

# City of Pleasanton

## Measure B Funds

Pleasanton, California

*Financial Statements and  
Independent Auditors' Reports*

*For the year ended June 30, 2006*



**City of Pleasanton**  
**Alameda County Transportation Improvement Authority - Measure B Funds**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council  
of the City of Pleasanton  
Pleasanton, California

We have audited the accompanying financial statements of the Alameda County Transportation Improvement Authority - Measure B Funds (Measure B Funds) of the City of Pleasanton, California (City), as of and for the year ended June 30, 2006, as listed in the foregoing table of contents. These financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

As discussed in Note 1, the financial statements present only Measure B Funds and are not intended to present fairly the financial position and results of its operations of the City.

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, 2006, and the results of its operations and changes in fund balance for the year then ended in conformity with generally accepted accounting principles in the United States.

*Caporicci & Larson*

Oakland, California  
October 13, 2006

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**City of Pleasanton**  
**Alameda County Transportation Improvement Authority - Measure B Funds**  
**Combined Balance Sheet**  
**June 30, 2006**

	Special Revenue Fund		Enterprise Fund	Total
	Measure B Street Repair	Measure B Bike and Pathway	Transit	
<b>ASSETS</b>				
Cash and investments	\$ 1,611,885	\$ 3,440	\$ -	\$ 1,615,325
Receivables:				
Taxes	103,588	27,570	-	131,158
Grants	-	268,712	-	268,712
Interest	17,486	3,653	-	21,139
<b>Total assets</b>	<b>\$ 1,732,959</b>	<b>\$ 303,375</b>	<b>\$ -</b>	<b>\$ 2,036,334</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 150,807	\$ 10,693	\$ -	\$ 161,500
<b>Total liabilities</b>	<b>150,807</b>	<b>10,693</b>	<b>-</b>	<b>161,500</b>
<b>Fund Balances:</b>				
Unreserved:				
Designated for capital projects	1,582,152	292,682	-	1,874,834
<b>Total fund balances</b>	<b>1,582,152</b>	<b>292,682</b>	<b>-</b>	<b>1,874,834</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,732,959</b>	<b>\$ 303,375</b>	<b>\$ -</b>	<b>\$ 2,036,334</b>

See accompanying Notes to Financial Statements.

**City of Pleasanton**

**Alameda County Transportation Improvement Authority - Measure B Funds**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**

**For the year ended June 30, 2006**

	Special Revenue Fund		Total
	Measure B Street Repair	Measure B Bike and Pathway	
	Measure B Street Repair	Measure B Bike and Pathway	
<b>REVENUES:</b>			
Use of money and property	\$ 40,904	\$ 13,102	\$ 54,006
Taxes other than property	666,266	177,328	843,594
Intergovernmental	-	268,712	268,712
<b>Total revenues</b>	<b>707,170</b>	<b>459,142</b>	<b>1,166,312</b>
<b>EXPENDITURES:</b>			
Public works	954,106	599,155	1,553,261
<b>Total operating expenditures</b>	<b>954,106</b>	<b>599,155</b>	<b>1,553,261</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(246,936)</b>	<b>(140,013)</b>	<b>(386,949)</b>
<b>FUND BALANCES:</b>			
Beginning of year	1,829,088	432,695	2,261,783
End of year	<b>\$ 1,582,152</b>	<b>\$ 292,682</b>	<b>\$ 1,874,834</b>

See accompanying Notes to Financial Statements.

**City of Pleasanton**

**Alameda County Transportation Improvement Authority - Measure B Funds**

**Statement of Revenues, Expenditures and Changes in Net Assets**

**For the year ended June 30, 2006**

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	<u>Transit</u>
<b>OPERATING REVENUES:</b>	
Charges for services	\$ -
<b>Total operating revenues</b>	<u>-</u>
<b>OPERATING EXPENDITURES:</b>	
Personnel services	84,700
<b>Total operating expenditures</b>	<u>84,700</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(84,700)</u>
<b>NONOPERATING REVENUES:</b>	
Grants received	84,700
<b>Total nonoperating revenues</b>	<u>84,700</u>
<b>NET ASSETS:</b>	
Beginning of year	-
End of year	<u>\$ -</u>

**City of Pleasanton**  
**Alameda County Transportation Improvement Authority - Measure B Funds**  
**Statement of Cash Flows**  
**For the year ended June 30, 2005**

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	<u>Transit</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash payment to employees for services	\$ (84,700)
<b>Net cash provided (used) by operating activities</b>	<u>(84,700)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Grant revenue received	84,700
<b>Net cash provided (used) by noncapital financing activities</b>	<u>84,700</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	-
<b>CASH AND CASH EQUIVALENTS:</b>	
Beginning of year	-
End of year	<u>\$ -</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Operating loss	\$ (84,700)
Decrease (increase) in:	
Accounts receivable	-
Interest receivable	-
Increase (decrease) in:	
Accounts payable	-
<b>Net cash provided (used) by operating activities</b>	<u>\$ (84,700)</u>

See accompanying Notes to Financial Statements.

**City of Pleasanton**  
**Alameda County Transportation Improvement Authority – Measure B Funds**  
**Notes to Financial Statements**  
**For the year ended June 30, 2006**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***A. Reporting Entity***

All transactions of the Alameda County Transportation Improvement Authority – Measure B Funds (Measure B Funds) of the City of Pleasanton, California (City), are included as separate special revenue and enterprise funds in the basic financial statements of the City. Measure B Funds are used to improve the quality of existing roads by reconditioning existing pavement surfaces. Every two years the City's street pavements are evaluated and reconditioning decisions are managed through the City's computerized Pavement Management System. The accompanying financial statements are for Measure B 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***

*Governmental Fund Financial Statements*

The accompanying financial statements of special revenue funds 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 increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

*Proprietary Fund Financial Statements*

The financial statements of the enterprise fund are prepared on the accrual basis of accounting. Revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

All proprietary funds are accounted for using the "economic resources" measurement focus. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets present increases (revenues) and decreases (expenses) in total net assets. Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**City of Pleasanton**  
**Alameda County Transportation Improvement Authority – Measure B Funds**  
**Notes to Financial Statements, Continued**  
**For the year ended June 30, 2006**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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

Enterprise Fund – To account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be recovered through user charges.

**2. 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, deposits with banks, and participation in the California Local Agency Investment Fund. All investments are stated at fair value. Pooled investment earnings are allocated based on the average 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.

**3. MEASURE B FUNDS**

Under Measure B, approved by the voters of Alameda County in 1986 (Old Measure B) and in 2000, ACTIA Measure B, 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 will not fund expenditures previously paid for by property taxes but, rather, would be used for additional projects and programs.

Major projects funded by Measure B were as follows:

Citywide Street Overlays – To apply asphalt overlay on selected streets throughout the City.

Paratransit Program – To provide transit services for the elderly and the handicapped.

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 an enterprise fund.

An additional 22.33% 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 lanes and pedestrian lanes are recorded as special revenue funds.

## INDEPENDENT AUDITORS' REPORT ON MEASURE B COMPLIANCE

To the Honorable Mayor and Members of City Council  
of the City of Pleasanton  
Pleasanton, California

We have audited the basic financial statements of the City of Pleasanton, California (City), as of and for the year ended June 30, 2006, and have issued our report thereon dated October 13, 2006.

We conducted our audit in accordance with generally accepted auditing standards in the United States 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 and regulations, contracts and grants applicable to the City is the responsibility of City management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of City compliance with Measure B grant regulations as specified in the agreement between the City and Alameda County Transportation Improvement Authority pertaining to the Street Repair and Bike and Pathway project which incurred project expenditures of \$1,553,261 for the year ended June 30, 2006.

Under Measure B, approved by the voters of Alameda County in 2000, the City has received under ACTIA Measure B a total of 12 months of revenue from July 2005 through June 2006. The Local Street and Roads program has received \$666,266, the Bike and Pedestrian program has received \$446,040, and the Paratransit program has received \$84,700. This financial statement reflects twelve months of revenue for the Local Streets and Roads, the Bike and Pedestrian, and the Paratransit programs.

In our opinion the City of Pleasanton 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 and Alameda County Transportation Improvement Authority. Our opinion is covering the period from July 2005 through June 30, 2006.

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

*Caporicci & Larson*

Oakland, California  
October 13, 2006