



# STANISLAUS COUNCIL OF GOVERNMENTS MEASURE L- CITY OF PATTERSON

FOR THE YEAR ENDED JUNE 30, 2024

INDEPENDENT AUDITORS' REPORT, MEASURE L FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION, AND COMPLIANCE REPORT

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STANISLAUS COUNCIL OF GOVERNMENTS  
MEASURE L – CITY OF PATTERSON

Independent Auditors' Report, Measure L Financial Statements,  
Supplementary Information, and Compliance Report

For the Year Ended June 30, 2024

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## INDEPENDENT AUDITORS' REPORT

To the Policy Board  
Stanislaus Council of Governments  
Stanislaus County, California

To the City of Patterson's Measure L Committee Member

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the Measure L Fund of the City of Patterson, California (the "City") pertaining to certain provisions of Measure L; Local Road First Transportation Funding Measure (the Measure L Program), issued by the Stanislaus Council of Governments acting as the Stanislaus County Transportation Authority as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Measure L Fund's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the City's auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities related to Measure L, and the Measure L Fund of the City, as of June 30, 2024, respective changes in financial position, and the budgetary comparison of the Measure L Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the City, which were relied upon for assurance over the cash balances and related investment income represented within the Measure L Fund as of June 30, 2024. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for cash balances and investment income, are based solely on the report of the other auditors.

#### ***Basis for Opinions***

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. 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 City 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 opinions.

#### ***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the Measure L Fund and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2024, the changes in its financial position, or, where applicable, 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.



To the Policy Board  
Stanislaus Council of Governments  
Stanislaus County, California

To the City's Measure L Committee Member

### ***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 opinions. 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 generally accepted auditing standards 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 generally accepted auditing standards 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's internal control as it relates to the Measure L Fund. 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.

### ***Required Supplementary Information***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.



To the Policy Board  
Stanislaus Council of Governments  
Stanislaus County, California

To the City's Measure L Committee Member

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure L Fund's basic financial statements. The accompanying schedule of expenditures by project (supplementary information) is 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 auditing standards generally accepted in the United States of America. 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 October 15, 2025, on our consideration of the City's internal control over financial reporting, as it relates to the Measure L Fund, 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 the City's internal control over financial reporting or on compliance, as it relates to the Measure L Fund. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance as it relates to the Measure L Fund.

***LSL, LLP***

Sacramento, California  
October 15, 2025

**STANISLAUS COUNCIL OF GOVERNMENTS**  
**Measure L - City of Patterson**  
**Balance Sheet and Statement of Net Position**  
**Governmental Fund and Governmental Activities**  
**June 30, 2024**

	<u>Measure L Fund</u>	<u>Reclassifications and Eliminations</u>	<u>Governmental Activities</u>
<b>ASSETS</b>			
Cash and investments	\$ 4,736,476	\$ -	\$ 4,736,476
Accounts receivable	291,764	-	291,764
Accrued interest receivable	38,763	-	38,763
<b>Total assets</b>	<b>\$ 5,067,003</b>	<b>\$ -</b>	<b>\$ 5,067,003</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,157	\$ -	\$ 1,157
Unearned revenue	827,191	-	827,191
<b>Total liabilities</b>	<b>828,348</b>	<b>-</b>	<b>828,348</b>
<b>FUND BALANCE/NET POSITION</b>			
Restricted	4,238,655	-	4,238,655
<b>Total fund balance/net position</b>	<b>4,238,655</b>	<b>-</b>	<b>\$ 4,238,655</b>
<b>Total liabilities and fund balance/net position</b>	<b>\$ 5,067,003</b>	<b>\$ -</b>	<b>\$ 5,067,003</b>

**STANISLAUS COUNCIL OF GOVERNMENTS**

**Measure L - City of Patterson**

**Statement of Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities**

**Governmental Fund and Governmental Activities**

**For the Year Ended June 30, 2024**

	<u>Measure L Fund</u>	<u>Reclassifications and Eliminations</u>	<u>Governmental Activities</u>
<b>REVENUES</b>			
Measure L funds/capital grants and contributions	\$ 1,836,921	\$ -	\$ 1,836,921
Investment earnings (loss)	122,858	-	122,858
Contributions from City of Patterson	727,479	-	-
<b>Total revenues</b>	<b><u>2,687,258</u></b>	<b><u>-</u></b>	<b><u>1,959,779</u></b>
<b>EXPENDITURES/EXPENSES</b>			
Streets and roads - Measure L	1,454,958	-	1,454,958
Bikes and pedestrian - Measure L	69,777	-	-
Contributions to City of Patterson Street Fund	133,369	-	-
<b>Total expenditures/expenses</b>	<b><u>1,658,104</u></b>	<b><u>-</u></b>	<b><u>1,454,958</u></b>
<b>Net change in fund balance/net position</b>	<b><u>1,029,154</u></b>	<b><u>-</u></b>	<b><u>1,029,154</u></b>
Fund balance/net position-beginning	3,193,379	-	3,193,379
Restatements	16,122	-	16,122
Fund balance/net position-beginning, restated	3,209,501	-	3,209,501
<b>Fund balance/net position-ending</b>	<b><u>\$ 4,238,655</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,238,655</u></b>

**STANISLAUS COUNCIL OF GOVERNMENTS**

**Measure L - City of Patterson**

**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual (GAAP)**

**Special Revenue Fund**

**For the Year Ended June 30, 2024**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Measure L funds/capital grants and contributions	\$ 1,124,762	\$ 1,124,762	\$ 1,836,921	\$ 712,159
Investment earnings (loss)	7,040	7,040	122,858	115,818
Contributions from City of Patterson	-	-	727,479	727,479
<b>Total revenues</b>	<b>1,131,802</b>	<b>1,131,802</b>	<b>2,687,258</b>	<b>1,555,456</b>
<b>EXPENDITURES</b>				
Streets and roads - Measure L	1,819,056	1,823,225	1,454,958	368,267
Bikes and pedestrian - Measure L	249,309	249,309	69,777	179,532
Contributions to City of Patterson Street Fund	1,508,455	1,199,944	133,369	1,066,575
<b>Total expenditures</b>	<b>3,576,820</b>	<b>3,272,478</b>	<b>1,658,104</b>	<b>1,614,374</b>
<b>Net change in fund balance</b>	<b>\$ (2,445,018)</b>	<b>\$ (2,140,676)</b>	<b>1,029,154</b>	<b>\$ 3,169,830</b>
Fund balance-beginning			3,193,379	
Restatements			16,122	
Fund balance-beginning, restated			3,209,501	
<b>Fund balance-ending</b>			<b>\$ 4,238,655</b>	

**STANISLAUS COUNCIL OF GOVERNMENTS  
MEASURE L – CITY OF PATTERSON  
Notes to the Financial Statements  
For the Year Ended June 30, 2024**

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**NOTE 1: ORGANIZATION**

The City of Patterson, California (the “City”)’s, Measure L Fund is a capital projects fund of the City. Stanislaus Council of Governments (StanCOG) is the regional transportation planning agency and the metropolitan planning organization of Stanislaus County, which oversees the Measure L Initiative. Measure L provides for the implementation of the Expenditure Plan as approved and adopted by StanCOG, which provides funding for countywide local street and road improvements, arterial street widening, signalization, pedestrian, bicyclist, and driver safety improvements. These needed improvements are funded by Measure L, the one-half of one percent tax on retail transactions and use tax established for a twenty-five-year period, April 1, 2017 – March 31, 2042. The revenues will be deposited in a special fund, used solely for the transportation projects, improvements, and programs described in the Expenditure Plan which is considered a part of the Measure L Initiative, and incorporated into the Measure L Policies and Procedures.

The City charges only direct project expenses to the Measure L Fund. The costs include contractor invoices, engineering costs, and other direct charges. No overhead or City payroll is charged to the program.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The financial statements of the Measure L Fund have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Measure L Fund’s significant accounting policies are described below.

**B. Reporting Entity**

The accompanying financial statements present only the City’s Measure L Fund and are not intended to present fairly the financial position, changes in financial position, or cash flows of the City as a whole in accordance with accounting principles generally accepted in the United States of America.

**C. Basis of Presentation – Government-wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the Measure L Fund activities. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

**D. Basis of Presentation – Fund Financial Statements**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The Measure L Fund is a governmental fund specifically categorized as a special revenue fund. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. A one-year availability period is used for all other revenues. Interest on invested funds is recognized when earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**G. Assets, Liabilities, and Net Position/Fund Balance**

**1. *Cash and investments***

In order to maximize the flexibility of its investment program and to aid in cash budgeting, the City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund's equity share of the City's cash and investment pool, as the City places no restrictions on the deposit account for the participating funds. Interest income earned on pooled cash and investments is allocated quarterly. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund. Information regarding categorization of investments can be found in the City's financial statements.

**2. *Accounts Receivable***

The Measure L Fund utilizes the allowance method of accounting for and reporting uncollectible or doubtful accounts. At June 30, 2024, management considered all accounts to be fully collectible and, therefore, no allowance was recorded in the accompanying financial statements.

**3. *Net Position***

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of two components, as the Measure L Fund has no capital assets: restricted, and unrestricted.

- *Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- *Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

**STANISLAUS COUNCIL OF GOVERNMENTS  
MEASURE L – CITY OF PATTERSON  
Notes to the Financial Statements  
For the Year Ended June 30, 2024**

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Measure L Fund's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**4. Fund Balance**

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The Measure L Fund reports the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- *Unassigned* fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

The Measure L Fund establishes and modifies or rescinds fund balance commitments by passage of an ordinance or policy. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget as a designation or commitment of the fund, such as approved contracts. Assigned fund balance is established by the Measure L Fund through adoption or amendment of the budget, or future year budget, plan as intended for a specific purpose.

The Measure L Fund's policy is to first apply restricted, committed, or assigned resources when an expense is incurred for purposes for which both restricted, committed or assigned and unassigned fund balance is available.

**5. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements**

During the year ending June 30, 2024, the Measure L Fund implemented the following standard:

GASB Statement No. 100 – Accounting Changes and Error Corrections. The requirements of this statement are effective for reporting periods beginning after June 15, 2023.

**NOTE 3: CASH AND CASH EQUIVALENTS**

Cash and investments held by the City within the Measure L Fund amounted to \$4,736,476 as of June 30, 2024.

**NOTE 4 RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City provides coverage for these losses through the Central San Joaquin Valley Risk Management Authority. Refer to the City's Annual Financial Report for additional information.

**NOTE 5 COMMITMENTS AND CONTINGENCIES**

Commitments and contingencies of the City, undeterminable in amount, include normal recurring pending claims and litigation. In the opinion of management, there is no pending litigation which is likely to have a material adverse effect on the financial position of the Measure L Fund.

**STANISLAUS COUNCIL OF GOVERNMENTS**  
**MEASURE L – CITY OF PATTERSON**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2024**

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**NOTE 6: SUBSEQUENT EVENTS**

The City evaluated subsequent events for recognition and disclosure through October 3, 2025, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2024 related to the Measure L Fund, that required recognition or disclosure in these financial statements.

**NOTE 7: PRIOR PERIOD ADJUSTMENT**

During fiscal year 2024, an error was noted in the distribution of Measure L funds in the prior fiscal year resulting in an understatement of Measure L revenue of \$4,464 at June 30, 2023. The effect of correcting that error is shown in the table below.

	June 30, 2023 As Previously Reported	Error Correction	June 30, 2023 As Restated
Government-wide			
Governmental activities	\$ 317,109	\$ 4,464	\$ 321,573
Total government-wide	<u>\$ 317,109</u>	<u>\$ 4,464</u>	<u>\$ 321,573</u>
Governmental funds			
Measure L Fund	\$ 317,109	\$ 4,464	\$ 321,573
Total governmental funds	<u>\$ 317,109</u>	<u>\$ 4,464</u>	<u>\$ 321,573</u>

**STANISLAUS COUNCIL OF GOVERNMENTS**  
**MEASURE L - CITY OF PATTERSON**  
**Schedule of Expenditures by Project**  
**For the Year Ended June 30, 2024**

<b>Project Name</b>	<b>Project Budget</b>	<b>FY 23-24 Local Control Measure L Expenses</b>	<b>Variance</b>
Kinshire St. Rehabilitation - Phase 2	\$ 1,574,404	\$ 1,455,139	\$ 119,265
Traffic Signal at Sperry & Hwy 33	128,300	-	128,300
Bike & Pedestrian Project	129,226	-	129,226
Pedestrian Crosswalk Safety Project	249,309	69,777	179,532
Transfer Out to Street Project Fund for Various Street Projects	1,495,581	133,188	1,362,393
<b>Total</b>	<b>\$ 3,576,820</b>	<b>\$ 1,658,104</b>	<b>\$ 1,918,716</b>



INDEPENDENT AUDITORS' 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*

To the Policy Board  
Stanislaus Council of Governments  
Stanislaus County, California

To the City of Patterson's Measure L Committee Member

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 Measure L Fund of the City of Patterson, California (the "City") pertaining to certain provisions of Measure L; Local Road First Transportation Funding Measure (the "Measure L Program"), issued by the Stanislaus Council of Governments acting as the Stanislaus County Transportation Authority as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Measure L Fund basic financial statements, and have issued our report thereon dated October 15, 2025.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over the Measure L Fund's financial reporting (internal control) as a basis for designing 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 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 or significant deficiencies may exist that were not identified.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure L Fund'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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*.



To the Policy Board  
Stanislaus Council of Governments  
Stanislaus County, California

To the City's Measure L Committee Member

**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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*LSL, LLP*

Sacramento, California  
October 15, 2025



**INDEPENDENT AUDITORS' REPORT ON MEASURE L:  
LOCAL ROAD FIRST TRANSPORTATION FUNDING MEASURE COMPLIANCE**

To the Policy Board  
Stanislaus Council of Governments  
Stanislaus County, California

To the City of Patterson's Measure L Committee Member

**Report on Compliance with Measure L Program Compliance**

***Opinion on Measure L Program Compliance***

We have audited the City of Patterson, California (the "City")'s compliance with certain provisions of the Measure L: Local Road First Transportation Funding Measure (the "Measure L Program"), issued by the Stanislaus Council of Governments ("StanCOG") acting as the Stanislaus County Transportation Authority, requirements that funds allocated to and received by the City were expended in conformance with applicable statutes, rules, and regulations of the Measure L Program; per the Measure L Master Funding Agreement (the "Master Agreement") between StanCOG and the City, during the year ended June 30, 2024.

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Measure L Program reported within the Measure L Fund of the City for the year ended June 30, 2024.

***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the applicable statutes, rules, and regulations of the Measure L Program per the Master Agreement. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and StanCOG, and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of Measure L Program requirements applicable to the City's Measure L Fund.



To the Policy Board  
Stanislaus Council of Governments  
Stanislaus County, California

To the City's Measure L Committee Member

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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; *Government Auditing Standards*; the applicable statutes, rules, and regulations of the Measure L Program as required by the Master Agreement, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the Measure L Program requirements that funds allocated to and received by the City were expended in conformance with applicable statutes, rules, and regulations of the Measure L Program, of the Stanislaus Council of Governments as required by the Master Agreement.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the applicable statutes, rules, and regulations of the Measure L Program, of the Stanislaus Council of Governments as required by the Master Agreement, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit, as it relates to the Measure L Fund, in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the applicable statutes, rules, and regulations of the Measure L Program, of the Stanislaus Council of Governments as required by the Master Agreement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the Program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the Program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the Program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



To the Policy Board  
Stanislaus Council of Governments  
Stanislaus County, California

To the City's Measure L Committee Member

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

**Purpose of this Report**

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing. Accordingly, this report is not suitable for any other purpose.

*LSL, LLP*

Sacramento, California  
October 15, 2025