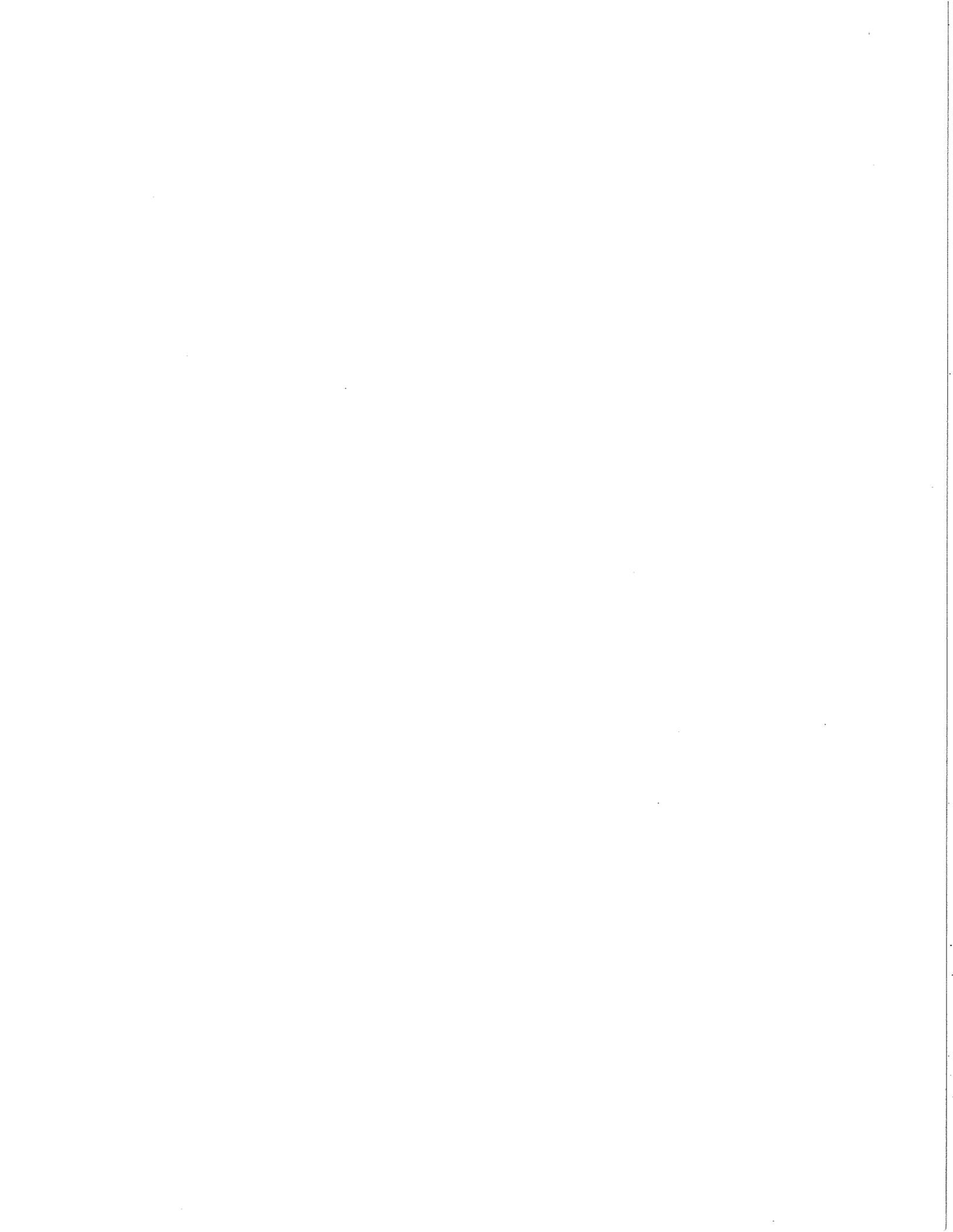


CITY OF SAN BRUNO, CALIFORNIA  
INDEPENDENT AUDITORS' REPORT  
MEASURE A COMPLIANCE

Fiscal Year Ended June 30, 2009





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To the Honorable Mayor and Members of the City Council  
San Bruno, California

### **Independent Auditors' Report on Measure A Compliance**

We have audited the Statements of Revenues and Expenditures that was administered by the City of San Bruno ("City") for the Agreement for Distribution of San Mateo County Measure A Funds for Local Transportation Purposes between the City and the San Mateo County Transportation Authority dated August 18, 1989 (the Agreement) as of and for the year ended June 30, 2009 and have issued our report thereon December 17, 2009. The amounts included in the Statement of Revenues and Expenditures are the responsibility of the City of San Bruno's management. Our responsibility is to express an opinion on this statement.

We conducted our 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. Those standards require that we plan and perform the audit to obtain reasonable assurance regarding whether the Statements of Revenues and Expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement of Expenditures Incurred. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statements of Revenues and Expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statements of Revenues and Expenditures was prepared for the purpose of complying with the audit requirements of the Agreement and is not intended to be a complete presentation of the City of San Bruno's expenditures.

In our opinion, the Statements of Revenues and Expenditures referred to in the first paragraph presents fairly, in all material respects, the revenues and expenditures reported to the San Mateo County Transportation Authority.

#### Internal Control Over Financial Reporting

The City's management is responsible for establishing and maintaining internal control. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the Statements of Revenues and Expenditures, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the second paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies over financial reporting that we consider to be material weakness, as defined above.

#### Compliance with Laws, Regulations and Other Matters

Compliance with applicable laws, regulations, and grant agreement terms and conditions is the responsibility of the City's management. As part of obtaining reasonable assurance about whether the Statements of Revenues and Expenditures is free of material misstatement, we performed tests of the City's compliance with certain provisions of applicable laws, regulations, and grant agreement terms and conditions, noncompliance with which could have a direct and material effect on the determination of amounts contained in the Statements of Revenues and Expenditures. However, providing an opinion on compliance with those provisions is not an objective of our audit and, accordingly, we do not express such an opinion. **The results of our tests of compliance disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.**

This report is intended solely for the information of the City Council and management of the City of San Bruno and officials of the San Mateo County Transportation Authority and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Mayer Hoffman Mc Cann P.C.*

San Jose, California  
December 17, 2009

City of San Bruno  
Measure A Transportation Fund

Schedule of Revenues and Expenditures  
Fiscal Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues:		
Measure A receipts	\$ 667,651	\$ 716,692
Investment income (loss)	<u>(24,252)</u>	<u>19,822</u>
Total revenues	643,399	736,514
Program expenditures	<u>(676,933)</u>	<u>(900,464)</u>
Revenues over (under) expenditures	<u>\$ (33,534)</u>	<u>\$ (163,950)</u>