

CITY OF CONCORD, CALIFORNIA

TRANSPORTATION DEVELOPMENT ACT PROGRAM

**Financial Statements and Independent Auditors' Report,
and Other Reports**

For the years ended June 30, 2017 and 2016

CITY OF CONCORD
TRANSPORTATION DEVELOPMENT ACT PROGRAM
Financial Statements
For the years ended June 30, 2017 and 2016

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VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets and statements of revenues, expenditures and changes in fund balance of the City of Concord Transportation Development Act Program (Program), a program of the City of Concord, California (the City), as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements.

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 audits. We conducted our audits 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 respective financial position of the City of Concord Transportation Development Act Program, as of June 30, 2017 and 2016, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Transportation Development Act Program and do not purport to, and do not, present fairly the financial position of the City of Concord, California, as of June 30, 2017 and 2016, and the changes in its financial position for the years 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 Matters

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2017, on our consideration of the Program'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 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 Program's internal control over financial reporting and compliance.

Vavrinick, Trine, Day & Co. LLP

Sacramento, California
November 28, 2017

**CITY OF CONCORD
TRANSPORTATION DEVELOPMENT ACT PROGRAM
(A Program of the City of Concord, California)
BALANCE SHEETS
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	\$ 67,526	\$ -
Due from MTC	74,486	25,341
Total Assets	<u>\$ 142,012</u>	<u>\$ 25,341</u>
LIABILITIES		
Due to the City	74,486	25,341
Due to MTC	67,526	-
Total Liabilities	<u>142,012</u>	<u>25,341</u>
FUND BALANCE		
Unrestricted	<u>-</u>	<u>-</u>
Total Liabilities & Fund balance	<u>\$ 142,012</u>	<u>\$ 25,341</u>

See accompanying notes to financial statements.

**CITY OF CONCORD
TRANSPORTATION DEVELOPMENT ACT PROGRAM
(A Program of the City of Concord, California)
STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
REVENUES		
Transportation Development Act (Note 2)	\$ 30,163	\$ 290,291
Total Revenues	<u>30,163</u>	<u>290,291</u>
EXPENDITURES		
Current:		
Citywide Bicycle Master Plan	-	37,843
Cowell Road Safety Enhancements	-	77,097
Bike and Pedestrian Access to Transit Plan	23,926	175,351
Detroit Ave/Whitman Road Pedestrian Improvements	<u>6,237</u>	<u>-</u>
Total Expenditures	<u>30,163</u>	<u>290,291</u>
Net Change in Fund Balance	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF CONCORD
TRANSPORTATION DEVELOPMENT ACT PROGRAM
(A Program of the City of Concord, California)
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Concord operates various pedestrian and bicycle path planning and construction activities financed with Transportation Development Act (TDA), Article 3.0 grants approved by the Metropolitan Transportation Commission (MTC). The accompanying financial statements are for the Transportation Development Act Program only and are not intended to fairly present the financial position of the City or the results of its operations.

The following is a summary of significant accounting policies of the Program which conform to generally accepted accounting principles in the United States of America as applicable to governments.

A. Project Descriptions and Locations

During fiscal year 2017 the City had two Transportation Development Act Projects.

The Citywide Bicycle Master Plan project creates a comprehensive plan to be used as a blueprint for expanding the bicycle network to promote safe alternative modes of transportation and help position the City for future funding for bicycle projects and roadway improvements benefiting the cycling community.

The Detroit Ave/Whitman Rd Pedestrian Improvement project extends the sidewalk constructed on the bridge: to connect to the existing sidewalk on the north of the bridge, and southward to the intersection of Whitman Road where a new crosswalk will be installed and ultimately to connect to the existing sidewalk on the south side of Whitman Road. This route will provide pedestrians a continuous safe passage across the bridge, along the west side of Detroit Avenue to Whitman Road.

B. Fund Accounting

The Projects are accounted for within the General Reimbursable Projects Fund of the City of Concord. The fund is a set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized. The Program 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. Expenditures are generally recognized when they are incurred.

**CITY OF CONCORD
TRANSPORTATION DEVELOPMENT ACT PROGRAM
(A Program of the City of Concord, California)
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

NOTE 2 – TDA ARTICLE 3.0 REVENUE/EXPENDITURES

A summary of the City's outstanding allocation instructions from the Metropolitan Transportation Commission and revenues and expenditures for the years ended June 30, 2017 and 2016:

Project Description	MTC Allocation #	TDA Grant	Expended in Fiscal 2016-2017	Revenue From MTC 2016-2017	Expended in Fiscal 2015-2016	Revenue From MTC 2015-2016	Revenue to Date
Citywide Bicycle Master Plan	14001020	\$ 100,000	\$ -	\$ -	\$ 37,843	\$ 37,843	\$ 37,843
Cowell Road Safety Enhancements	15001040	92,500	-	-	77,097	77,097	77,097
Bike and Pedestrian Access to Transit Plan	15414904	200,000	23,926	23,926	175,351	175,351	199,277
Detroit Ave/Whitman Rd Pedestrian Improvement	17001040	80,000	6,237	6,237	-	-	6,237

NOTE 3 – DEFICIT FUND BALANCE

In FY 2016/17, the TDA Program incurred \$6,264 of expenditure on the Detroit Avenue Project; however, the Program was over-reimbursed by \$67,526. The Program remitted the overpayments back to the County of Contra Costa Auditor Controller’s Office in September 2017.



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**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* AND THE
TRANSPORTATION DEVELOPMENT ACT**

Honorable Members of the City Council
of the City of Concord
Concord, 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 balance sheets and statements of revenues, expenditures and changes in fund balance of the Transportation Development Act Program (Program), a program of the City of Concord, California, (City) as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements, and have issued our report thereon dated November 28, 2017. Our report includes an emphasis of a matter in relation to the financial statements present only the Program and do not purport to, and do not, present fairly the financial position of the City.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 Program's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable provisions of Section 6666 of Title 21 of the California Code of Regulation, 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* or Section 6666 of Title 21 of the California Code of Regulation.

Purpose of the 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.

Vavrinik, Trine, Day & Co. LLP

Sacramento, California

November 28, 2017