accounting system. All Measure A monies transmitted by the State from July 1, 2014 through June 30, 2015 were deposited into the Fund. This Fund was not used for any other purpose. We also reviewed the County's CAFR audited by the independent certified public accountants and found there were no issues reported that relate to the financial activities of Measure A funds.

SUMMARY OF MEASURE A REVENUES

Tax Period	Month Received	Amount
May 2014	July 2014	\$5,013,200
June 2014	August 2014	6,669,100
July 2014	September 2014	8,619,238
August 2014	October 2014	5,399,300
September 2014	November 2014	7,199,000
October 2014	December 2014	8,473,358
November 2014	January 2015	5,843,100
December 2014	February 2015	7,790,800
January 2015	March 2015	6,618,809
February 2015	April 2015	4,957,800
March 2015	May 2015	6,610,400
April 2015	June 2015	7,404,006
Total for Fiscal Year 2014-15		<u>\$80,598,111</u>
Total for Fiscal Year 2013-14		<u>\$75,577,548</u>
Total for Fiscal Year 2012-13		<u>\$4,397,205</u>
Total		<u>\$160,572,865</u>

SECTION II – Agreed Upon Procedures Performed On Measure A Expenditures for the Period July 1, 2014 - June 30, 2015

1. Reviewed Board Resolutions to determine if the amounts to be funded for each initiative by Measure A proceeds have been approved by the Board through the County's budget process.

Results

No exceptions noted. The Board approved each Measure A initiative and funding amount by resolution. Schedule A lists all Board approved initiatives and budgeted amounts.

2. Reviewed internal invoices representing departmental reimbursement requests and payment records to determine if the distributions made from the Measure A Fund to agencies governed by the Board were made after receipt of an invoice.

Results

No exceptions noted. All tested distributions from the Measure A fund were made after receiving invoices. Amongst the thirty-two Measure A initiatives, twenty-six were administered by agencies governed by the Board. Schedule A lists the initiatives and related expenditures that were reimbursed by Measure A monies in fiscal years 2013-14 and 2014-15.

3. Reviewed invoices received from agencies governed by the Board to determine if Measure A monies were used for purposes of the initiative approved by the Board, as evidenced by Department Head and County Manager or their designee's signature.

Results

No exceptions noted. All tested expenditures on the invoices received from agencies governed by the Board are for purposes of the initiative approved by the Board and were approved by the Department Head and County Manager or their designees.

4. Reviewed invoices to determine if the amounts spent were categorized by type of expenditure and then reviewed the County's financial accounting system records to determine if the expenditures and Measure A reimbursements were properly recorded.

Results

No exceptions noted. All tested invoices categorized the amounts spent by type of expenditure and were properly recorded in the County's financial accounting system.

5. Reviewed Board Resolutions and accounting records to determine if distributions of Measure A funds to agencies governed by the Board did not exceed the Board approved budgeted amounts for each initiative during the fiscal year.

Results

No exceptions noted. All of the distributions of Measure A funds to agencies governed by the Board did not exceed the Board approved budgeted amounts for each initiative in fiscal year 2014-15.

6. Reviewed invoices, accounting records, and Board Resolutions to determine if distributions made from the Measure A fund to entities that are not governed by the Board, agree to invoices received from those entities, and have not exceeded the amount legally authorized by the Board.

Results

No exceptions noted. All distributions from the Measure A fund equaled the invoice amounts submitted, and did not exceed the amount legally authorized by the Board. The six Measure A initiatives that were administered by entities not governed by the Board are included in Schedule A.

SCHEDULE A - Summary of Measure A Expenditures

Shared Vision 2025 Community Outcomes		Initiative Name	Department	FY 2013-14 Budget	FY 2014-15 Budget (a)	Sum of FY 2013-14 and FY 2014-15 Budget Total	FY 2013-14 Reimbursement Actual Total	FY 2014-15 Reimbursement Actual Total	Sum of FY 2013-14 and FY 2014-15 Reimbursement Actual Total	Remaining Budget
1	Collaborative	Technology Infrastructure and Open Data	Information Systems Department	\$3,230,000	\$3,230,000	\$6,460,000	\$466,499	\$4,696,824	\$5,163,323	\$1,296,677
2		Pescadero Program Fire Station - Measure A	Department of Public Works	-	6,000,000	6,000,000	-	49,588	49,588	5,950,412
3		Consultant to Planning and Building Fees	Planning and Building	100,000	-	100,000	-	-	-	100,000
4	Environmentally Conscious	County Fire Engine and Vehicle Replacement Fund	Non-County	2,000,000	1,500,000	3,500,000	47,324	603,284	650,608	2,849,392
5		Buildings and Facilities Infrastructure	Capital Projects	4,640,000	12,000,000	16,640,000	725,139	1,921,772	2,646,911	13,993,089
6		Parks Department Capital Projects	Capital Projects	1,716,500	1,716,500	3,433,000	94,262	896,070	990,332	2,442,668
7		Contribution to Parks Foundation	Parks Department	100,000	-	100,000	100,000	-	100,000	-
8		Parks Department Operations and Maintenance (b)	Parks Department	2,066,208	2,066,208	4,132,416	807,069	2,028,540	2,835,609	1,296,807
9		Seton Medical Center	Non-County	11,500,000	14,400,000	25,900,000	11,300,000	13,250,000	24,550,000	1,350,000
10		Coastside Medical Services	Health System	551,180	402,359	953,539	23,998	-	23,998	929,541
11		Prevention and Early Intervention - At Risk Children (c)	Health System, Human Services Agency	3,991,308	5,359,974	9,351,282	1,605,853	4,351,681	5,957,534	3,393,748
12	Healthy and Safe	Mental Health System of Care for Adults (d)	Health System-Behavioral Health Services	2,655,322	1,405,289	4,060,611	33,886	338,188	372,074	3,688,537
13		Students with Amazing Goals (SWAG)	County Managers Office	-	50,000	50,000	-	-	-	50,000
14		California Clubhouse	Health System-Behavioral Health Services	-	115,000	115,000	-	-	-	115,000
15		Coastside Response Coordinator	Sheriff's Office	30,000	30,000	60,000	20,114	28,167	48,281	11,719
16		School Safety	Sheriff's Office	473,219	473,219	946,438	139,331	456,093	595,424	351,014
17		SanTrans - Services to Youth, Elderly, and Disabled	Non-County	5,000,000	5,000,000	10,000,000	5,000,000	5,000,000	10,000,000	-
18a		Library Capital Needs (North Fair Oaks, Daly City, SFP)	Non-County	1,000,000	-	1,000,000	-	-	-	1,000,000
18b		Library Capital Needs (EPA, HMB, Pacific)	County JPA	1,500,000	-	1,500,000	1,126,834	78,620	1,205,454	294,546
19		Countywide Bicycle and Pedestrian Coordinator	Department of Public Works	80,000	75,500	155,500	25,963	30,338	56,301	99,199
20	Livable	Farm Labor Housing Rehabilitation and Replacement	Housing Department	-	500,000	500,000	-	22,297	22,297	477,703
21		HEART Local Housing Trust Fund Matching Program	Housing Department	1,000,000	-	1,000,000	1,000,000	-	1,000,000	-
22		North Fair Oaks General Plan Implementation	Planning and Building	3,403,500	3,080,000	6,483,500	42,157	327,791	369,948	6,113,552
23		Early Learning and Care Trust Fund - Big Lift	Non-County	5,000,000	5,000,000	10,000,000	-	-	-	10,000,000
24		Library Summer Reading Programs	Non-County/County JPA	328,300	206,300	534,600	328,300	206,300	534,600	-
25		Core Service Agencies - Emergency Housing Assistance	Human Services Agency	385,000	225,000	610,000	202,179	407,821	610,000	-
26		Court Appointed Special Advocates (CASA) for Foster Care	Human Services Agency	100,000	100,000	200,000	100,000	100,000	200,000	-
27		East Palo Alto Homeless Shelter Operating Expense	Human Services Agency	700,000	500,000	1,200,000	673,765	519,696	1,193,461	6,539
28		Homeless Outreach Teams (HOT)	Human Services Agency	150,000	150,000	300,000	66,392	150,000	216,392	83,608
29		InnVision - Motel Voucher Prog	Human Services Agency	-	338,000	338,000	-	309,288	309,288	28,712
30	Prosperous	Re-Entry Employment Preparation Program (REEP)	Human Services Agency	41,096	216,120	257,216	21,350	148,812	170,162	87,054
31		Veterans Services	Human Services Agency	100,000	258,306	358,306	-	228,074	228,074	130,232
32		Core Service Agencies - Performance Management System (e)	Information Systems Department	300,000	780,000	1,080,000	163,494	246,962	410,456	669,544
32		Total Measure A Funded Initiatives		\$52,141,633	\$65,177,775	\$117,319,408	\$24,113,909	\$36,396,204	\$60,510,113	\$56,809,295

- (a) The total fiscal year (FY) 2014-15 Budget of \$65,177,775 reported above represents the Board of Supervisors (Board) Approved Measure A budget as presented at its February 10, 2015 meeting, including \$8,079,860 in Appropriation Transfer Requests. The final adjusted FY 2014-15 Budget totals \$76,089,428 per the Budget Reporting and Analysis Support System (BRASS). The County's budget system of record. The difference of \$10,911,653 represents unspent appropriations at the end of FY 2013-14 rolled over to FY 2014-15 and timing differences as they relate to the appropriation of approved capital projects.
- (b) Parks Department Operations and Maintenance Initiative includes the Natural Resource Management initiative.
- (c) Prevention and Early Intervention - At Risk Children Initiative was approved by the Board under one aggregate amount. Initiatives include Emergency Case Management, CORA Legal Expenses, Parenting Project, Expansion of Mental Health (MH) Outpatient Services, Expansion of Substance Abuse Treatment, Pre-to-Three, Youth Trauma, MH First Aid, Early Onset Bipolar, Starvista, Youth Outpatient Care, Comm Collab EPA, and COE & Schools.
- (d) Mental Health System of Care for Adults Initiative were approved by the Board under one aggregate amount. Projects include Respite, SMART, and Jail Alternate.
- (e) Core Services Agencies - Performance Management includes AgreeYa Clarity IT Support and BitFocus Clarity Human Services.