

**City and County of
San Francisco,
Department of Environment**

Transportation Fund For Clean Air
Program Regional Fund - 05R24

BikeInsight – Online Bicycle Route Mapping Tool

*Independent Auditors' Reports and Schedule of
Expenditures of Projects*

For the Project Period ended June 30, 2006

City and County of San Francisco, Department of Environment
Transportation Fund For Clean Air Program Regional Fund - 05R24

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Caporicci & Larson
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Members of the Board of Supervisors
of the City and County of San Francisco, Department of Environment
San Francisco, California

Board of Directors
of the Bay Area Air Quality Management District
San Francisco, California

We have audited the accompanying Schedule of Expenditures of Projects (Schedule) of the City and County of San Francisco, Department of Environment (City) Transportation Fund for Clean Air Program - 05R24 (TFCA) for the project period ended June 30, 2006. This Schedule is the responsibility of the City's management. Our responsibility is to express an opinion on this Schedule based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 Schedule is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule was prepared to present the total expenditures of the City's TFCA funding as described in Note 1 and is not intended to be a complete presentation of the City's financial position or changes in financial position.

In our opinion, the Schedule referred to in the first paragraph presents fairly, in all material respects, the expenditures of projects of the City's TFCA Program for the project period ended June 30, 2006 in conformity with generally accepted accounting principles in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2007, on our consideration of the City's internal control over financial reporting pertaining to the City's TFCA 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended for the information and use of the Board of Supervisors, City Management, and Management of the Bay Area Air Quality Management District and is not intended to be and should not be used by anyone other than these specified parties.

Capricci & Carlson

Oakland, California
December 11, 2007

City and County of San Francisco, Department of Environment
 Transportation Fund For Clean Air Program Regional Fund - 05R24
 Schedule of Expenditures of Projects
 For the Project Period ended June 30, 2006

<u>Sponsor/Project Description</u>	<u>TFCA Project Number</u>	<u>Original TFCA Project Allocation</u>	<u>Expenditures through 6/30/06</u>	<u>Remaining Balance</u>
City and County of San Francisco, Department of Environment				
BikeInsight - Online Bicycle Route Mapping Tool	05R24	\$ 200,000	\$ -	\$ 200,000

The accompanying notes are an integral part of this financial schedule.

City and County of San Francisco, Department of Environment
Transportation Fund For Clean Air Program Regional Fund - 05R24
Notes to the Schedule of Expenditures of Projects
For the Project Period ended June 30, 2006

1. PROGRAM DESCRIPTION

Health and Safety Code Sections 44223 and 44225 authorize a surcharge on the motor vehicle registration fee (surcharge) to be used by the Bay Area Air Quality Management District (Air District) and local governments specifically for programs to reduce air pollution from motor vehicles. The Department of Motor Vehicles collects the surcharge and allocates the amounts to the Air District. The Air District administers these funds through the Transportation Fund for Clean Air (TFCA) Program. Under the TFCA Program, money is allocated to two funds: (1) 60% is placed in the Regional Fund and allocated to agencies on a competitive basis by the Air District and (2) 40% is placed in the Program Managers Fund and allocated to designated agencies. Allowable projects under Health and Safety Code Section 44241 include the following:

- Ridesharing program
- Purchase or lease of clean fuel school and transit buses
- Feeder or shuttle bus service to rail and ferry stations and airports
- Arterial traffic management
- Demonstrations in congestion pricing of highways, bridges and public transit
- Rail bus integration and regional transit information systems
- Low emission vehicle projects
- Bicycle facility improvement projects
- Physical improvements that support "Smart Growth" projects

Relationship to the City and County of San Francisco, Department of Environment's Basic Financial Statements

The accompanying Schedule of Expenditures of Projects (Schedule) represents only the TFCA Regional Funds allocated to the City and County of San Francisco, Department of Environment (City) for certain projects and is not intended to present fairly the financial position and changes in financial position of the City in conformity with generally accepted accounting principles in the United States of America.

2. PROJECTS

The projects in the Schedule are projects that were either completed or ongoing as of June 30, 2006. The Air District considers a project to be completed when the Air District accepts the final report from the project sponsor. All projects may have started several years earlier.

3. BASIS OF ACCOUNTING

The TFCA funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting, expenditures are recorded in the accounting period in which the liability is incurred. Expenditures as noted in the Schedule represent only the amount funded by the Air District. Expenditures of matching and other funding sources are not included on the Schedule.



Caporicci & Larson
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE
SCHEDULE OF EXPENDITURES OF PROJECTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS AND REQUIREMENTS OF
SECTION 44241 OF THE CALIFORNIA HEALTH AND SAFETY CODE**

Members of the Board of Supervisors
of the City and County of San Francisco, Department of Environment
San Francisco, California

Board of Directors
of the Bay Area Air Quality Management District
San Francisco, California

We have audited the Schedule of Expenditures of Projects (Schedule) of the City and County of San Francisco, Department of Environment (City) Transportation Fund for Clean Air - 05R24 (TFCA) Program for the project period ended June 30, 2006, and have issued our report thereon dated December 11, 2007. We conducted our audit in accordance with generally accepted auditing standards 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting of the TFCA Program Schedule as a basis for designing our audit procedures 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 over financial reporting of the TFCA Program Schedule. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting of the TFCA Program.

A control deficiency 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 misstatements on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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Our consideration of internal control over financial reporting of the TFCA Program was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether the TFCA Program Schedule is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, including Section 44241 of the California Health and Safety Code, noncompliance with which could have a direct and material effect on the determination of Schedule amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit of the TFCA Program Schedule and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the Board of Supervisors, City Management, and Management of the Bay Area Air Quality Management District and is not intended to be and should not be used by anyone other than these specified parties.

Capricci & Carson

Oakland, California
December 11, 2007