

**CITY OF ALAMEDA
ALAMEDA COUNTY TRANSPORTATION
IMPROVEMENT AUTHORITY
MEASURE B 2000 FUNDS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2006**

This Page Left Intentionally Blank

**CITY OF ALAMEDA
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE B 2000 FUNDS**

**Financial Statements
For the Year Ended June 30, 2006**

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Revenues, Expenditures and Changes in Fund Balances	4
Notes to Financial Statements.....	7
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE	11

This Page Left Intentionally Blank

ACCOUNTANCY CORPORATION
3478 Buskirk Ave. - Suite 215
Pleasant Hill, California 94523
(925) 930-0902 • FAX (925) 930-0135
maze@mazeassociates.com
www.mazeassociates.com

INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements of the Alameda County Transportation Improvement Authority - Measure B Funds (Measure B 2000 Funds) Projects and Program of the of the City of Alameda, California as of and for the year ended June 30, 2006 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 audits in accordance with generally accepted auditing standards in the United States of America, and the standards prescribed by the Measure B 2000 Funds. 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 Project and Programs of the Measure B 2000 Funds of the City of Alameda at June 30, 2006 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

December 7, 2006

CITY OF ALAMEDA
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE B 2000 FUNDS
BALANCE SHEET
JUNE 30, 2006

	Projects and Programs		
	Transbay Ferry	Paratransit	Streets and Roads
ASSETS			
Cash and Investments (Note 2)	\$1,016,419	\$284,213	\$1,805,251
Due From Other Governments	128,332	23,834	235,367
Total Assets	\$1,144,751	\$308,047	\$2,040,618
FUND BALANCE			
Reserved:			
Capital Projects	\$1,144,751	\$308,047	\$2,040,618
Total Fund Balance	\$1,144,751	\$308,047	\$2,040,618

See accompanying notes to financial statements

<u>Bikes and Pedestrians</u>	<u>ACTIA Capital Projects</u>	<u>Special transportation for seniors and people with disabilities (Gap Funds)</u>	<u>ACTA Measure B Funds</u>	<u>Totals (Memorandum Only)</u>
\$5,574			\$930,373	\$4,041,830
<u>30,394</u>	<u>\$1</u>	<u>\$9</u>		<u>417,937</u>
<u>\$35,968</u>	<u>\$1</u>	<u>\$9</u>	<u>\$930,373</u>	<u>4,459,767</u>
\$35,968	\$1	\$9	\$930,373	\$4,459,767
<u>\$35,968</u>	<u>\$1</u>	<u>\$9</u>	<u>\$930,373</u>	<u>\$4,459,767</u>

**CITY OF ALAMEDA
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE B 2000 FUNDS
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2006**

	Projects and Programs		
	Transbay Ferry	Paratransit	Streets & Roads
REVENUES			
Taxes	\$825,417	\$153,298	\$1,513,848
Use of Money and Property	13,488	4,392	25,722
Total Revenues	838,906	157,690	1,539,570
EXPENDITURES			
Engineering and Planning	119,189	27,113	597,660
Transportation and Construction	231,256	80,530	234,709
Total Expenditures	350,445	107,643	832,369
EXCESS OF REVENUES OVER EXPENDITURES	488,461	50,047	707,201
Beginning Fund Balance	656,290	258,000	1,333,417
Ending Fund Balance	\$1,144,751	\$308,047	\$2,040,618

See accompanying notes to financial statements

<u>Bikes and Pedestrians</u>	<u>ACTIA Capital Projects</u>	<u>Special Transportation for Seniors and People with disabilities (GAP Funds)</u>	<u>ACTA Measure B Funds</u>	<u>Totals (Memorandum Only)</u>
\$195,495	\$57,639	\$15,693	\$16,350	\$2,777,740
1,350		9	222,121	267,082
196,845	57,639	15,702	238,471	3,044,823
86,160		4,668		834,790
177,903	168,359	11,025		903,782
264,063	168,359	15,693		1,738,572
(67,218)	(110,720)	9	238,471	1,306,251
103,186	110,721		691,902	3,153,516
<u>\$35,968</u>	<u>\$1</u>	<u>\$9</u>	<u>\$930,373</u>	<u>\$4,459,767</u>

This Page Left Intentionally Blank

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 duration of 20 years. The restrictive use of this fund coupled with the formation of a Citizens Watchdog Committee embraces the principle of accountability. The categories of this fund are sub-divided as follows:

- Local Streets and Roads
- 75% Bicycle and Pedestrian Safety
- Mass Transit (Alameda Ferry)
- Paratransit
- Capital Project Construction

Projects funded by Measure B were as follows:

Ferry Transbay – To provide four commuters service ferries running between Alameda and San Francisco.

Paratransit Program - To provide dial-a-ride service for special needs.

Lincoln Middle School, San Jose School Crossing Upgrade – To provide for traffic safety improvements on Fernside Boulevard from Washington Street to Encinal Avenue.

Citywide Resurfacing – To provide reconstruction and overlay of various City streets.

Citywide Sidewalk Repair Program – To breakout and reconstruct sidewalk failures where 3/4" or greater vertical offsets exist.

Congestion Management Program - To provide for local requirements of gas tax legislation.

Transportation System Management (TSM) Employer Support Program – To provide technical analysis and public outreach of governmental agency liaison for Alameda employees as trip reduction strategies.

Traffic Signal Controller Replacement – To provide for replacement of worn out and obsolete traffic signal controllers, some of which the manufacturer no longer supports.

Pavement Management System - The existing City of Alameda Pavement Management System (PMS) requires updating at regular intervals in order to continue being a reliable pavement management tool. Updating the PMS includes performing pavement condition assessments on all streets within the City's jurisdiction (50% by City staff and 50% by consultant), maintenance and rehabilitation history update, budget analysis, project reports, and City staff training and quality control overview.

Traffic TTT & TC - This project provides for the Public Works Department to administer the work of the Transportation Technical Team (TTT) and the Transportation Commission (TC). It also provides for staff to formulate recommendations and improvements in response to public, TTT, and/or TC requests.

NOTE 3 –MEASURE B FUNDS (Continued)

Traffic Striping & Sign - This is an ongoing maintenance program of traffic striping and signage in order to ensure all signs and striping throughout the City of Alameda are inspected and maintained at an acceptable level. The City has been divided into six zones. All striping and signage throughout the City will be inspected on a six-year cycle and replaced as needed.

Pothole Patching - The purpose of this ongoing, proactive pothole patching maintenance program is to maintain City streets in an acceptable, usable state for the public. This program is essential in order to ensure safe movement of traffic through the City until street surfaces can be improved.

Bike and Pedestrian Operations - Ongoing program to improve bicycle and pedestrian operations.

Bus Stop Accessibility Improvements, Phase 2 - This project will provide for the management of installation and maintenance of bus shelters.

Citywide Development Fee (CDF) Update – This task calculates the impact of large developments upon the infrastructure of the City.

Clement Avenue Extension – Clement Avenue extension from Tilden to Grand includes signalization improvements, right of way acquisition, new construction as well as resurfacing of the segment between Broadway and Grand.

Engineering Standards Update – Organize, update, and combine existing engineering standards.

I-880 High Street Improvements – In 1997 Caltrans announced plans to seismically retrofit this interchange requiring complete reconstruction of the freeway bridge. The local agencies and the CMA coordinated with Caltrans to construct improvement projects concurrently with the Seismic upgrade. A consultant was hired and a design was developed to install an urban diamond interchange at 42nd Ave and to extend 42nd Ave to High Street south of Oakport.

Main-Mitchell Improvements – The proposed facility would provide a new roadway along the bank of the Oakland Inner harbor on the north perimeter of the FISC site. The connection would include the construction of a two lane minor arterial and Class I bike path between Mitchell-Moseley Ave and the Estuary.

Pole Mounted Radar Signs – Install solar-powered, pole-mounted radar speed displays at six locations to encourage drivers to obey the speed limit at these locations, which are in the vicinity of elementary schools.

Signal Modifications, Atlantic and Webster (Design) – As part of the development at the former Navy Supply Center, residential impacts at Atlantic and Webster will require signal phasing and hardware changes.

Traffic Signal at Mecartney and Island – Prepare plans specifications, and estimate (PS&E) for installing a traffic signal at the corner of Mecartney and Island.

CITY OF ALAMEDA
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY – MEASURE B 2000 FUNDS
Notes to Financial Statements

NOTE 3 –MEASURE B FUNDS (Continued)

Bike Water Taxi - This project will fund the operation of a ferry service for bicycles between Mariner Square in Alameda and Jack London Square in Oakland.

Citywide Pedestrian Plan – This plan will identify projects that will enhance safety, mobility, and attractiveness of walking as an alternative method of transportation and healthy lifestyle addition.

Disability Access Self Evaluation and Transition Plan, Phase I – Phase I will involve completing the Self Evaluation plan. The Self Evaluation is to evaluate accessibility to the City’s services, policies and practices, which are broadly defined to include more than just City Buildings.

8th/Taylor In-Pavement Lights – Install in-pavement crosswalk lights in existing school crosswalk on north leg of Eighth Street/Taylor Avenue intersection.

Citywide Traffic Calming – Slow traffic to provide increased pedestrian safety.

Citywide LED Traffic Replacement – Provide funds for replacement of Light Emitting Diodes (LED) on existing traffic heads.

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 safety and pedestrian safety are recorded in a special revenue fund.

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.

ACCOUNTANCY CORPORATION
3478 Buskirk Ave. - Suite 215
Pleasant Hill, California 94523
(925) 930-0902 • FAX (925) 930-0135
maze@mazeassociates.com
www.mazeassociates.com

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MEASURE B 2000 FUNDS AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Council
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 as of and for the year ended June 30, 2006, and have issued our report thereon dated December 7, 2006. We have conducted our audit in accordance with generally accepted auditing standards 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level of risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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. Our audit included tests of compliance with provisions of the Measure B.

In our opinion, the City of Alameda complied, in all material respects, with the requirements referred to above that are applicable to its Measure B Funds for the year ended June 30, 2006.

This report is intended for the information and use of the City Council, management, others within the City and operating agencies and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

December 7, 2006

This Page Left Intentionally Blank