

CITY OF MOUNTAIN VIEW, CALIFORNIA

BICYCLE/PEDESTRIAN PROJECTS

**FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2014 AND 2013**

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CITY OF MOUNTAIN VIEW, CALIFORNIA
Bicycle/Pedestrian Projects
Financial Statements
For the Fiscal Years Ended June 30, 2014 and 2013

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of Mountain View, California

Report on Financial Statements

We have audited the accompanying financial statements of the City of Mountain View Bicycle/Pedestrian Projects (Projects) of the City of Mountain View, California (City), as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the City's 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 Projects' 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 Projects' 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.

As discussed in Note 1, the financial statements present only the Projects and are not intended to present fairly the financial positions and results of operations of the City of Mountain View, in conformity with generally accepted accounting principles in the United States of America.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of the Projects as of June 30, 2014, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2014, on our consideration of the Projects' 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 the Projects' internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
October 15, 2014

CITY OF MOUNTAIN VIEW, CALIFORNIA

**Bicycle/Pedestrian Projects
Comparative Balance Sheets
June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Assets:		
Due from Metropolitan Transportation Commission	\$ 150,000	48,178
Total assets	<u>\$ 150,000</u>	<u>48,178</u>
Liabilities and fund balance:		
Due to the City of Mountain View	\$ 150,000	48,178
Total liabilities	<u>150,000</u>	<u>48,178</u>
Fund balance:		
Unassigned	<u>0</u>	<u>0</u>
Total liabilities and fund balance	<u>\$ 150,000</u>	<u>48,178</u>

See accompanying notes to financial statements.

CITY OF MOUNTAIN VIEW, CALIFORNIA

**Bicycle/Pedestrian Projects
Comparative Statements of Revenues and Expenditures
For the fiscal years ended June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Revenue:		
TDA Article 3.0 (Note 2)	<u>\$ 223,579</u>	<u>40,425</u>
Expenditures:		
Current:		
Central Expressway Sidewalk	108,222	34,025
TDA Project Mercy/ Calderon Traffic Calming	<u>115,357</u>	<u>6,400</u>
Total expenditures	<u>223,579</u>	<u>40,425</u>
Net change in fund balances	0	0
Beginning fund balances	<u>0</u>	<u>0</u>
Ending fund balances	<u><u>\$ 0</u></u>	<u><u>0</u></u>

See accompanying notes to financial statements.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Bicycle/Pedestrian Projects
Notes to Financial Statements
For The Fiscal Years Ended June 30, 2014 and 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Mountain View (City), California has developed the Bicycle/Pedestrian Projects (Projects) under the Transportation Development Act (TDA), Article 3.0 for the construction of pedestrian and bicycle pathways and wheelchair ramps and bicycle master plan studies. The Projects are funded by TDA grants which are administered by the Metropolitan Transportation Commission.

The following is a summary of significant accounting policies applicable to the Projects which conform to generally accepted accounting principles as applicable to governments.

A. Fund Accounting

The Projects are accounted for as part of the Capital Projects Fund of the City. This fund is a set of self-balancing accounts which comprise its assets, liabilities, fund balances, revenues and expenditures.

B. Basis of Accounting

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

NOTE 2 - TDA ARTICLE 3.0 REVENUE

For the years ended June 30, 2014 and 2013 the City recorded revenues in accordance with the allocation instructions from the Metropolitan Transportation Commission for the following projects:

Instruction #	Project Name	Grant Award	For The Years Ended June 30,	
			2014	2013
12-0010-41	Central Expressway Sidewalk	\$ 150,000	108,222	34,025
13-0010-26	TDA project Mercy/ Calderon Traffic Calming	121,757	115,357	6,400
	Totals	\$ 271,757	223,579	40,425

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**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE WITH THE TRANSPORTATION DEVELOPMENT ACT AND
OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Members of the City Council
City of Mountain View, 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 City of Mountain View Bicycle/Pedestrian Projects (Projects) of the City of Mountain View (City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated October 15, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Projects' 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 Projects' internal control. Accordingly, we do not express an opinion on the effectiveness of Projects' 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 Projects' 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 Projects' 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 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*.

We have also issued a separate Memorandum on Internal Control dated October 15, 2014, which is an integral part of our audit and should be read in conjunction with this report.

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 Projects' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Projects' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maze & Associates

Pleasant Hill, California
October 15, 2014