

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

**STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)
PLANNING, PROGRAMMING & MONITORING PROGRAM (PPM)
PROJECT EXPENDITURES REPORT
PROJECT NUMBER PPM22L-6419(032)**

**FROM JULY 1, 2021
THROUGH JUNE 30, 2022**

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

**STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)
PLANNING, PROGRAMMING & MONITORING PROGRAM (PPM)
FROM JULY 1, 2021 THROUGH JUNE 30, 2022**

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying Project Expenditures Report (Report) for Project Number PPM22L-6419(032) (the Program) of the City/County Association of Governments of San Mateo County, California (C/CAG), for the period of July 1, 2021 through June 30, 2022, and the related notes to the report.

In our opinion, the Report referred to above presents fairly, in all material respects, the position of the Program as of June 30, 2022, and the respective changes in financial position for the period of July 1, 2021 through June 30 2022, then ended in accordance with the financial reporting provisions of the Department of Transportation of California STIP Planning, Programming & Monitoring Program (PPM).

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of C/CAG and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement 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 Matter – Basis of Accounting

We draw attention to Note 2 of the Report, which describes the basis of accounting. The Report is prepared by C/CAG, in accordance with the financial reporting provisions of the California State Transpiration Improvement Program (STIP), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of STIP. As a result, the Report may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of STIP, as described in Note 2. Management is also responsible for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Report 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 generally accepted auditing standards 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, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 financial statements, 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 financial statements.
- 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 Program' 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 financial statements.

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.

Restriction on Use

This Report is intended solely for the information and use of the City/County Association of Governments of San Mateo County, California, and the State of California 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2022, on our consideration of 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 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 C/CAG's 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 15, 2022

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

**PROJECT EXPENDITURES REPORT
PROJECT NUMBER PPM 22L-6419(032)
From July 1, 2021
Through June 30, 2022**

State Funds Allocated: \$ 262,000

Expenditures Incurred:

Project Costs:

Preliminary Engineering \$ 262,000

Sources and Amounts of Additional Funds Used (Local Fund): \$ -

State Funds Allocated but Not Used \$ -

See Accompanying Notes to Project Expenditures Report

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

**STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) PLANNING,
PROGRAMMING & MONITORING (PPM)
PPM22L-6419(032)**
PROJECT EXPENDITURES REPORT
NOTES TO PROJECT EXPENDITURES REPORT

Note 1: Project Description

PPM is defined as the project planning, programming and monitoring activities related to development of the Regional Transportation Improvement Program (RTIP) and the STIP as required, and for the monitoring of project implementation for projects approved in the STIP.

Note 2: Basis of Accounting

The STIP PPM Fund Transfer Agreement for State Funded Projects authorizes the use of monies received by the state for certain purposes. Reimbursement requests are submitted to the State to release funds directly to the City/County Association of Governments of San Mateo County (C/CAG). The amounts distributed to the C/CAG are maintained in the C/CAG's Congestion Management Fund. The expenditures and revenues of other activities of the C/CAG have not been included in this report. This report is presented in accordance with the STIP PPM Fund Transfer Agreement for State Funded Projects.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH APPLICABLE REQUIREMENTS AND ON INTERNAL
CONTROL OVER COMPLIANCE**

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

Report on Compliance

Opinion on the Program

We have audited the C/CAG's compliance with the types of compliance requirements in the State Transportation Improvement Program (STIP) Planning, Programming and Monitoring Program (PPM) Fund Transfer Agreement Project PPM 21-6419(032) that could have direct and material effect on the Project Expenditures Report (Report) for the period of July 1, 2021 through June 30, 2022.

In our opinion, C/CAG complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Program for the year ended June 30, 2022.

Basis for Opinion on the Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 Compliance section of our report.

We are required to be independent of C/CAG and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the program. Our audit does not provide a legal determination of C/CAG's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on C/CAG's compliance based on our audit. 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, *Government Auditing Standards* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about C/CAG's compliance with the requirements of the program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 C/CAG's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of C/CAG's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the STIP PPM, but not for the purpose of expressing an opinion on the effectiveness of C/CAG's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the STIP PPM Fund Transfer Agreement. Accordingly, this report is not suitable for any other purpose.

Maze & Associates

Pleasant Hill, California
October 15, 2022

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