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AGENDA

San Mateo County Transit District

Measure W Citizens' Oversight Committee (COC) Meeting

February 25, 2025, 4:00 pm

Bacciocco Auditorium, 2nd Floor

1250 San Carlos Avenue, San Carlos, CA 94070

Members of the public may attend in-person or participate remotely via Zoom at: <https://us02web.zoom.us/j/89251299467?pwd=3boMbKUra3vG7yEcZq1KjoXWqSewfX.1> or by entering Webinar ID: 892 5129 9467, Passcode: 323270 in the Zoom app for audio/visual capability or by calling 1-669-219-2599 (enter webinar ID and press # when prompted for participant ID) for audio only.

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 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

San Mateo County Transit District Measure W Citizens' Oversight Committee Members 2025: Rosanne Foust (Chair), John Baker, Adrian Brandt, Rich Hedges, Karen Kuklin, Sandra Lang, Ben Mangiafico, Gus Mattammal, Seema Patel, Mario Rendon, Malcolm Robinson, Gabriel Terry, Michael Wooley-Ousdahl

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

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.

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>.

Tuesday, February 25, 2025

4:00 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 21, 2024
 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, 2024
 - 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 Vacancies and Terms Ending in 2025
 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.
Agendas are available on the SamTrans website at <https://www.samtrans.com/meetings>.
Communications to the Board of Directors can be emailed to board@samtrans.com.

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 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

Upon request, SamTrans will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least at least 72 hours in advance of the meeting or hearing. Please direct requests for disability-related modification and/or interpreter services to the Title VI Administrator at San Mateo County Transit District, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or email titlevi@samtrans.com; or request by phone at 650-622-7864 or TTY 650-508-6448.

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 21, 2024

Members Present (In Person): J. Baker, A. Brandt, R. Foust (Chair), R. Hedges, K. Kuklin, S. Lang, J. Lind Rupp (Vice Chair), G. Mattammal, M. Robinson, G. Terry (arrived at 3:03 pm), M. Wooley-Ousdahl

Members Present (Via Teleconference): M. Rendon

Members Absent: A. Madrid

Staff Present: J. Cassman, S. van Hoften, D. Covarrubias, A. To, C. Chang, P. Skinner, J. Brook

1. Call to Order

Chair Rosanne Foust called the meeting to order at 3:01 pm and led 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 April 22, 2024

Motion/Second: Hedges/Robinson

Ayes: Baker, Brandt, Foust, Hedges, Kuklin, Lind, Mattammal, Rendon, Robinson, Terry, Wooley-Ousdahl

Noes: None

Abstentions: Lang

Absent: Madrid

5. Discuss Work Plan for Fiscal Year 2024 Annual Audit of Measure W Tax Revenues and Expenditures in Accordance with the Congestion Relief Plan

Peter Skinner, Executive Officer, Transportation Authority, said they hoped to bring the draft final audit of Measure W funds for SamTrans and TA to the Committee in January or February. He said after that meeting, stall will work with the Chair to create a report that the Committee will then review and approve at a subsequent meeting in April or May.

Sandra Lang asked if there would be any materials about the COC's purpose as stated in the work plan. Mr. Skinner said the Committee's purpose is to review the expenditures of

Measure W funds to make sure they are in alignment with the Congestion Relief Plan. He said that SamTrans' third-party auditor would submit and present the audit to the Committee. Chair Foust clarified that the Measure W expenditures that are reviewed by the auditor are directly tied to SamTrans' and the TA's expenditures.

Joan Cassman, Legal Counsel, provided a brief explanation of the Congestion Relief Plan.

Rich Hedges said that C/CAG (City/County Association of Governments of San Mateo County) is responsible for congestion relief for much of the County.

Ms. Cassman said the auditor reviews the books, indicates how the Measure W funds were expended, and then reports those expenditures to the COC; then the COC confirms that the expenditures were in line with what the voters passed.

Malcolm Robinson asked if they confirm if the expenditures were effective in relieving congestion, and Mr. Skinner said that the COC is only charged with reviewing the expenditures and not the effectiveness of any projects.

Gabriel Terry asked if there is an idealized form that he should be cross-referencing when he is reviewing the audit. Ms. Cassman said there is a broad range of projects that are eligible for Measure W funds. She said SamTrans and the TA can make decisions about how to spend their respective funds. Mr. Skinner said that SamTrans cannot make decisions to spend funds without Board approval. He said for the TA, he could review how funds were allocated for past projects. He said there is also a lot of information in the audit itself and suggested to Mr. Terry that he look at last year's audit.

Adrian Brandt said the proponents believe that the result will be consistent with the goal.

Ms. Cassman said the most effective advocacy approach is to let your voice be heard before the SamTrans or TA Board about whether a project should go forward or not, noting again that the COC is an after-the-fact review body.

Mr. Hedges said the COC is charged with auditing Measure W spending.

Ms. Lang said its purpose is to look at the fiscal relationship of the numbers.

Mr. Brandt asked when a project gets approved if the COC could look at the expenditures and decide if the project met its goals. He said he felt the COC could add value by providing some guidance. Chair Foust proposed having the COC comments wrapped into the annual report.

Mr. Hedges said there are more workers who will be returning to work based on company mandates.

Chair Foust encouraged Committee members to look at an October 21 article in either *The Mercury News* or the *San Francisco Chronicle* on Caltrans' view of equity as new road projects are coming through and the impact of equity in certain neighborhoods like Shoreview in San Mateo.

6. Update on Measure W Citizens' Oversight Committee Membership - Recruitment for Terms Ending in 2024

Charlsie Chang, Government Affairs Officer, said there were four seats expiring December 2024, noting that they sent out a press release, done social media posts, and directed targeted outreach to the different segments. She said they had already received a number of applications but were still accepting more applications, particularly for Supervisorial District 2.

7. Committee Member Comments/Communications Regarding Transportation Matters

Mr. Hedges reflected that in his past graduate work in urban history, no city has prospered that did not have a transportation system.

Ms. Lang said the speeding is out of control on El Camino Real and there is no enforcement, particularly between downtown San Mateo and Burlingame. She said there is a need to enforce the speed limits.

John Baker said regarding the regional transit legislation discussion at the last SamTrans Board meeting on October 9 that there was some concern in rider circles about transit equity, and specifically how SamTrans would be affected if other transit operators are not running.

Mr. Robinson said they are accepting comments on the Vehicle Miles Traveled/Greenhouse Gas Model Mitigation Program until November 24 at the C/CAG website.

Michael Wooley-Ousdahl said he was pleased with the new electric Caltrain service.

Chair Foust noted the success of the September 21-22 Caltrain Electrification celebrations and thanked all who were involved in the planning.

8. Next Meeting: Date to Be Announced

Chair Foust said that staff would poll the Committee members for the date of the next meeting, which would be sometime in late January or early February. She asked when the new and reapplying member would be appointed, and Ms. Chang said the Board would approve at their December meeting.

9. Adjournment

The meeting adjourned at 3:43 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 650-551-6108 or by email to 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, 2024**

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, 2024;
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:	Kyle Huie	Manager, Accounting	650-551-6180
	Annie To	Director, Accounting	655-622-7890



Financial Statements
Measure W Fund
For the Years Ended June 30, 2024
and June 30, 2023

San Mateo County Transit District

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San Mateo County Transit District

Measure W Fund

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June 30, 2024 and 2023

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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 financial statements of Measure W (Measure W) (Fund) of the San Mateo County Transit District's (District), as of and for the years ended June 30, 2024 and June 30, 2023, 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, 2024 and June 30, 2023, and the changes in its financial position, and cash flows thereof 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, 2024 and June 30, 2023, the changes in its financial position, and its cash flows 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 [City/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 GAAS. In our opinion, the supplementary information is 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 25, 2025, 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 25, 2025

San Mateo County Transit District
Measure W Fund
Statement of Net Position
June 30, 2024 and June 30, 2023 (In thousands)

Table #1 : Statement of Net Position

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 207,075	\$ 168,088
Accounts receivable	9,917	10,046
Total assets	216,992	178,134
Liabilities		
Current Liabilities		
Accounts payable	2,417	1,496
Total liabilities	2,417	1,496
Net Position		
Restricted for Measure W projects	214,575	176,638
Total net position	\$ 214,575	\$ 176,638

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San Mateo County Transit District
Measure W Fund
Statement of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2024 and June 30, 2023 (In thousands)

Table #2: Statement of Revenues, Expenditures, and Changes in Net Position

	2024	2023
Revenues		
Measure W sales tax (100%)	\$ 115,367	\$ 117,413
Total operating revenues	115,367	117,413
Expenses		
District		
County Public Transportation Systems (50%)	24,449	8,447
Disbursements to Transportation Authority		
Countywide Highway Congestion Relief Improvements (22.5%)	25,958	26,418
Grade Separations (10%)	2,884	2,935
Bicycle and Pedestrian (2.5%)	5,768	5,871
Regional Transit Connections (5%)	11,537	11,741
Disbursements to Cities/Counties		
Local Investment Share (10%)	11,537	11,741
Total expenses and and disbursements	82,133	67,153
Operating Income	33,234	50,260
Nonoperating Revenues		
Interest income	4,703	3,982
Total nonoperating revenues	4,703	3,982
Change in Net Position	37,937	54,242
Net Position - Beginning	176,638	122,396
Net Position - Ending	\$ 214,575	\$ 176,638

San Mateo County Transit District

Measure W Fund

Statement of Cash Flows

Years Ended June 30, 2024 and June 30, 2023 (In thousands)

Table #3: Statement of Cash Flow

	2024	2023
Cash Flows from Operating Activities		
Cash received from California Department of Tax and Fee Administration	\$ 115,496	\$ 118,237
Payments to vendors for goods and services	(18,958)	(2,918)
Payments for employee wages	(4,570)	(4,409)
Capital Transfers to the Transportation Authority	(57,684)	(58,706)
Net Cash Provided by Operating Activities	<u>34,284</u>	<u>52,204</u>
Cash Flows from Investing Activities		
Investment income received	4,703	3,982
Net Cash Provided by Investing Activities	<u>4,703</u>	<u>3,982</u>
Net Change in Cash and Cash Equivalents	38,987	56,186
Cash and Cash Equivalents, Beginning of Year	<u>168,088</u>	<u>111,902</u>
Cash and Cash Equivalents, End of Year	<u>\$ 207,075</u>	<u>\$ 168,088</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 33,234	\$ 50,260
Adjustments to reconcile operating income to net cash provided by operating activities		
Accounts receivable	129	824
Accounts payable and accrued liabilities	921	1,120
Net Cash Provided by Operating Activities	<u>\$ 34,284</u>	<u>\$ 52,204</u>

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, 2024, 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

Revenues 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.

San Mateo County Transit District

Measure W Fund

Notes to Financial Statements

June 30, 2024

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 \$9,917,000 and \$10,046,000, from California Department of Tax and Fee Administration, for fiscal years ended June 30, 2024 and June 30, 2023, respectively.

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Supplementary Information
June 30, 2024

San Mateo County Transit District

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San Mateo County Transit District
Measure W Disbursements and Expenses
Through June 30, 2024

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, 2024.

Table #4: Measure W Disbursements and Expenses

(In thousands)

	Inception to Date as of June 30, 2024		
	Measure W Allocations ¹	Measure W Expenses ²	Unexpended Amounts
District			
County Public Transportation Systems	\$ 263,285	\$ 62,716	\$ 200,569
Interest income	14,006	-	14,006
Disbursements to Transportation Authority			
Countywide Highway Congestion Relief Improvements	118,479	3,939	114,540
Local Investment Share	52,657	52,657	-
Grade Separations	13,164	-	13,164
Bicycle and Pedestrian	26,329	4,478	21,851
Regional Transit Connections	52,657	536	52,121
Interest income (loss) ³	6,946	168	6,778
	\$ 547,523	\$ 124,494	\$ 423,029

Footnote

¹ Amount reflects cumulative program allocation revenues from inception-to-date.

² Amount reflects cumulative program expenses from inception-to-date.

³ Amount reflects 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, 2024

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

Table #5: Current Year District's Measure W Projects

District's Measure W Operating Projects	Year-to-Date Budget (in thousands)	Year-to-Date Expenses (In thousands)	Core Principle(s)
Fixed Route Services			
School Oriented Service	\$ 5,025	\$ 5,025	1, 2, 6, 8, 10
Paratransit			
Americans with Disabilities Act Operating Subsidy	3,985	3,985	2, 4, 5, 6, 7, 10
Planning			
SamTrans Reimagine	4,140	4,140	1, 2
Bus Stop Improvement & Implementation	183	183	2, 5, 6, 7
Measure W Strategic Plan	542	542	2, 5
Measure W Administration			
SamTrans Operating Administration	7	7	
Total Operating Expenses	\$ 13,882	\$ 13,882	

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)
Emission Zero				
Zero Emission Bus Implementation and Deploy	\$ 8,674	\$ 1,630	\$ 3,450	2, 3, 5, 7, 8
South Base Switchgear Replace	5,917	2,223	2,880	2, 3, 5, 7, 8
Purchase 17 Battery Electric Buses	5,295	2,664	3,118	2, 3, 5, 7, 8
Replace (135) 2009 Gillig Buses	1,604	124	213	2, 3, 5, 7, 8
Hydrogen Supply and Infrastructure	4,636	3,099	3,099	2, 3, 5, 7, 8
Paratransit				
Replace (10) 2017 Redi-Wheels Minivans	438	5	267	2, 4, 5, 6, 7, 10
Paratransit Scheduling Software	570	291	291	2, 4, 5, 6, 7, 10
Planning				
El Camino Real Transit Capital Improvement Fund	2,200	58	58	1, 2, 7, 8
Infrastructure				
Bus Stop Improvement Plan	220	81	81	2, 7, 8
Bus Operator Restroom Access Improvements	2,937	91	91	7
Accessibility Improvements				
Updated ADA Transition Plan and Phase 1 Improvements	1,225	301	385	6, 7
Total Capital Expenses	\$ 33,716	\$ 10,567	\$ 13,933	

#	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, 2024

Table #6: Current Year Transportation Authority's Measure W Projects

Transportation Authority's Measure W Projects Extended in FY 2024	Amount¹ (In thousands)
Countywide Highway Congestion Relief Improvements	
Highway Projects	
Moss Beach State Route 1 Congestion & Safety Improvements	\$ 500
Town of Colma's El Camino Real Bike & Pedestrian Improvement	285
Administrative Overhead/Indirect Cost Allocation Plan	274
US101/SR92 Interchange Area Improvements	90
Alternative Congestion Relief and Transportation Demand Management (ACR/TDM)	
Hillsborough's Eucalyptus Pathway Project	194
San Mateo County's Midcoastside TDM Plan	95
Administrative Overhead/Indirect Cost Allocation Plan	71
Half Moon Bay's Electric Bicycle Sharing Program	60
Millbrae's Bike Sharing Program	53
Redwood City's Bicycle Parking Guidelines	44
Half Moon Bay's Midcoast TDM Plan	35
Burlingame's Bike Sharing Program	27
Town of Colma's Rideshare Voucher Program	7
Commute.org's Jefferson Union High School District (JUHSD) Workforce Housing TDM	4
Local Investment Share	
Local investment share	11,537
Grade Separations	
N/A	-
Bicycle and Pedestrian	
Burlingame's Station Pedestrian Improvements	576
San Mateo County's Santa Cruz Avenue/ Alameda de las Pulgas Improvements	411
Redwood City's Pedestrian Improvements	368
Safe Routes to School	320
San Mateo County's Alpine Road Corridor Improvement Project	224
Administrative Overhead/Indirect Cost Allocation Plan	155
City of Pacifica's Esplanade & Palmetto Improvements	62
Daly City's Vision Zero Community Outreach	12
Redwood City's Vision Zero Programs	4
Menlo Park's Middle Avenue Project	1
Burlingame's Occidental Avenue Bike & Pedestrian Improvements	1
Regional Transit Connections	
Regional Transit Connections	255
Administrative Overhead/Indirect Cost Allocation Plan	122
Total	\$ 15,785

¹ Sources can be from various prior year allocations.

² Administrative Overhead consists of administrative wages and benefits. Indirect Cost Allocation Plan (ICAP) calculates the indirect cost rate used to recover overhead costs related to agency indirect administrative overhead and capital projects.



Independent Auditor's Report
For the Year ended June 30, 2024

San Mateo County Transit District

DRAFT



**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, 2024, and the related notes of the financial statements, and have issued our report thereon dated February 25, 2025.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Measure W Fund are intended to present the financial position, the changes in financial position, and cash flows 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, 2024 and 2023, 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.

Report on 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.

Report on 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 25, 2025

DRAFT

None reported.

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MEASURE W – SAN MATEO COUNTY TRANSIT DISTRICT

FISCAL YEAR ENDED JUNE 30, 2024



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

