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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, 2005

CITY OF SAN LEANDRO

**ALAMEDA COUNTY TRANSPORTATION AUTHORITY – MEASURE B FUNDS
FOR THE YEAR ENDED JUNE 30, 2005**

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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, 2005, as listed in the foregoing 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 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, 2005, 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., LLP.

Pleasanton, California
September 29, 2005

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

**COMBINING BALANCE SHEET
JUNE 30, 2005**

	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	\$ 131,303	\$ -	\$ -		\$ -	\$ -	\$ -	\$ 131,303
Cash and investments with fiscal agent								
Receivables:								
Accounts		12,127	2,482				14,609	14,609
Federal, State, and local grants	58,230				3,292,087		3,292,087	3,350,317
Sales tax - Measure B		-	420,988	47,907			468,895	468,895
Due from other funds		14,429	304,037	438,421			756,887	756,887
Other assets		3,721			372,279		376,000	376,000
Total assets	\$ 189,533	\$ 30,277	\$ 727,507	\$ 486,328	\$ 3,664,366	\$ 4,908,478	\$ 5,098,011	
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accruals	\$ 17,796	\$ -	\$ 34	\$ -	\$ 312,674	\$ 312,708	\$ 330,504	\$ 330,504
Due to other funds	-	-	-	-	2,946,575	2,946,575	2,946,575	2,946,575
Other liabilities	-	-	-	-	376,000	376,000	376,000	376,000
Total liabilities	17,796	-	34	-	3,635,249	3,635,283	3,653,079	
Fund Balances:								
Reserved for:								
Encumbrances	-	-	727,473	-	29,117	756,590	756,590	756,590
Unreserved, undesignated, reported in:								
General Fund								
Special revenue funds	171,737	30,277		486,328	-	516,605	688,342	688,342
Total fund balances	171,737	30,277	727,473	486,328	29,117	1,273,195	1,444,932	
Total liabilities and fund balances	\$ 189,533	\$ 30,277	\$ 727,507	\$ 486,328	\$ 3,664,366	\$ 4,908,478	\$ 5,098,011	

The accompanying notes are an integral part of these financial statements.

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2005**

	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	\$ 239,538	\$ -	\$ 1,063,942	\$ 197,074	\$ 2,801,267	\$ 4,062,283	\$ 4,301,821
Use of money and property	-	-	18,595	775	-	19,370	19,370
Accounts Receivable - ACTIA	-	-	-	-	-	-	-
Sidewalk Repair Reimbursements	-	-	62,631	-	-	62,631	62,631
Miscellaneous	-	17,039	203	-	-	17,242	17,242
Total Revenues	239,538	17,039	1,145,371	197,849	2,801,267	4,161,526	4,401,064
EXPENDITURES:							
Miscellaneous Traffic Safety Improvements	291,187	-	-	-	-	-	291,187
Annual Sidewalk Program	-	-	281,913	-	-	281,913	281,913
Administrative Charges (8000)	-	-	34,670	350	-	35,020	35,020
Overlay/Rehabilitation	-	-	1,322,648	-	-	1,322,648	1,322,648
Street Sealing	-	-	179,134	-	-	179,134	179,134
Miscellaneous Traffic Safety Improvements	-	-	7,127	-	-	7,127	7,127
West Estudillo (Old Measure B)	-	39,271	-	-	-	39,271	39,271
Engineering & Transportation Training	-	-	5,902	-	-	5,902	5,902
Bikeway Plan Update	-	-	-	15,729	-	15,729	15,729
Bay Trail Slough Bridge Design	-	-	-	47,054	-	47,054	47,054
Bike & Pedestrian Facility Improvements	-	-	-	483	-	483	483
E14th/Hesperian/150th Improvements	-	-	-	-	32,239	32,239	32,239
Lewelling/Hesperian Improvements	-	-	-	-	59,472	59,472	59,472
Westgate Parkway	-	-	-	-	2,703,434	2,703,434	2,703,434
PSR Westgate Parkway	-	-	-	-	12,810	12,810	12,810
I-880/Washington Ave Interchanges	-	-	-	-	10,599	10,599	10,599
West Estudillo TLC PED Connection	-	-	7,361	-	-	7,361	7,361
Total Expenditures	291,187	39,271	1,838,755	63,616	2,818,554	4,760,197	5,051,384
REVENUES OVER/(UNDER EXPENDITURES)	(51,649)	(22,232)	(693,384)	134,233	(17,287)	(598,671)	(650,320)
REVENUES AND OTHER FINANCING SOURCES AND USES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(51,649)	(22,232)	(693,384)	134,233	(17,287)	(598,671)	(650,320)
FUND BALANCES:							
Beginning of year	223,386	52,509	1,420,857	352,095	46,404	1,871,865	2,095,251
End of year	\$ 171,737	\$ 30,277	\$ 727,473	\$ 486,328	\$ 29,117	\$ 1,273,194	\$ 1,444,931

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, 2005**

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 Fund 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.

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.

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.

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, 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

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.

3. 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 V 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 a 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 City of San Leandro, California (City), as of and for the year ended June 30, 2005, and have issued our report thereon dated September 29, 2005.

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 \$4,760,197 for the year ended June 30, 2005.

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 2004 through June 30, 2005. The paratransit program received \$239,538, Local Street and Road program received \$1,145,371, Reimbursed Construction program received \$2,801,227, and the Bike and Pedestrian program received \$197,849.

In our opinion The City of San Leandro is materially in compliance with the law 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, 2004 through June 30, 2005.

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
September 29, 2005