

**SAN MATEO COUNTY
PARKS DEPARTMENT**

**Metropolitan Transportation Commission
Transportation Development Act Article 3 Grant
Crystal Springs Regional Trail Project
Allocation No. 08001053**

FINANCIAL STATEMENTS

**With Auditor's Report Thereon
June 30, 2010 and 2009**

**San Mateo County Parks Department
Metropolitan Transportation Commission
Transportation Development Act Article 3 Grant
Crystal Springs Regional Trail Project**

June 30, 2010 and 2009

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Independent Auditor's Report

Board of Supervisors
San Mateo County
400 County Center
Redwood City, CA 94063

We have audited the accompanying financial statements of the San Mateo County (County) Parks Department Crystal Springs Regional Trail Project (Project) as of and for the years ended June 30, 2010 and 2009. These financial statements are the responsibility of the County Parks Department management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards prescribed by the Transportation Development Act (TDA) in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 4, the financial statements of the Project are prepared for the purpose of complying with the audit requirements of the TDA Article 3 and are intended to present the financial position, and changes in financial position of only that portion of the governmental activities that is attributable to the transactions of the Project. They do not purport to, and do not present fairly the financial position of the County, as of June 30, 2010 and 2009, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In connection with our audits, we also performed tests of compliance with the applicable provisions of the TDA and the allocation instruction and resolutions and the rules and regulations of the Metropolitan Transportation Commission (MTC) as required by the California Code of Regulation, Title 21 Section 6666. Based on these procedures, the funds allocated to the Project were expended in conformance with the applicable laws, rules and regulations of the TDA issued by the State of California Department of Transportation and allocation instruction of the MTC.

As required by various statues 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, the financial statements referred to above present fairly, in all material respects, the financial position of the Project as of June 30, 2010 and 2009, and the respective changes in financial position, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

County of San Mateo Controller

Redwood City, California
July 7, 2011

**San Mateo County Parks Department
Metropolitan Transportation Commission
Transportation Development Act Article 3 Grant
Crystal Springs Regional Trail Project**

**Balance Sheets
June 30, 2010 and 2009**

	2010	2009
Asset (Note 2)		
Grant Receivable - TDA Article 3.0	\$ 36,671	\$ 13,517
Total Asset	36,671	13,517
Liabilities (Note 6)		
Due to Other Fund	24,527	13,517
Account Payable	12,144	-
Total Liabilities	36,671	13,517
Fund Balance		
Unassigned Fund Balance	-	-
Total Fund Balance	-	-
Total Liabilities and Fund Balance	\$ 36,671	\$ 13,517

The accompanying notes are an integral part of this statement.

**San Mateo County Parks Department
Metropolitan Transportation Commission
Transportation Development Act Article 3 Grant
Crystal Springs Regional Trail Project**

**Statements of Revenue, Expenditures, and Changes in Fund Balance
For the Years Ended June 30, 2010 and 2009**

	<u>2010</u>	<u>2009</u>	<u>Total</u>
Revenue (Note 7)			
Grant - TDA Article 3.0	\$ 91,483	\$ 13,517	\$ 105,000
Total Revenue	<u>91,483</u>	<u>13,517</u>	<u>105,000</u>
Expenditures (Note 2)			
Salaries and Benefits	6,332	2,387	8,719
Professional Services	<u>85,151</u>	<u>11,130</u>	<u>96,281</u>
Total Expenditures	<u>91,483</u>	<u>13,517</u>	<u>105,000</u>
Excess of Revenue Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at Beginning of Fiscal Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**San Mateo County Parks Department
Metropolitan Transportation Commission
Transportation Development Act Article 3 Grant
Crystal Springs Regional Trail Project
Notes to the Financial Statements
June 30, 2010 and 2009**

1. General Program Information

The County of San Mateo Parks Department (County) has developed the Crystal Springs Regional Trail Project under the Transportation Development Act (TDA), Article 3 for the construction of pedestrian and bicycle pathways. The Project is partially funded by TDA grants which are administered by the Metropolitan Transportation Commission (MTC).

2. Description of Grant

On July 25, 2007, MTC awarded an allocation of \$105,000 of TDA funds to the County to be expended by June 30, 2010. The Parks Department spent \$13,517 of these funds as of June 30, 2009, which was reimbursed subsequently by MTC in fiscal year 2009-10. This amount was recorded as a receivable as of June 30, 2009. The remaining TDA funds of \$91,483 were spent in fiscal year 2009-10. Of this amount, \$54,812 was reimbursed in the same fiscal year. The balance amounting to \$36,671 was recorded as a receivable as of June 30, 2010 and reimbursed in the subsequent fiscal year.

3. The County's Reporting Structure

The accounts of the County are organized on the basis of funds. A fund is defined as an independent accounting entity with self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities.

Components of the reporting structure applicable to the transactions under the grant contract:

Governmental Funds: Use the current financial resources measurement focus. The measurement focus is based upon spending or funds flow and determination of changes in fund balance.

4. Basis of Financial Statement Presentation

The *financial statements* were prepared for the purpose of complying with the audit requirements of the California MTC TDA Article 3 and are not intended to be a complete presentation of the County's financial position and the changes in financial position. Only governmental activities related to the TDA Article 3 allocation have been included.

5. Basis of Accounting

Basis of accounting refers to when revenue and expenditures are recognized. The Project is accounted for in a governmental fund type and the modified accrual basis of accounting is used. Under the modified accrual basis, revenue is recognized when it becomes measurable and available as net current assets. Expenditures are recognized when they are incurred.

6. Liabilities

Total liabilities of \$36,671 reported on the *Balance Sheets* includes \$24,527 payable to the Parks Acquisition and Development fund of the Parks Department and \$12,144 payable to the contractor for Crystal Springs Regional Trail Project.

7. Grant Revenue

Total grant revenue of \$105,000 reported on the *Statements of Revenue, Expenditures and Changes in Fund Balance* includes \$36,671 reimbursed from the MTC after the fiscal year-end, as explained in Note 2 above.