

**City of South San Francisco
Measure W Funds**

**Report on Compliance with the
*Agreement for Distribution of San Mateo County
Measure W Funds for
Local Transportation Purposes in Accordance
with the San Mateo County Congestion Relief Plan***

For the Year Ended June 30, 2024

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**CITY OF SOUTH SAN FRANCISCO
MEASURE W FUNDS**

For the Year Ended June 30, 2024

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**INDEPENDENT ACCOUNTANT'S REPORT
ON MANAGEMENT'S ASSERTION**

Honorable Mayor and Members of City Council of the
City of South San Francisco, California

We have examined management of the City of South San Francisco's assertion, included in accompanying Management's Report on Compliance with the *Agreement for Distribution of San Mateo County Measure W Funds for Local Transportation Purposes in Accordance with the San Mateo County Congestion Relief Plan (the Agreement)* between the City of South San Francisco and the San Mateo County Transportation Authority dated October 1, 2019, that the City complied with the requirements of the Agreement during the year ended June 30, 2024. Management is responsible for that assertion. Our responsibility is to express an opinion on management's assertion about the City's compliance based upon our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion that the City complied with the requirements of the Agreement is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing and extent of procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, management's assertion that the City complied with the requirements of the Agreement for the year ended June 30, 2024 is fairly stated, in all material respects.

This report is intended solely for the information and use of management, the City Council and the San Mateo County Transportation Authority and is not intended to be and should not be used by anyone other than those specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink that reads 'Maze & Associates' in a cursive, flowing script.

Pleasant Hill, California
December 19, 2024

CITY OF SOUTH SAN FRANCISCO
MEASURE W FUNDS
BALANCE SHEET
JUNE 30, 2024

ASSETS:

Cash and investments	\$2,292,264
Accounts receivable	81,725
Accrued interest receivable	<u>15,830</u>

TOTAL ASSETS	<u><u>\$2,389,819</u></u>
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FUND BALANCE:

Restricted for Measure W capital projects and maintenance	<u>\$2,389,819</u>
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TOTAL FUND BALANCE	<u><u>\$2,389,819</u></u>
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See accompanying notes to the financial statements.

CITY OF SOUTH SAN FRANCISCO
 MEASURE W FUNDS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2024

REVENUES

Sales tax from the County of San Mateo	\$1,035,179
Interest and investment income	<u>105,507</u>
Total Revenues	<u>1,140,686</u>

TRANSFERS OUT

Capital Improvements Projects:	
Street Rehabilitation Program FY 18-19	721
2022 West of 101 Pavement Rehabilitation Project	8,734
HSIP Curb Ramp Improvements	554,397
2023 Surface Seal Project	100,000
2024 Surface Seal Project	<u>176,912</u>
Total Transfers Out	<u>840,764</u>

Net Change in Fund Balance	299,922
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Fund Balance, July 1	<u>2,089,897</u>
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Fund Balance, June 30	<u><u>\$2,389,819</u></u>
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See accompanying notes to the financial statements.

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CITY OF SOUTH SAN FRANCISCO
MEASURE W FUNDS
Notes to Financial Statements
For the Year Ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
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A. *Reporting Entity*

At the General Election of November 6, 2018, the voters of City of San Mateo County approved Measure W, which is an ordinance providing for the San Mateo County Transportation Authority to impose a one-half of one percent sales transaction and use tax. The San Mateo County Congestion Relief Plan includes an annual allocation of 12.5% of the total revenue generated by the aforementioned tax for the Local Safety, Pothole and Congestion Relief Improvement Program Category, of which 10% is to be allocated to the cities of San Mateo County and to the County of San Mateo for transportation and public transit in accordance with the Congestion Relief Plan.

B. *Basis of Accounting*

The Schedule of Measure W Funds (Transportation Sales Tax), a special revenue fund of the City of South San Francisco, California, have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Measure W Funds are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized when they become both measurable and available to finance expenditures of the fiscal period. Expenditures are recognized when the liability is incurred.

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CITY COUNCIL 2024

JAMES COLEMAN, MAYOR (DIST. 4)
EDDIE FLORES, VICE MAYOR (DIST. 5)
FLOR NICOLAS, MEMBER (DIST. 3)
MARK NAGALES, MEMBER (DIST. 2)
MARK ADDIEGO, MEMBER (DIST. 1)

SHARON RANALS, CITY MANAGER

December 19, 2024

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 W Funds for Local Transportation Purposes in accordance with the San Mateo County Congestion Relief Plan*

The City of South San Francisco is responsible for complying with the *Agreement for Distribution of San Mateo County Measure W Funds for Local Transportation Purposes in Accordance with the San Mateo County Congestion Relief Plan* (the Agreement) between the City and the San Mateo County Transportation Authority entered into on October 1, 2019. 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 W – San Mateo County Transportation Expenditure Plan* (the Measure), the City agrees that funds shall not be used to replace funds previously provided for public transportation investments, and that City will limit the use of funds provided pursuant to this Agreement to invest in major arterial and local roadway improvements in key congested areas throughout the County, focusing on improving safety, reducing congestion, and supporting all modes of travel on the County's roadway system.

With respect to compliance with the Agreement, management attests to the following for the year ended June 30, 2024:

- 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 City's compliance with the requirements of the Agreement;
- All Transactions, as summarized in the preceding Balance Sheet and Schedule of Revenues, Expenditures and Changes in Fund Balance for the Year Ended June 30, 2024, are in compliance with the Agreement.

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City Manager, Sharon Ranals

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Director of Finance, Karen Chang

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