

CITY OF SAN BRUNO, CALIFORNIA
INDEPENDENT AUDITOR'S REPORT
MEASURE A
Fiscal Year Ended June 30, 2014

CITY OF SAN BRUNO

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**INDEPENDENT AUDITOR'S REPORT ON MEASURE A SCHEDULE OF
REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**

To the Honorable Mayor and Members of the City Council
San Bruno, California

We have audited the financial statements of the governmental activities, business-type activities and each major fund of the City of San Bruno (City), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise City's basic financial statements. We issued our report thereon dated December 29, 2014, which contained unmodified opinions on those financial statements. We have previously audited the statements of the governmental activities, business-type activities and each major fund of the City as of June 30, 2013, and we expressed an unmodified audit opinion on the financial statements in our report dated December 27, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Our audit was performed for the purpose of forming opinions on the basic financial statements as a whole. The accompanying Schedule of Revenues, Expenditures and Change in Fund Balance (Schedule) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California
December 29, 2014



**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***

To the Honorable Mayor and Members of the City Council
San Bruno, 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 governmental activities, the business-type activities, each major fund and the aggregate fund information of the City of San Bruno (City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 29, 2014.

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 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 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 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 City of San Bruno's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the San Mateo County Transportation Authority Measure A Sales Tax grant requirements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California
December 29, 2014

CITY OF SAN BRUNO

**MEASURE A
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARATIVE INFORMATION AS OF JUNE 30, 2013**

	<u>2014</u>	<u>2013</u>
Revenues:		
Measure A receipts	\$ 869,111	\$ 835,982
Investment income (loss)	17,557	8,844
Total revenues	<u>886,668</u>	<u>844,826</u>
Professional services	-	-
Transfers Out - Program expenditures	<u>(910,229)</u>	<u>(95,315)</u>
Revenues over (under) expenditures	(23,561)	749,511
Fund Balance - Beginning of year	<u>1,859,508</u>	<u>1,109,997</u>
Fund Balance - End of year	<u>\$ 1,835,947</u>	<u>\$ 1,859,508</u>

CITY OF SAN BRUNO

MEASURE A NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Measure A fund (Measure A Fund) of the City of San Bruno conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants.

Scope of Presentation

The accompanying schedule presents only the revenues, expenditures and fund balance of the Measure A Fund of the City of San Bruno that represent funds received according to the agreement between the City of San Bruno and San Mateo County Transportation Authority for Local Transportation Purposes dated August 18, 1989.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The Schedule of Revenues, Expenditures and Change in Fund Balance of the Measure A Fund is accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred.

NOTE 2 – INTERFUND TRANSFERS

For the fiscal year ended June 30, 2014 the Measure A fund transferred \$910,229 to capital project funds of the City of San Bruno to be expended on transportation related programs. The Measure A fund transferred \$95,315 during the fiscal year ended June 30, 2013. These transfers were used to fund capital projects as follows:

	<u>2014</u>	<u>2013</u>
Transfers Out - Program expenditures		
Accessible Pedestrian Ramps	\$ 35,228	\$ -
CalTrain Grade Separation	60,000	-
Neighborhood Traffic Calming - Other Improvements	34,296	50,000
Sidewalk Repair Program	204,824	45,315
Street Rehabilitation - State Local Partnership Program	570,940	-
Transit Corridor Pedestrian Connection Improvement	4,942	-
Total transfers out - program expenditures	<u>\$ 910,229</u>	<u>\$ 95,315</u>