



Midpeninsula Regional
Open Space District



BOND OVERSIGHT COMMITTEE – MEASURE AA

January 17, 2017

AGENDA ITEM 3

AGENDA ITEM

Approval of Agreed-upon Procedures for the review of Measure AA expenditures

GENERAL MANAGER'S RECOMMENDATION

Review, discuss, and approve the procedures and sampling size as outlined in the staff report, after incorporating the committee's input.

SUMMARY

The purpose of this Agreed-Up-on Procedures for the Measure AA General Obligation Bonds is to outline the Bond Oversight Committee's (BOC) responsibilities with respect to their review of Measure AA Project expenditures and provide sampling parameters to obtain reasonable assurance that expenditures incurred were solely for uses, purposes, and projects authorized in the ballot measure language for Measure AA.

DISCUSSION

The BOC has the following three responsibilities for each of the years the Measure AA general obligation tax is collected or revenues expended:

1. Review Plan expenditures on an annual basis to verify conformity with the Expenditure Plan.
2. Review the District's Annual Audit and Annual Accountability report and present the Committee's findings to the Board at a public meeting.
3. Review any proposed amendments to the Expenditure Plan.

For the BOC to perform responsibilities 1 and 2, certain verification of expenditures is needed to obtain or provide reasonable assurance that the expenditures incurred were for projects authorized under Measure AA.

To obtain this verification and reasonable assurance, the Agreed-Up-on Procedures (procedures and sample selection outlined below) will provide a framework and guideline for the BOC to work with District staff.

PROCEDURES

Perform the following with respect to uses, expenditures, encumbrances, and balances for the review period

- Review MAA Project expenditures to verify conformity with the Expenditure Plan.

- Review that the uses are solely for purposes per Measure AA ballot language, specifically EXHIBIT A ‘Expenditure Plan’, in accordance with Section 2. Priority Actions.
- Review the Priority Actions with respect to the portfolio definitions, portfolio descriptions, and the associated portfolio allocations contained in the Expenditure Plan.
- If applicable, review any proposed amendments to the Expenditure Plan.
- Review the District’ Annual Audit.
- Review the District’s Annual Accountability Report for Measure AA expenditures.

SAMPLE SELECTION

Select a sample of twenty (20) transactions split as follows:

- Five (5) expenditures related to land purchases/acquisitions
- Ten (10) non-land expenditures with the highest dollar values
- Five (5) assorted project expenditures not previously tested in prior BOC reviews

FISCAL IMPACT

No fiscal impact.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

This item is not a project subject to the California Environmental Quality Act.

NEXT STEPS

If approved by the Bond Oversight Committee, implement and use the Agreed-upon Procedures for the review of Measure AA expenditures.

Responsible Department Head:

Stefan Jaskulak, Chief Financial Officer/Director of Administrative Services

Prepared by:

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