

**CITY OF SAN LEANDRO**  
**ALAMEDA COUNTY**  
**TRANSPORTATION IMPROVEMENT AUTHORITY**  
**MEASURE B FUNDS**  
**SAN LEANDRO, CALIFORNIA**

**FOR THE YEAR ENDED JUNE 30, 2011**

**CITY OF SAN LEANDRO**  
**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY**  
**MEASURE B FUNDS**  
**Financial Statements**  
**For the year ended June 30, 2011**

**Table of Contents**

	<u><b>Page</b></u>
<i>Independent Auditor's Report</i> .....	1
 <i>Financial Statements:</i>	
Combined Balance Sheet.....	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balances .....	3
Notes to Financial Statements .....	4
 <i>Independent Auditor's Report on 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</i> .....	 6

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of the City Council  
and City Auditor of the City of San Leandro, California

We have audited the financial statements of the Alameda County Transportation Improvement Authority - Measure B Funds (Measure B Funds of the City of San Leandro, California) as of and for the year ended June 30, 2011 as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for 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 as to whether the financial statements are free of material misstatement. An audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with *Government Auditing Standards*, we have also issued our report October 28, 2011, on our consideration of the City of San Leandro'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 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.

As discussed in Note 1 to the financial statements, the financial statements referred to above present only the Measure B Funds and are not intended to present fairly the financial position of the City and the results of its operations in conformity with generally accepted accounting principles.

As of July 1, 2010, the City adopted the provision of Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. The provisions of this statement affect the classification of fund balances reported in the financial statements.

In our opinion, the financial statements referred to above present fairly in all material respects the financial position of the Measure B Funds at June 30, 2011 and the results of operations and changes in fund balance for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

Maze & Associates

October 28, 2011

CITY OF SAN LEANDRO  
ALAMEDA TRANSPORTATION IMPROVEMENT AUTHORITY - MEASURE B FUNDS

COMBINED BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue Fund	Capital Projects Funds					Total
	Measure B ACTIA Paratransit	ACTA Measure B	ACTIA Streets & Roads	ACTIA Reimbursed Construction	ACTIA Bike & Pedestrian	ACTIA Total Capital Projects	
<b>ASSETS</b>							
Cash and Investments		\$57,761	\$1,699,425	(\$268,909)	\$961,839	\$2,450,116	\$2,450,116
Accounts Receivable	\$140		9,632		6,422	16,054	16,194
Federal State & Local Grants	64,761		281,875		52,574	334,449	399,210
Interest Receivable			5,847		1,462	7,309	7,309
<b>Total Assets</b>	<u>64,901</u>	<u>57,761</u>	<u>1,996,779</u>	<u>(268,909)</u>	<u>1,022,297</u>	<u>2,807,928</u>	<u>2,872,829</u>
<b>LIABILITIES</b>							
Accounts Payable	\$11,598			\$4,713		\$4,713	\$16,311
<b>Total Liabilities</b>	<u>11,598</u>			<u>4,713</u>		<u>4,713</u>	<u>16,311</u>
<b>FUND BALANCES</b>							
Restricted for:							
Paratransit Programs	53,303						53,303
Capital Projects		\$57,761	\$1,996,779		\$1,022,297	3,076,837	3,076,837
Unassigned				(273,622)		(273,622)	(273,622)
<b>Total Fund Balances</b>	<u>53,303</u>	<u>57,761</u>	<u>1,996,779</u>	<u>(273,622)</u>	<u>1,022,297</u>	<u>2,803,215</u>	<u>2,856,518</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$64,901</u>	<u>\$57,761</u>	<u>\$1,996,779</u>	<u>(\$268,909)</u>	<u>\$1,022,297</u>	<u>\$2,807,928</u>	<u>\$2,872,829</u>

CITY OF SAN LEANDRO  
ALAMEDA TRANSPORTATION IMPROVEMENT AUTHORITY - MEASURE B FUNDS

COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue Fund		Capital Projects Funds				Grand Total
	Measure B ACTIA Paratransit	ACTA Measure B	ACTIA Streets & Roads	ACTIA Reimbursed Construction	ACTIA Bike & Pedestrian	ACTIA Total Capital Projects	
	<b>REVENUES:</b>						
ACTIA Funds	\$246,323		\$1,072,119	\$5,525	\$199,969	\$1,277,613	\$1,523,936
Use of money and property			13,435		3,358	16,793	16,793
Sidewalk Repair			26,327		17,552	43,879	43,879
REVENUES:	11,720		-			-	11,720
<b>Total Revenues</b>	<b>258,043</b>		<b>1,111,881</b>	<b>5,525</b>	<b>220,879</b>	<b>1,338,285</b>	<b>1,596,328</b>
<b>EXPENDITURES:</b>							
Paratransit	233,682					-	233,682
Sidewalk Repair			59,727		17,729	77,456	77,456
Miscellaneous Traffic Safety Equipment					1,615	1,615	1,615
Engineering & Transportation Training			1,404			1,404	1,404
Drainage Improvements			196			196	196
Administrative Charges (8000)			40,569			40,569	40,569
Overlay/Rehabilitation			25,962			25,962	25,962
Street Sealing			66,253			66,253	66,253
Bridge Maintenance & Repair			6,720			6,720	6,720
E 14th/Hesperian/150th Improvements				71,412		71,412	71,412
Westgate Parkway				12,479		12,479	12,479
Westgate Parkway PH II				2,419		2,419	2,419
Roadway Drainage Repair			12,198			12,198	12,198
Wicks Blvd Walkway					50	50	50
BART/UPRR Bicycle-Pedestrian Trail Study					27,015	27,015	27,015
Bike & Pedestrian Education					2,688	2,688	2,688
Bicycle & Pedestrian Master Plan Update					40,485	40,485	40,485
ADA Ramp Project 2009-10					13,698	13,698	13,698
Marina Park Bay Trail Improvements					1,325	1,325	1,325
San Leandro Blvd Pedestrian Interface					3,228	3,228	3,228
BART-Downtown Pedestrian Improvements					69	69	69
Safe Routes to Transit (SL BART)					247	247	247
<b>Total Expenditures</b>	<b>233,682</b>	<b>-</b>	<b>213,029</b>	<b>86,310</b>	<b>108,149</b>	<b>407,488</b>	<b>641,170</b>
<b>REVENUES OVER/(UNDER EXPENDITURES):</b>	<b>24,361</b>		<b>898,852</b>	<b>(80,785)</b>	<b>112,730</b>	<b>930,797</b>	<b>955,158</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	66,000						66,000
Transfers (out)					(66,000)	(66,000)	(66,000)
<b>Total other financing sources (uses)</b>	<b>66,000</b>				<b>(66,000)</b>	<b>(66,000)</b>	
<b>REVENUES AND OTHER FINANCING SOURCES AND USES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>90,361</b>		<b>898,852</b>	<b>(80,785)</b>	<b>46,730</b>	<b>864,797</b>	<b>955,158</b>
<b>FUND BALANCES:</b>							
Beginning of year	(37,058)	57,761	1,097,927	(192,837)	975,567	1,938,418	1,901,360
End of year	\$53,303	\$57,761	\$1,996,779	(\$273,622)	\$1,022,297	\$2,803,215	\$2,856,518

**CITY OF SAN LEANDRO**  
**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY**  
**MEASURE B FUNDS**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2011**

**1. DESCRIPTION OF REPORTING ENTITY**

**Reporting Entity** – All transactions of the Alameda County Transportation Improvement Authority – Measure B Funds (Measure B Funds) of the City of San Leandro, California (City), are included as separate special revenue fund and capital project funds in the basic financial statements of the City. Measure B Funds are used to account for the City’s share of revenues earned and expenditures incurred under the City paratransit, streets and roads, and bike and pedestrian programs.

The accompanying financial statements are for the Measure B Funds only and are not intended to fairly present the financial position, results of operations and cash flows of the City in conformity with accounting principles generally accepted in the United States of America.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

**Basis of Accounting** – The accompanying financial statements are prepared on the modified accrual basis of accounting. Revenues are generally recorded when measurable and available, and expenditures are recorded when the related liabilities are incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a “*current financial resources*” measurement focus, wherein only current assets and current liabilities generally are included on the balance sheets. Operating statements of governmental funds presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**Description of Funds** – The accounts are maintained on the basis of fund accounting. A fund is a separate accounting entity with a self-balancing set of accounts.

The following funds are used:

*Special Revenue Fund* – to account for the proceeds of specific revenues (other than for capital projects) that are legally restricted to be expended for specified purposes (specifically, the paratransit program).

*Capital Project Funds* – Capital project funds are utilized to account for resources used for the acquisition and construction of capital facilities by the City, with the exception of those assets financed by proprietary funds.

**Use of Estimates** - Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**CITY OF SAN LEANDRO**  
**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY**  
**MEASURE B FUNDS**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2011**

**3. CASH AND INVESTMENTS**

Cash and investments are maintained on a pooled basis with those of other funds of the City. Pooled cash and investments consist of U.S. government securities, bankers' acceptances, commercial paper, medium term notes, repurchase agreements, deposits with banks, and participation in the California Local Agency Investment Fund. All investments are stated at fair value. Pooled investment earnings are allocated monthly based on the average monthly cash and investment balances of the various funds and related entities of the City.

See the City's Comprehensive Annual Financial Report (CAFR) for disclosures related to cash and investments as prescribed by Governmental Accounting Standards Board Statement No. 40. The CAFR may be obtained from the City of San Leandro, 835 East 14th Street, San Leandro, California 94577-3767.

**4. MEASURE B FUNDS**

Under Measure B, approved by the voters of Alameda County in 1986, the City receives a portion of the proceeds of an additional one-half cent sales tax to be used for transportation – related expenditures. This measure was adopted with the intention that the funds generated by the additional sales tax would not fund expenditures previously paid for by property taxes but, rather, would be used for additional projects and programs.

Projects funded by Measure B were as follows:

*Paratransit Program* – To provide transit services for the elderly and the handicapped.

*City-Wide Overlay Measure B (Old)* – To place overlays on various streets throughout the City. In fiscal year 2001/02, this fund was replaced by two funds, a) Measure B ACTIA – Streets and Roads, and b) Measure B ACTIA – Bike and Pedestrian

**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 AUDIT STANDARDS**

Honorable Mayor and City Council  
City of San Leandro, California

We have audited the financial statements of Alameda County Transportation Improvement Authority – Measure B Funds of the City of San Leandro (Measure B Funds) as of and for the year ended June 30, 2011, and have issued our report thereon dated October 28, 2011. The report included a special emphasis paragraph concerning the implementation of Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. We conducted our audit 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

***Compliance***

Management of the City of San Leandro is responsible for establishing and maintaining effective internal control over financial reporting. We have audited the City of San Leandro's compliance with the requirements of Alameda County Measure B for the year ended June 30, 2011. Compliance with the requirements referred to above is the responsibility of the City of San Leandro management. Our responsibility is to express an opinion on City of San Leandro's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and requirements of Alameda County Measure B. Those standards and requirements of Alameda County Measure B require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on Measure B Funds. An audit includes examining, on a test basis, evidence about the City of San Leandro's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of San Leandro's compliance with those requirements.

In our opinion, the City of San Leandro complied, in all material respects, with the compliance requirements referred to above that are applicable to Measure B Funds for the year ended June 30, 2011.



*Internal Control Over Compliance*

Management of the City of San Leandro is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the City of San Leandro's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of San Leandro's internal control over compliance.

*A deficiency in internal control over compliance* 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, noncompliance on a timely basis. *A material weakness* in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of City Council, Management, ACTIA, its Board and Committees, others within the entity, and members of the public that will examine compliance information and is not intended to be and should not be used by anyone other than these specified parties.

*Mare & Associates*

October 28, 2011