



**CITY OF EMERYVILLE
ALAMEDA COUNTY TRANSPORTATION
IMPROVEMENT AUTHORITY
MEASURE B 2000 FUNDS
EMERYVILLE, CALIFORNIA**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

Lance Soll & Lunghard, LLP

203 North Brea Blvd
Suite 203
Brea, CA 92821

41185 Golden Gate Circle
Suite 103
Murrieta, CA 92562

CITY OF EMERYVILLE
ALAMEDA COUNTY TRANSPORTATION
IMPROVEMENT AUTHORITY
MEASURE B 2000 FUNDS
EMERYVILLE, CALIFORNIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

CITY OF EMERYVILLE
ALAMEDA COUNTY TRANSPORTATION
IMPROVEMENT AUTHORITY
MEASURE B 2000 FUNDS

TABLE OF CONTENTS

	<u>Page Number</u>
INDEPENDENT AUDITOR'S REPORT	1
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE	2
FINANCIAL STATEMENTS	
Balance Sheet.....	3
Statement of Revenues, Expenditures and Changes in Fund Balances	4
Notes to Financial Statements.....	5
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	7



CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- David E. Hale, CPA, CFP
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Emeryville, California

We have audited the financial statements of the City of Emeryville Alameda County Transportation Improvement Authority - Measure B Funds, as of and for the year ended June 30, 2011, as listed in the 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 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 the 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 opinions.

In our opinion, the financial statements referred to above, present fairly in all material respects, the respective financial position of the City of Emeryville Alameda County Transportation Improvement Authority - Measure B Funds as of June 30, 2011, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the financial statements referred to above present only the City of Emeryville Alameda County Transportation Improvement Authority - Measure B Funds and are not intended to present fairly the financial position of the City and the results of its operations in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2011, on our consideration of the City of Emeryville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 considered in assessing the results of our audit.

October 1, 2011
Brea, California



CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- David E. Hale, CPA, CFP
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENTS AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Mayor and City Council
City of Emeryville, California

Compliance

We have audited the compliance of the City of Emeryville, California (the City) with the types of compliance requirements described in the Agreement with the Alameda County Transportation Improvement Authority dated July 23, 2002, that are applicable to its Measure B funds for the year ended June 30, 2011. Compliance with the requirements referred to above is the responsibility of the City of Emeryville's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Agreement with the Alameda County Transportation Improvement Authority dated July 23, 2002. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a material effect on the Measure B Fund occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to the Measure B Fund for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements listed above. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on the Measure B Fund in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

This report is intended for the information and use of the City Council, management, others within the City, federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

October 1, 2011
Brea, California

CITY OF EMERYVILLE
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE B 2000 FUNDS

BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Measure B 2000 Programs and Projects</u>				ACTA 1986	<u>Totals</u>
	<u>Paratransit</u>	<u>Streets and Roads</u>	<u>Bikes and Pedestrians</u>	<u>Gap Grant</u>	<u>Measure B Funds</u>	
Assets:						
Cash and investments	\$ 1,621	\$ 425,835	\$ 159,466	\$ -	\$ 236,925	\$ 823,847
Interest receivable	25	98	23	-	192	338
Due from ACTIA	5,975	53,580	6,429	50,605	-	116,589
Total Assets	\$ 7,621	\$ 479,513	\$ 165,918	\$ 50,605	\$ 237,117	\$ 940,774
Liabilities:						
Accounts payable	\$ 1,717	\$ 2,450	\$ -	\$ 54,391	\$ -	\$ 58,558
Total Liabilities	1,717	2,450	-	54,391	-	58,558
Fund Balance:						
Restricted for Capital Projects	5,904	477,063	165,918	-	237,117	886,002
Unassigned	-	-	-	(3,786)	-	(3,786)
Total Fund Balance	5,904	477,063	165,918	(3,786)	237,117	882,216
Total Liabilities and Fund Balance	\$ 7,621	\$ 479,513	\$ 165,918	\$ 50,605	\$ 237,117	\$ 940,774

CITY OF EMERYVILLE
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE B 2000 FUNDS

STATEMENTS OF REVENUES, EXPENDITURES AND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Measure B 2000 Programs and Projects</u>				ACTA 1986	<u>Totals</u>
	<u>Paratransit</u>	<u>Streets and Roads</u>	<u>Bikes and Pedestrians</u>	<u>Gap Grant</u>	<u>Measure B Funds</u>	
Revenues:						
Measure B revenue	\$ 22,727	\$ 203,797	\$ 24,458	\$ 50,605	\$ -	\$ 301,587
Use of money	163	5,233	2,354	(61)	4,009	11,698
Total Revenues	22,890	209,030	26,812	50,544	4,009	313,285
Expenditures:						
Public works	-	48,722	4,000	-	3,563	56,285
Senior center	26,899	-	-	50,605	-	77,504
Total Expenditures	26,899	48,722	4,000	50,605	3,563	133,789
Excess of Revenues Over (Under) Expenditures	(4,009)	160,308	22,812	(61)	446	179,496
Other Financing Sources (Uses):						
Transfers out	-	-	-	-	(7,000)	(7,000)
Total Other Financing Sources (Uses)	-	-	-	-	(7,000)	(7,000)
Net Change in Fund Balances	(4,009)	160,308	22,812	(61)	(6,554)	172,496
Beginning Fund Balance	9,913	316,755	143,106	(3,725)	243,671	709,720
Ending Fund Balance	\$ 5,904	\$ 477,063	\$ 165,918	\$ (3,786)	\$ 237,117	\$ 882,216

**CITY OF EMERYVILLE
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE B 2000 FUNDS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 1: Summary of Significant Accounting Policies

a. Reporting Entity

All paratransit transactions of the Alameda County Transportation Authority - Measure B Funds (Measure B Funds) of the City of Emeryville, California (City), are included in 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 Measure B program.

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 measurable 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 increased (revenues and other financing sources) and decreased (expenditures and other financing uses) in net current assets.

c. Description of Funds

The account is maintained on the basis of fund accounting. A fund is a separate accounting entity with a self-balancing set of accounts.

The following fund is used to account for Measure B activities:

Special Revenue Funds - to account for the proceeds of specific revenues (other than for capital projects) that are legally restricted to be expended for specific purposes (specifically, the paratransit program).

Note 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 deposit with banks, pooled investments and individual investments. 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 related to the 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.

**CITY OF EMERYVILLE
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE B 2000 FUNDS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011**

Note 3: Measure B Bonds

Measure B, approved by the voters of Alameda County in 2000, accounts for a pro-rata share of the one-half percent sales tax, funds to be collected for a duration of 20 years. The restrictive use of this fund, coupled with the formation of a Citizen's Watchdog Committee, embraces the principle of accountability. The categories of this fund are sub-divided as follows:

- Paratransit
- Local Streets and Roads
- Local Pass-Through Funds for Bicycle and Pedestrian Safety

Projects funded by Measure B were as follows:

Paratransit Program - to provide transit services for the elderly and the handicapped.

Local Streets and Roads - to repair various streets around the City.

Bike and Pedestrian - to provide sidewalk and ADA improvements and to implement the bikeway network.

1986 Measure B - Prior to Measure B 2000, voters approved the prior Measure in 1986, which was used to improve, repair and overlay City streets. In fiscal 2003, this program was replaced by the above programs funded under Measure B 2000.

From a pool of funds held by the county, 10.45% 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 are recorded in a special revenue fund.

An additional 20.34% 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 safety and pedestrian safety are recorded in a special revenue fund.

Note 4: Commitments and Contingencies

The City participates in several grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of applicable state and federal requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**CITY OF EMERYVILLE
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE B 2000 FUNDS**

**SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011**

None noted.