

**COUNTY OF CONTRA COSTA  
MEASURE X SALES TAX**

Independent Auditor's Reports,  
Schedule of Measure X Revenues and Expenditures,  
Other Supplementary Information and  
Independent Accountant's Report

For the Period from April 1, 2021 through June 30, 2024

**COUNTY OF CONTRA COSTA**  
**MEASURE X SALES TAX**  
For the Period from April 1, 2021 through June 30, 2024

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## Independent Auditor’s Report

Board of Supervisors and  
Members of the Measure X Community Fiscal Oversight Committee  
Martinez, California

### Opinion

We have audited the Schedule of the Measure X Revenues and Expenditures (Schedule), a Countywide half-cent sales tax fund (Fund) of the County of Contra Costa (County), for the period from April 1, 2021 through June 30, 2024, and the related notes to the Schedule.

In our opinion, the accompanying Schedule referred to above presents fairly, in all material respects, the changes in financial position of the Fund of the County of Contra Costa, for the period from April 1, 2021 through June 30, 2024 in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Emphasis of a Matter*

As discussed in Note 2, the Schedule presents only the Fund and does not purport to, and does not, present fairly the changes in financial position of the County for the period from April 1, 2021 through June 30, 2024 in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### *Management’s Responsibilities for the Schedule*

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities for the Audit of the Schedule***

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the Schedule. The accompanying budgetary comparison schedule for the period from April 1, 2021 through June 30, 2024, is presented for purposes of additional analysis and is not a required part of the Schedule. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Schedule. The information for the period from April 1, 2021 through June 30, 2024 has been subjected to the auditing procedures applied in the audit of the Schedule and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Schedule or to the Schedule itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information for the period from April 1, 2021 through June 30, 2024 is fairly stated, in all material respects, in relation to the Schedule as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2024 on our consideration of the County's internal control over the Fund's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over the Fund's financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over the Fund's financial reporting and compliance.

Macias Gini & O'Connell LLP

Walnut Creek, California  
October 18, 2024

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**COUNTY OF CONTRA COSTA**  
Schedule of Measure X Revenues and Expenditures by Fiscal Year  
For the Period from April 1, 2021 through June 30, 2024

	2020-2021	2021-2022	2022-2023	2023-2024	Cumulative Totals
<b>Revenues:</b>					
Measure X Transactions and Use Tax	\$ 24,078,616	\$ 124,883,977	\$ 118,834,413	\$ 121,276,971	\$ 389,073,977
<b>Expenditures:</b>					
Animal Services	-	-	-	-	-
Contra Costa Fire Protection District	-	2,975,650	6,993,166	13,071,693	23,040,509
Clerk-Recorder Elections Department	-	-	-	-	-
Conservation and Development Department	-	-	1,455,563	4,297,589	5,753,152
County Administrator's Office	-	109,178	232,178	1,720,888	2,062,244
Employment and Human Services	-	-	714,854	2,575,991	3,290,845
Health Services	-	-	44,004,202	47,757,568	91,761,770
Library	-	-	189,311	698,745	888,056
Office of Racial Equity and Social Justice	-	-	23,778	428,350	452,128
Probation	-	-	-	182,400	182,400
Public Defender	-	-	-	212,596	212,596
Public Works	-	11,785	178,001	3,535,053	3,724,839
Sheriff	-	-	1,617,648	1,687,067	3,304,715
Total expenditures	-	3,096,613	55,408,701	76,167,939	134,673,253
Revenues over expenditures	24,078,616	121,787,363	63,425,713	45,109,032	254,400,724
Fund Balance, beginning of year	-	24,078,616	145,865,979	209,291,692	-
<b>Fund Balance, end of year</b>	<u>\$ 24,078,616</u>	<u>\$ 145,865,979</u>	<u>\$ 209,291,692</u>	<u>\$ 254,400,724</u>	<u>\$ 254,400,724</u>

See accompanying notes to the Schedule.

**COUNTY OF CONTRA COSTA  
MEASURE X SALES TAX**

Notes to the Schedule

For the Period from April 1, 2021 through June 30, 2024

**NOTE 1 – BACKGROUND**

On November 3, 2020, registered voters of the County of Contra Costa (County) approved Measure X, a countywide 20-year, ½ cent sales tax approved by Contra Costa County voters. The ballot measure language stated that the intent of Measure X is “to keep Contra Costa’s regional hospital open and staffed; fund community health centers, emergency response; support crucial safety-net services; invest in early childhood services; protect vulnerable populations; and for other essential county services.”

The tax is not collected on the sale of food or on other transactions that are exempt from the sales tax under state law. At the time the ballot measure was drafted, the County estimated that Measure X would provide \$81 million annually. The ballot measure did not restrict the use of the sales tax proceeds to a specific governmental purpose. The tax is considered a general tax under Article XIII C of the California Constitution. A simple majority vote was required for adoption. Voters approved the sales tax with 58.5% voting “yes”. The tax was imposed through County Ordinance No. 2020-22, and collection of the tax began on April 1, 2021.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Presentation and Accounting*

The general fund of the County of Contra Costa, which includes the Measure X Contra Costa Transactions and Use Tax fund, is used to account for the County’s Measure X project activities.

The accompanying Schedule presents only the changes in financial position of the Measure X Contra Costa Transactions and Use Tax fund and does not purport to, and does not, present fairly the financial position of the County for the period from April 1, 2021 through June 30, 2024. Revenues are recognized when earned and expenditures are recognized when liability is incurred.

*Transactions and Use Tax Revenues*

Ordinance No. 2020-22, the Contra Costa Transactions and Use Tax, imposes a general tax under Article XIII C of the California Constitution. The tax is enacted solely for general governmental purposes and not for specific purposes. All proceeds of the tax are placed in the County’s general fund and used for general governmental purposes. Cash collected from this Ordinance is held in the County’s General Fund, and is allocated towards different programs, as directed by the Board of Supervisors.

*Transactions and Use Tax Expenditures*

Pursuant to Ordinance No. 2020-22, administered by the California Department of Tax and Fee Administration, the Contra Costa Transactions and Use Tax is a general tax under Article XIII C of the California Constitution. The tax is enacted solely for general governmental purposes and not for specific purposes. All proceeds of the tax are placed in the County’s general fund and used for general governmental purposes. The Board of Supervisors allocates funds towards projects. Project expenditures are tracked similarly to a grant. Unspent allocations for each Measure X-funded project are treated as assignments to the general fund.

**COUNTY OF CONTRA COSTA  
MEASURE X SALES TAX**

Notes to the Schedule  
For the Period from April 1, 2021 through June 30, 2024

*Use of Estimates*

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**NOTE 3 – ASSIGNED FUNDS**

At June 30, 2024, the General Fund has related outstanding project assignments for Measure X-funded projects as follows:

<u>Project</u>	<u>Cumulative Budgetary Appropriations</u>	<u>Cumulative Expenditures</u>	<u>Unspent Budgetary Amount</u>
Animal Services	\$ 750,000	\$ -	\$ 750,000
Contra Costa Fire Protection District	44,075,000	23,040,509	21,034,491
Clerk-Recorder Elections Department	450,000	-	450,000
Conservation and Development Department	27,725,000	5,753,152	21,971,848
County Administrator's Office	24,723,950	2,062,244	22,661,706
Employment and Human Services	35,662,700	3,290,845	32,371,855
Health Services	199,193,467	91,761,770	107,431,697
Library	4,460,000	888,056	3,571,944
Office of Racial Equity and Social Justice	2,940,000	452,128	2,487,872
Probation	2,000,000	182,400	1,817,600
Public Defender	829,000	212,596	616,404
Public Works	9,875,000	3,724,839	6,150,161
Sheriff	4,154,618	3,304,715	849,903
Totals	<u>\$ 356,838,735</u>	<u>\$ 134,673,253</u>	<u>\$ 222,165,482</u>

In addition to the unspent budgetary amounts, the County has recognized Measure X revenues that exceed the cumulative Measure X budgetary appropriations. Therefore, the County has a portion of fund balance at June 30, 2024 that has yet to be appropriated, as follows:

Cumulative Measure X revenues	\$ 389,073,977
Less: Cumulative Measure X budget appropriations	<u>(356,838,735)</u>
Unappropriated Measure X revenues	<u>\$ 32,235,242</u>

The unallocated balance at June 30, 2024 does not include allocations that apply to future fiscal years. The Board of Supervisors directed allocation of \$17,502,400 in one-time allocations for Fiscal Year 2024-2025, which is not included in the Unallocated Measure X revenue balance as of June 30, 2024.

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**COUNTY OF CONTRA COSTA**  
**Budgetary Comparison Schedule**  
For the Period from April 1, 2021 through June 30, 2024

	Cumulative Budgetary Appropriations	Expenditures by Fiscal Year				Cumulative Expenditures	Unspent Budgetary Amount
		2020-2021	2021-2022	2022-2023	2023-2024		
<b>Expenditures:</b>							
Animal Services							
Spay/Neuter, Mobile Clinic, Pet Retention Grants	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,000
Contra Costa Fire Protection District							
Build, Reopen and Staff Fire Stations	29,650,000	-	2,975,650	1,851,078	3,930,174	8,756,902	20,893,098
Fire/Wildland Mitigation/Fuel Reduction	9,225,000	-	-	3,142,087	5,941,519	9,083,606	141,394
Pinole Fire – Increase Service	4,100,000	-	-	2,000,000	2,100,000	4,100,000	-
South County Training Center and Communications	1,100,000	-	-	-	1,100,000	1,100,000	-
Clerk-Recorder Elections Department							
Diversity, Equity and Inclusion in Democracy Initiative	400,000	-	-	-	-	-	400,000
Mapping Prejudice Project	50,000	-	-	-	-	-	50,000
Conservation and Development Department							
Accessible Transportation Strategic Plan	2,870,000	-	-	840,000	1,407	841,407	2,028,593
Climate Equity and Resilience Investment	1,025,000	-	-	500,000	479,556	979,556	45,444
Illegal Dumping Initiative	1,230,000	-	-	115,563	491,548	607,111	622,889
Local Housing Trust Fund	22,600,000	-	-	-	3,325,078	3,325,078	19,274,922
County Administrator's Office							
Arts and Culture Programs	512,500	-	-	80,046	332,566	412,612	99,888
East County Community Organization Capacity Building	1,000,000	-	-	-	-	-	1,000,000
Innovation Fund	2,000,000	-	-	35,000	657,530	692,530	1,307,470
Language Access Equity for the MXCAB	101,250	-	44,178	19,635	23,845	87,658	13,592
Measure X Needs Assessment Report Writer	20,000	-	-	20,000	-	20,000	-
Measure X Reserve Fund	20,000,000	-	-	-	-	-	20,000,000
Sales Tax Consulting, Administration Expense & Staff	350,000	-	65,000	77,497	160,360	302,857	47,143
SRVFPD Behavioral Health Crisis Response	740,200	-	-	-	546,587	546,587	193,613
Employment and Human Services							
Children with Disabilities/Childcare Support	922,500	-	-	-	134,899	134,899	787,601
County Youth Centers	16,943,000	-	-	380,080	598,613	978,693	15,964,307
Develop Additional Childcare Providers	3,075,000	-	-	-	-	-	3,075,000
Early Childhood Education/Childcare	8,200,000	-	-	-	-	-	8,200,000
Family Navigators	1,372,200	-	-	99,357	402,511	501,868	870,332
Food Security	800,000	-	-	-	-	-	800,000
Master Plan for Aging/Community Based Services	3,350,000	-	-	59,499	675,392	734,891	2,615,109
Refugee Resettlement Resources	1,000,000	-	-	175,918	764,576	940,494	59,506
Health Services							
A3 Contra Costa Community Crisis Initiative	26,000,000	-	-	842,760	4,158,938	5,001,698	20,998,302
Contra Costa CARES	1,343,467	-	-	883,866	459,425	1,343,291	176
Contra Costa Regional Medical Center	82,000,000	-	-	40,000,000	42,000,000	82,000,000	-
Contra Costa Regional Medical Center Capital Projects	80,000,000	-	-	-	-	-	80,000,000
EPSDT Leverage Fund/Children's Mental Health Svcs	3,250,000	-	-	2,277,576	972,424	3,250,000	-
Mental Health Services for 26 and under, and LGBTQ+	1,400,000	-	-	-	-	-	1,400,000
Permanent Supportive Housing (Net of Match)	5,200,000	-	-	-	166,781	166,781	5,033,219
Library							
Library Building Improvements	4,000,000	-	-	63,419	485,799	549,218	3,450,782
Library Literacy Program	410,000	-	-	125,892	178,346	304,238	105,762
Startup Costs for the Library Foundation	50,000	-	-	-	34,600	34,600	15,400
Office of Racial Equity and Social Justice							
African-American Holistic Wellness - Feasibility Study	80,000	-	-	-	-	-	80,000
African-American Holistic Wellness Ctr & Resource Hub	1,000,000	-	-	-	-	-	1,000,000
Office of Racial Equity and Social Justice	1,860,000	-	-	23,778	428,350	452,128	1,407,872
Probation							
Community Based Restorative Justice	2,000,000	-	-	-	182,400	182,400	1,817,600
Public Defender							
Stand Together Contra Costa	829,000	-	-	-	212,596	212,596	616,404
Public Works							
Climate Sustainability - Sustainability Trust	5,125,000	-	11,785	145,475	3,414,643	3,571,903	1,553,097
County Facilities Deferred Maintenance	3,750,000	-	-	32,526	115,214	147,740	3,602,260
Parks in Unincorporated Communities	1,000,000	-	-	-	5,196	5,196	994,804
Sheriff							
Body Worn and In-Car Cameras	4,154,618	-	-	1,617,648	1,687,067	3,304,715	849,903
<b>Total expenditures</b>	<b>\$ 356,838,735</b>	<b>\$ -</b>	<b>\$ 3,096,613</b>	<b>\$ 55,408,701</b>	<b>\$ 76,167,939</b>	<b>\$ 134,673,253</b>	<b>\$ 222,165,482</b>

Reconciliation of total unspent budgetary amount to the Fund Balance on a GAAP basis:

Total unspent budgetary amount	\$ 222,165,482
Unappropriated Measure X revenues	32,235,242
<b>Fund Balance at June 30, 2024</b>	<b>\$ 254,400,724</b>

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**Independent Auditor’s Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Schedule  
Performed in Accordance With *Government Auditing Standards***

Board of Supervisors and  
Members of the Measure T Community Fiscal Oversight Committee  
Martinez, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the Schedule of Measure X Revenues and Expenditures (Schedule), a Countywide half-cent sales tax fund of the County of Contra Costa (County), as of and for the period from April 1, 2021 through June 30, 2024, and the related notes to the Schedule, and have issued our report thereon dated October 18, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the Schedule, we considered the County’s internal control over the Fund’s financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

A *deficiency in internal control* 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, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s Schedule will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County’s Schedule is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the Schedule. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Walnut Creek, California

October 18, 2024

## Independent Accountant's Report on Compliance with Measure X

Board of Supervisors and  
Members of the Measure X Community Fiscal Oversight committee  
Martinez, California

We have examined the County of Contra Costa's (County) compliance with certain provisions of Measure X for the period from April 1, 2021 through June 30, 2024.

Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance whether the County complied with the specified requirements, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about the County's compliance with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the County's compliance with the specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the period from April 1, 2021 through June 30, 2024.



Walnut Creek, California  
October 18, 2024

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