

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

Measure W Fund
Foster City, California

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

For the year ended June 30, 2023

City of Foster City and Estero Municipal Improvement District
Measure W 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 W Funds for Local Transportation Purposes in accordance with the Measure W 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 December 2, 2019, 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 City's compliance with those requirements. Our responsibility is to express an opinion on the assertion based upon our examination.

Our examination was made 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 complied 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 respects.

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

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

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

Assets:

Cash and investments	\$ 1,163,560
Taxes receivables	<u>71,324</u>
Total Assets	<u><u>\$ 1,234,884</u></u>

Fund Balance:

Restricted for Measure W	<u>1,234,884</u>
Total Fund Balance	<u><u>\$ 1,234,884</u></u>

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

Revenues:

Sales and Use Taxes	\$ 411,947
Interest Income (loss)	30,761
Total Revenues	<u>442,708</u>

Expenditures:

Capital Improvements	<u>258,285</u>
Total expenditures	<u>258,285</u>

Revenues over (under) expenditures	184,423
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Fund Balance:

Beginning of the year	<u>1,050,461</u>
End of the year	<u>\$ 1,234,884</u>



City of Foster City

ESTERO MUNICIPAL IMPROVEMENT DISTRICT

610 FOSTER CITY BOULEVARD
FOSTER CITY, CA 94404-2222

2/4

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 W 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 W Funds for Local Transportation Purposes* (Agreement) between the City/District and the San Mateo County Transportation Authority entered into December 2, 2019. 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 W – San Mateo County Transportation Expenditure Plan* (the Measure), the City/District, 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.

for Stefan Chatwin
City Manager

Edmund Suen
Finance Director