

## Bird Rock MAD Finances Flow Chart

**MAD Property Owners' MAD Assessment** portion of San Diego County Property Tax



### **County of San Diego**

The San Diego County Treasurer-Tax Collector collects the property taxes in two installments. Installment 1 for the current fiscal year (7/1–6/30) is due on November 1 (overdue on December 10). Installment 2 for the current fiscal year is due on February 1 (and overdue on April 10).



### **City of San Diego**

The City of San Diego receives the MAD assessment funds from the County and deposits them into a City-controlled, interest-bearing account that is specifically reserved and protected for the Bird Rock MAD as mandated by state law. This account also contains a mandatory reserve operating balance accumulated from assessment funds amounting to 10%-50% of annual operating expenses as required by the City of San Diego; other MAD income (interest, gas tax and general benefit offset funds, insurance cost recoveries), and an emergency reserve for unforeseen costs due to accidents, vandalism, theft, and other causes.



### **City of San Diego**     Contract with BRCDC (dba BRCC) for MAD management - requirements include:

BRCDC must pay **in advance** for all MAD expenses (services, consultants, materials, etc.) from a separate MAD bank account. BRCDC is subsequently reimbursed by the City for MAD expenses approximately 30 days after a reimbursement request is submitted, usually 1-3 months after incurring and paying for the expenses and after expense payments have cleared the bank.

BRCDC must submit regular reimbursement requests (no more than 12/year) to the City of San Diego, including financial reports, copies of vendor invoices and receipts, cancelled checks paid to vendors, bank statements, lists of approved vendors, etc. Reimbursement to the BRCDC is from City-controlled Bird Rock MAD assessment funds for Bird Rock MAD expenses paid by the BRCDC in the prior months. Individual vendors must provide proof of license, insurance, and conformance to the City's living wage ordinance (including copies of payroll records where applicable) and other labor code and tax law requirements.

The City of San Diego Park and Recreation Department reviews and approves the monthly reimbursement request prior to submitting the request to the City Purchasing Department. About 30 days after approval, the City issues a reimbursement payment to the BRCDC's MAD account. The BRCDC's MAD account is a net zero account and is entirely separate from the BRCDC's regular account. Monies spent from the account equal monies subsequently reimbursed to the account.

BRCDC must submit an annual budget for all anticipated MAD expenses for the upcoming fiscal year which is updated and approved by the City of San Diego Department of Parks and Recreation, Open Spaces MAD Division, and eventually approved by the San Diego City Council as part of the City of San Diego's annual budget (voted upon and approved in June each year). The budget contains the anticipated maximum MAD expenses for the fiscal year and is not the actual amount that is spent. The actual expenditure total has been less than is listed in the budget.

The City of San Diego does quarterly inspections of the MAD areas for compliance with the MAD contract and other City requirements.

The City of San Diego requires the BRCDC dba BRCC to pay for and obtain an annual independent audit of its finances at the end of each fiscal year, including its MAD expenditures and reimbursements. This audit by an independent, City-approved CPA is transmitted to the City as soon as completed.     v052121