

## MEASURE W WEST MARIN TOT OVERSIGHT COMMITTEE

March 25, 2025



### OVERSIGHT COMMITTEE

Michelle Clein  
CHAIR

Pamela Lichtenwalner  
VICE CHAIR

Mike Durrie  
Kirk Marckwald  
Robert Steinberg

### STAFF

Jennifer Menicucci  
Marin County Fire Department  
measurewoc@marincounty.gov  
415 473 7097

Miguel Liencres  
Community Development Agency  
measurewoc@marincounty.gov  
415 473 6963

Marin County Civic Center  
3501 Civic Center Drive  
Suite 308  
San Rafael, CA 94903

Marin County Board of Supervisors  
3501 Civic Center Drive  
San Rafael, CA 94903

**SUBJECT:** The Measure W West Marin Transient Occupancy Tax (TOT) Oversight Committee's review of the County of Marin's Measure W West Marin Transient Occupancy Tax Compliance Audit Report for the period of July 1, 2023, to June 30, 2024.

Dear Board of Supervisors,

**RECOMMENDATION:** The Measure W West Marin Transient Occupancy Tax Oversight Committee recommends to the Board of Supervisors to accept the Measure W West Marin Transient Occupancy Tax Compliance Report for the period of July 1, 2023, to June 30, 2024.

**BACKGROUND:** The Measure W West Marin Transient Occupancy Tax Oversight Committee (Committee) exists by virtue of Marin County Ordinance No. 3692 which was approved by your Board on July 31, 2018. Measure W was approved by Marin County voters on November 6, 2018.

Per Ordinance No. 3692, Measure W created a transient occupancy tax rate of four (4.00) percent ("the West Marin Transient Occupancy Tax") of rent charged in the West Marin Transient Occupancy Tax Area, in addition to the tax rate of ten (10) percent applicable to the entire unincorporated County of Marin. The West Marin Transient Occupancy Tax is a special tax that shall be used for the benefit of the West Marin Transient Occupancy Tax Area. The Special Tax became effective January 1, 2019. Half of the West Marin Transient Occupancy Tax collected must be allocated to fire and emergency services in the West Marin Transient Occupancy Tax Area and half must be allocated for community housing in the West Marin Transient Occupancy Tax Area.

The Measure W Transient Occupancy Tax funds are overseen and administered by Marin County Fire Department for the fire and emergency services programs, whereby specific allocation amounts are provided to fire districts and volunteer fire departments located in West Marin and Marin Community Development Agency (CDA) oversees and administers the Measure W community housing program. All Measure W funding allocation

and spending plans are subject to the approval of the Marin County Board of Supervisors.

**SUMMARY:** On March 13, 2025, the Audit report for fiscal year 2023-24 was presented to the Oversight Committee by Michelle Camacho, the Audit Manager for Marin County. The revenues and expenditures for the fiscal year 2023-24 were spent and distributed according to the Measure W West Marin Transient Occupancy Tax per the fifty/fifty split for fire and emergency services and community housing for the West Marin area.

The Committee recommends further follow up by Department of Finance with Marin County Fire to ensure that the observation and findings in the report, with Marin County Fire have implemented corrective actions, which include the recommendations from Department of Finance regarding new policies, procedures, and further oversight to be set in place to avoid future accounting inaccuracies for future audit reports.

As a reminder to the Board, Marin County Fire serves as both the administrator of all the fire-related funds and as a member agency which receives a portion of the funds. To avoid any appearance of conflicts, it is essential that Marin County Fire implements additional procedures in place to keep fund accounts accurate, ensure accounting calculations and procedures for fees, distributions, expenditures, and allocations are managed correctly and transparently.

We appreciate the efforts of the Housing Working Group and the Department of Finance to present the housing projects in a much clearer format than before. It allowed members of this committee to better understand priorities and prospects of this crucial finding area of the TOT. We recommend that the Board of Supervisors accepts the compliance audit report for the fiscal year of 2023-2024 along with the comments in this letter.

Sincerely,

*Michelle Clein*

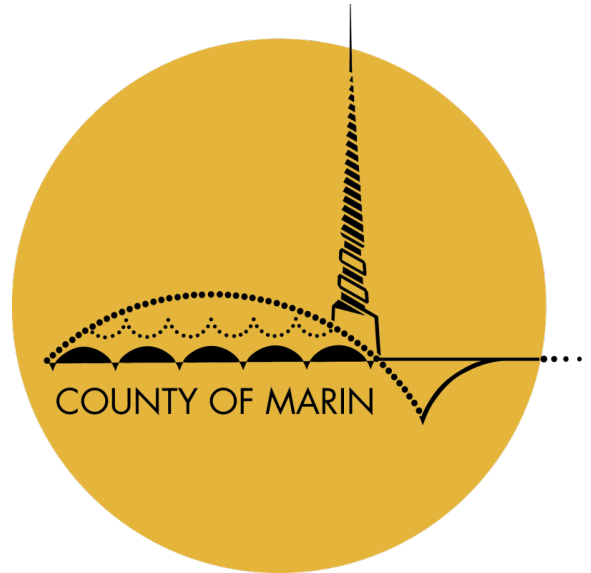
Michelle Clein  
Chair  
Measure W West Marin Transient Occupancy Oversight Committee

Attachment: Measure W – West Marin Transient Occupancy Tax Compliance Audit for fiscal year ended June 30, 2024.

**COUNTY OF MARIN**

DEPARTMENT OF FINANCE

INTERNAL AUDIT DIVISION



Measure W Community Oversight Committee

Measure W - West Marin Transient Occupancy Tax

Compliance Audit

For the Fiscal Year Ended June 30, 2024

Department of Finance  
3501 Civic Center Drive, Suite 225  
San Rafael, CA 94903  
415 473 6154 T  
415 473 3680 F  
CRS Dial 711  
[marincounty.org/dof](http://marincounty.org/dof)

---

## Table of Contents

<b>I.</b>	<b>EXECUTIVE SUMMARY</b> .....	<b>3</b>
	Background.....	3
	Governance and Oversight Structure .....	3
	Administration .....	4
	Expenditure of Funds.....	5
<b>II.</b>	<b>SUMMARY OF WORK</b> .....	<b>6</b>
	Audit Scope and Objective .....	6
	Audit Approach .....	6
	Audit Procedures Procedures and Results .....	6
<b>III.</b>	<b>FINDINGS AND RECOMMENDATIONS</b> .....	<b>7</b>
	Results of Audit Procedures .....	7
<b>IV.</b>	<b>CONCLUSION</b> .....	<b>11</b>
	Key Recommendations and Corrective Actions .....	12
<b>V.</b>	<b>DISTRIBUTION</b> .....	<b>12</b>
<b>VI.</b>	<b>SUPPLEMENTAL INFORMATION</b>	
	2-Year Comparative Financial Statements (GAAP).....	<b>APPENDIX A</b>
	Account Balances by Program Area.....	<b>APPENDIX B</b>
	Fire & Emergency Allocations Earned and Spent by Member Agency.....	<b>APPENDIX C1</b>
	Community Development Agency Funding Priorities.....	<b>APPENDIX C2</b>
	Measure W Expenditure Detail .....	<b>APPENDIX D</b>



**DEPARTMENT OF FINANCE - INTERNAL AUDIT DIVISION**  
**MEASURE W-WEST MARIN TRANSIENT OCCUPANCY COMPLIANCE AUDIT**  
**FOR THE AUDIT PERIOD JULY 1, 2023 THROUGH JUNE 30, 2024**

Community Development Agency  
Marin County Fire Department  
Measure W West Marin TOT Oversight Committee:  
Michelle Clein  
Mike Durrie  
Pamela Lichtenwalner  
Kirk Marckwald  
Robert Steinberg

**I. EXECUTIVE SUMMARY**

**Background**

On November 6, 2018, voters in West Marin approved Measure W, establishing the West Marin Transient Occupancy Tax (TOT) area to address the impacts of tourism on local communities. The measure increased the TOT rate from 10.0% to 14.0% for hotels and short-term rentals and introduced a 4.0% TOT for commercial campground visitors. The additional revenue generated by Measure W is dedicated exclusively to enhancing fire and emergency services and supporting community housing within the West Marin Tax Area.

County Ordinance No. 3692 governs the administration and oversight of these funds, requiring that all revenues generated by the Measure W TOT be used solely for the benefit of West Marin and allocated equally (50%/50%) between fire and emergency services and community housing.

**Governance and Oversight Structure**

The Measure W West Marin Transient Occupancy Tax Oversight Committee (Oversight Committee) was established to provide local oversight of Measure W funds. The Committee consists of residents from the West Marin Tax Area and is responsible for reviewing the annual audit of Measure W TOT revenues and expenditures to ensure compliance with voter-approved purposes.

While the Oversight Committee plays a key role in reviewing and monitoring the use of funds, it does not have decision-making authority over allocations or expenditures. All Measure W spending plans and allocations are ultimately subject to approval by the Marin County Board of Supervisors.

Additionally, to support the administration of the community housing portion of Measure W, the Measure W Working Group for Community Housing was established. Convened and staffed by the Marin County Community Development Agency (CDA), the Working Group provides community input and recommendations on funding priorities and guidelines for housing programs but does not make recommendations on specific projects or proposals.

---

## Administration

The Marin County Tax Collector is responsible for collecting and distributing transient occupancy tax revenues, including:

- The 10.0% Uniform Transient Occupancy Tax, which applies countywide.
- The 4.0% West Marin Measure W Transient Occupancy Tax, which applies specifically to the West Marin Tax Area.

Measure W funds are exclusively allocated to the West Marin Tax Area and distributed as follows:

### 1. Fire and Emergency Services (50%)

The Marin County Fire Department oversees and administers Measure W funding for fire and emergency services. Allocation amounts are distributed to fire districts and volunteer fire departments within West Marin, including:

- Bolinas Fire Protection District (Bolinas)
- Stinson Beach Fire Protection District (Stinson)
- Fire Department in the Inverness Public Utility District (Inverness)
- Nicasio Volunteer Fire Department (Nicasio)
- Muir Beach Volunteer Fire Department (Muir Beach)
- Tomales Volunteer Fire Department (Tomales)
- Marin County Fire Department (County Fire), including stations in Tomales, Point Reyes, Hicks Valley, Woodacre, and Throckmorton

To guide funding decisions the Marin County Fire Chief convenes an ad-hoc working group, which provides recommendations before allocations are presented to the Marin County Board of Supervisors for approval. The most recent Board-approved action plan for fire and emergency services was adopted on July 16, 2019, establishing the Measure W West Marin TOT Fire and Emergency Services Allocation Plan. Under this plan, the approved distribution of Measure W funds among West Marin fire and emergency service agencies are as follows:

- 1) 17% - Bolinas Fire Protection District (Bolinas)
- 2) 17% - Stinson Beach Fire Protection District (Stinson)
- 3) 14% - Fire Department in the Inverness Public Utility District (Inverness)
- 4) 4% - Nicasio Volunteer Fire Department (Nicasio)
- 5) 8% - Muir Beach Volunteer Fire Department (Muir Beach)
- 6) 2% - Tomales Volunteer Fire Department (Tomales)
- 7) 38% - Marin County Fire Department (County Fire)

These allocations remain in effect unless modified by a future Board action.

### 2. Community Housing (50%)

The Marin County Community Development Agency (CDA) administers Measure W funding for community housing initiatives. These funds support various affordable housing programs, including but not limited to:

- Housing for public safety employees, teachers, and other workforce members
- Housing for families, seniors, and persons with disabilities
- Rental assistance programs
- Development, acquisition, and preservation of permanently affordable housing

The Measure W Working Group, convened by CDA, provides community input on funding priorities, ensuring alignment with local housing needs.

The identified priorities for 2023-24 funding cycle, which was approved by the County of Marin Board of Supervisors on April 25, 2023, are as follows:

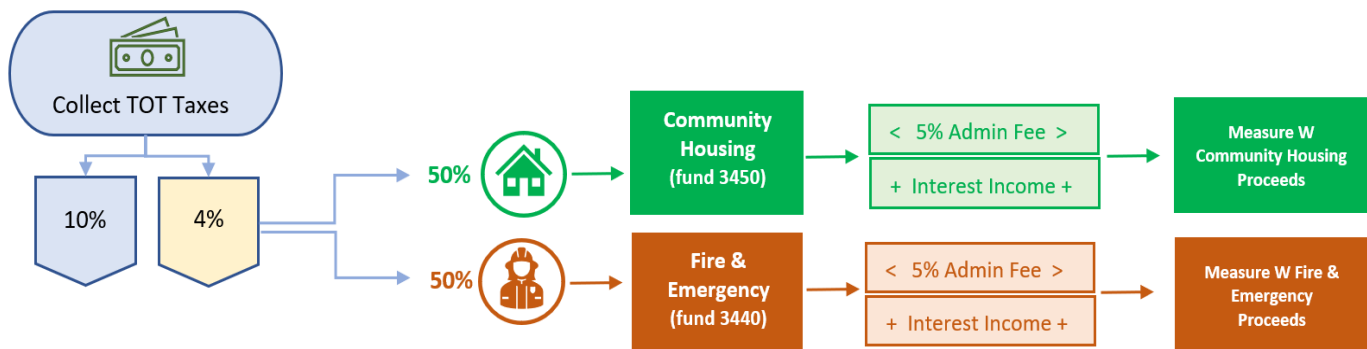
- 1) **Housing needs study** (up to \$100,000) – A study of the West Marin Tax Area to establish a baseline understanding of housing market conditions, needs, and barriers.
- 2) **Housing production** (up to 90%) – Funding to support the pre-development, acquisition, development, and preservation of rental and homeownership housing for the West Marin population and workforce, including housing for families, seniors, all types of agricultural workers, people with disabilities, and essential workers.
- 3) **Direct housing assistance** (up to \$100,000) – Funding to help stabilize West Marin families and individuals at risk of losing current housing and in need of support to acquire new housing.
- 4) **Set-aside for future larger projects** (10%) – Funding reserves for larger housing projects in the future.

### Expenditure of Funds

Administrative expenses of the County of Marin shall not exceed 5% of the annual Measure W tax revenue. The costs associated with conducting the annual audit for the Oversight Committee are paid first, and the remaining administrative expenses are split between fire and emergency services and community housing.

Measure W TOT proceeds are intended to supplement, rather than replace, existing support for West Marin fire and emergency protection and West Marin community housing. Disbursements of Measure W funds is subject to County-established terms and conditions including, but not limited to, the requirement that all recipients certify that Measure W proceeds are being used to enhance services beyond their existing resources.

### Illustration of Measure W Revenue Collection and Allocation Process



## II. SUMMARY OF WORK

### Audit Scope and Objective

For the audit period July 1, 2023 through June 30, 2024, the objective of this audit was to determine whether Measure W TOT proceeds were collected, distributed, and spent in compliance with Marin County Code Section 3.05.35 and Marin County Ordinance No. 3692.

### Audit Approach

The Measure W compliance audit was conducted following a structured audit plan that assessed internal controls, assets, liabilities, fund balances, revenues, and expenditures, as well as compliance with approved funding allocation plans. Audit testing included a combination of inquiry, inspection and examination of financial records, along with verification of fund allocations and expenditures to ensure accuracy and adherence to Measure W requirements.

This audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS, or “Yellow Book”) and the Institute of Internal Auditors (IIA, or “Red Book”) Standards for the Professional Practice of Internal Auditing. Detailed work papers supporting this audit are available for review upon written request to the Department of Finance Internal Audit Division.

### Audit Procedures and Results

The audit procedures performed, and their corresponding results are listed below:

PROCEDURE NO.	COMPLIANCE AREA	PROCEDURE DESCRIPTION	RESULTS
1	Tax Collector	Reviewed and assessed the adequacy of TOT collection policies, procedures, and documentation for both the 10.0% Uniform TOT and 4.0% Measure W TOT.	No exceptions noted
2	Tax Collector	Assessed internal controls over TOT tax collection administration to ensure compliance risks were mitigated.	No exceptions noted
3	Tax Collector	Reviewed tax collection and apportionment of West Marin TOT revenues to validate compliance with Measure W requirements.	No exceptions noted
4	Tax Collector	Examined Measure W TOT cash receipts and verified that allocations were properly split (50%/50%) between fire and emergency services (Special Revenue Fund 3440) and community housing (Special Revenue Fund 3450).	No exceptions noted
5	Fire & Emergency	Reviewed the administration of Measure W Fire & Emergency proceeds to ensure compliance with funding allocations.	Observation 1; Findings 1, 2, and 5;
6	Fire & Emergency	Verified that the Administrative Fee Reserve of not-to-exceed 5.0% was accurately calculated, retained and not subject to distribution.	Findings 3
7	Fire & Emergency	Verified that administrative fee claims were properly supported and did not exceed the allocated Administrative Fee Reserve balance.	Findings 3
8	Fire & Emergency	Verified that an ad-hoc working group was established to provide funding recommendations for West Marin fire and emergency services and that recommendations were approved by the Marin County Board of Supervisors.	No exceptions noted
9	Fire & Emergency	Examined cash disbursements made from the Measure W TOT fire and emergency services special revenue fund, validating compliance with Measure W:	
		9(a) Confirmed that Marin County Fire Department did not receive more funds in a year than the combined allocation to other West Marin fire districts and volunteer fire departments.	No exceptions noted

		9(b)	Verified that all disbursements were allocated in accordance with the Board-approved Allocation Plan (most recently approved in July 2019).	No exceptions noted
		9(c)	Reviewed supporting documentation to confirm that Measure W funds were spent only on eligible fire & emergency program expenditures.	Finding 4
		9(d)	Verified Measure W funds in the possession of each Member Agency (cash on-hand) as of July 1, 2023, and June 30, 2024, through cash confirmations signed and certified by Member Agencies. Verified that cash balances attested to as of July 1, 2023 agreed to prior year audit report. Verified that current year changes to cash balance agreed to current year expenditures incurred, as verified through audit test work performed in Procedure 9(c) above.	No exceptions noted
		9(e)	Examined certifications from member agencies to ensure that Measure W funds were used to enhance services beyond available resources.	No exceptions noted
10	Community Housing	Reviewed the administration of Measure W Community Housing proceeds.		No exceptions noted
11	Community Housing	Verified that the annual Administrative Fee Reserve of not-to-exceed 5.0% was accurately calculated, retained and not subject to distribution.		No exceptions noted
12	Community Housing	Verified that administrative fee claims were properly supported and did not exceed the Administrative Fee Reserve balance.		No exceptions noted
13	Community Housing	Examined cash disbursements from the Measure W TOT community housing special revenue fund, validating compliance with Measure W:		
		13(a)	Verified that disbursements were allocated in accordance with Board-approved or funding priorities for FY 2023-24 (as recommended by the CDA Working Group and approved by the Marin County Board of Supervisors on April 25, 2023).	No exceptions noted
		13(b)	Reviewed supporting documentation to confirm that Measure W funds were spent only on eligible community housing program expenditures.	No exceptions noted

### III. FINDINGS AND RECOMMENDATIONS

#### Results of Audit Procedures

During our audit, we identified five (5) compliance-related findings and one (1) financial reporting observation related to the administration of Measure W Fire & Emergency funds by the Marin County Fire Department in its role as administrator.

To provide clarity on the nature of these issues, we distinguish between audit findings and audit observations as follows:

- **Audit Findings** represent compliance issues, control deficiencies, or financial misstatements that require corrective action to ensure adherence to policies, regulations, or financial integrity. These findings indicate instances where internal controls were not effectively designed or were not operating as intended, which could pose financial or operational risks.

- 
- **Audit Observations** do not reflect noncompliance but instead highlight opportunities for process improvement, enhanced transparency, or increased efficiency. Observations often pertain to financial reporting matters that, if addressed, could improve the accuracy and completeness of financial records.

The following sections outline the observation and findings, along with recommendations for corrective action.

## 1. **Observation #1: Financial Reporting of Member Agency Allocations as of June 30, 2024**

### Observation:

As of June 30, 2024, Marin County Fire Department did not accrue liabilities for **\$502,520** in Measure W allocations owed to member agencies. Proper accrual of these obligations is essential for ensuring accurate financial reporting, maintaining transparency in fund administration, and facilitating timely distribution of funds to recipient agencies. The absence of these accruals may result in financial statements that do not fully reflect outstanding commitments, requiring later adjustments and reconciliations.

### Recommendation:

We recommend that the Marin County Fire Department immediately recognize the outstanding liabilities and implement a structured year-end accrual process to strengthen financial reporting accuracy. Specifically:

- Develop a standardized accrual methodology that ensures all obligated allocations are recorded in the appropriate reporting period.
- Establish a formal review process at fiscal year-end to verify that all outstanding member agency allocations are properly accrued.

### Management Response:

Marin County Fire Department disagrees with this finding. Measure W Fire distributions have never been accrued. This is due to revenue continues to post well after the end of the fiscal year and past the period where MCFD staff have the ability to make accounting entries. As a result it is not possible to make a reasonable estimate of accrued liabilities. In the case of FY2024, the books are closed and there is no way to make a change. In addition, all distributions that would have been accrued for the period have been issued eliminating any liability. If it is the position of DOF that an estimated accrual is acceptable, MCFD requests confirmation that an accrual based on a fiscal year end posting date would be acceptable practice. If this is acceptable practice it will be implemented beginning in FY2025.

## 2. **Finding #1: Unremitted Member Agency Distribution from FY 2022-23**

### Observation:

As of June 30, 2023, the Marin County Fire Department, in its capacity as a member agency, had an outstanding allocation of **\$131,731** due. As of June 30, 2024, this amount had not yet been disbursed to the department, resulting in an incomplete reconciliation of financial records and an understatement of actual financial obligations. Timely disbursement of allocated funds is critical to ensuring accurate financial reporting, maintaining transparency, and preventing delays in fund utilization for essential fire and emergency services.

### Recommendation:

We recommend that the Marin County Fire Department promptly disburse the outstanding \$131,731 to ensure the completeness and accuracy of financial reporting. Additionally, we recommend that the

---

department establish formalized reconciliation procedures to mitigate the risk of misstatements, prevent delays in fund distribution, and enhance financial accountability in future periods.

Management Response:

Marin County Fire Department agrees with the recommendation and will process the outstanding payment while implementing new reconciliation controls.

**3. Finding #2: Understatement of FY 2024 Member Agency Distributions**

Observation:

Our audit identified miscalculations in FY 2023-24 Measure W allocations of **\$14,044.31**. Distributions were understated by \$4,750 and lacked an accrual of \$9,294.31. The misallocations follow:

- Bolinas Fire Protection District: \$2,387.53
- Inverness Public Utility District Fire Department: \$1,966.21
- Muir Beach Volunteer Fire Department: \$1,123.54
- Nicasio Volunteer Fire Department: \$561.78
- Stinson Beach Fire Protection District: \$2,387.53
- Tomales Volunteer Fire Department: \$280.89
- Marin County Fire Department: \$5,336.83

Failure to allocate funds accurately may lead to financial discrepancies, delayed funding for essential fire and emergency services, and inconsistencies in financial reporting that require later adjustments (related to Observation 1).

Recommendation:

We recommend that the Marin County Fire Department correct the underpayment to affected agencies and enhance its internal review and reconciliation process to prevent future miscalculations. Specifically:

- Implement a standardized allocation template with built-in validation checks to reduce the risk of manual errors.
- Establish a final verification step before fund distributions are finalized, ensuring that allocation calculations align with Measure W's approved distribution formula.
- Establish a formal review process at fiscal year-end to verify that all member agency allocations are calculated and disbursed accurately.

Management Response:

Marin County Fire Department acknowledges the miscalculation and will issue adjustments. The Department has established procedures to review all calculations prior to all distributions.

**4. Finding #3: Overspending of Administrative Fee Reserve**

Observation:

At June 30, 2023, the Marin County Fire Department had an accumulated administrative fee reserve balance of \$100,696, designated specifically for covering administrative fee claims incurred as of June 30, 2023, and prior. This reserve was established to allow the department to catch up on previously

---

unclaimed administrative expenses, following a prior year audit finding that identified delays in processing administrative fee claims.

The department began drawing from this reserve to reimburse itself for administrative costs; however, their miscalculation in the administrative fee cap for the current year, resulted in over-expenditure of **\$16,259.56** for FY 2024. The Measure W expenditure guidelines limit administrative costs to 5% of total revenues, and miscalculations can lead to unintentional noncompliance, reducing funding availability for fire and emergency services.

Recommendation:

We recommend that the Marin County Fire Department correct its administrative fee calculation methodology and implement stronger financial controls to ensure ongoing compliance with the 5% not-to-exceed cap, inclusive of the earmark for the annual audit fee. Specifically:

- Establish a standardized calculation model that includes all relevant cost components, including the earmark for the annual audit fee, to prevent miscalculations.
- Implement a proactive review process to assess administrative fee projections before funds are expended.
- Monitor administrative fee expenditures throughout the fiscal year to ensure spending remains within allowable limits and adjustments can be made if needed.

Management Response:

MCFD agrees with the finding and will reduce the 1<sup>st</sup> half of FY25 distribution to reimburse the overdrawn amount. Additional tracking controls for the administrative reserve fund balance have been established.

**5. Finding #4: Incorrect Charging of FY 2023 Audit Fees**

Observation:

Our audit identified that the **\$5,000** FY 2023 audit fee was incorrectly charged to the Marin County Fire Department's Member Agency Fund instead of the Measure W Fire & Emergency administrative special revenue fund. Audit fees are designated administrative expenses and should be charged against the administrative reserve to ensure compliance with Measure W expenditure guidelines and proper fund classification. Misclassification of expenses can lead to distorted financial reporting and inaccurate fund balances.

Recommendation:

We recommend that the Marin County Fire Department reclassify the \$5,000 expense to the appropriate administrative special revenue fund and implement measures to prevent future misclassifications. Specifically:

- Develop clear fund allocation guidelines that specify the appropriate account coding for all Measure W administrative expenses, including audit fees.
- Integrate an expense review process to verify the correct classification of administrative charges before processing payments.
- Conduct periodic fund reconciliation reviews to identify and correct any misclassified expenses proactively.

---

Management Response:

The department acknowledges the error and will process the correction.

**6. Finding #5: Incorrect Charging of Member Agency Expenses to Administrative Fund**

Observation:

Our audit identified that a **\$228.79** expense for member agency-related costs was incorrectly charged to the administrative fund instead of the Member Agency Fund. Accurate fund classification is essential for ensuring transparency, maintaining financial integrity, and complying with Measure W expenditure guidelines. Misallocations, even if small, can contribute to cumulative reporting inaccuracies and misrepresentations of fund balances.

Recommendation:

We recommend that the Marin County Fire Department reclassify the \$228.79 expense to the appropriate Member Agency Fund and implement improved fund allocation controls to prevent similar misclassifications in the future. Specifically:

- Establish clear expenditure coding protocols to differentiate between administrative and member agency-related costs before transactions are processed.
- Implement a secondary review process to verify fund classifications before expenses are finalized in the accounting system.
- Conduct periodic reconciliation of fund expenditures to ensure all transactions are accurately recorded and aligned with Measure W requirements.

Management Response:

The department agrees and will process the necessary corrections.

**IV. CONCLUSION**

The audit of Measure W funds administered by both the Marin County Fire Department (Fire & Emergency Services) and the Marin County Community Development Agency (CDA) (Community Housing) for the fiscal year ended June 30, 2024, was conducted to assess compliance with Measure W requirements, including the collection, allocation, and expenditure of transient occupancy tax (TOT) proceeds.

Overall, the audit found that Measure W funds were used exclusively for their intended purposes—enhancing fire and emergency services and supporting community housing within the West Marin Tax Area.

- **Community Housing Administration:** The Marin County Community Development Agency effectively administered its portion of Measure W funds in compliance with the ordinance and approved funding priorities. No exceptions were identified. The agency maintained accurate records, followed approved allocation processes, and ensured that funds were spent on eligible housing initiatives.
- **Fire & Emergency Services Administration:** While the Marin County Fire Department appropriately directed Measure W funds to eligible fire agencies and programs; however, the audit identified several financial management issues requiring corrective action. These included fund distribution miscalculations, unremitted member agency distributions, absence of liability accruals, administrative fee miscalculations, and misclassification of expenditures.

---

## Key Recommendations and Corrective Actions

The findings outlined in this report highlight opportunities for improvement in financial oversight, internal controls, and reporting practices for Fire & Emergency Services funds. Our key recommendations include:

- **Enhancing reconciliation and fund allocation procedures** to ensure timely and accurate distribution of Measure W proceeds to fire agencies.
- **Implementing structured financial reporting and accrual procedures** to provide a more transparent and accurate reflection of obligations and available balances.
- **Establishing clear administrative fee tracking procedures** to ensure compliance with the Measure W 5% expenditure cap.
- **Developing and enforcing expenditure classification standards** to prevent misallocations and ensure expenses are properly assigned to the appropriate funds.
- **Correcting identified misallocations** and reinforcing financial controls to prevent future discrepancies.

The Marin County Fire Department has acknowledged the findings and committed to implementing corrective measures to enhance accountability and compliance. The Marin County Community Development Agency will continue its strong oversight of Measure W Community Housing funds, ensuring continued adherence to voter-approved funding priorities.

Moving forward, continued financial diligence and oversight will be essential to maintaining compliance with Measure W, enhancing transparency, and reinforcing public trust in the administration of these critical funds.

We appreciate the cooperation and assistance provided by the Marin County Fire Department, the Marin County Community Development Agency, and the Department of Finance Central Collections unit during this audit. For further details, the comparative financial statements, fund balances, and expenditure details can be found in the appendices of this report.

## V. DISTRIBUTION

Community Development Agency Management  
Marin County Fire Department Management  
Measure W Community Oversight Committee

Audit Team:

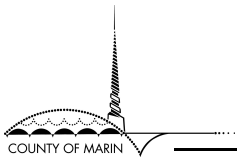
Michelle Camacho, Audit Manager  
Kulwarn Bassi, Auditor II

Issued this 10th day of March 2025



---

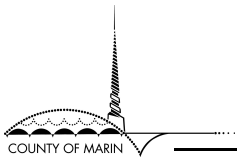
**Mina Martinovich, CPA**  
**Director of Finance**



APPENDIX A

Measure W West Marin Transient Occupancy Tax  
 Comparative Balance Sheets  
 As of June 30, 2023 and 2024

	June 30, 2023			June 30, 2024		
	Fire & Emergency	Community Housing	Total	Fire & Emergency	Community Housing	Total
<b>ASSETS</b>						
Cash and Investments in County Pool	\$ 447,417	\$ 2,391,768	\$ 2,839,185	\$ 359,869	\$ 2,608,718	\$ 2,968,586
Due from Other Funds	-	-	-	150,151	-	150,151
Total Assets	<u>447,417</u>	<u>2,391,768</u>	<u>2,839,185</u>	<u>510,020</u>	<u>2,608,718</u>	<u>3,118,738</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 60	\$ 150,025	\$ 150,085	\$ -	\$ 76	\$ 76
Due to Other Funds	131,731	-	131,731	275,731	-	275,731
Due to Other Governments	214,930	-	214,930	226,789	-	226,789.12
Total Liabilities	<u>346,721</u>	<u>150,025</u>	<u>496,746</u>	<u>502,520</u>	<u>76</u>	<u>502,596</u>
<b>FUND BALANCES</b>						
Restricted	-	2,177,270	2,177,270	-	2,514,173	2,514,173
Assigned	100,696	64,473	165,169	7,500	94,469	101,969
Total Fund Balances	<u>100,696</u>	<u>2,241,743</u>	<u>2,342,439</u>	<u>7,500</u>	<u>2,608,642</u>	<u>2,616,142</u>
Total Liabilities and Fund Balances	<u>\$ 447,417</u>	<u>\$ 2,391,768</u>	<u>\$ 2,839,185</u>	<u>\$ 510,020</u>	<u>\$ 2,608,718</u>	<u>\$ 3,118,738</u>

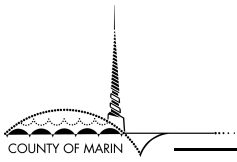


APPENDIX A

**Measure W West Marin Transient Occupancy Tax  
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2023 and 2024**

	Fiscal Year 2023			Fiscal Year 2024		
	Fire & Emergency	Community Housing	Total	Fire & Emergency	Community Housing	Total
<b>REVENUES</b>						
Taxes	\$ 907,128	\$ 907,128	\$ 1,814,256	\$ 890,187	\$ 883,254	\$ 1,773,441
From Use of Money and Property	11,183	25,552	36,735	31,437	97,249	128,685
<b>Total Revenues</b>	<b>918,311</b>	<b>932,680</b>	<b>1,850,991</b>	<b>921,624</b>	<b>980,502</b>	<b>1,902,126</b>
<b>Expenditures</b>						
Current						
General Government <sup>1</sup>	-	8,068	8,068	139,277	19,029	158,306
Public Protection <sup>2</sup>	872,395	-	872,395	875,542	-	875,542
Public Assistance <sup>3</sup>	-	300,000	300,000	-	594,575	594,575
<b>Total Expenditures</b>	<b>872,395</b>	<b>308,068</b>	<b>1,180,463</b>	<b>1,014,819</b>	<b>613,604</b>	<b>1,628,423</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>45,916</b>	<b>624,612</b>	<b>670,528</b>	<b>(93,196)</b>	<b>366,898</b>	<b>273,703</b>
Fund Balances - Beginning of Year	<u>54,780</u>	<u>1,617,131</u>	<u>1,671,911</u>	<u>100,696</u>	<u>2,241,743</u>	<u>2,342,439</u>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 100,696</b>	<b>\$ 2,241,743</b>	<b>\$ 2,342,439</b>	<b>\$ 7,500</b>	<b>\$ 2,608,641</b>	<b>\$ 2,616,142</b>

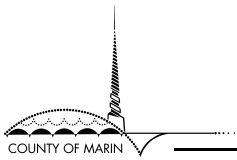
For purposes of this report: <sup>1</sup> General Government represents the Admin Fee <sup>2</sup> Public Protection represents Fire & Emergency Services <sup>3</sup> Public Assistance represents Community Housing



**APPENDIX B**

**Measure W West Marin Transient Occupancy Tax  
Account Balances by Program Area  
For the Fiscal Year Ended June 30, 2024**

	<u>Fire &amp; Emergency</u>	<u>Community Housing</u>	<u>TOTAL</u>
Unallocated Measure W Proceeds at June 30, 2023	\$ 346,661	\$ 586,046	932,707
Measure W TOT Collections	890,187	883,254	1,773,441
Pooled Interest Income	31,437	97,249	128,685
Total Measure W TOT Revenue	<u>921,624</u>	<u>980,502</u>	<u>1,902,126</u>
Less: 5% Administrative Fee Reserve	(46,081)	(49,025)	(95,106)
Total Measure W TOT Proceeds	<u>875,542</u>	<u>931,477</u>	<u>1,807,020</u>
Measure W TOT Proceeds Allocated for:			
Fire and emergency services	(643,417)	-	(643,417)
Community housing	-	(594,575)	(594,575)
Total Measure W TOT Proceeds Allocated	<u>(643,417)</u>	<u>(594,575)</u>	<u>(1,237,992)</u>
Unallocated Measure W Proceeds at June 30, 2024	578,787	922,948	1,501,735

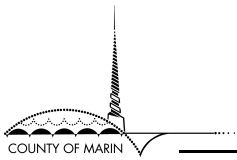


APPENDIX C1

**Measure W West Marin Transient Occupancy Tax  
Fire & Emergency Allocations Earned and Spent by Member Agency  
As of and For the Fiscal Year Ended June 30, 2024**

<b>MEMBER AGENCY</b>	<b>Allocations Due To / (From) July 1, 2023</b>	<b>Allocations Earned</b>	<b>Allocations Distributed</b>	<b>Adjustments</b>	<b>Allocations Due To / (From) June 30, 2024</b>
Bolinas	58,932	148,842	(145,591)	-	62,184
Inverness	48,533	122,576	(119,898)	-	51,210
Muir Beach	27,733	70,043	(68,513)	-	29,263
Nicasio	13,866	35,022	(34,257)	-	14,632
Stinson	58,932	148,842	(145,591)	-	62,184
Tomales	6,933	17,511	(17,128)	-	7,316
Marin County Fire	131,731	332,706	(327,369)	138,663	275,731
<b>Total</b>	<b>346,661</b>	<b>875,542</b>	<b>(858,347)</b>	<b>138,663</b>	<b>502,520</b>

<b>MEMBER AGENCY</b>	<b>Unspent Allocations July 1, 2023</b>	<b>Allocations Received</b>	<b>Allocations Spent</b>	<b>Adjustments</b>	<b>Unspent Allocations June 30, 2024</b>
Bolinas	205,733	145,591	(134,214)	-	217,110
Inverness	147,980	119,898	(103,501)	-	164,377
Muir Beach	156,100	68,513	(30,000)	-	194,613
Nicasio	2,628	34,257	(46,800)	-	(9,916)
Stinson	-	145,591	(145,591)	-	-
Tomales	51,438	17,128	(1,600)	-	66,966
Marin County Fire	434,826	327,369	(27,859)	5,229	739,565
<b>Total</b>	<b>998,705</b>	<b>858,347</b>	<b>(489,565)</b>	<b>5,229</b>	<b>1,372,715</b>



APPENDIX C2

**Measure W West Marin Transient Occupancy Tax  
Summary of Community Housing Funding Priorities  
As of and For the Fiscal Year Ended June 30, 2024**

	<b>Restricted Fund Balance at July 1, 2023</b>	<b>Allocations Earned</b>	<b>Allocations Distributed</b>	<b>Restricted Fund Balance at June 30, 2024</b>
Set Aside Reserve <sup>1</sup>	197,765	93,148	-	290,913
Housing Needs Study <sup>2</sup>	100,000	-	(95,575)	4,425
Direct Housing Assistance <sup>3</sup>	100,000	-	(50,000)	50,000
Housing Production <sup>4</sup>	<u>1,779,505</u>	<u>838,329</u>	<u>(449,000)</u>	<u>2,168,834</u> [A]
<b>Total</b>	<b><u>2,177,270</u></b>	<b><u>931,477</u></b>	<b><u>(594,575)</u></b>	<b><u>2,514,172</u></b>

[A] Of this restricted fund balance of \$2.17 million, as of June 30, 2024 approximately \$1.1 million was specifically earmarked for the following community housing grant projects, of which were recommended by the CDA Working Group as part of the FY 2023-24 Annual Funding Cycle, and as approved by the County Board of Supervisors on April 25, 2023:

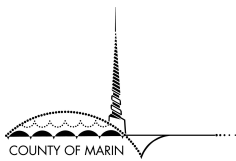
<b>Community Housing Grant Project Description Area Served</b>	<b>Total Grant Funding Approved</b>	<b>Allocations</b>	<b>Disbursed</b>	<b>Grant Project Balance as of June 30, 2024</b>
Development - Bolinas	625,000		-	625,000
Preservation - Stinson	29,000		(29,000)	-
Preservation - Bolinas	49,000			49,000
Acquisition - Bolinas	400,000		(400,000)	-
Preservation - Bolinas		20,000	(20,000)	-
Preservation - Point Reyes		<u>150,000</u>		<u>150,000</u>
	<b><u>1,103,000</u></b>	<b><u>170,000</u></b>	<b><u>(449,000)</u></b>	<b><u>824,000</u></b>

<sup>1</sup> 10% of Measure W proceeds will be set aside (accrued) for future larger housing projects (5+ units).

<sup>2</sup> Measure W proceeds will fund up to \$100,000 for studies of the Measure W Tax Area.

<sup>3</sup> Measure W proceeds will fund up to \$100,000 in direct housing assistance in the form of emergency rental assistance, security deposit assistance, and down payment assistance.

<sup>4</sup> Up to 90% of remaining Measure W proceeds will fund the pre-development, acquisition, development, and preservation of rental and homeownership housing.



**Measure W West Marin Transient Occupancy Tax  
Expenditure Detail  
For the Fiscal Year Ended June 30, 2024**

<u>FIRE &amp; EMERGENCY</u>	<u>Proceeds Spent</u>	<u>T/M</u>	<u>COMMUNITY HOUSING</u>	<u>Proceeds Spent</u>	<u>T/M</u>
Bolinas	(134,213.59)	A	Housing Production	(449,000.00)	H
Inverness	(103,501.32)	B	Direct Housing	(50,000.00)	I
Muir Beach	(30,000.00)	C	Assistance		
Nicasio	(46,800.27)	D	Housing Needs Study	(95,575.00)	J
Stinson	(145,590.55)	E	<b>Total</b>	<b>(594,575.00)</b>	
Tomales	(1,600.00)	F			
Marin County Fire	(27,859.09)	G			
<b>Total</b>	<b>(489,564.82)</b>				

T/M	Nature of Expenditures	Expense Amount	West Marin Area	Description	Recipient Entity / Agency
A	Salaries & Benefits	\$ (134,213.59)	Bolinas	Personnel Expenses: 50% of Assistant chief salary, increase in Night Officer Duty Shift pay and addition of Night Driver, and expansion of 4-month seasonal firefighter program to year-round part-time	Bolinas Fire Protection District
B	Salaries & Benefits	\$ (103,501.32)	Inverness	Personnel Expenses & Equipment	Inverness Public Utility District
C	Salaries & Benefits	\$ (30,000.00)	Muir Beach	Fire Chief Stipend	Muir Beach Volunteer Fire Department
D	Supplies & Inventory	\$ (46,800.27)	Nicasio	Supplies & Inventory, Training, and Administrative costs	Nicasio Fire Protection District
E	Salaries & Benefits	\$ (145,590.55)	Stinson	Personnel Expenses: Captain	Stinson Beach Fire Protection District
F	Equipment Rental & Training	\$ (1,600.00)	Tomales	Monthly Marketing Program	Tomales Volunteer Fire Department
G	Equipment	\$ (13,997.73)	(various)	Dive Rescue Boat	Marin County Fire
G	Equipment & Supplies	\$ (8,861.36)	(various)	Minor Equipment & Supplies	Marin County Fire
G	Professional Services	\$ (5,000.00)	(various)	Audit Fee	Marin County Fire
H	Housing Production	\$ (29,000.00)	Stinson	Roof Replacement at deed restricted affordable	CLAM Ocean Terrace roof
H	Housing Production	\$ (400,000.00)	Bolinas	Acquisition	Habitat (BCLT) Aspen Overlook
H	Housing Production	\$ (20,000.00)	Bolinas	Minor Equipment and Repairs	BCLT Septic 169 Elm Road
I	Direct Housing Assistance	\$ (50,000.00)	(various)	Rental Assistance	WMCS rental assistance
J	Housing Needs Study	\$ (95,575.00)	(various)	Housing Needs	West Marin ag worker housing