



Agenda  
Measure W Citizens' Oversight Committee (COC) Meeting  
February 14, 2024, 1:00 pm  
San Mateo County Transit District

Bacciocco Auditorium, 2nd Floor  
1250 San Carlos Ave., San Carlos, CA

Members of the public may attend in-person or participate remotely via Zoom at:  
<https://us02web.zoom.us/j/83885709626?pwd=eUNGK3kzSGdFSkFrSVVPNU0xcUhzQT09>  
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***Please Note the following COVID-19 Protocols for in-person attendance:***

1. Visitors experiencing the following symptoms of COVID-19 may not enter the building:
  - Cough
  - Shortness of Breath
  - Fever
  - Chills
  - Muscle Pain
  - Sore Throat
  - Loss of Taste or Smell
2. Wearing of masks is recommended but not required.

**Public Comments:** Public comments may be submitted to [publiccomment@samtrans.com](mailto:publiccomment@samtrans.com) prior to the meeting's call to order so that they can be sent to the COC as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at: <https://www.samtrans.com/meetings>.

Oral public comments will also be accepted during the meeting in person and through Zoom\* or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Participants using Zoom over the Internet should use the Raise Hand feature to request to speak. For participants calling in, dial \*67 if you do not want your telephone number to appear on the live broadcast. Callers may dial \*9 to use the Raise Hand feature for public comment. Each commenter will be recognized to speak and callers should dial \*6 to unmute themselves when recognized to speak.

**San Mateo County Transit District Measure W Citizens' Oversight Committee Members 2024:** Rosanne Foust (Chair), Julie Lind Rupp (Vice Chair), John Baker, Adrian Brandt, Rich Hedges, Karen Kuklin, Sandra Lang, Alex Madrid, Gus Mattammal, Michael Wooley-Ousdahl, Mario Rendon, Malcolm Robinson, Gabriel Terry, Irving Torres

**Staff Liaisons:** Peter Skinner, Executive Officer, Transportation Authority      **COC Secretary:** Jean Brook  
Charlsie Chang, Government Affairs Officer

Each public comment is limited to three minutes or less. The COC Chair has the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

The video live stream will be available after the meeting at <https://www.samtrans.com/about-samtrans/video-board-directors-cac-and-measure-w-coc>.

**Wednesday, February 14, 2024**

**1:00 pm**

1. Call to Order/Pledge of Allegiance
2. Roll Call
3. Public Comment for Items Not on the Agenda  
*At this time, persons in the audience may speak on any matter within the jurisdiction of the Committee. The Brown Act (the State local agency open meeting law) prohibits the Committee from acting on any matter that is not on the agenda. The Chair may limit speakers to three minutes each.*
4. Election of Chair and Vice Chair for One-year Terms
5. Approval of Meeting Minutes from October 11, 2023
6. Public Hearing: Annual Audit of Measure W Tax Revenues and Expenditures in Accordance with Congestion Relief Plan for the Fiscal Year Ended June 30, 2023
  - a. Independent Auditor's Presentation
  - b. Committee Questions
  - c. Public Comment
  - d. Close Public Hearing
  - e. Committee Comments
  - f. Committee Discussion on Drafting of Committee Report
7. Update on Measure W Citizens' Oversight Committee Membership - Recruitment for Terms Ending in 2024
8. Committee Member Comments/Communications Regarding Transportation Matters
9. Next Meeting: Date to be Announced
10. Adjournment

## Information for the Public

If you have questions about the agenda, please contact Charlsie Chang at [changc@samtrans.com](mailto:changc@samtrans.com).  
Agendas are available on the SamTrans website at <https://www.samtrans.com/meetings>.  
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*Free translation is available; Para traducción llama al 1.800.660.4287; 如需翻译 请电1.800.660.4287*

### **Date and Time of Board and Measure W Citizens' Oversight Committee Meetings**

San Mateo County Transit District Committees and Board: First Wednesday of the month, 2:00 pm;  
SamTrans Measure W Citizens' Oversight Committee (COC): Frequency of meetings to be determined.  
Date, time and location of meetings may be changed as necessary. Meeting schedules for the Board and COC are available on the website.

### **Location of Meeting**

This meeting will be held in-person at: San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA. Members of the public may attend in-person or participate remotely via Zoom as per the information provided at the top of the agenda.

\*Should Zoom not be operational, please check online at: <https://www.samtrans.com/meetings> for any updates or further instruction.

### **Public Comment**

Members of the public are encouraged to participate remotely. Public comments may be submitted to [publiccomment@samtrans.com](mailto:publiccomment@samtrans.com) prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at: <https://www.samtrans.com/meetings>.

Oral public comments will also be accepted during the meeting through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM and each commenter will be automatically notified when they are unmuted to speak for three minutes or less. The Committee Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

### **Accessible Public Meetings/Translation**

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### **Availability of Public Records**

All public records relating to an open session item on this agenda that are not exempt from disclosure pursuant to the California Public Records Act and that are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070 at the same time that the public records are distributed or made available to the legislative body.

**San Mateo County Transit District  
1250 San Carlos Avenue, San Carlos, California**

**Measure W Citizens' Oversight Committee (COC)  
Meeting Minutes**

**October 11, 2023**

**Members Present (In Person):** J. Baker (arrived at 1:15 pm), A. Brandt, R. Foust (Chair), R. Hedges, S. Lang, J. Londer, M. Robinson

**Members Present (Via Teleconference):** None

**Members Absent:** J. Lind Rupp (Vice Chair), A. Madrid, I. Torres, M. Wooley-Ousdahl

**Staff Present:** A. Linehan, J. Cassman, S. van Hoften, K. Jordan Steiner, J. Chen, P. Skinner, J. Brook, M. Tseng

**1. Call to Order**

Chair Rosanne Foust called the meeting to order at 1:15 pm and requested that John Baker lead the Pledge of Allegiance.

**2. Roll Call**

Jean Brook, COC Secretary, called the roll and confirmed that a quorum was present.

**3. Public Comment for Items Not on the Agenda**

There were no public comments.

**4. Approval of Meeting Minutes from June 12, 2023**

Motion/Second: Londer/Brandt

Ayes: Baker, Brandt, Foust, Hedges, Lang, Londer, Robinson

Noes: None

Absent: Lind, Madrid, Torres, Wooley-Ousdahl

**5. Discuss Work Plan for Fiscal Year 2023 Annual Audit of Measure W Tax Revenues and Expenditures in Accordance with Congestion Relief**

Peter Skinner, Executive Officer, Transportation Authority, noted that this was the first meeting of the Committee for the 2024 fiscal year. He asked Kate Jordan Steiner, Chief Financial Officer, when the next audit would be completed and she said she anticipated that it would be later in October. Mr. Skinner suggested that the Committee meet in the January/February timeframe to review the audit and then complete the report several months later by April or May, and Chair Foust concurred.

In response to a question by Sandra Lang, Mr. Skinner said the public acceptance of the audit would be at the January/February meeting and then at the April/May meeting would be the

approval of the Committee's report on the audit. Chair Foust noted that in the past, a subcommittee of the COC has been tasked with reviewing the audit following the public hearing and then presenting their findings at the follow-up meeting.

Joan Cassman, Legal Counsel, explained that the members should look at the audit and have suggestions to bring to the next meeting in January or February, when the COC will review the audit. She said that the COC will then approve the report on the audit prepared by the subcommittee at the subsequent meeting in April or May. Chair Foust encouraged the members to look at the previous report and make suggestions for edits to bring to the April/May meeting.

#### **6. Update on Measure W Citizens' Oversight Committee Membership - Recruitment for Terms Ending in 2023**

Amy Linehan, Government and Community Affairs Officer, noted the current vacancies for the following positions:

- C/CAG Bicycle and Pedestrian Advisory Committee (BPAC) – currently filled by Malcolm Robinson
- Environmental or Sustainability Organization - currently filled by Jeff Londer
- People with Disabilities– currently filled by Alex Madrid
- Youth and Youth Transit Riders – currently vacant

She said for those reapplying that online applications are due October 27, and encouraged members to reapply for their current seats. She said they had potential candidates to recommend to the SamTrans Board for the following positions:

- County Supervisor District 3
- County Supervisor District 5
- TA Citizens Advisory Committee

Ms. Linehan stressed that their goal is to fill all vacancies by the end of the year.

Chair Foust said she would like to help anyone attempting to apply. She requested that current members do outreach to help recruit new members.

Jeff Londer asked if the new terms would be three years in length, which Ms. Linehan confirmed, saying that the terms would be staggered differently going forward and they would not be trying to fill so many slots at one time.

Ms. Lang asked if there was a list of the current representatives for each role, and Ms. Linehan and Chair Foust clarified the vacancies.

Malcolm Robinson said he intended to reapply for his position.

Public Comment:

Alex Madrid said he intended to reapply for his position as People with Disabilities representative.

#### **7. Committee Member Comments/Communications Regarding Transportation Matters**

Mr. Baker said C/CAG (City and County Association of Governments of San Mateo County) would be voting October 12 on a TA request to release some Measure A and/or Measure W funds to study US 101 managed lanes north of I-380. He said he would be contacting C/CAG members to reject the study based on the increased air pollution in South San Francisco, Brisbane, and Bayshore that would result from additional lanes.

Rich Hedges said he believed the State Legislature has not passed anything that allows the conversion of existing lanes.

Adrian Brandt noted that the Caltrain line from San Jose to Palo Alto is now electrically powered and the four new electric trains they are testing are up to speed at 79 miles per hour. He said the weekend bus bridges would continue until regular electric train service begins in Fall 2024.

Mr. Londer asked if the freight trains would still be diesel, and Mr. Brandt confirmed that freight service would remain diesel.

#### **8. Next Meeting: Date to Be Announced**

Chair Foust said that staff would poll the Committee members for the date of the next meeting to be held at the beginning of 2024.

#### **9. Adjournment**

The meeting adjourned at 1:49 pm.

An audio/video recording of this meeting is available online at <https://www.samtrans.com/about-samtrans/video-board-directors-cac-and-measure-w-coc>. Questions may be referred to the District Secretary's office by phone at 650-508-6242 or by email to [board@samtrans.com](mailto:board@samtrans.com).

**San Mateo County Transit District  
Staff Report**

To: Measure W Citizens' Oversight Committee  
Through: April Chan, General Manager/CEO  
From: Kate Jordan Steiner, Chief Financial Officer  
Subject: **Public Hearing: Annual Audit of Measure W Tax Revenues and Expenditures in Accordance with Congestion Relief Plan for the Fiscal Year Ended June 30, 2023**

**Action**

Staff proposes the Measure W Citizens' Oversight Committee (COC):

1. Receive the San Mateo County Transit District's (District) Financial Audit of Measure W Funds (Measure W Audit) for the Fiscal Year ended June 30, 2023;
2. Conduct a public hearing on the Measure W Audit and receive public comments; and
3. Provide direction on the report to be drafted on behalf of the COC to provide County residents with information on how Measure W tax proceeds are being spent.

**Significance**

On July 11, 2018, the District adopted and sought voter approval to implement an ordinance imposing a half-cent retail transactions and use tax to implement the San Mateo County Congestion Relief Plan (Measure W Ordinance). The County's voters approved Measure W on November 6, 2018. The Measure W Ordinance requires the District to have an independent auditor annually review the receipts and expenditures of tax proceeds under the Congestion Relief Plan. The COC must then receive and hold a public hearing on the Measure W Audit, and issue a report to provide County residents with information regarding how tax proceeds are being spent.

**Budget Impact**

There is no impact on the Budget.

**Background**

The District contracts with an independent auditor, Eide Bailly LLP to conduct the Measure W 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 of America.

The Measure W Audit is prepared in accordance with the guidelines set forth by the Government Accounting Standards Board and consists of an Independent Auditor's Report, Financial Statements, Notes to Financial Statements, Supplementary Information and Independent Auditor's 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. The Independent Auditor's Report has an unmodified "clean" audit opinion. The Financial Statements, Notes to Financial Statements and Supplementary Information provide the detail as well as the perspective with which to assess the Measure W Funds' financial condition and project expenses.

Notice of this public hearing was posted at the District's administrative offices and on the District's web page, sent out via press release, and distributed via the District's social media accounts. Public input was invited for submittal in advance and will also be accepted during the hearing.

Prepared By: Annie To

Director, Accounting

655-622-7890



DRAFT



Financial Statements  
Measure W Fund  
For the Years Ended June 30, 2023  
and June 30, 2022

San Mateo County Transit District

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## Independent Auditor's Report

Governing Board and  
Citizens Oversight Committee  
San Mateo County Transit District  
San Carlos, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the San Mateo County Transit District's (District) Measure W Fund (Measure W) (Fund), as of and for the years ended June 30, 2023 and June 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Measure W of the District, as of June 30, 2023 and June 30, 2022, and the changes in its financial position for the years then ended 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 (Government Auditing Standards). 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 the District, 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 1, the financial statements of the Measure W are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2023 and June 30, 2022, and the results of its operations 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 Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements 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 Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements 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 GAAS 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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 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 District'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 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.

## ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Measure W Fund of the District. The Measure W Allocations and Expenses and the Current Year Measure W Projects (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The 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 supplementary information are 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 February 14, 2024, on our consideration of the Measure W'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 Measure W'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 Measure W's internal control over financial reporting and compliance.

Menlo Park, California  
February 14, 2024

San Mateo County Transit District  
 Measure W Fund  
 Statement of Net Position  
 June 30, 2023 and June 30, 2022 (In thousands)

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 168,088	\$ 111,902
Accounts receivable	10,046	10,870
Total assets	178,134	122,772
Liabilities		
Current Liabilities		
Accounts payable	1,496	376
Total liabilities	1,496	376
Net Position		
Restricted for Measure W projects	176,638	122,396
Total net position	\$ 176,638	\$ 122,396

San Mateo County Transit District  
Measure W Fund

Statement of Revenues, Expenditures, and Changes in Net Position  
Years Ended June 30, 2023 and June 30, 2022 (In thousands)

	2023	2022
Revenues		
Measure W sales tax	\$ 117,413	\$ 112,248
Total operating revenues	117,413	112,248
Expenses		
District		
County Public Transportation Systems	8,447	10,659
Allocations to Transportation Authority		
Countywide Highway Congestion Relief Improvements	26,418	25,256
Grade Separations	2,935	2,806
Bicycle and Pedestrian	5,871	5,612
Regional Transit Connections	11,741	11,225
Allocations to Cities/Counties		
Local Investment Share	11,741	11,225
Total expenses	67,153	66,783
Operating income	50,260	45,465
Nonoperating revenues		
Interest income	3,982	4,288
Total nonoperating revenues	3,982	4,288
Change in Net Position	54,242	49,753
Net Position - Beginning	122,396	72,643
Net Position - Ending	\$ 176,638	\$ 122,396

San Mateo County Transit District  
Measure W Fund

Statement of Cash Flows

Years Ended June 30, 2023 and June 30, 2022 (In thousands)

	2023	2022
Cash Flows from Operating Activities		
Cash received from California Department of Tax and Fee Administration	\$ 118,237	\$ 110,843
Payments to vendors for goods and services	(2,918)	(10,196)
Payments to employees	(4,409)	(222)
Capital Transfers to the Transportation Authority	(58,706)	(56,124)
Net Cash Provided by Operating Activities	52,204	44,301
Cash Flows from Investing Activities		
Investment income received	3,982	4,288
Net cash provided by investing activities	3,982	4,288
Net change in cash and cash equivalents	56,186	48,589
Cash and Cash Equivalents, Beginning of Year	111,902	63,313
Cash and Cash Equivalents, End of Year	\$ 168,088	\$ 111,902
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 50,260	\$ 45,465
Adjustments to reconcile operating income to net cash provided by operating activities		
Accounts receivable	824	(1,405)
Accounts payable and accrued liabilities	1,120	241
Net Cash Provided for Operating Activities	\$ 52,204	\$ 44,301



## **Note 1 - Summary of Significant Accounting Policies**

### **Financial Reporting Entity**

Measure W was approved by the voters of San Mateo County in 2018 to enable the San Mateo County Transit District (District) to impose a half-cent transactions and use tax to fund local transportation operations, projects, and improvements. The tax proceeds must be spent in accordance with a Congestion Relief Plan included in the Measure. The District retains control over the 50% share of Measure W revenues specified for countywide public transit. The District has authorized the San Mateo County Transportation Authority to administer the remaining 50% of Measure W revenues specified for Countywide Highway Congestion Relief Improvements, Grade Separations, Bicycle and Pedestrian, Regional Transit Connections, and Local Investment Share.

The financial statements of the fund do not purport to, and do not, present the financial position of the District as of June 30, 2023, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. The activities of the Fund are reported within the District's enterprise fund. The projects funded by Measure W represent a portion of the activities of the District and, as such, are included in the District's financial statements.

### **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

### **Net Position**

Net position is reported on the statement of net position as "restricted net position." This category represents net position that may only be used to support activities and costs allowable per the Measure W enabling legislation.

### **Spending Order**

The accounting policy is to first consume the most restricted resources when multiple resources are available for the same purpose.

### **Cash and Cash Equivalents**

For purpose of the statement of cash flows, the District considers all highly liquid investments with an initial maturity of 90 days or less when purchased to be cash equivalents.

## **Investments**

The District's investments are generally carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year end and includes the effects of these adjustments as a component of interest and investment income for that fiscal year.

## **Transactions and Use Tax (Sales Tax) Revenues**

Revenue from sales taxes are recognized in the fiscal year when the underlying exchange occurs and any uncollected amount is reported as a receivable.

## **Operating and Nonoperating Revenues and Expenses**

For purposes of reporting operating and nonoperating revenues and expenses, operating revenues comprise sales tax revenues and operating expenses comprise costs related to Measure W distributions. All other revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

## **Note 2 - Cash and Investments**

### **Policies**

All of the Measure W Program's cash and investments are deposited in the District's Treasury pool managed by Public Financial Management and District staff. The pool is unrated. Investments in the pool are made in accordance with the District's investment policy as approved by the Board. Investments are stated at fair value. However, the value of the pool shares in the District's Treasury pool that may be withdrawn is determined on an amortized cost basis, which is different from the fair value of the Measure W Program's position in the pool.

**Investments Authorized by the California Government Code and the District’s Investment Policy**

The table below identifies the investment types that are authorized for the District by the California Government Code or the District’s investment policy, whichever is more restrictive, that addresses interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the District’s investment policy.

Authorized Investment Type	Minimum Credit Rating	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	15 years	100%	N/A
U.S. Agency Securities	None	15 years	100%	N/A
Banker's Acceptances	None	180 days	40%	30%
Commercial Paper (\$500 Mil. Min. Assets)	A1/P1/F1	270 days	40%	10%
Negotiable Certificates of Deposit	None	5 years	30%	N/A
Repurchase Agreements	None	1 year	100%	N/A
Reverse Repurchase Agreements	None	92 days	20%	N/A
Medium-term Notes	A	5 years	30%	10%
Shares of beneficial interest issued by diversified management companies	None	N/A	20%	10%
Local Government Investment Pools	None	N/A	100%	N/A
Asset-backed and Mortgage-backed securities	AA	5 years	20%	N/A
Municipal Obligations	None	10 years	100%	N/A
Supranational Obligations	AA	5 years	30%	N/A
Local Agency Investment Fund (LAIF)	None	N/A	None	\$75M
San Mateo County Investment Pool	None		Up to the current state limit	

## **Interest Rate Risk**

Interest rate risk is the risk incurred when market interest rates adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

## **Note 3 - Accounts Receivable**

The receivable amounts reported in the financial statements represent sales tax revenues not received by fiscal year end for \$10,046,000 and \$10,870,000, from California Department of Tax and Fee Administration, for fiscal years ended June 30, 2023 and June 30, 2022, respectively.

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Supplementary Information  
June 30, 2023

**San Mateo County Transit District**

San Mateo County Transit District  
Measure W Allocations and Expenses  
Through June 30, 2023

The following table shows the total Measure W allocations and amount reported as expended by the District and the Authority from inception to June 30, 2023.

(In thousands)	Inception to Date as of June 30, 2023		
	Measure W Allocations <sup>1</sup>	Measure W Expenses <sup>2</sup>	Unexpended Amounts
District			
County Public Transportation Systems	\$ 205,602	\$ 38,267	\$ 167,335
Interest income	9,303	-	9,303
Disbursements to Transportation Authority			
Countywide Highway Congestion Relief Improvements	92,521	2,163	90,358
Local Investment Share	41,120	41,120	-
Grade Separations	10,280	-	10,280
Bicycle and Pedestrian	20,560	2,344	18,217
Regional Transit Connections	41,120	159	40,961
Interest income (loss) <sup>3</sup>	(728)	168	(897)
Total - restricted for Measure W	\$ 419,779	\$ 84,222	\$ 335,557

**Footnote**

<sup>1</sup> Amount reflects cumulative program allocation revenues from inception-to-date

<sup>2</sup> Amount reflects cumulative program expenses from inception-to-date

<sup>3</sup> Amount reflects FY22 unrealized losses calculated from the fair market value for accounting purposes only

## San Mateo County Transit District Current Year District's Measure W Projects For the year ended June 30, 2023

The tables below show the current year Measure W project expenses for the District and the Authority, respectively.

District's Measure W Operating Projects	Year-to-Date Budget (in thousands)	Year-to-Date Expenses (In thousands)	Core Principle(s)
<b>Fixed Route Services</b>			
School Oriented Service	\$ 4,459	\$ 4,459	1, 2, 6, 8, 10
<b>Paratransit</b>			
Americans with Disabilities Act Operating Subsidy	656	656	2, 4, 5, 6, 7, 10
<b>Planning</b>			
SamTrans Reimagine	1,165	1,165	1, 2
Bus Stop Improvement & Implementation	245	245	2, 5, 6, 7
Measure W Strategic Plan	46	46	2, 5
El Camino Real (ECR) Program Management Support	15	15	2, 6
El Camino Real (ECR) Pinch Point Study	10	10	2, 6
SamTrans FY2023-2028 Short Range Transit Plan (SRTTP)	6	6	1, 2, 7, 8
<b>Measure W Administration</b>			
SamTrans Operating Administration	8	8	
<b>Total Operating Expenses</b>	<b>\$ 6,611</b>	<b>\$ 6,611</b>	

District's Measure W Capital Projects	Inception-to- Date Budget (in thousands)	Year-to-Date Expenses (In thousands)	Inception-to- Date Expenses (In thousands)	Core Principle(s)
<b>Emission Zero</b>				
Zero Emission Bus Implementation and Deploy	\$ 10,012	\$ 845	\$ 1,854	2, 3, 5, 7, 8
South Base Switchgear Replace	5,700	454	672	2, 3, 5, 7, 8
Purchase 17 Battery Electric Buses	4,665	112	455	2, 3, 5, 7, 8
Replace (135) 2009 Gillig Buses	1,604	91	92	2, 3, 5, 7, 8
<b>Paratransit</b>				
Replace (10) 2017 Redi-Wheels Minivans	438	262	262	2, 4, 5, 6, 7, 10
<b>Accessibility Improvements</b>				
Updated ADA Transition Plan and Phase 1 Improvements	1,225	72	85	6, 7
<b>Total Capital Expenses</b>	<b>\$ 23,644</b>	<b>\$ 1,835</b>	<b>\$ 3,419</b>	

#	Measure W Core Principles
1	Relieve traffic congestion countywide.
2	Invest in a financially sustainable public transportation system that increases ridership, embraces innovation, creates more transportation choices, improves travel experience, and provides quality, affordable transit options for youth, seniors, people with disabilities, and people with lower incomes.
3	Implement environmentally-friendly transportation solutions and projects that incorporate green stormwater infrastructure and plan for climate change.
4	Promote economic vitality, economic development, and the creation of quality jobs.
5	Maximize opportunities to leverage investment and services from public and private partners.
6	Enhance safety and public health.
7	Invest in repair and maintenance of existing and future infrastructure.
8	Facilitate the reduction of vehicle miles traveled, travel times and greenhouse gas emissions.
9	Incorporate the inclusion and implementation of complete street policies and other strategies that encourage safe accommodation of all people using the roads, regardless of mode of travel.
10	Incentivize transit, bicycle, pedestrian, carpooling and other shared-ride options over driving alone.
11	Maximize traffic reduction potential associated with the creation of housing in high-quality transit corridors.

San Mateo County Transit District  
 Current Year Transportation Authority's Measure W Projects  
 For the year ended June 30, 2023

<b>Transportation Authority's Measure W Projects</b>	<b>Amount (In thousands)</b>
<b>Countywide Highway Congestion Relief Improvements</b>	
US101/SR92 Interchang Area Improvements	\$ 422
Route 1/Manor Drive Overcross	36
Moss Beach State Route 1 Congestion & Safety Improvements	514
101 University Ave Interchange	37
El Camino Real Bike & Pedestrian Improvement	35
Measure W Highway Congestion Improvement - Indirect Cost Allocation Plan	277
Alternative Congestion Relief (ACR) FY23 & FY24 Cycle	35
Measure W Countywide Alternative Congestion Relief (ACR) - Indirect Cost Allocation Plan	60
Measure W Local Safety Grade Separation - Indirect Cost Allocation Plan	37
Administrative Overhead	16
<b>Local Investment Share</b>	
Local investment share	11,741
<b>Grade Separations</b>	
N/A	-
<b>Bicycle and Pedestrian</b>	
2022 Pedestrian and Bicycle Program Cycle 6	837
Safe Routes to School	275
Measure W Bike/Pedestrian - Indirect Cost Allocation Plan	75
Pedestrian/Bike Cycle 6 - FY 23/24	6
Administrative Overhead	13
<b>Regional Transit Connections</b>	
Measure W Regional Transit Connections (RTC) - Indirect Cost Allocation Plan	150
Administrative Overhead	2
Total	<u>\$ 14,567</u>



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Independent Auditor's Report  
For the Year ended June 30, 2023

**San Mateo County Transit District**

**Independent Auditor's 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***

Governing Board and  
Citizens Oversight Committee  
San Mateo County Transit District  
San Carlos, 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 San Mateo County Transit District's (District) Measure W Fund (Measure W) as of and for the year ended June 30, 2023, and the related notes of the financial statements, and have issued our report thereon dated February 14, 2024.

**Emphasis of Matter**

As discussed in Note 1, the financial statements of the Measure W Fund are intended to present the financial position and the changes in financial position attributable to the transactions of the Fund. They do not purport to, and do not, present fairly the financial position of San Mateo County Transit District as of June 30, 2023 and 2022, and the results of its operations for the years 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.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's Measure W Fund 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 Measure W'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 statements. 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.

Menlo Park, California  
February 14, 2024

None reported.



# MEASURE W – SAN MATEO COUNTY TRANSIT DISTRICT

FISCAL YEAR ENDED JUNE 30, 2023



# SCOPE OF THE AUDIT

- AUDIT OF THE ANNUAL FINANCIAL REPORT OF THE FUND
- GOVERNMENT AUDITING STANDARDS
  - REPORT ON INTERNAL CONTROL
  - REPORT ON COMPLIANCE

# REQUIRED COMMUNICATIONS

- **SCOPE:** Ensure that the Measure's financial statements are fairly stated which includes the following
  - Confirming sales tax revenue amounts deposited in the fund with the State of California
  - Ensuring the that expenditures are fairly stated
  - Test of compliance with the ballot language
- We are required to be independent of the District and Measure W



**THANK YOU**



**CPAs & BUSINESS ADVISORS**