



ALAMEDA COUNTY
CONGESTION MANAGEMENT AGENCY

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December 14, 2007

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ACTIA

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AC Transit
Director
Greg Hurper

Alameda County
Supervisors
Nate Miley
Scott Haggerty
Chair

City of Alameda
Mayor
Beverly Johnson

City of Albany
Councilmember
Farid Javandel

BART
Director
Thomas Blalock

City of Berkeley
Councilmember
Kris Worthington

City of Dublin
Mayor
Janet Lockhart

City of Emeryville
Vice-Mayor
Ruth Atkin

City of Fremont
Vice-Mayor
Robert Wieckowski

City of Hayward
Mayor
Michael Sweeney

City of Livermore
Mayor
Marshall Kamena

City of Newark
Councilmember
Luis Freitas

City of Oakland
Councilmember
Larry Reid

City of Piedmont
Councilmember
John Chiang

City of Pleasanton
Mayor
Jennifer Hostlerman

City of San Leandro
Councilmember
Joyce R. Starosciak

City of Union City
Mayor
Mark Green
Vice Chair

Executive Director
Dennis R. Fay

Mr. Anees Azad
Finance and Administrative Manager
Alameda County Transportation Authority
426 17th Street, Suite 100
Oakland, CA 94612

Re: Annual Financial Compliance Audit of 2006/2007 Measure B Funds

Dear Anees:

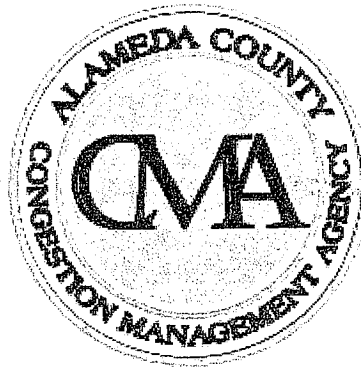
Enclosed is a copy of our Annual Financial Compliance Audit of FY 2006/2007 Measure B funds prepared by our auditor.

If you have any questions, please call me at (510) 836-2560

Sincerely,

Yvonne Chan
Accounting Manager

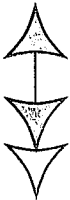
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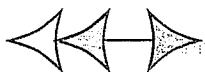
**ALAMEDA COUNTY CONGESTION
MANAGEMENT AGENCY –
MEASURE B PROGRAM**

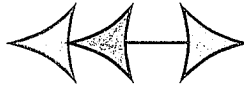
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007



Kevin W. Harper, CPA
3002 Seriana Court
Union City, CA 94587
(510) 324-1022
kevinharpercpa@cs.com





Kevin W. Harper, CPA

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Alameda County Congestion Management Agency:

I have audited the accompanying financial statements of the Measure B Program of the Alameda County Congestion Management Agency (the "Agency") as of and for the year ended June 30, 2007. These financial statements are the responsibility of the Agency's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed in Note 1, the accompanying financial statements are not intended to present the financial position and results of operations of the Agency.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure B Program of the Agency as of June 30, 2007, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

My audit was performed for the purpose of forming an opinion on the accompanying financial statements of the Agency's Measure B Program. The accompanying Supplemental Schedule of Revenues and Expenditures is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Kevin W. Harper, CPA

December 6, 2007

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY -
MEASURE B PROGRAM
BALANCE SHEET
JUNE 30, 2007**

ASSETS:

Cash and Investments	\$ 1,138,709
Receivable from ACTIA	<u>581,987</u>
	<u>\$ 1,720,696</u>

LIABILITIES AND FUND BALANCE:

Fund Balance - Reserved for Altamont Commuter Express	<u>\$ 1,720,696</u>
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The accompanying notes are an integral part of the financial statements.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY -
 MEASURE B PROGRAM
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 YEAR ENDED JUNE 30, 2007

REVENUES:

Interest	\$ 48,887
ACTIA - Measure B	<u>2,301,183</u>
Total Revenues	<u>2,350,070</u>

EXPENDITURES - Current:

Altamont Commuter Express	1,805,640
Administrative	<u>27,330</u>
Total Expenditures	<u>1,832,970</u>

Excess of Revenues Over Expenditures	517,100
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Fund Balance, June 30, 2006, as restated (see Note 4)	1,203,596
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Fund Balance, June 30, 2007	<u><u>\$ 1,720,696</u></u>
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The accompanying notes are an integral part of the financial statements.

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY -
MEASURE B PROGRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007**

NOTE 1 – DESCRIPTION OF REPORTING ENTITY

Measure B, approved by voters of Alameda County in 2000, authorized the imposition of an additional one-half cent sales tax to be used for transportation-related expenditures. Measure B specifies that revenues generated by the additional sales tax will not displace expenditures previously paid by property taxes, but rather will be used for additional transportation projects and programs. The Alameda County Transportation Improvement Authority (“ACTIA”) administers the additional sales tax.

The Alameda County Congestion Management Agency (the “Agency”) receives a portion of the sales tax proceeds from ACTIA. The Agency uses these proceeds to satisfy Alameda County’s share of the operating expenses of the Altamont Commuter Express (“ACE”). The Agency’s agreement with ACTIA requires that any excess of Measure B revenues over expenditures for ACE operations be used to cover Alameda County’s future ACE operating expenses.

The Agency’s Measure B Program is included as a special revenue fund in the basic financial statements of the Agency. The accompanying financial statements of the Measure B Program present the revenues earned and related expenditures incurred under the Agency’s agreement with ACTIA. These financial statements are not intended to present the financial position and results of operations of the Agency.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying financial statements are presented on a modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when they are both "measurable and available." Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures are recorded when the related liability is incurred. The Agency did not adopt a budget for the Measure B Program for the year ended June 30, 2007.

NOTE 3 – CASH AND INVESTMENTS

As of June 30, 2007, the Measure B Program’s cash was pooled with other Agency cash and invested in money market funds. This investment is stated at fair value, which is determined by quoted market price. Included in investment income is the net change in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation or depreciation of those investments. Interest earned on the investments is credited to the Measure B Program based on its average balance.

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY -
MEASURE B PROGRAM
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2007**

Investments authorized by the Agency's investment policy are:

- United States Treasury Bills and Notes
- Alameda County Investment Pool
- Federal Agency Obligations
- California Local Agency Investment Fund
- Savings Accounts
- Repurchase Agreements
- Certificates of Deposit
- Money Market Funds
- Medium Term Corporate Notes
- State of California and Local Agency Debt Securities

NOTE 4 – PRIOR PERIOD ADJUSTMENT

The Measure B Program's June 30, 2006 fund balance was restated as follows:

Fund balance, June 30, 2006, as previously report	\$1,687,109
Restatement	<u>(483,513)</u>
Fund balance, June 30, 2006, as restated	<u>\$1,203,596</u>

During the year ended June 30, 2007, the Agency determined that amounts paid to ACE for the months of April, May and June 2002 were from the General Fund and not reimbursed. Accordingly \$483,513 was paid during the year from the Measure B Fund to reimburse the General Fund and the Measure B fund balance reduced in the same amount.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY -
 MEASURE B PROGRAM
 SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES
 Year Ended June 30, 2006

REVENUES FROM ACTIA:

<i>Date Received</i>	<i>For Month</i>	<i>Amount</i>
September 28, 2006	July 2006	\$ 222,540
October 26, 2006	August 2006	150,486
November 21, 2006	September 2006	247,609
December 29, 2006	October 2006	212,818
January 26, 2007	November 2006	162,927
March 1, 2007	December 2006	216,422
April 10, 2007	January 2007	177,399
April 23, 2007	February 2007	140,997
May 21, 2007	March 2007	187,998
July 2, 2007	April 2007	220,596
July 23, 2007	May 2007	154,882
August 23, 2007	June 2007	206,509
		<u>\$ 2,301,183</u>

EXPENDITURES TO ALTAMONT COMMUTER EXPRESS:

<i>Date Paid</i>	<i>For Month</i>	<i>Amount</i>
July 5, 2006	July 2006	\$ 150,470
August 2, 2006	August 2006	150,470
September 1, 2006	September 2006	150,470
October 4, 2006	October 2006	150,470
November 21, 2006	November 2006	150,470
December 20, 2006	December 2006	150,470
January 10, 2007	January 2007	150,470
February 1, 2007	February 2007	150,470
March 22, 2007	March 2007	150,470
April 19, 2007	April 2007	150,470
May 24, 2007	May 2007	150,470
June 30, 2007	June 2007	150,470
		<u>\$ 1,805,640</u>



Kevin W. Harper, CPA

INDEPENDENT AUDITOR'S COMPLIANCE REPORT

The Board of Directors
Alameda County Congestion Management Agency:

I have audited the financial statements of the Alameda County Congestion Management Agency (the "Agency") as of June 30, 2007 and for the year then ended, and have issued my report thereon dated December 6, 2007, which included an explanatory paragraph describing that activities of the Measure B Program have been separately reported as a special revenue fund beginning as of July 1, 2006.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 Agency is the responsibility of the management of the Agency. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Agency's compliance with certain provisions of the agreement between the Agency and the Alameda County Transportation Improvement Authority.

In my opinion, the Agency complied in all material respects with the provisions of the Measure B as specified in the agreement between the Agency and the Alameda County Transportation Improvement Authority.

This report is intended for the information of the Board of Directors, management and others within the Agency, and officials of the Alameda County Transportation Improvement Authority and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Kevin W. Harper, CPA

December 6, 2007