

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

*Atherton Belmont Brisbane Burlingame Colma Daly City East Palo Alto Foster City Half Moon Bay Hillsborough Menlo Park  
Millbrae Pacifica Portola Valley Redwood City San Bruno San Carlos San Mateo San Mateo County South San Francisco Woodside*

November 5, 2025

Badawi & Associates, CPAs  
5901 Christie Ave., Suite 307  
Emeryville, CA 94608

This representation letter is provided in connection with your audit of the Project Expenditures Report (Report) for Project Number PPM25L-6419(037) of the City/County Association of Governments of San Mateo County (C/CAG) for the period of July 1, 2024 through June 30, 2025, and the related notes to the Report, for the purpose of expressing an opinion on whether the Report present fairly, in all material respects, the revenues and expenditures for the Program in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the Report.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of November 5, 2025:

**Report**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 17, 2025, for the preparation and fair presentation of the Report of the various opinion units referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Report that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
5. We have reviewed, approved, and taken responsibility for the Report and related notes.
6. We have a process to track the status of audit findings and recommendations.

7. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
8. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
9. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
10. All events subsequent to the date of the Report and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
11. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
12. All funds and activities are properly classified.
13. With respect to providing assistance in preparation of the Report and related notes of the Program, we have performed the following:
  - a. Made all management decisions and performed all management functions;
  - b. Assigned a competent individual to oversee the services;
  - c. Evaluated the adequacy of the services performed;
  - d. Evaluated and accepted responsibility for the result of the service performed; and
  - e. Established and maintained internal controls, including monitoring ongoing activities.

#### **Information Provided**

14. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the Report of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within C/CAG from whom you determined it necessary to obtain audit evidence.
15. All transactions have been recorded in the accounting records and are reflected in the Report.
16. We have disclosed to you the results of our assessment of the risk that the Report may be materially misstated as a result of fraud.
17. We have no knowledge of any fraud or suspected fraud that affects C/CAG and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the Report.

18. We have no knowledge of any allegations of fraud, or suspected fraud, affecting C/CAG's Report communicated by employees, former employees, vendors, regulators, or others.
19. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the Report.
20. We have disclosed to you the identity of C/CAG's related parties and all the related party relationships and transactions of which we are aware.
21. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
22. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
23. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on Report amounts, including legal and contractual provisions for reporting specific activities in separate funds.
24. There are no:
  - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the Report or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - d. Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
25. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the Report in the event of noncompliance.
26. There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the Report, as a basis for a loss contingency, or otherwise considered when preparing the Report.

DocuSigned by:

Sean Charpentier

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Sean Charpentier  
Executive Director

Signed by:

Rebecca Mendenhall

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Rebecca Mendenhall  
Administrative Services Director

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

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

Project Number PPM25L-6419(037)

*Project Expenditures Report and  
Independent Auditor's Reports*

*From July 1, 2024 through June 30, 2025*



**City/County Association of Governments  
of San Mateo County  
State Transportation Improvement Program  
Planning, Programming & Monitoring Program  
From July 1, 2024 through June 30, 2025**

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## INDEPENDENT AUDITOR'S REPORT

To the 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 PPM25L-6419(037) (Program) of the City/County Association of Governments of San Mateo County, California (C/CAG), for the period of July 1, 2024 through June 30, 2025, 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 1, 2024 through June 30, 2025, 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, 2025, 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 5, 2025 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  
Emeryville, California  
November 5, 2025

**City/Council Association of Governments  
of San Mateo County  
Project Expenditures Report  
Project Number PPM25L-6419(037)  
From July 1, 2024 through June 30, 2025**

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<b>State Funds Allocated:</b>	<u><u>\$ 308,000</u></u>
<b>Expenditures Incurred:</b>	
Project Costs:	
Construction - Non-Infrastructure	\$ 308,000
<b>Sources and Amounts of Additional Funds Used (Local Funds):</b>	<u>                    </u>
<b>State Funds Allocated but Not Used</b>	<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 PPM25L-6419(037)  
From July 1, 2024 through June 30, 2025**

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**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 State Transportation and Improvement Program (STIP) as required, and for the monitoring of project implementation for projects approved in the STIP.

**2. STIP PPM FUND TRANSFER AGREEMENT**

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, and uses the modified accrual basis of accounting.

**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, 2025, 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 5, 2025.

**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  
Emeryville, California  
November 5, 2025

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

To the 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's (STIP) Planning, Programming and Monitoring Program (PPM) Fund Transfer Agreement for Project PPM25L-6419(037) (Program) that could have a direct and material effect on the Project Expenditures Report (Report) for the period of July 1, 2024 through June 30, 2025.

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 1, 2024 through June 30, 2025.

*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's Planning, Programming and Monitoring Program Fund Transfer Agreement for Project PPM25L-6419(037), 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

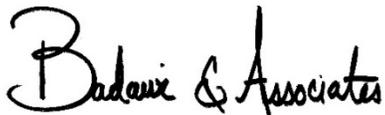
To the Governing Board of City/County Association of  
Governments of San Mateo County  
Redwood City, California  
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program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by 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's Planning, Programming and Monitoring Program Fund Transfer Agreement for Project PPM25L-6419(037). Accordingly, this report 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  
Emeryville, California  
November 5, 2025