

**CITY OF ALAMEDA  
ALAMEDA COUNTY TRANSPORTATION  
IMPROVEMENT AUTHORITY  
MEASURE B 2000 FUNDS  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2009**

**MAZE &  
ASSOCIATES**

**CITY OF ALAMEDA  
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY  
MEASURE B 2000 FUNDS  
Financial Statements  
For the Year Ended JUNE 30, 2009**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of the City Council,  
and City Auditor of the City of Alameda  
City of Alameda, California

We have audited the financial statements of the Alameda County Transportation Improvement Authority - Measure B Funds (Measure B 2000 Funds) Projects and Program of the City of Alameda, California as of and for the year ended June 30, 2009 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 audits.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for 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 audits to obtain reasonable assurance as to 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.

In our opinion, the financial statements referred to above present fairly in all material respects the financial position of the Measure B Funds at June 30, 2009 and the results of operations and changes in fund balance for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2009 on our consideration of the Measure B 2000 Funds' 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 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 considered in assessing the results of our audit.

As discussed in Note 1 to the financial statements, the financial statements referred to above present only the 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.

*Maze & Associates*

October 2, 2009

**CITY OF ALAMEDA  
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY  
MEASURE B 2000 FUNDS  
BALANCE SHEET  
JUNE 30, 2009**

ASSETS	Projects and Programs			
	Transbay Ferry	Paratransit	Streets and Roads	Bikes and Pedestrians
Cash and Investments (Note 2)	\$1,286,764	\$124,379	\$2,028,642	\$215,636
Due From Other Governments	110,286	20,659	194,540	25,944
Total Assets	\$1,397,050	\$145,038	\$2,223,182	\$241,580
FUND BALANCE				
Reserved:				
Capital Projects	\$1,397,050	\$145,038	\$2,223,182	\$241,580
Total Liabilities and Fund Balance	\$1,397,050	\$145,038	\$2,223,182	\$241,580

See accompanying notes to financial statements

<u>ACTIA Capital Projects</u>	<u>Special Transportation for Seniors and People with Disabilities (Gap Funds)</u>	<u>Countywide Discretionary</u>	<u>ACTA Measure B Funds</u>	<u>Totals</u>
			\$649,708	\$4,305,129
				351,429
			\$649,708	4,656,558
			\$649,708	\$4,656,558
			\$649,708	\$4,656,558

**CITY OF ALAMEDA  
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY  
MEASURE B 2000 FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Projects and Programs</u>		
	<u>Transbay Ferry</u>	<u>Paratransit</u>	<u>Streets &amp; Roads</u>
<b>REVENUES</b>			
Measure B allocation	\$757,927	\$141,983	\$1,336,956
Use of Money and Property	<u>47,419</u>	<u>7,136</u>	<u>91,156</u>
Total Revenues	<u>805,346</u>	<u>149,119</u>	<u>1,428,112</u>
<b>EXPENDITURES</b>			
Engineering and Planning	242,638	14,328	739,418
Transportation and Construction	<u>685,344</u>	<u>164,776</u>	<u>463,417</u>
Total Expenditures	<u>927,982</u>	<u>179,104</u>	<u>1,202,835</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(122,636)	(29,985)	225,277
Beginning Fund Balance	<u>1,519,686</u>	<u>175,023</u>	<u>1,997,905</u>
Ending Fund Balance	<u><u>\$1,397,050</u></u>	<u><u>\$145,038</u></u>	<u><u>\$2,223,182</u></u>

See accompanying notes to financial statements

Bikes and Pedestrians	ACTIA Capital Projects	Special Transportation for Seniors and People with Disabilities (GAP Funds)	Countywide Discretionary	ACTA Measure B Funds	Totals
\$178,301			\$47,702	\$47	\$2,462,916
9,250				32,552	187,513.00
187,551			47,702	32,599	2,650,429
			13,257	12,769	1,022,410
200,450		\$9	37,606	152,592	1,704,194
200,450		9	50,863	165,361	2,726,604
(12,899)		(9)	(3,161)	(132,762)	(76,175)
254,479		9	3,161	782,470	4,732,733
\$241,580				\$649,708	\$4,656,558



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**CITY OF ALAMEDA**  
**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY -**  
**MEASURE B 2000 FUNDS**  
**Notes to Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. *Reporting Entity***

All transactions of the Alameda County Transportation Authority - Measure B Funds (Measure B 2000 Funds) of the City of Alameda, California (City), are included as separate special revenue fund in the basic financial statements of the City. Measure B 2000 Funds are used to account for the City's share of revenues earned and expenditures incurred under the City's paratransit local streets and roads, bikes and pedestrians safety and mass transit program. The accompanying financial statements are for Measure B 2000 Funds only and are not intended to fairly present the financial position of the City and the results of its operations and cash flows of its proprietary fund type.

**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 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 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 Funds* - To account for the proceeds of specific revenues (other than for capital projects) that are legally restricted to be expended for specified purposes.

**NOTE 2 - CASH AND INVESTMENTS**

Cash and investments are maintained on a pooled basis with those of other funds of the City. 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.

See the City's Comprehensive Annual Financial Report for disclosures related to cash and investments and the related custodial risk categorization.

**CITY OF ALAMEDA**  
**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY –**  
**MEASURE B 2000 FUNDS**  
**Notes to Financial Statements**

**NOTE 3 – MEASURE B FUNDS**

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

- Local Streets and Roads
- 75% Bicycle and Pedestrian Safety
- Mass Transit (Alameda Ferry)
- Paratransit
- Capital Project Construction

Projects funded by Measure B were as follows:

ADA Upgrade for City Facilities – Improve existing facilities to meet ADA guidelines, where deficiencies have been identified, including the Main Street Ferry Terminal.

BCDC Bay Trail Access – Provides missing link in bike trail under Bay Farm Island Bridge.

Bicycle Program – Conduct studies on priority projects identified in the Transportation Master Plan and the adopted Bicycle Master Plan.

Bike/Pedestrian Estuary Crossing Feasibility Study – Considers alternative ways for cyclists to cross Oakland/Alameda Estuary at the northern end of the island.

Bike Plan Feasibility Study – Update Bicycle Master Plan. The project's vision is to create an easy-to-use, safe and enjoyable crossing to enhance the Bay Area's regional bicycle, pedestrian, and transit networks.

Bus Shelter Maintenance – Weekly maintenance of bus shelters throughout the City. Also includes funds for required capital repairs of these shelters and other shelters in Alameda's public right-of-way for which basic maintenance is conducted by private entities.

Citywide Street Resurfacing – To provide reconstruction and overlay of various City streets.

Citywide Sidewalk Repair Program – To breakout and reconstruct sidewalk failures where 3/4" or greater vertical offsets exist.

Congestion Management Program - To provide for local requirements of gas tax legislation.

Citywide Development Fee (CDF) Update – This task calculates the impact of large developments upon the infrastructure of the City.

Citywide Pedestrian Plan – This plan will identify projects that will enhance safety, mobility, and attractiveness of walking as an alternative method of transportation and healthy lifestyle addition.

**CITY OF ALAMEDA**  
**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY –**  
**MEASURE B 2000 FUNDS**  
**Notes to Financial Statements**

**NOTE 3 – MEASURE B FUNDS (Continued)**

Citywide Traffic Calming – Slow traffic to provide increased pedestrian safety.

Clement Avenue Extension – Clement Avenue extension from Tilden to Grand includes signalization improvements, right of way acquisition, new construction as well as resurfacing of the segment between Broadway and Grand.

Fernside Bike Path Link – To improve bikeways from the Bay Farm Island Bike Bridge connection along the east side of Fernside Boulevard from the Aeolian Yacht Club to San Jose Avenue.

Ferry Transbay – To provide four commuter service ferries running between Alameda and San Francisco.

Main-Mitchell Improvements – The proposed facility would provide a new roadway along the bank of the Oakland Inner harbor on the north perimeter of the FISC site. The connection would include the construction of a two lane minor arterial and Class I bike path between Mitchell-Moseley Ave and the Estuary.

On-Call Striping and Signing – Red curb requests and other on-call work.

Paratransit Program - To provide dial-a-ride service for special needs.

Park Street Reconfiguration at Oakland Triangle – Assist Oakland in reconfiguration at Park Street and 23<sup>rd</sup> Avenue to improve Alameda access.

Pavement Management System - The existing City of Alameda Pavement Management System (PMS) requires updating at regular intervals in order to continue being a reliable pavement management tool. Updating the PMS includes performing pavement condition assessments on all streets within the City's jurisdiction (50% by City staff and 50% by consultant), maintenance and rehabilitation history update, budget analysis, project reports, and City staff training and quality control overview.

Poles for Audible Signals – Enhance access to audible and countdown signals by installing activation buttons on poles at eight signal intersections.

Pothole Patching - The purpose of this ongoing, proactive pothole patching maintenance program is to maintain City streets in an acceptable, usable state for the public. This program is essential in order to ensure safe movement of traffic through the City until street surfaces can be improved.

Safe Routes & Transit Evaluation – The City has been working to enhance bus stops citywide in support of the Alameda Long Range Transit Plan.

Signal Coordination – Signal coordination (interconnects) on Eighth Street, Otis Drive, and Park Street.

**CITY OF ALAMEDA**  
**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY –**  
**MEASURE B 2000 FUNDS**  
**Notes to Financial Statements**

**NOTE 3 – MEASURE B FUNDS (Continued)**

*Survey Monument Update* – Update survey monuments and benchmarks citywide.

*TMP Traffic Analysis GPA* – Update the City’s Traffic model and prepare a General Plan Amendment (GPA) to the transportation element of the Transportation Master Plan (TMP).

*Traffic Operations* – Responses to requests from public, studies, and other on-going efforts to improve traffic operations.

*Traffic Signal Controller Replacement* – To provide for replacement of worn out and obsolete traffic signal controllers, some of which the manufacturer no longer supports.

*Traffic Signal LED Replacement* – Provides sinking fund for replacement of Light Emitting Diodes (LED) on existing traffic heads.

*Traffic Signal, Webster & Pacific SMART Corridor* – Traffic signal at Webster and Pacific and various corridor traffic enhancements. Part of the Webster Street Smart Corridor budget.

*Traffic Striping & Sign* - This is an ongoing maintenance program of traffic striping and signage in order to ensure all signs and striping throughout the City of Alameda are inspected and maintained at an acceptable level. The City has been divided into six zones. All striping and signage throughout the City will be inspected on a six-year cycle and replaced as needed.

*Transit Support* – Data collection and studies regarding access in the vicinity of transit stops.

*Transportation Commission (TC) Support* - This project provides for the Public Works Department to administer the work of the Transportation Commission (TC) and to provide staff to formulate recommendations and improvements in response to public and TC requests.

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 they 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.

**CITY OF ALAMEDA**  
**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY –**  
**MEASURE B 2000 FUNDS**  
**Notes to Financial Statements**

**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 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.

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ACCOUNTANCY CORPORATION  
3478 Buskirk Ave. - Suite 215  
Pleasant Hill, California 94523  
(925) 930-0902 • FAX (925) 930-0135  
maze@mazeassociates.com  
www.mazeassociates.com

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO MEASURE B 2000 FUNDS AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor, Members of the City Council,  
and City Auditor of the City of Alameda  
City of Alameda, California

We have audited the financial statements of the Alameda County Transportation Improvement Authority - Measure B 2000 Funds of the City of Alameda as of and for the year ended June 30, 2009, and have issued our report thereon dated October 2, 2009. We have conducted our audit in accordance with generally accepted auditing standards 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.

***Internal Control over Financial Reporting***

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We have identified certain deficiencies we considered, in combined, to be a significant deficiency in internal control over financial reporting. This is listed as item 2009-01 in our separately issued Memorandum in Internal Control dated October 2, 2009.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the second paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weakness. However, we believe that the significant deficiency described above is not a material weakness.



***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Our audit included tests of compliance with provisions of the Measure B.

In our opinion, the City of Alameda complied, in all material respects, with the requirements referred to above that are applicable to its Measure B Funds for the year ended June 30, 2009.

This report is intended for the information and use of the City Council, management, ACTIA, its Board and Committees, and members of the public that will examine the compliance information, and is not intended to be, and should not be used by anyone other than these specified parties.

*Maze & Associates*

October 2, 2009