

**San Mateo County Half-Cent Transportation Fund**

**Audit of Compliance with the  
*Agreement for Distribution of San Mateo County  
Measure A Funds for Local Transportation Purposes***

**For the Year Ended June 30, 2011**



# COUNTY OF SAN MATEO

555 COUNTY CENTER, 5th FLOOR • REDWOOD CITY • CALIFORNIA 94063-1665 • PHONE (650) 363-4100 • FAX (650) 361-8220

December 16, 2011

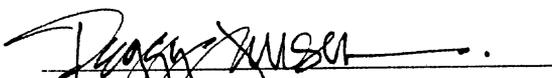
San Mateo County Transportation Authority  
120 San Carlos Avenue  
San Carlos, California 94070

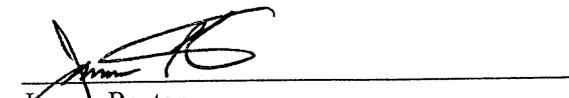
## **Management's Report on Compliance with the *Agreement For Distribution of San Mateo County Measure A Funds For Local Transportation Purposes***

The County of San Mateo (The County) is responsible for complying with the *Agreement For Distribution of San Mateo County Measure A Funds For Local Transportation Purposes* (the Agreement) between the County of San Mateo and the San Mateo County Transportation Authority entered into on January 27, 2009. The Agreement states that in return for receiving an annual allocation of a specified portion of the retail transactions and use tax approved by *Measure A – San Mateo County Transportation Expenditure Plan* (the Measure), the County, in the use of these funds, shall “refrain from substituting funds provided to it pursuant to this Agreement for property tax funds which are currently being used to fund existing local transportation programs and limit the use of said funds to the improvement of local transportation, including streets and roads improvements.”

With respect to compliance with the requirements of the Agreement that pertain to the County share, management attest to the following for the year ended June 30, 2011:

- Management is responsible for establishing and maintaining an effective internal control structure with respect to compliance with the Agreement;
- Management is responsible for complying with the Agreement;
- Management has evaluated the County's compliance with the requirements of the Agreement;
- All transactions, as summarized in the attached Schedule of Receipts and Disbursements for the Fiscal Year Ended June 30, 2011, are in compliance with the Agreement.

  
Peggy Jensen  
Deputy County Manager

  
James Porter  
Director of Public Works

**Office of Controller**



**TOM HUENING  
CONTROLLER**

**COUNTY OF SAN MATEO**

555 COUNTY CENTER, 4<sup>TH</sup> FLOOR • REDWOOD CITY • CALIFORNIA 94063

ROBERT G. ADLER  
ASSISTANT CONTROLLER

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**Independent Accountant's Report**

Board of Directors  
San Mateo County Transportation Authority  
Redwood City, California 94063

We have examined management's assertion, included in the accompanying Management's Report on Compliance with the Agreement, about the County of San Mateo's compliance with the requirements of the *Agreement For Distribution Of San Mateo County Measure A Funds For Local Transportation Purposes* (the Agreement) between the County and the San Mateo County Transportation Authority dated August 18, 1989 and extended on January 27, 2009, during the year ended June 30, 2011. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based upon our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence supporting the County's compliance with those requirements and performing such other procedures as considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the County's compliance with specified requirements.

As required by various statutes within the California Government Code, County Auditor-Controllers are mandated to perform certain accounting, auditing, and financial reporting functions. These activities, in themselves, necessarily impair Government Auditing Standards of independence. Specifically, "auditors should not audit their own work or provide non-audit services in situations where the amounts or services involved are significant and/or material to the subject of the audit." Although the County Controller is statutorily obligated to maintain the accounts of departments, agencies or funds that are contained within the county treasury, we believe adequate safeguards and division of responsibility exist. The Controller is independently elected and is directly accountable to the voters and the Controller's Internal Audit Division, which has the responsibility to perform audits, has no other responsibility for the accounts and records being audited including the approval or posting of the transactions subject to audit. This would therefore enable the reader of this report to rely on the information contained herein.

In our opinion, except for the effects, if any, of the disclosure noted above, management's assertion that the County complied with the aforementioned requirements for the fiscal year ended June 30, 2011, is fairly stated, in all material respects.

This report is intended solely for the information of the San Mateo County Transportation Authority Board and management. However, this report is a matter of public record and its distribution is not limited.

*County of San Mateo Controller*

Redwood City, California  
December 16, 2011

**San Mateo County Half-Cent Transportation Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2011**

**RECEIPTS**

|                             |    |                  |
|-----------------------------|----|------------------|
| Sales Tax                   | \$ | 1,835,196        |
| Management Services (C/CAG) |    | 1,019,616        |
| Interest Income             |    | 5,329            |
| Miscellaneous               |    | 4                |
| Total Receipts              |    | <u>2,860,145</u> |

**DISBURSEMENTS**

|  |  |                  |
|--|--|------------------|
| Congestion Management                          |  | 1,265,122        |
| Transit Subsidy                                |  | 873,157          |
| Transportation System Management Program Admin |  | 341,025          |
| School Crossing Guards                         |  | 101,575          |
| Total Disbursements                            |  | <u>2,580,879</u> |

|  |           |                       |
|--|-----------|-----------------------|
| <b>Excess of Receipts Over Disbursements</b> | <b>\$</b> | <b><u>279,266</u></b> |
|--|-----------|-----------------------|