

**SAN MATEO COUNTY
DEPARTMENT OF PUBLIC WORKS**

**Metropolitan Transportation Commission
Transportation Development Act Article 3 Grant
Mirada Surf Coastal Trail Project
Allocation No. 09001002**

Grant Period: July 1, 2010 through June 30, 2011

STATEMENT OF GRANT REVENUES AND EXPENDITURES

With Auditor's Report Thereon

**San Mateo County Department of Public Works
Metropolitan Transportation Commission
Transportation Development Act Article 3 Grant
Mirada Surf Coastal Trail Project
For the Grant Period
July 1, 2010 through June 30, 2011**

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Office of Controller



**TOM HUENING
CONTROLLER**

COUNTY OF SAN MATEO

555 COUNTY CENTER, 4TH FLOOR • REDWOOD CITY • CALIFORNIA 94063

**ROBERT G. ADLER
ASSISTANT CONTROLLER**

**KANCHAN K. CHARAN
DEPUTY CONTROLLER**

TELEPHONE: (650) 363-4777
FAX: (650) 363-7888

www.co.sanmateo.ca.us/controller/

Independent Auditor's Report

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

We have audited the accompanying Statement of Grant Revenues and Expenditures of the San Mateo County (County) Department of Public Works, Mirada Surf Coastal Trail Project (Project) for the period July 1, 2010 through June 30, 2011. This statement is the responsibility of the County Department of Public Works management. Our responsibility is to express an opinion on the Statement of Grant Revenues and Expenditures based on our audit.

We conducted our audit 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 Statement of Grant Revenues and Expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 audit provides a reasonable basis for our opinion.

As discussed in Note 4, the accompanying Statement of Grant Revenues and Expenditures was prepared for the purpose of complying with the audit requirements of the TDA Article 3 and is intended to present the revenues and expenditures of only that portion of the governmental activities that is attributable to the transactions of the Project. It does not purport to, and does not present fairly the revenues and expenditures of the County for the period July 1, 2010 through June 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

In connection with our audit, 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 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, the Statement of Grant Revenues and Expenditures referred to above presents fairly, in all material respects, the grant revenues and expenditures of the Project for the period July 1, 2010 through June 30, 2011 in conformity with accounting principles generally accepted in the United States of America.

County of San Mateo Controller

Redwood City, California
December 6, 2011

**San Mateo County Department of Public Works
Metropolitan Transportation Commission
Transportation Development Act Article 3 Grant
Mirada Surf Coastal Trail Project**

**Statement of Grant Revenues and Expenditures
For the Grant Period July 1, 2010 to June 30, 2011**

Revenue (Note 7)	
Grant - TDA Article 3.0	\$ 3,582
Total Revenue	<u>3,582</u>
Expenditures (Note 2)	
Salaries and Benefits	2,082
Professional Services	<u>1,500</u>
Total Expenditures	<u>3,582</u>
Excess of Revenues Over Expenditures	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

**San Mateo County Department of Public Works
Metropolitan Transportation Commission
Transportation Development Act Article 3 Grant
Mirada Surf Coastal Trail Project
Notes to Statement of Grant Revenues and Expenditures
July 1, 2010 To June 30, 2011**

1. General Program Information

The County of San Mateo (County) Department of Public Works has developed the Mirada Surf Coastal Trail Project (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 June 25, 2008, MTC awarded an allocation of \$100,000 of TDA funds to the County for the three-year period July 1, 2008 through June 30, 2011. In fiscal year 2008-09, total expenditures amounted to \$58,487, which was reimbursed by MTC in the same fiscal year.

No expenditures were incurred or reimbursed in fiscal year 2009-10.

In fiscal year 2010-11, the County Department of Public Works requested \$28,382 from MTC, of which, \$3,582 was incurred during the fiscal year and the remaining \$24,800 was requested based on contracted design work pertaining to the Project. MTC reimbursed the County Department of Public Works \$28,382 in the subsequent fiscal year.

The grant expired on June 30, 2011 and the total grant funds expended/committed as of that date amounted to \$86,869.

Below is a summary of the grant:

Fiscal Year Ended June 30	Amount Expended	Amount Committed (Note 6)	Total
2009	\$ 58,487	\$ -	\$ 58,487
2010	-	-	-
2011	3,582	24,800	28,382
			86,869
		Amount not spent	13,131
		Total Grant	<u>\$ 100,000</u>

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.

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4. Basis of Financial Statement Presentation

The *Statement of Grant Revenues and Expenditures* was prepared for the purpose of complying with the audit requirements of the California MTC TDA Article 3 and is not intended to be a complete presentation of the County's revenues and expenditures. Only revenues and expenditures related to the TDA Article 3 allocation have been included.

5. Basis of Accounting

Basis of accounting refers to when revenues 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, revenues are recognized when they become measurable and available as net current assets. Expenditures are recognized when they are incurred.

6. Commitment

During the fiscal year, the County Department of Public Works entered into a contract for \$24,800 for design work pertaining to the Project to be funded by the TDA allocation. No contract expenditures were incurred as of June 30, 2011. The contract expires on May 19, 2012. See Note 2 above for grant summary.

7. Grant Revenues

Grant revenue of \$3,582 reported on the *Statement of Grant Revenues and Expenditures* was received from the MTC after fiscal year-end, as explained in Note 2 above.