

RS

Ravinder Singh & Associates
Certified Public Accountants

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December 27, 2005

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ACTIA

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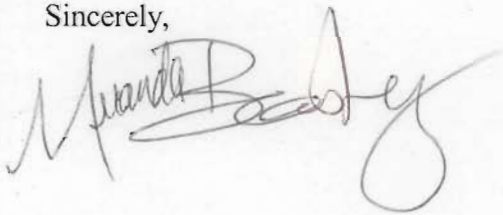
Mr. Anees Azad
ACTA/ACTIA
Wakefield Building
426 17th Street, Suite 100
Oakland, CA 94612-2814

Dear Mr. Anees Azad:

We have enclosed two bound copies of the audit report and financial statement for the Alameda County Transportation Improvement Authority – Measure B Funds, for the fiscal year ended June 30, 2005.

Please let us know if you have any questions.

Sincerely,



cc: Mr. Dan DeClercq

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COUNTY OF ALAMEDA, CALIFORNIA
PUBLIC WORKS AGENCY
MEASURE B FUNDS
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
JUNE 30, 2005

RS

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Certified Public Accountants

COUNTY OF ALAMEDA, CALIFORNIA
PUBLIC WORKS AGENCY, MEASURE B FUNDS
June 30, 2005
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INDEPENDENT AUDITORS' REPORT

Alameda County Transportation Improvement Authority
Oakland, California

We have audited the accompanying financial statements of the Alameda County Transportation Improvement Authority – Measure B Funds ('ACTIA Measure B Funds') of the County of Alameda, Public Works Agency ("The County") as of and for the year ended June 30, 2005. These financial statements are the responsibility of the Public Works Agency'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, and the 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. 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 to the financial statements, the financial statements referred to above present only ACTIA Measure B Funds and are not intended to present fairly the financial position of the County and the results of operations of its other fund types in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the ACTIA Measure B Funds, at June 30, 2005, and the results of operations and changes in fund balance for the year then ended, in conformity with the modified accrual basis of accounting as explained in Note 1 to these financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 06, 2005 on our consideration of the Alameda County Public Works Agency's internal control over financial reporting of ACTIA Measure B funds, and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



December 06, 2005
Oakland, California

**COUNTY OF ALAMEDA
PUBLIC WORKS AGENCY, MEASURE B FUNDS
BALANCE SHEET
AS OF JUNE 30, 2005**

	<u>MEASURE B PROGRAMS & PROJECTS</u>				<u>Total</u>
	<u>ACTA</u>	<u>Street and Roads</u>	<u>Bike and Pedestrians</u>	<u>Bridges</u>	
ASSETS					
Cash and Cash Equivalents (Note 2)	\$ 72,709	\$ 2,838,908	\$ 972,370	\$ (96,020)	\$ 3,787,967
Accounts Receivable		250,762	54,062	96,020	400,844
Total Current Assets	72,709	3,089,670	1,026,432	-	4,188,811
LIABILITIES AND FUND BALANCES					
Reserve for Encumbrances (Note 4)	72,709	1,950,994	103,844		2,127,547
Temporarily Restricted Fund Balances (Note 5)		1,138,676	922,588		2,061,264
Total Liabilities and Fund Balances	\$ 72,709	\$ 3,089,670	\$1,026,432	\$ -	\$ 4,188,811

The accompanying notes and accountants' report are an integral part of these financial statement.

**COUNTY OF ALAMEDA
PUBLIC WORKS AGENCY, MEASURE B FUNDS
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2005**

	<u>MEASURE B PROGRAMS & PROJECTS</u>				<u>Total</u>
	<u>ACTA</u>	<u>Street and Roads</u>	<u>Bike and Pedestrians</u>	<u>Bridges</u>	
REVENUES					
Measure B Revenue		\$ 1,559,839 ✓	\$ 336,284 ✓	\$ 597,284 ✓	\$ 2,493,407
Interest	27,093	85,035	18,253		130,381
Total Revenues	27,093	1,644,874	354,537	597,284	2,623,788
EXPENDITURES					
Public Works		*		597,284	597,284
Professional and Specialized Services	269,540	730,561	75,458		1,075,559
Total Expenditures	269,540	730,561	75,458	597,284	1,672,843
Excess (Deficit) Revenues over Expenditures/ Net Change in Fund Balance	(242,447)	914,313	279,079		950,945
Beginning Fund Balances	315,156	2,175,357	747,353		3,237,866
Ending Fund Balances	<u>\$ 72,709</u>	<u>\$ 3,089,670</u>	<u>\$ 1,026,432</u>	<u>\$ -</u>	<u>\$ 4,188,811</u>

✓ = VERIFIED/TIES TO ACTIA INFO.

-A
12/29/05

**COUNTY OF ALAMEDA, CALIFORNIA
PUBLIC WORKS AGENCY
MEASURE B FUNDS
NOTES TO THE FINANCIAL STATEMENTS
AS OF JUNE 30, 2005**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Measure B, approved and reauthorized by the voters of Alameda County on November 7, 2000, authorized ACTIA to administer the proceeds from the continued one-half cent sales and use tax. The tax is effective until March 31, 2022. Transactions of the ACTIA Measure B Funds of the Alameda County Public Works Agency are included, as separate funds, in the basic financial statements of the County of Alameda. The Public Works Agency uses Measure B Funds to account for expenditures incurred in the County’s *Local Streets and Roads, Bike and Pedestrian Ways* and *County Bridges* programs.

The accompanying financial statements are for Measure B Funds only, and are not intended to fairly present the financial position of the County of Alameda and the results of its operations and changes in fund balances of its proprietary fund types.

Basis of Accounting – The accompanying financial statements are presented 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 modified accrual basis of accounting is not intended to present financial information in conformity with generally accepted accounting principles.

The accounting and financial reporting treatment applied to a fund is the “current financial resources” measurement focus, wherein only current assets and current liabilities are generally included on the balance sheet. The operating statement of the fund presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets of the fund. Encumbrances for projects already under a signed contractual agreement are shown as reserves, and not yet included in the project expenditures.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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.

**COUNTY OF ALAMEDA, CALIFORNIA
PUBLIC WORKS AGENCY
MEASURE B FUNDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2005**

NOTE 1 – CONTINUED

Measure B activities are accounted for in the Road Fund. This fund is used to account for state and local tax apportionments and other authorized revenues, the expenditure of which is restricted to street, road, highway and bridge purposes.

NOTE 2 - CASH AND INVESTMENTS WITH COUNTY TREASURER

Measure B funds received by the Public Works Agency are deposited with the Treasurer of the County of Alameda. The Treasurer pools and invests the funds in accordance with policy guidelines established by the County. Financial instruments which potentially subject the County to credit risks consist primarily of cash and cash equivalents, marketable securities and investments. Information pertaining to the pooled cash and investments held by the Treasurer is included in the June 30, 2005 Comprehensive Annual Financial Report of the County. The required disclosure on credit risk and fair value for these investments is made in the notes to the Comprehensive Annual Financial Report. Interest on pooled cash and investments is allocated quarterly to all funds based on a rate of return on the Treasurer's pooled money investments and the average daily balance maintained by each respective fund.

NOTE 3 - BICYCLE AND PEDESTRIAN WAYS EXPENDITURES

Expenditure plans for Bicycle and Pedestrian Ways projects are subject to pre-approval via a public meeting process.

NOTE 4 - RESERVE FOR ENCUMBRANCES

The Encumbrance Reserve at June 30, 2005 represents construction projects already bound by signed contractual agreements, but expenditures have not yet been incurred.

**COUNTY OF ALAMEDA, CALIFORNIA
PUBLIC WORKS AGENCY
MEASURE B FUNDS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2005**

NOTE 5 - DESCRIPTION OF FUNDS AND FUND BALANCES

Under Measure B, ACTIA allocates to the Public Works Agency a portion of the proceeds of an additional one-half cent sales tax to be used for transportation-related expenditures.

Measure B was originally adopted and reauthorized with the intention that the proceeds 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 during the fiscal year ended June 30, 2005 were as follows:

ACTA Carry Forward Projects	\$ 269,540
Local Streets and Roads	730,561
Bicycle and Pedestrian Ways	75,458
Alameda County Bridges	<u>597,284</u>
 Total	 <u><u>\$ 1,672,843</u></u>

At June 30, 2005, the entire Measure B fund balance of \$2,061,264 is temporarily restricted for use in programs imposed by ACTIA stipulations. These stipulations may expire with time or may be satisfied and removed by the actions of ACTIA. Upon expiration, satisfaction or removal, the associated net assets are released from temporary restriction and reported as unrestricted fund balances.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Occasionally, the County of Alameda is involved in legal actions arising from normal business activities. Management, upon advice of legal counsel handling such actions, believes that the ultimate resolution of any such actions will not have a material adverse effect on the Public Works Agency's financial position or results of activities.



**INDEPENDENT AUDITORS' REPORT ON MEASURE B COMPLIANCE AND
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Alameda County Transportation Improvement Authority
County of Alameda, California

We have audited the financial statements of the Alameda County Transportation Improvement Authority Measure B Funds ("ACTIA" and "Measure B Funds") of the County of Alameda, California Public Works Agency (the "County"), as of and for the year ended June 30, 2005 and have issued our report thereon dated December 6, 2005. We conducted our audit in accordance with auditing standards generally accepted 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. 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

Compliance with laws, regulations, contracts and grants applicable to the County of Alameda's Public Works Agency is the responsibility of its management. As part of obtaining reasonable assurance about whether the Measure B Fund's financial statements are free of material misstatements, we performed tests of the Agency's compliance with Measure B grant regulations as specified in agreements between the County and Alameda County Transportation Improvement Authority, noncompliance with which could have a direct and material effect on the determination of financial statement amounts and project expenditures. However, the objective of our audit of the Measure B Fund's financial statements was not to provide an opinion on overall compliance with such provisions, and accordingly, we do not express such an opinion.

The results of our tests indicate that the County of Alameda's Public Works Agency complied in all material respects with the provisions referred to above. The results of our tests disclosed no instances on noncompliance that are required to be reported under *Government Auditing Standards*, or under the provisions the Measure B regulations referred to above. In our opinion the County of Alameda Public Works Agency is materially in compliance with the laws and regulations, contract and grant requirements related to Measure B funds as specified in the agreement between the County of Alameda, California Public Works Agency and ACTIA.

Handwritten signature and date: 12/29/05

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Public Works Agency's internal control over financial reporting in order to determine our auditing procedures for the

**INDEPENDENT AUDITOR'S REPORT ON MEASURE B COMPLIANCE AND
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)**

purpose of expressing our opinion on the financial statements, and not to provide assurance 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 that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the 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.

This report is intended solely for the information and use of the Alameda County Transportation Improvement Authority, the Public Works Agency's management and the County of Alameda and is not intended to be and should not be used by anyone other than these specified parties.



December 06, 2005
Oakland, California

**COUNTY OF ALAMEDA
PUBLIC WORKS AGENCY
MEASURE B FUNDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF JUNE 30, 2005**

No findings or questioned costs were noted during the current year's audit.

**COUNTY OF ALAMEDA
PUBLIC WORKS AGENCY
MEASURE B FUNDS
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
AS OF JUNE 30, 2005**

There were no prior year findings and recommendations.