

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS  
OF SAN MATEO COUNTY**

**PEDESTRIAN/BICYCLE PROJECTS  
TRANSPORTATION DEVELOPMENT ACT  
ARTICLE III FUND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2021**

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CITY/COUNTY ASSOCIATION OF GOVERNMENTS  
OF SAN MATEO COUNTY

PEDESTRIAN/BICYCLE PROJECTS  
TRANSPORTATION DEVELOPMENT ACT ARTICLE III FUND

FOR THE YEAR ENDED JUNE 30, 2021

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## INDEPENDENT AUDITOR'S REPORT

Governing Board of City/County Association of  
Governments of San Mateo County  
Redwood City, California

### ***Report on the Financial Statements***

We have audited the financial statements of the Pedestrian/Bicycle Projects Transportation Development Act Article III Fund (Fund) of the City/County Association of Governments of San Mateo County (C/CAG), as of and for the year ended June 30, 2021, and the related notes to the financial statements, as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements 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 Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of the Fund as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the Fund and do not purport to, and do not present fairly the financial positions of the C/CAG as of June 30, 2021, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## ***Other Matters***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the C/CAG's basic financial statements. The Supplemental Information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2021, on our consideration of the C/CAG's internal control over 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the C/CAG's internal control over financial reporting and compliance.

*Maze & Associates*

Pleasant Hill, California  
October 1, 2021

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS  
OF SAN MATEO COUNTY**

**PEDESTRIAN/BICYCLE PROJECTS  
TRANSPORTATION DEVELOPMENT ACT ARTICLE III FUND  
BALANCE SHEET  
JUNE 30, 2021**

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	<u>2021</u>
<b>Assets:</b>	
Due from Metropolitan Transportation Commission	\$ 50,000
<b>Total Assets</b>	<u>\$ 50,000</u>
<b>Liabilities and Fund Balance:</b>	
<b>Liabilities:</b>	
Due to other funds	\$ 50,000
<b>Total Liabilities</b>	<u>\$ 50,000</u>
<b>Fund Balance:</b>	
Unassigned	\$ -
<b>Total fund balance</b>	<u>-</u>
<b>Total liabilities and fund balance</b>	<u>\$ 50,000</u>

See accompanying notes to financial statements

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS  
OF SAN MATEO COUNTY**

**PEDESTRIAN/BICYCLE PROJECTS  
TRANSPORTATION DEVELOPMENT ACT ARTICLE III FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2021**

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	<u>2021</u>
Revenue:	
TDA Article 3.0 (Note 2)	<u>\$ 50,000</u>
Total Revenue	<u>50,000</u>
Expenditures:	
San Mateo County Comprehensive Bicycle and Pedestrian Plan Update	<u>50,000</u>
Total Expenditures	<u>50,000</u>
Excess of revenue over expenditures	-
Fund balance at beginning of year	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>

See accompanying notes to financial statements

**CITY/ COUNTY ASSOCIATION OF  
GOVERNMENTS OF SAN MATEO COUNTY**

**PEDESTRIAN/BICYCLE PROJECTS  
TRANSPORTATION DEVELOPMENT ACT FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**Note 1: Description of Reporting Entity**

The accompanying financial statements are prepared from the accounts and financial transactions of the City/County Association of Governments of San Mateo County (C/CAG) for the projects funded under the Transportation Development Act of 1971 (TDA) Article III of the State of California. The financial statements do not purport to present the financial position or changes in financial position of the C/CAG. The projects represent a portion of the accounts of the C/CAG and, as such, are included in the C/CAG's basic financial statements.

**Note 2: Summary of Significant Accounting Policies**

**(a) Basis of Presentation**

The Pedestrian/Bicycle Facilities Grants (Grants) have been accounted for in the Congestion Management fund, which is a major governmental fund type and is included in the C/CAG's basic financial statements. The Congestion Management fund accounts for providing support to program the San Mateo County discretionary State/Federal Transportation Funds and Commute.Org for Countywide Voluntary Trip Reduction Program.

**(b) Basis of Accounting**

The accompanying financial statements have been prepared on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recorded when the related governmental fund liabilities are incurred. Grant revenues, which are received as reimbursement for specific purposes or projects, are recognized when they become measurable and available. The C/CAG considers revenues susceptible to accrual to be available if the revenues are collected within sixty days after year-end.

**(c) Fund Balance**

The C/CAG reports fund balance for governmental funds in specific classifications (nonspendable, restricted, committed, assigned and unassigned) based on the extent to which the C/CAG is bound to the constraints on the specific purposes for which funds can be spent.

**(d) Due To Other Funds**

When needed, cash are advanced to the Grants' projects for expenditures paid by the C/CAG's major Congestion Management fund, for the benefit of the TDA Article III projects. These projects are obligated to repay advances upon receipt of reimbursement from the Metropolitan Transportation Commission.

**CITY/ COUNTY ASSOCIATION OF  
GOVERNMENTS OF SAN MATEO COUNTY**

**PEDESTRIAN/BICYCLE PROJECTS  
TRANSPORTATION DEVELOPMENT ACT FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**Note 3: Compliance Requirements**

The TDA is defined at Chapter 4 of the California Public Utilities Code commencing with Section 99200. The C/CAG has used the funds received, pursuant to Section 99233.3 of the TDA (Article III), for San Mateo County Comprehensive Bicycle and Pedestrian Plan update as authorized by the grant agency.

**Note 4: Section 99301 – Interest Earned on Allocated Funds**

The C/CAG incurred and paid expenditures prior to the receipt of the Grant reimbursements; as a result, no interest was earned on Grant funds.

**CITY/ COUNTY ASSOCIATION OF  
GOVERNMENTS OF SAN MATEO COUNTY**

TRANSPORTATION DEVELOPMENT ACT ARTICLE III FUND

Schedule of Construction Projects with  
Capital Outlay Expenditures  
For the Year Ended June 30, 2021

The following schedule identifies the projects with consulting services expenditures during fiscal year 2021:

Project Name	Total Awards	Current Year Consulting Expenditures	Cumulative Consulting Expenditures as of June 30, 2021
San Mateo County Comprehensive Bicycle and Pedestrian Plan Update	\$ 50,000	\$ 50,000	\$ 50,000
	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>

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**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING,  
ON COMPLIANCE WITH THE TRANSPORTATION  
DEVELOPMENT ACT AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Governing Board of City/County Association of  
Governments of San Mateo County  
Redwood City, 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, the financial statements of the C/CAG Comprehensive Bicycle and Pedestrian Plan Update Transportation Development Act Article III Fund (Fund) as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated October 1, 2021.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Fund'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 Fund's financial statements 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 may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Fund's financial statements are 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 determination of financial statement amounts. Our procedures included the applicable audit procedures contained in §6666 of Title 21 of California Code of Regulations and tests of compliance with the applicable provisions of the Transportation Development Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission. 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*.

We have also issued a separate Memorandum on Internal Control dated October 1, 2021, which is an integral part of our audit and should be read in conjunction with this report.

### ***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 result of that testing, and not to provide an opinion on the effectiveness of the Fund'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 Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Metropolitan Transportation Commission, management, C/CAG Board, others within C/CAG, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Maze & Associates*

Pleasant Hill, California  
October 1, 2021