

CITY OF PLEASANTON

**ALAMEDA COUNTY
TRANSPORTATION COMMISSION
MEASURE BB FUNDS
PLEASANTON, CALIFORNIA**

Financial Statements and Independent Auditors' Reports

For the year ended June 30, 2015

CITY OF PLEASANTON

**ALAMEDA COUNTY TRANSPORTATION COMMISSION -
MEASURE BB FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council of the
City of Pleasanton
Pleasanton, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Alameda County Transportation Commission Measure BB Funds (the Program) of the City of Pleasanton, California (City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure BB Program of the City as of June 30, 2015, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Individual Fund Financial Statements

As discussed in Note 1, the financial statements present only the Measure BB Funds of the City and do not purport to, and do not, present fairly the financial position of the City of Pleasanton, California, as of June 30, 2015, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2015, on our consideration of the City's internal control over financial reporting of the Program 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 internal control over financial reporting or on compliance. 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.

Vavrinek, Trine, Day & Co., LLP.
Pleasanton, California
December 23, 2015

**CITY OF PLEASANTON
ALAMEDA COUNTY TRANSPORTATION COMMISSION - MEASURE BB FUNDS**

**BALANCE SHEETS
JUNE 30, 2015**

	<u>Paratransit</u>	<u>Local Streets and Roads</u>	<u>Bicycle and Pedestrian</u>	<u>Totals</u>
ASSETS				
Measure BB Direct Local Distribution Program Receivable	\$ 32,590	\$ 140,820	\$ 34,915	\$ 208,325
Total Assets	<u>\$ 32,590</u>	<u>\$ 140,820</u>	<u>\$ 34,915</u>	<u>\$ 208,325</u>
FUND BALANCES				
Restricted for Measure BB Programs and Projects	\$ 32,590	\$ 140,820	\$ 34,915	\$ 208,325
Total Fund Balances	<u>32,590</u>	<u>140,820</u>	<u>34,915</u>	<u>208,325</u>
TOTAL FUND BALANCES	<u>\$ 32,590</u>	<u>\$ 140,820</u>	<u>\$ 34,915</u>	<u>\$ 208,325</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF PLEASANTON
ALAMEDA COUNTY TRANSPORTATION COMMISSION - MEASURE BB FUNDS**

**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Paratransit</u>	<u>Local Streets and Roads</u>	<u>Bicycle and Pedestrian</u>	<u>Totals</u>
REVENUES				
Measure BB Direct Local Distribution Program Revenue				
Direct Local Distribution Funds Allocation	\$ 32,590	\$ 140,820	\$ 34,915	\$ 208,325
Total Program Revenues	<u>32,590</u>	<u>140,820</u>	<u>34,915</u>	<u>208,325</u>
NET CHANGE IN FUND BALANCE	<u>32,590</u>	<u>140,820</u>	<u>34,915</u>	<u>208,325</u>
FUND BALANCES				
Beginning Fund Balances	-	-	-	-
Ending Fund Balances	<u>\$ 32,590</u>	<u>\$ 140,820</u>	<u>\$ 34,915</u>	<u>\$ 208,325</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF PLEASANTON
ALAMEDA COUNTY TRANSPORTATION COMMISSION - MEASURE BB FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Reporting Entity*

All transactions of the Alameda County Transportation Commission – Measure BB Funds (the Program) of the City of Pleasanton, California (City), are included as separate special revenue and enterprise funds in the basic financial statements of the City.

Measure BB Funds are used to account for the City’s share of revenues earned and expenditures under the City’s paratransit, local streets and roads, and bikes and pedestrian’s safety programs. The accompanying financial statements are for Measure BB Funds only and are not intended to fairly present the financial position of the City and the results of its operations.

B. *Basis of Accounting*

Governmental Fund Financial Statements

The accompanying financial statements of special revenue funds are prepared on the modified accrual basis of accounting. Revenues are generally recorded when measurable and available, and expenditures are recorded when the related liabilities are incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a "*current financial resources*" measurement focus, wherein only current assets and current liabilities generally are included on the balance sheets. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

C. *Description of Funds*

The Program funds are Special Revenue Funds. The Program accounts are maintained on the basis of fund accounting. A fund is a separate accounting entity with a self-balancing set of accounts.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

D. *Fund Balances*

Measure BB fund balance is restricted. A restricted fund balance represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

**CITY OF PLEASANTON
ALAMEDA COUNTY TRANSPORTATION COMMISSION - MEASURE BB FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

2. MEASURE BB DIRECT LOCAL DISTRIBUTION PROGRAM RECEIVABLES

The Measure BB Direct Local Distribution Program Receivables represent the Measure BB sales tax revenues for the fiscal year received from the Alameda County Transportation Commission after June 30, 2015.

3. MEASURE BB FUNDS

In 2014, Alameda County voters approved Measure BB, authorizing an extension and augmentation of the existing transportation sale tax (Measure B). Measure BB is projected to generate approximately \$8 billion in revenues from April 2015 to March 2045 for transportation improvements throughout Alameda County.

4. COMMITMENTS AND CONTINGENCIES

The City participates in several grant programs. These programs have been audited by the City's independent auditors in accordance with the provisions of applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.



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 Honorable Mayor and Members of the City Council
City of Pleasanton, California

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 Alameda County Transportation Commission Measure BB Funds (Measure BB Funds) of the City of Pleasanton, California (City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated December 23, 2015. Our report included an emphasis of matter stating that the financial statements of the Measure BB Funds do not purport to, and do not, present fairly the financial position of the City as of June 30, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Measure BB Funds of the City are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including requirements of Measure BB as specified in the engagement between the City, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*, including the requirements of the Measure BB requirements.

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

Vavrinek, Trine, Day & Co., LLP.

Pleasanton, California
December 23, 2015



INDEPENDENT AUDITORS' REPORT ON MEASURE BB REQUIREMENTS

To the Honorable Mayor and Members of City Council of the
City of Pleasanton
Pleasanton, California

We have audited the Measure BB Funds of the City of Pleasanton's (the City) compliance with the requirements described in the Measure BB Master Program Funding agreement (the Agreement) between the City and the Alameda County Transportation Commission (ACTC) that could have a direct and material effect to its Measure BB Funds for the year ended June 30, 2015.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its Measure BB Funds.

Auditors' Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit. 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; and the Agreement. Those standards and the Agreement require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Measure BB Funds occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination on the City's compliance with those requirements.

Opinion

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its Measure BB Funds for the year ended June 30, 2015.

The purpose of this report on compliance is solely to describe the scope of our testing over compliance and the results of that testing based on the Measure BB Master Program Funding agreement between the City and the Alameda County Transportation Commission (ACTC). Accordingly, this report is not suitable for any other purpose.

Vavrinek, Trine, Day & Co., LLP.
Pleasanton, California
December 23, 2015