City of Albany Transportation Development Act Article III Fund

Albany, California

Financial Statements and Independent Auditors' Reports

For the year ended June 30, 2009

City of Albany
Transportation Development Act Article III Fund
For the year ended June 30, 2009

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C&L
Caporicci & Larson
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Transportation Development Act Article III Program (TDA Program) of the City of Albany, California (City), as of and for the year ended June 30, 2009, as listed in the foregoing table of contents. These financial statements are the responsibility of the City's management. 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 and 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 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 our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements present only the TDA Program and are not intended to, and do not, present fairly the financial position of the City as of June 30, 2009, and the changes in fund balances thereof for the year then ended in conformity with general accepted accounting principles in the United States.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the TDA Program as of June 30, 2009 and the respective changes in financial position thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

In accordance with Government Auditing Standards, we have also issued a report dated December 28, 2009, on our consideration of the TDA Program's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report and considered in assessing the results of our audits.

Caporicci & Larson

Oakland, California
December 28, 2009

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City of Albany
Transportation Development Act Article III Fund
Balance Sheet
June 30, 2009

	Capital Projects Fund
ASSETS	
Accounts receivable	$ -
Total assets	$ -
LIABILITIES AND FUND BALANCES	
Liabilities:	
Due to other fund	$ -
Total liabilities	-
Total fund balances	-
Total liabilities and fund balances	$ -

See accompanying Notes to the Financial Statements.

City of Albany
Transportation Development Act Article III Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2009

	Capital Projects Fund
REVENUES:	
TDA Article 3	$ 13,569
Total revenues	13,569
EXPENDITURES:	
Capital Outlay	13,569
Total expenditures	13,569
REVENUES OVER (UNDER) EXPENDITURES	-
FUND BALANCES:	
Beginning of year	-
End of year	$ -

See accompanying Notes to the Financial Statements.

City of Albany
Transportation Development Act Article III Fund
Notes to the Financial Statements
For the year ended June 30, 2009

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1. DESCRIPTION OF REPORTING ENTITY

Reporting Entity – The City of Albany, California (City) Transportation Development Act Article III Funds (TDA Funds) include the financial activities associated with allocation instruction number 09001043 funded by the State of California Transportation Development Act (TDA). The State of California created a local transportation fund for each County funded by a portion of the State sales tax.

The TDA Funds are 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 use of TDA Funds is part of the City operations and is included in 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 Funds, and not those of the City as a whole.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting – The accounts of the TDA Fund for the City are organized on the basis of funds, each of which is considered to be 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.

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

All governmental fund types are accounted for using the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The Funds are apportioned based on an annual claims filed by the City and approved by the Metropolitan Transportation Commission. Such funds are received on a reimbursement basis. As of June 30, 2009, the City had available unused Article 3 apportionments of $24,085.

Revenue Recognition – Under the terms of the various grant agreements, the TDA Funds generally recognize revenues when approved expenditures are incurred. Accordingly, the accompanying financial statements present grants receivable and the corresponding intergovernmental revenues.

3. TRANSPORTATION DEVELOMENT ACT FUNDS

Under the Transportation Development of 1971 (TDA), the City receives an annual appropriation of local transportation funds generated within Alameda County to help meet its capital requirements of its transportation program.

The Buchanan Bicycle/Pedestrian Path Project was the only project funded in part by Article 3 monies in 2009. The details of the project entailed the design engineering for construction of a bicycle/pedestrian path along Buchanan Street.

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INDEPENDENT AUDITORS' COMPLIANCE REPORT

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

We have audited the compliance of the Transportation Development Act Article III Program (Program) with the types of compliance requirements described in Section 6666 of the *Rules and Regulations of the California Administrative Code in the Transportation Development Act Statutes and Administrative Code for 1987* (the Act) and the allocation instructions and resolutions of the Metropolitan Transportation Commission. Compliance with the requirements of laws, regulations, contracts, and grants applicable to the TDA Program is the responsibility of the City's management. 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; the standards applicable to financial audits contained in Government Audit Standards issued by the Comptroller General of the United States; the Section 6666 of the *Rules and Regulations of the California Administrative Code in the Transportation Development Act Statutes and Administrative Code for 1987* (the Act) and the allocation instructions and resolutions of the Metropolitan Transportation Commission. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the TDA Program. 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. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion the TDA funds allocated to and received by the City pursuant to the Act were expended in conformance with the applicable statues, rules and regulations of the Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission.

This report is intended for the information of the Mayor, City Council Members, management, and the Metropolitan Transportation Commission. However, this report is a matter of public record and its distribution is not limited.

Caporicci & Larson

Oakland, California
December 28, 2009

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