CITY OF ALAMEDA
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE B 2000 FUNDS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2010

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CITY OF ALAMEDA
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE B 2000 FUNDS
Financial Statements
For the Year Ended June 30, 2010

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of the City Council,
and City Auditor of the City of Alameda
City of Alameda, California

We have audited the financial statements of the Alameda County Transportation Improvement Authority - Measure B Funds (Measure B 2000 Funds) of the City of Alameda, California, as of and for the year ended June 30, 2010, 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 audits.

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 audits to obtain reasonable assurance as to 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2010, on our consideration of the City'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.

Maze & Associates

December 13, 2010

CITY OF ALAMEDA
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE B 2000 FUNDS
BALANCE SHEET
JUNE 30, 2010

	Projects and Programs			
	Transbay Ferry	Paratransit	Streets and Roads	Bikes and Pedestrians
ASSETS				
Cash and Investments (Note 2)	$1,322,218	$95,046	$2,597,148	$192,928
Taxes Receivable - Measure B	180,547	33,822	313,626	41,468
Total Assets	$1,502,765	$128,868	$2,910,774	$234,396
FUND BALANCE				
Reserved:				
Capital Projects	$1,502,765	$128,868	$2,910,774	$234,396
Total Liabilities and Fund Balance	$1,502,765	$128,868	$2,910,774	$234,396

See accompanying notes to financial statements

Projects and Programs	
ACTA Measure B Funds	Totals
$676,307	$4,883,647
	569,463
$676,307	5,453,110
$676,307	$5,453,110
$676,307	$5,453,110

CITY OF ALAMEDA
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE B 2000 FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

	Projects and Programs		
	Transbay Ferry	Paratransit	Streets & Roads
REVENUES			
Measure B allocation	$706,579	$132,364	$1,227,385
Use of Money and Property	19,081	1,513	25,652
Total Revenues	725,660	133,877	1,253,037
EXPENDITURES			
Engineering and Planning	182,251	34,963	400,204
Transportation and Construction	437,694	115,084	165,241
Total Expenditures	619,945	150,047	565,445
EXCESS OF REVENUES OVER EXPENDITURES	105,715	(16,170)	687,592
Beginning Fund Balance	1,397,050	145,038	2,223,182
Ending Fund Balance	$1,502,765	$128,868	$2,910,774

See accompanying notes to financial statements

Projects and Programs		
Bikes and Pedestrians	ACTA Measure B Funds	Totals
$162,286		$2,228,614
3,130	$39,384	88,760
165,416	39,384	2,317,374
	9,317	626,735
172,600	3,468	894,087
172,600	12,785	1,520,822
(7,184)	26,599	796,552
241,580	649,708	4,656,558
$234,396	$676,307	$5,453,110

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

All transactions of the Alameda County Transportation Authority - Measure B Funds (Measure B 2000 Funds) of the City of Alameda, California (City), are included as separate special revenue fund in the basic financial statements of the City. Measure B 2000 Funds are used to account for the City's share of revenues earned and expenditures incurred under the City's paratransit local streets and roads, bikes and pedestrians safety and mass transit program. The accompanying financial statements are for Measure B 2000 Funds only and are not intended to fairly present the financial position of the City and the results of its operations and cash flows of its proprietary fund type.

B. 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 present increased (revenues and other financing sources) and decreased (expenditures and other financing uses) in net current assets.

C. 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 Funds - To account for the proceeds of specific revenues (other than for capital projects) that are legally restricted to be expended for specified purposes.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments are maintained on a pooled basis with those of other funds of the City. 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 for disclosures related to cash and investments and the related custodial risk categorization.

NOTE 3 – MEASURE B FUNDS

Measure B, approved by the voters of Alameda County in 2000, accounts for a pro-rata share of the one-half sales tax, funds to be collected for a duration of 20 years. This measure was adopted with the intention that the funds generated by the additional sales tax will not fund expenditures previously paid for by property taxes, but rather, would be used for additional projects and programs

From a pool of funds held by the County, 10.45% is allocated for distribution as a subsidy to cities with paratransit programs. Funds allocated to the City for the paratransit program are received separately from funds received for capital projects, and they are recorded in a special revenue fund.

An additional 20.34% of the pool is allocated among the cities in the County, based on the cities' populations and the number of roads within their city limits for other transportation related projects. Funds allocated for streets and roads, bike and pedestrian safety are recorded in a special revenue fund.

Local projects funded by Measure B during Fiscal Year 2009-10 were as follows:

Transbay Ferry - $619,945 – includes funding a portion of the costs of operations for the Oakland Alameda Ferry and the Harbor Bay Ferry, replacement of the Peralta engine, and ADA upgrades to the Main Street Terminal.

Paratransit - $150,047 – includes funding the costs of transportation services for paratransit and seniors, as well as Meals on Wheels delivery.

Streets and Roads - $565,445 – includes the funding of the following streets and roads projects:

- Accessibility (ADA) Upgrade
- ACTIA Measure B Administration
- Annual Traffic Monitor Analysis
- Bicycle Master Plan
- Bicycle Program
- Bike Racks Various Locations
- Bus Shelter Maintenance
- City TSM/TDM Plan
- Congestion Management Program
- Park Street Reconfiguration at Oakland Triangle
- Pothole Patching
- Regional Transportation Coordination Project
- Safe Routes & Transit Evaluation
- TCMP Analysis
- Traffic Operations
- Traffic Signal Controller Replacement
- Traffic Signal LED Replacement
- Traffic Striping and Sign Maintenance
- Transit Support
- Transportation Commission (TC) Support

Bicycle and Pedestrian Safety - $172,600 – includes funding for the Citywide Sidewalk Safety Repair Program.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The City participates in several grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

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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*

Honorable Mayor, Members of the City Council,
and City Auditor of the City of Alameda
City of Alameda, California

We have audited the financial statements of the Alameda County Transportation Improvement Authority – Measure B 2000 Funds of the City of Alameda (Measure B Funds) as of and for the year ended June 30, 2010, and have issued our report thereon dated December 13, 2010. 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.

Internal Control over Financial Reporting

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

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting described in a separate Memorandum on Internal Control dated December 13, 2010, which is an integral part of our audits and should be read in conjunction with this report that we consider to be significant deficiencies in internal control over financial reporting as findings 2010-01. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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. Our audit included tests of compliance with provisions of the Measure B. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. This report is intended solely for the information and use of management, City Council, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

As part of our audit, we prepared and issued our separate Memorandum on Internal Control dated December 13, 2010.

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

Maze & Associates

December 13, 2010