

CITY OF PITTSBURG, CALIFORNIA
TRANSPORTATION DEVELOPMENT
ACT ARTICLE III FUND
BICYCLE FACILITY PROJECTS

FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

This Page Left Intentionally Blank

CITY OF PITTSBURG, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT ARTICLE III
BICYCLE FACILITY PROJECTS

Financial Statements
For the Fiscal Year Ended June 30, 2012

Table of Contents

	<u>Page</u>
<i>Independent Auditor's Report</i>	1
<i>Program Financial Statements:</i>	
Statement of Revenues, Expenditures and Changes in Fund Balance.....	3
Notes to Financial Statements	5
<i>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</i>	7

This Page Left Intentionally Blank

INDEPENDENT AUDITOR'S REPORT

Honorable Members of the City Council
City of Pittsburg, California

We have audited the financial statements of the City of Pittsburg Transportation Development Act Article III Bicycle Facility Projects (Projects), as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Projects as reported in the City of Pittsburg's TDA Fund and are not intended to present fairly the financial position and results of operations of the City of Pittsburg, in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Pittsburg Projects at June 30, 2012, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2012 on our consideration of City'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads 'Maze & Associates' with a long horizontal flourish extending to the right.

November 30, 2012

This Page Left Intentionally Blank

City of Pittsburgh
Transportation Development Act Article III
Bicycle Facility Projects
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended June 30, 2012

	Special Revenue Fund
REVENUES:	
Intergovernmental	\$117,915
Total revenues	117,915
EXPENDITURES:	
Capital outlay	117,915
Total expenditures	117,915
REVENUES OVER (UNDER) EXPENDITURES	-
FUND BALANCES:	-
Beginning of year	-
End of year	-

See accompanying notes to financial statements

This Page Left Intentionally Blank

CITY OF PITTSBURG
TRANSPORTATION DEVELOPMENT ACT ARTICLE III FUND
BICYCLE FACILITY PROJECTS
Notes to Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Pittsburg, California (City), Transportation Development Act Article III Fund (TDA Fund) includes the financial activities associated with the State of California Transportation Development Act. The State of California created a local transportation fund for each County funded by a portion of the State sales tax.

The TDA Fund is distributed through the Metropolitan Transportation Commission (MTC) which is the agency responsible for allocation of funds to eligible claimants within the greater San Francisco Bay Area.

The TDA Fund is included in the Special Revenue Fund of the Comprehensive Annual Financial Report of the City. The financial statements are intended to present the financial position and results of operation for the TDA Fund, and not those of the City as a whole.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized. The TDA Fund is accounted for in a governmental fund type and the modified accrual basis of accounting is used. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. TDA Article 3.0 revenues are recognized when approved expenditures are incurred. Expenditures are generally recognized when the fund liability is incurred.

At June 30, 2012 the TDA Fund had no grants receivable outstanding and had spent all grant monies received during the year.

NOTE 2 - TDA ARTICLE 3.0 REVENUE/ EXPENDITURES

During the year ended June 30, 2012, the City recorded revenues in accordance with the allocation instructions from the Metropolitan Transportation Commission for the following projects:

<u>MTC Allocation #</u>	<u>Project Name</u>	<u>TDA Grant Award</u>	<u>Summary of Prior Years Expenditures</u>	<u>2011/2012 Expenditures</u>	<u>Total Expenditures</u>
10001122	Power Avenue Class II Bicycle Facility Project	\$83,000	\$83,000		\$83,000
11001010	Railroad Avenue Bicycle Facility Project	34,915		\$34,915	34,915
		<u>\$117,915</u>	<u>\$83,000</u>	<u>\$34,915</u>	<u>\$117,915</u>

This Page Left Intentionally Blank

**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***

Honorable Members of the City Council of the
City of Pittsburg
Pittsburg, California

We have audited the financial statements of the City of Pittsburg as of and for the year ended June 30, 2012, and have issued our report thereon dated November 3, 2012. 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.

Internal Control over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. 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 opinions on the financial statements, 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 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 City'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of 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 determination of financial statement amounts. Our procedures included the applicable audit procedures contained in §6666 of Title 21 of California Code of Regulations and tests of compliance with the applicable provisions of the Transportation Development Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission. 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.

This report is intended solely for the information and use of Metropolitan Transportation Commission, management, City Council, and federal and local awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

November 30, 2012