

City of San Leandro

**Alameda County
Transportation Authority-
Measure B Funds
San Leandro, California**

***Financial Statements and
Independent Auditors' Reports***

For the year ended June 30, 2008

CITY OF SAN LEANDRO

**ALAMEDA COUNTY TRANSPORTATION AUTHORITY – MEASURE B FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Alameda County Transportation Authority - Measure B Funds (Measure B Funds) of The City of San Leandro, California (City), as of and for the year ended June 30, 2008, 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a 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 presentation. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only Measure B Funds and are not intended to present fairly 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure B Funds of the City as of June 30, 2008, and the results of its operations and changes in fund balances for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Vavrinek, Trine, Day & Co., LLP.

Pleasanton, California
December 24, 2008

**CITY OF SAN LEANDRO
ALAMEDA COUNTY TRANSPORTATION AUTHORITY – MEASURE B FUNDS**

**COMBINED BALANCE SHEET
JUNE 30, 2008**

	Special Revenue Fund		Capital Projects Funds					Total (Memorandum Only)
	Measure B ACTIA Paratransit	ACTA Measure B	ACTIA Streets & Roads	ACTIA Reimbursed Construction	ACTIA Bike & Pedestrian	ACTIA Total Capital Projects		
ASSETS								
Cash and investments	\$ 33,795	\$ 61,077	\$ 726,949	\$ -	\$ 952,772	\$ 1,740,798	\$ 1,774,593	
Receivables:								
Accounts	-	-	4,095	-	-	4,095	4,095	
Federal, State, and local grants	43,193	-	192,685	286,858	35,734	515,277	558,470	
Interest	-	-	-	8,478	1,607	10,085	10,085	
Due from other funds	-	-	603,120	-	-	603,120	603,120	
Other assets	-	-	-	1,328	-	1,328	1,328	
Total assets	\$ 76,988	\$ 61,077	\$ 1,526,849	\$ 296,664	\$ 990,113	\$ 2,874,703	\$ 2,951,691	
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accruals	\$ 25,954	\$ -	\$ 842	\$ 635	\$ 14,647	\$ 16,124	\$ 42,078	
Due to other funds	-	-	-	603,120	-	603,120	603,120	
Total liabilities	25,954	-	842	603,755	14,647	619,244	645,198	
Fund Balances:								
Unreserved, undesignated, reported in:								
Capital project funds	-	61,077	1,526,007	(307,091)	975,466	2,255,459	2,255,459	
Special revenue funds	51,034	-	-	-	-	-	51,034	
Total fund balances	51,034	61,077	1,526,007	(307,091)	975,466	2,255,459	2,306,493	
Total liabilities and fund balances	\$ 76,988	\$ 61,077	\$ 1,526,849	\$ 296,664	\$ 990,113	\$ 2,874,703	\$ 2,951,691	

The accompanying notes are an integral part of these financial statements.

**CITY OF SAN LEANDRO
ALAMEDA COUNTY TRANSPORTATION AUTHORITY – MEASURE B FUNDS**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2008**

	Special Revenue Fund		Capital Projects Funds				Total (Memorandum Only)
	Measure B ACTIA Paratransit	ACTA Measure B	ACTIA Streets & Roads	ACTIA Reimbursed Construction	ACTIA Bike & Pedestrian	ACTIA Total Capital Projects	
REVENUES:							
ACTIA Funds	\$ 270,171	\$ 11,007	\$ 1,205,223	\$ -	\$ 223,517	\$ 1,439,747	\$ 1,709,918
Use of money and property	-	-	105,996	-	20,086	126,082	126,082
Miscellaneous	-	-	2,000	-	-	2,000	2,000
Total Revenues	270,171	11,007	1,313,219	-	243,603	1,567,829	1,838,000
EXPENDITURES:							
Paratransit	347,999	-	-	-	-	-	347,999
Administrative Charges (8000)	-	-	53,109	-	-	53,109	53,109
Overlay/Rehabilitation	-	-	1,377,113	-	-	1,377,113	1,377,113
Street Sealing	-	-	246,240	-	-	246,240	246,240
Pedestrian Improvements at 150th/Lark	-	-	-	-	14,810	14,810	14,810
Lighted Crosswalks	-	-	-	-	16,840	16,840	16,840
Engineering & Transportation Training	-	-	2,585	-	-	2,585	2,585
Lewelling/Hesperian Landscaping	-	-	-	-	-	-	-
Safe Routes to Schools	-	-	-	-	11,195	11,195	11,195
Bay Trail Slough Bridge Design	-	-	-	-	27,548	27,548	27,548
Bike & Pedestrian Facility Improvements	-	-	-	-	1,400	1,400	1,400
Bike & Pedestrian Education	-	-	-	-	5,073	5,073	5,073
E14th/Hesperian/150th Improvements	-	-	-	22,750	-	22,750	22,750
Lewelling/Hesperian Improvements	-	-	-	57,352	-	57,352	57,352
Westgate Parkway	-	-	-	266,262	-	266,262	266,262
PSR Westgate Parkway	-	-	-	-	-	-	-
I-880/Washington Ave Interchanges	-	-	-	101,673	-	101,673	101,673
Roadway Drainage Repair	-	-	33,073	-	-	33,073	33,073
Total Expenditures	347,999	-	1,712,120	448,037	76,866	2,237,023	2,585,022
REVENUES OVER/(UNDER) EXPENDITURES:	(77,828)	11,007	(398,901)	(448,037)	166,737	(669,194)	(747,022)
OTHER FINANCING SOURCES (USES):							
Operating transfers in/(out)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES AND USES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(77,828)	11,007	(398,901)	(448,037)	166,737	(669,194)	(747,022)
FUND BALANCES:							
Beginning of year	128,862	50,070	1,924,908	140,946	808,729	2,924,653	3,053,515
End of year	\$ 51,034	\$ 61,077	\$ 1,526,007	\$ (307,091)	\$ 975,466	\$ 2,255,459	\$ 2,306,493

The accompanying notes are an integral part of these financial statements.

**CITY OF SAN LEANDRO
ALAMEDA COUNTY TRANSPORTATION AUTHORITY – MEASURE B FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

1. DESCRIPTION OF REPORTING ENTITY

Reporting Entity – All transactions of the Alameda County Transportation 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.

Memorandum Only Columns – Total columns on the financial statements are captioned “Total (Memorandum Only)” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**CITY OF SAN LEANDRO
ALAMEDA COUNTY TRANSPORTATION AUTHORITY – MEASURE B FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

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 AUDITORS' REPORT ON MEASURE B COMPLIANCE

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

We have audited the basic financial statements of the Alameda County Transportation Authority - Measure B Funds (Measure B Funds) of The City of San Leandro, California (City), as of and for the year ended June 30, 2008, and have issued our report thereon dated December 24, 2008.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and 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 of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the City is the responsibility of the City management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City's compliance with Measure B grant regulations as specified in the agreement between the City and Alameda County Transportation Improvement Authority (ACTIA) pertaining to various capital improvement projects which incurred project expenditures of \$2,237,023 for the year ended June 30, 2008. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of San Leandro, California's compliance with those requirements.

Under Measure B, approved by the voters of Alameda County in 2000, the City received under ACTIA Measure B a total of 12 months of revenue from July 2007 through June 30, 2008. The paratransit program received \$270,171, Local Street and Road program received \$1,313,219, and the Bike and Pedestrian program received \$243,603.

In our opinion the City of San Leandro is materially in compliance with the laws and regulations, contracts and grant requirements related to Measure B funds as specified in the agreement between the City of Alameda County Transportation Improvement Authority. Our opinion is covering the period from July 1, 2007 through June 30, 2008.

This report is intended for the information of the Mayor, City Council Members, management, and the Alameda County Transportation Improvement Authority. However, this report is a matter of public record and its distribution is not limited.

Vavrinek, Trine, Day & Co., LLP.

Pleasanton, California
December 24, 2008