

**City of  
Foster City and Estero  
Municipal  
Improvement District**

**Measure A Fund  
Foster City, California**

*Independent Accountant's Report on Compliance  
with the Agreement for Distribution of San Mateo  
County Measure A Funds For Local Transportation  
Purposes*

*For the year ended June 30, 2023*

**City of Foster City and Estero Municipal Improvement District**  
**Measure A Transportation Fund**  
**For the year ended June 30, 2023**

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## INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Mayor and Members of the City Council of the City of Foster City  
and the Board of Directors of the Estero Municipal Improvement District  
Foster City, California

We have examined management's assertion, included in the accompanying Management's Report on Compliance with the *Agreement for Distribution of San Mateo County Measure A Funds for Local Transportation Purposes in accordance with the Measure A Agreement* (the Agreement) between the City of Foster City and Estero Municipal Improvement District (City/District) and the San Mateo County Transportation Authority entered into on August 18, 1989 and extended on January 1, 2009, and that the City complied with the requirements of the Agreement during the year ended June 30, 2023. The City/District's management is responsible for the assertion. Our responsibility is to express an opinion on the assertion based on our examination.

Our examination was conducted in accordance with 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/District 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 assertions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material misstatement of management's assertions, 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 accompanying Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are in compliance with the Agreement, and that the City/District complied with the requirements of the Agreement for the year ended June 30, 2023 is fairly stated in all material respect.

A handwritten signature in black ink that reads 'Badawi &amp; Associates' in a cursive script.

Badawi and Associates, CPAs  
Berkeley, California  
December 4, 2023

**City of Foster City and Estero Municipal Improvement District**  
**Measure A Transportation Fund**  
**Balance Sheet**  
**June 30, 2023**

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**Assets**

Cash and investments	\$ 4,615,713
Taxes receivables	<u>71,237</u>
Total Assets	<u><u>\$ 4,686,950</u></u>

**Fund Balance:**

Restricted for Measure A	\$ 4,686,950
Total Fund Balance	<u><u>\$ 4,686,950</u></u>

**City of Foster City and Estero Municipal Improvement District**  
**Measure A Transportation Fund**  
**Statement of Revenues, Expenditures And Changes In Fund Balance**  
**For the year ended June 30, 2023**

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**Revenues**

Sales and Use Taxes	\$ 940,399
Interest Income (loss)	124,858
Total Revenues	<u>\$ 1,065,257</u>

**Expenditures**

Capital Improvement	<u>416,679</u>
Total expenditures	<u>416,679</u>

Revenues over (under) expenditures 648,578

**Fund Balance**

Beginning of the year	<u>4,038,372</u>
End of the year	<u>\$ 4,686,950</u>



*City of Foster City*

**ESTERO MUNICIPAL IMPROVEMENT DISTRICT**

610 FOSTER CITY BOULEVARD  
FOSTER CITY, CA 94404-2222

December 4, 2023

San Mateo County Transportation Authority  
1250 San Carlos Avenue  
San Carlos, California 94070

**Re: Management’s Report on Compliance with the Agreement for Distribution of San Mateo County Measure A Funds for Local Transportation Purposes**

The City of Foster City and the Estero Municipal Improvement district (City/District) is responsible for complying with the *Agreement for Distribution of San Mateo County Measure A Funds for Local Transportation Purposes* (the Agreement) between the City/District and the San Mateo County Transportation Authority entered into on August 18, 1989 and extended on January 1, 2009. The Agreement states that in return for receiving an annual allocation of a specified portion of the retail transaction and use tax approved by *Measure A – San Mateo County Transportation Expenditure Plan* (the Measure), the City, in use of these funds, shall “refrain from substituting funds provided to it pursuant to this Agreement for property tax funds which are currently being used to fund existing local transportation programs and limit the use of said funds to the improvement of local transportation, including streets and road improvements.”

With respect to compliance with the Agreement, management attests to the following for the year ended June 30, 2023:

- Management is responsible for establishing and maintaining an effective internal control with respect to compliance with the Agreement.
- Management is responsible for complying with the Agreement.
- Management has evaluated the City/District’s compliance with requirements of the Agreement; and
- All Transactions, as summarized in the preceding Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance for the fiscal year ended June 30, 2023, are in compliance with the Agreement.

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for Stefan Chatwin  
City Manager

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Edmund Suen  
Finance Director