

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, 2007

CITY OF SAN LEANDRO

**ALAMEDA COUNTY TRANSPORTATION AUTHORITY – MEASURE B FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

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Vavrinek, Trine, Day & Co., LLP

Certified Public Accountants

VALUE THE DIFFERENCE

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, 2007, 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, 2007, 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. L.P.
/ /

Pleasanton, California
December 24, 2007

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

**COMBINED BALANCE SHEET
JUNE 30, 2007**

	Special Revenue Fund		Capital Projects Funds				Total (Memorandum Only)
	Measure B ACTIA Paratransit	ACTA Measure B	ACTIA Streets & Roads	ACTIA Bike & Pedestrian	ACTIA Reimbursed Construction	ACTIA Total Capital Projects	
	ASSETS						
Cash and investments	\$ 87,938	\$ 50,070	\$ 1,372,406	\$ 751,385	\$ -	\$ 2,123,791	\$ 2,261,799
Receivables:							
Accounts	-	-	4,844	-	-	4,844	4,844
Federal, State, and local grants	42,944	-	299,005	55,649	398,321	752,975	795,919
Interest	-	-	-	1,695	8,896	10,591	10,591
Due from other funds	-	-	248,076	-	-	248,076	248,076
Other assets	-	-	664	-	-	664	664
Total assets	\$ 130,882	\$ 50,070	\$ 1,924,995	\$ 808,729	\$ 407,217	\$ 3,140,941	\$ 3,321,893
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accruals	\$ 2,020	\$ -	\$ 87	\$ -	\$ 18,195	\$ 18,282	\$ 20,302
Due to other funds	-	-	-	-	248,076	248,076	248,076
Total liabilities	2,020	-	87	-	266,271	266,358	268,378
Fund Balances:							
Reserved for:							
Encumbrances	84,457	-	24,639	12,070	-	36,709	121,166
Unreserved, undesignated, reported in:							
Capital project funds	-	50,070	1,900,269	796,659	140,946	2,837,874	2,887,944
Special revenue funds	44,405	-	-	-	-	-	44,405
Total fund balances	128,862	50,070	1,924,908	808,729	140,946	2,874,583	3,053,515
Total liabilities and fund balances	\$ 130,882	\$ 50,070	\$ 1,924,995	\$ 808,729	\$ 407,217	\$ 3,140,941	\$ 3,321,893

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, 2007**

	Special Revenue Fund		Capital Projects Funds				Total (Memorandum Only)
	Measure B ACTIA Paratransit	ACTA Measure B	ACTIA Streets & Roads	ACTIA Bike & Pedestrian	ACTIA Reimbursed Construction	ACTIA Total Capital Projects	
REVENUES:							
ACTIA Funds	\$ 263,191	\$ 271	\$ 1,183,410	\$ 220,032	\$ 438,279	\$ 1,841,992	\$ 2,105,183
Use of money and property	-	-	52,955	9,883	-	62,838	62,838
Total Revenues	263,191	271	1,236,365	229,915	438,279	1,904,830	2,168,021
EXPENDITURES:							
Miscellaneous Traffic Safety Improvements	297,562	-	-	-	-	-	297,562
Administrative Charges (8000)	-	-	53,467	-	-	53,467	53,467
Overlay/Rehabilitation	-	-	155,770	-	-	155,770	155,770
Street Sealing	-	-	251,052	-	-	251,052	251,052
Pedestrian Improvements at 150th/Lark	-	-	-	80,813	-	80,813	80,813
Engineering & Transportation Training	-	-	13,693	-	-	13,693	13,693
Lewelling/Hesperian Landscaping	-	-	99,220	-	-	99,220	99,220
Safe Routes to Schools	-	-	-	8,157	-	8,157	8,157
Bay Trail Slough Bridge Design	-	-	-	7,976	-	7,976	7,976
Bike & Pedestrian Facility Improvements	-	-	-	8,221	-	8,221	8,221
E14th/Hesperian/150th Improvements	-	-	-	-	51,870	51,870	51,870
Lewelling/Hesperian Improvements	-	-	-	-	24,378	24,378	24,378
Westgate Parkway	-	-	-	-	95,400	95,400	95,400
PSR Westgate Parkway	-	-	-	-	25,251	25,251	25,251
I-880/Washington Ave Interchanges	-	-	-	-	102,136	102,136	102,136
Roadway Drainage Repair	-	-	25,336	-	-	25,336	25,336
Total Expenditures	297,562	-	598,538	105,167	299,035	1,002,740	1,300,302
REVENUES OVER/(UNDER) EXPENDITURES:	(34,371)	271	637,827	124,748	139,244	902,090	867,719
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	(34,371)	271	637,827	124,748	139,244	902,090	867,719
FUND BALANCES:							
Beginning of year	163,233	49,799	1,287,081	683,981	1,702	2,022,563	2,185,796
End of year	\$ 128,862	\$ 50,070	\$ 1,924,908	\$ 808,729	\$ 140,946	\$ 2,924,653	\$ 3,053,515

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, 2007**

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, 2007**

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.

From a pool of funds held by the County, 1.515% 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 22.33% of the pool is allocated among the cities in the County, based on the cities' population and the number of roads within their city limits for other transportation-related projects. Funds allocated for streets and roads; bike lanes and pedestrian lanes are recorded as capital projects.



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, 2007, and have issued our report thereon dated December 24, 2007.

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 \$1,002,740 for the year ended June 30, 2007. 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 2006 through June 30, 2007. The paratransit program received \$263,191, Local Street and Road program received \$1,236,365, and the Bike and Pedestrian program received \$229,915.

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, 2006 through June 30, 2007.

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, 2007