

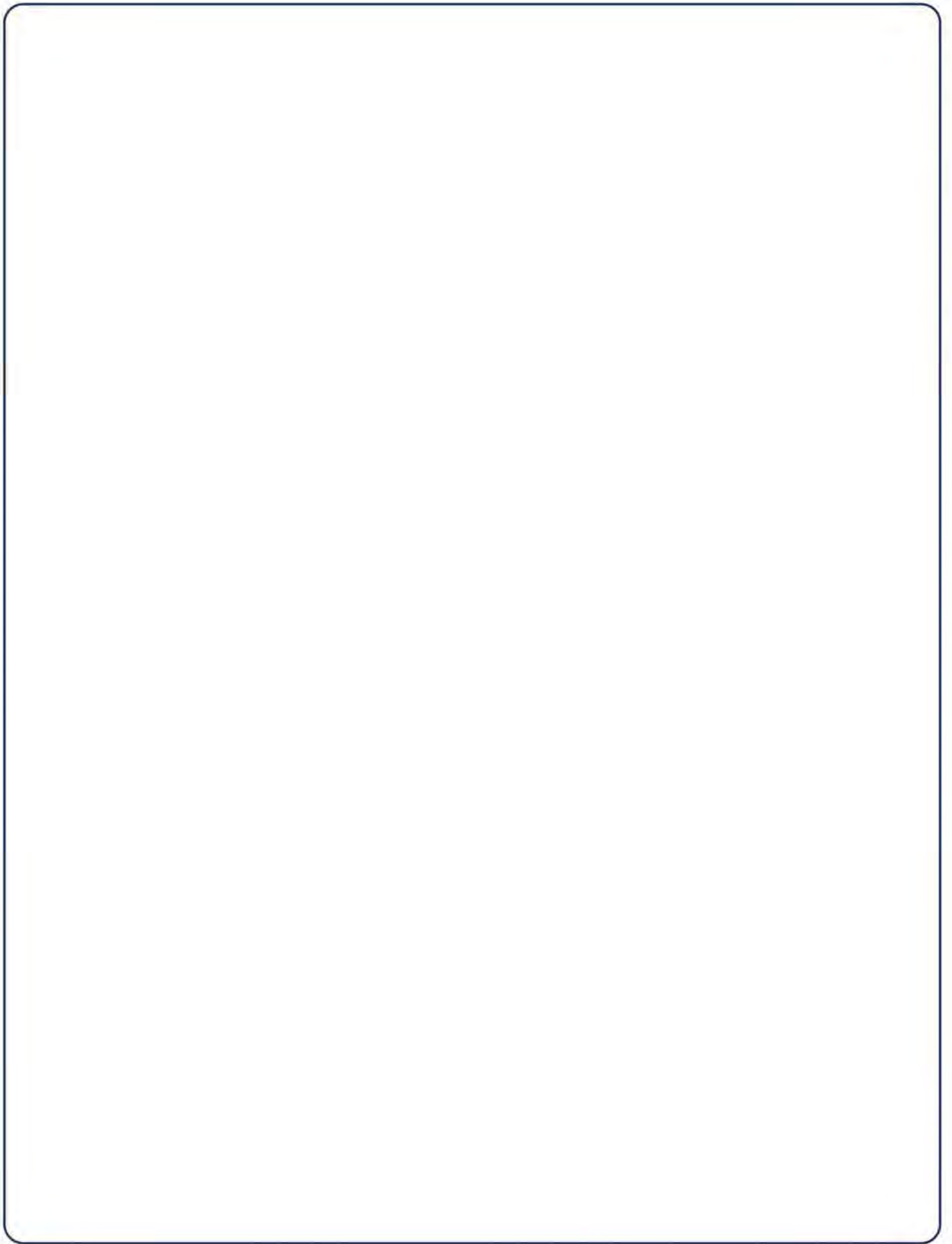
**City/County Association of
Governments of
San Mateo County**

**State Transportation
Improvement Program
and Planning, Programing &
Monitoring Program**

Project Number PPM22L-6419(033)

***Project Expenditures Report and
Independent Auditor's Reports***

From July 01, 2022 through June 30, 2023



**City/County Association of Governments
of San Mateo County
State Transportation Improvement Program
Planning, Programming & Monitoring Program
From July 1, 2022 June 30, 2023**

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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 Audit of the Project Expenditures Report

Opinion

We have audited the accompanying Project Expenditures Report (Report) for Project Number PPM 23L-6419(033) (Program) of the City/County Association of Governments of San Mateo County, California (C/CAG), for the period of July 01, 2022 through June 30, 2023, and the related notes to the Report.

In our opinion, the Report referred to above presents fairly, in all material respects, the revenues and expenditures for the Program for the period of July 01, 2022 through June 30, 2023, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Project Expenditures Report 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 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 Matter

As discussed in Note 2, the Report presents only the revenues and expenditures for the Program and do not purport to, and do not, present fairly the financial position of C/CAG, as of June 30, 2023, and the changes in its financial position or where applicable, its cash flows 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.

Responsibilities of Management for the Project Expenditures Report

Management is responsible for the preparation and fair presentation of the Report 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Project Expenditures Report

Our objectives are to obtain reasonable assurance about whether the Report as a whole is 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 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 Report.

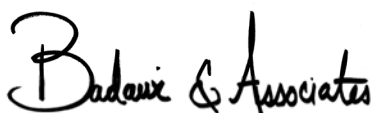
In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Report, 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 Report.
- 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'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 Report.

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2023 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 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 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.



Badawi & Associates, CPAs
Berkeley, California
November 14, 2023

**City/Council Association of Governments
of San Mateo County
Project Expenditures Report
Project Number PPM23L-6419(033)
From July 1, 2022 through June 30, 2023**

State Funds Allocated:	<u><u>\$ 235,000</u></u>
Expenditures Incurred:	
Project Costs:	
Construction - Non-Infrastructure	\$ 338,547
Sources and Amounts of Additional Funds Used (Local Funds):	<u>(103,547)</u>
State Funds Allocated but Not Used	<u><u>\$ -</u></u>

**City/County Association of
Governments of San Mateo County
State Transportation Improvement Program
Planning, Programming & Monitoring
Notes to Project Expenditures Report for PPM23L-6419(033)
From July 01, 2022 through June 30, 2023**

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.

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 C/CAG are maintained in C/CAG's Congestion Management Fund. The expenditures and revenues of other activities of 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.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Governing Board of the 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City/County Association of Governments of San Mateo County (C/CAG), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise C/CAG's basic financial statements and have issued our report thereon dated November 14, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered C/CAG's internal control over financial reporting (internal control) as a basis for designing 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 C/CAG's internal control. Accordingly, we do not express an opinion on the effectiveness of C/CAG'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 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.

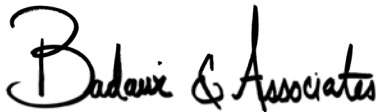
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether C/CAG'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 financial statement. 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.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Berkeley, California
November 14, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

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

Report on Compliance

Opinion

We have audited the City/County Association of Governments of San Mateo County's (C/CAG) compliance with the types of compliance requirements in State Transportation Improvement Program (STIP) Planning, Programming and Monitoring Program (PPM) Fund Transfer Agreement for Project PPM23L-6419(033) (Program) that could have a direct and material effect on the Project Expenditures Report (Report) for the period of July 01, 2022 through June 30, 2023.

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 period of July 01, 2022 through June 30, 2023.

Basis for Opinion

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 Program.

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, and *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, and *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 State Transportation Improvement Program Planning, Programming and Monitoring Program Fund Transfer Agreement for Project PPM23L-6419(033), 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

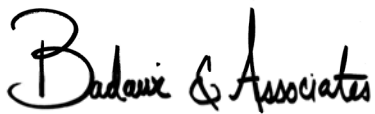
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 in the State Transportation Improvement Program Planning, Programming and Monitoring Program Fund Transfer Agreement for Project PPM23L-6419(033). Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Badawi & Associates". The signature is written in black ink and is positioned above the printed name of the firm.

Badawi & Associates, CPAs
Berkeley, California
November 14, 2023