



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
San Joaquin Regional Rail Commission
Stockton, California

We have examined the San Joaquin Regional Rail Commission's (Commission) compliance with the types of compliance requirements described in the Measure B Sales Tax for the Mass Transit Funds Agreement (Agreement) between the Commission and the Alameda County Transportation Commission (ACTC) applicable to the Measure B funds program that were allocated to the Commission for the fiscal year ended June 30, 2012. Measure B sales tax revenues and related expenses are included in the accompanying Schedule of Revenues and Expenses of Measure B Funds. Management is responsible for the Commission's compliance with those requirements. Our responsibility is to express an opinion on the Commission's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Commission's compliance with specified requirements.

In our opinion, the Commission complied, in all material respects, with the aforementioned requirements that are applicable to the Measure B funds as specified in the Agreement for the fiscal year ended June 30, 2012.

This report is intended solely for the information and use of the Commission Board of Directors, the Commission's management, and ACTC, and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Trine, Day & Co. LLP

Sacramento, California
December 17, 2012

SAN JOAQUIN REGIONAL RAIL COMMISSION
MEASURE B PROGRAM FUND
Schedule of Revenues and Expenses of Measure B Funds
For the Fiscal Year Ended June 30, 2012

Revenues:	
Measure B sales tax	\$ 2,279,054
Interest income	5,929
Fair value adjustment	2,253
Total Revenues	<u>2,287,236</u>
Expenses:	
Mass transit program costs	2,041,665
Maintenance - ACE	10,000
Administrative charges ACTC	10,661
Total Expenses	<u>2,062,326</u>
Net Change in Fund Balance	224,910
Total Fund Balance - Beginning	<u>2,424,620</u>
Total Fund Balance - Ending	<u><u>\$ 2,649,530</u></u>