

City of Union City

Measure B Funds

Union City, California

*Financial Statements and
Independent Auditors' Reports*

For the year ended June 30, 2006

C&L
Caporicci & Larson
Certified Public Accountants

**City of Union City
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 Union City
Union City, 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 Union City, 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 results of its operations and changes in fund balance for the year ended June 30, 2006 in conformity with generally accepted accounting principles in the United States.

Caporicci & Larson

Oakland, California
November 30, 2006

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City of Union City

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

	Measure B ACTIA Paratransit	Measure B ACTIA Mass Transit	ACTA Measure B	ACTIA Streets & Roads	ACTIA Bike & Pedestrian	Total
Unexpended Funds , As of July 1, 2005	\$ -	\$ -	\$ -	\$ 1,748,482	\$ 266,440	\$ 2,014,922
REVENUES:						
Investment earnings	-	-	304	46,188	10,643	57,135
Intergovernmental	275,712	356,668	5,274	557,855	185,283	1,380,792
Contribution from other agencies/sources	-	-	-	43,027	-	43,027
Total revenues	275,712	356,668	5,578	647,070	195,926	1,480,954
EXPENDITURES:						
Transit/Paratransit	275,712	356,668	-	-	-	632,380
Capital outlay	-	-	-	744,375	3,442	747,817
Total expenditures	275,712	356,668	-	744,375	3,442	1,380,197
Unexpended Funds , As of June 30, 2006	\$ -	\$ -	\$ 5,578	\$ 1,651,177	\$ 458,924	\$ 2,115,679

See accompanying Notes to Financial Statements.

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

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 Union City, 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 account for the City's share of revenues earned and expenditures incurred under the City's paratransit, transit and capital programs. The accompanying financial statements are for Measure B Funds only and are not intended to fairly present the financial position of the City.

2. MEASURE B FUNDS

Under Measure B, approved by the voters of Alameda County in 1986 (ACTA 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:

Paratransit Program - To help fund ADA (Americans with Disabilities Act) mandated service; to help fund the Union City "Paratransit Plus" program which offers an expanded service area, group trips for seniors and the disabled, as well as urgent medical trips; and to help fund extended weekday service hours.

Mass Transit Program - To help fund the operations of the City's own bus system, Union City Transit. This system operates daily (except for holidays) and provides local transit service to major destinations within the City. Union City Transit makes connections with other transit systems including BART, AC Transit and the Dumbarton Express.

Streets and Roads Program - To help fund the overlay project which paved 76 streets, extending their life by 10 years and the slurry seal project which slurried 80 streets and extended their life by 5 years. In addition, ACTIA Measure B money funded several small projects such as speed surveys, audible signals, traffic counts, signal detector loops and the GIS program.

Bike and Pedestrian Program - To prepare the Citywide Bike & Pedestrian Master Plan.



INDEPENDENT AUDITORS' REPORT ON MEASURE B COMPLIANCE

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

We have audited the accompanying schedule of revenues and expenditures as of June 30, 2006 of the City of Union City, California (City), as of and for the year ended June 30, 2006, and have issued our report thereon dated November 30, 2006. The schedule of revenues and expenditures as of June 30, 2005 was audited by other auditors. Those auditors expressed an unqualified opinion on that schedule of revenues and expenditures in their report dated December 22, 2005.

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 State of California 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 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 \$557,855, the Bike and Pedestrian program has received \$185,283, the ACTA Measure B program has received \$5274, the Mass Transit program has received \$356,668, and the Paratransit program has received \$275,712. This financial statement reflects twelve months of revenue for the Local Streets and Roads, the Bike and Pedestrian, The Mass Transit, and the Paratransit programs.

In our opinion the City of Union City 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 01, 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
November 30, 2006

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