

**City of  
Berkeley**  
Alameda County  
Transportation Improvement  
Authority - Measure B Funds  
Berkeley, California

*Financial Statements and  
Independent Auditors' Reports*

*For the year ended June 30, 2009*

**City of Berkeley**  
**Alameda County Transportation Improvement Authority – Measure B Funds**

**Table of Contents**

---

---

	<u>Page</u>
<b>Independent Auditors’ Report</b> .....	1
<b>Financial Statements:</b>	
Combined Balance Sheet .....	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balances .....	3
Notes to Financial Statements .....	4
<b>Independent Auditors’ Report on Measure B Compliance</b> .....	5



## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council  
of the City of Berkeley  
Berkeley, 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 Berkeley, California (City), as of and for the year ended June 30, 2009, 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 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 basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 City's Measure B Funds as of June 30, 2009, and changes in financial position thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report as of and for the year ended June 30, 2009, dated September 28, 2009, on our consideration of the City's internal control over financial reporting and our tests of their compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part 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 audits.

*Caporicci & Larson*

Oakland, California  
September 28, 2009

Toll Free Ph: (877) 862-2200

Toll Free Fax: (866) 436-0927

**Oakland**  
180 Grand Ave., Suite 1365  
Oakland, California 94612

**Orange County**  
9 Corporate Park, Suite 100  
Irvine, California 92606

**Sacramento**  
777 Campus Commons Rd., Suite 200  
Sacramento, California 95825

**San Diego**  
4858 Mercury, Suite 106  
San Diego, California 92111

**City of Berkeley**  
**Alameda County Transportation Improvement Authority - Measure B Funds**  
**Balance Sheet**  
**June 30, 2009**

	Special Revenue Funds			Total
	ACTIA Streets and Roads	ACTIA Bike and Pedestrian	ACTIA Paratransit	
<b>ASSETS</b>				
Cash and investments	\$ 875,848	\$ 416,291	\$ -	\$ 1,292,139
Accounts receivable	311,718	142,019	59,234	512,971
<b>Total assets</b>	<b>\$ 1,187,566</b>	<b>\$ 558,310</b>	<b>\$ 59,234</b>	<b>\$ 1,805,110</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,207	\$ 17,820	\$ 18,620	\$ 37,647
Accrued salaries and fringe	75,709	7,242	3,571	86,522
Due to other funds	-	-	1,918	1,918
Deferred Revenues	-	85,087	32,779	117,866
<b>Total liabilities</b>	<b>76,916</b>	<b>110,149</b>	<b>56,888</b>	<b>243,953</b>
<b>Fund Balances:</b>				
Unreserved:				
Designated for capital projects	1,110,651	448,160	2,346	1,561,157
<b>Total fund balances</b>	<b>1,110,651</b>	<b>448,160</b>	<b>2,346</b>	<b>1,561,157</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,187,567</b>	<b>\$ 558,309</b>	<b>\$ 59,234</b>	<b>\$ 1,805,110</b>

See accompanying Notes to Financial Statements.

**City of Berkeley**  
**Alameda County Transportation Improvement Authority - Measure B Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**June 30, 2009**

	Special Revenue Funds			Total
	ACTIA Streets and Roads	ACTIA Bike and Pedestrian	ACTIA Paratransit	
<b>REVENUES:</b>				
Measure B sales taxes- ACTIA	\$ 2,142,248	\$ 250,903	\$ 165,089	\$ 2,558,240
Grant revenue	-	6,316	2,433	8,749
Interest income	24,465	12,385	642	37,492
Other income	77	-	-	77
<b>Total Revenues</b>	<b>2,166,790</b>	<b>269,604</b>	<b>168,164</b>	<b>2,604,558</b>
<b>EXPENDITURES:</b>				
Operating expenditures	2,096,208	293,086	218,064	2,607,358
<b>Total Expenditures</b>	<b>2,096,208</b>	<b>293,086</b>	<b>218,064</b>	<b>2,607,358</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>70,582</b>	<b>(23,482)</b>	<b>(49,900)</b>	<b>(2,800)</b>
<b>FUND BALANCES:</b>				
Beginning of year	1,040,069	471,642	52,246	1,563,957
End of year	\$ 1,110,651	\$ 448,160	\$ 2,346	\$ 1,561,157

See accompanying Notes to Financial Statements.

**City of Berkeley**  
**Alameda County Transportation Improvement Authority – Measure B Funds**  
**Notes to Financial Statements**  
**For the year ended June 30, 2009**

---

---

**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 Berkeley, California (City), are included as separate special revenue 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 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.

**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 sheet. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**C. Fund Accounting**

The operations of the Measure B Funds are accounted for in three separate special revenue funds, ACTIA Streets and Roads, ACTIA Bike and Pedestrian, and ACTIA Paratransit. The funds are separate accounting entities with a set of self-balancing accounts which comprise their assets, liabilities, fund equity, revenues, and expenses.

**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

**3. CASH AND INVESTMENTS**

The City pools its available cash for investment purposes. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

See the City's Basic Financial Statements for disclosures related to cash and investments and the related interest rate risk, credit rate risk, custodial risk and concentration risk.



## INDEPENDENT AUDITORS' REPORT ON MEASURE B COMPLIANCE

To the Honorable Mayor and Members of City Council  
of the City of Berkeley  
Berkeley, 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 Berkeley, California (City), as of and for the year ended June 30, 2009, and have issued our report thereon dated September 28, 2009.

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 the City's 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, 2009.

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 2008 through June 2009. The Local Street and Roads program has received \$2,142,248, the Bike and Pedestrian program has received \$250,903, and the Paratransit program has received \$165,089. This financial statement reflects twelve months of revenue for the Local Streets and Roads, and the Bike and Pedestrian programs.

In our opinion the City of Berkeley 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 1, 2008 through June 30, 2009.

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.

Oakland, California  
September 28, 2009

Toll Free Ph: (877) 862-2200

Toll Free Fax: (866) 436-0927

**Oakland**

180 Grand Ave., Suite 1365  
Oakland, California 94612

**Orange County**

9 Corporate Park, Suite 100  
Irvine, California 92606

**Sacramento**

777 Campus Commons Rd., Suite 200  
Sacramento, California 95825

**San Diego**

4858 Mercury, Suite 106  
San Diego, California 92111