

**CITY OF ALAMEDA  
ALAMEDA COUNTY TRANSPORTATION  
IMPROVEMENT AUTHORITY  
MEASURE B 2000 FUNDS  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2008**

**MAZE &  
ASSOCIATES**

**CITY OF ALAMEDA  
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY  
MEASURE B 2000 FUNDS  
Financial Statements  
For the Year Ended June 30, 2008**

**Table of Contents**

	<b><u>Page</u></b>
<b>INDEPENDENT AUDITOR'S REPORT .....</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
Balance Sheet .....	2
Statement of Revenues, Expenditures and Changes in Fund Balances .....	4
Notes to Financial Statements.....	7
<b>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE.....</b>	<b>13</b>

This Page Left Intentionally Blank

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

## INDEPENDENT AUDITOR'S REPORT

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

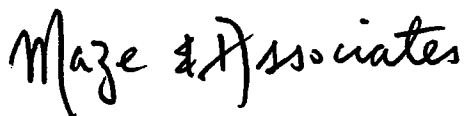
We have audited the financial statements of the Alameda County Transportation Improvement Authority - Measure B Funds (Measure B 2000 Funds) Projects and Program of the of the City of Alameda, California as of and for the year ended June 30, 2008 as listed in the table of contents. These financial statements 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 audits 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, 2008 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 December 11, 2008 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.



December 11, 2008

**CITY OF ALAMEDA**  
**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY**  
**MEASURE B 2000 FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2008**

	Projects and Programs			
	Transbay Ferry	Paratransit	Streets and Roads	Bikes and Pedestrians
<b>ASSETS</b>				
Cash and Investments (Note 2)	\$1,380,633	\$148,961	\$1,752,476	\$221,684
Due From Other Governments	139,053	26,062	245,429	32,795
Total Assets	\$1,519,686	\$175,023	\$1,997,905	\$254,479
 <b>FUND BALANCE</b>				
Reserved:				
Capital Projects	\$1,519,686	\$175,023	\$1,997,905	\$254,479
Total Liabilities and Fund Balance	\$1,519,686	\$175,023	\$1,997,905	\$254,479

See accompanying notes to financial statements

ACTIA Capital Projects	Special Transportation for Seniors and People with Disabilities (Gap Funds)	Countywide Discretionary	ACTA Measure B Funds	Totals
\$1	\$9	(\$29,739)	\$782,470	\$4,256,495
		32,900		476,239
<u>\$1</u>	<u>\$9</u>	<u>\$3,161</u>	<u>\$782,470</u>	<u>4,732,734</u>
<u>\$1</u>	<u>\$9</u>	<u>\$3,161</u>	<u>\$782,470</u>	<u>\$4,732,734</u>
<u>\$1</u>	<u>\$9</u>	<u>\$3,161</u>	<u>\$782,470</u>	<u>\$4,732,734</u>

**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, 2008**

	<u>Projects and Programs</u>		
	<u>Transbay Ferry</u>	<u>Paratransit</u>	<u>Streets &amp; Roads</u>
<b>REVENUES</b>			
Measure B allocation	\$869,761	\$163,018	\$1,535,132
Use of Money and Property	<u>83,595</u>	<u>8,271</u>	<u>141,042</u>
Total Revenues	<u>953,356</u>	<u>171,289</u>	<u>1,676,174</u>
<b>EXPENDITURES</b>			
Engineering and Planning	238,121	22,287	987,055
Transportation and Construction	<u>615,580</u>	<u>93,037</u>	<u>1,399,049</u>
Total Expenditures	<u>853,701</u>	<u>115,324</u>	<u>2,386,104</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	99,655	55,965	(709,930)
Beginning Fund Balance	<u>1,420,031</u>	<u>119,058</u>	<u>2,707,835</u>
Ending Fund Balance	<u><u>\$1,519,686</u></u>	<u><u>\$175,023</u></u>	<u><u>\$1,997,905</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
\$205,131			\$32,905	\$8,240	\$2,814,187
7,382			156	55,908	296,354.00
212,513			33,061	64,148	3,110,541
50			32,900	37,130	1,317,543
				207,596	2,315,262
50			32,900	244,726	3,632,805
212,463			161	(180,578)	(522,264)
42,016	\$1	\$9	3,000	963,048	5,254,998
<u>\$254,479</u>	<u>\$1</u>	<u>\$9</u>	<u>\$3,161</u>	<u>\$782,470</u>	<u>\$4,732,734</u>



This Page Left Intentionally Blank

**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:

*Ballena Bridge Seismic Retrofit* – Design and construction of new structural elements for the existing bridge to make it more stable during an earthquake. This bridge is the only access to residents of Ballena Isle.

*Bike and Pedestrian Operations* - Ongoing program to improve bicycle and pedestrian operations.

*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.

*Citywide Traffic Calming* – To slow traffic to provide increased pedestrian safety.

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

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

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.

Disability Access Self Evaluation and Transition Plan, Phase I – Phase I will involve completing the Self Evaluation plan. The Self Evaluation is to evaluate accessibility to the City's services, policies and practices, which are broadly defined to include more than just City Buildings.

Ferry Transbay – To provide four commuters 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.

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

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.

Pedestrian Signal Modifications, Phase I – Removal and replacing of new pedestrian signal head housing, installation of new countdown pedestrian modules in existing pedestrian signal and installation of new audible pedestrian signal at existing 25 signalized 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.

Transportation Master Plan – Developed a draft Street Functional Classification System (SFCs) which has been included into the draft Transportation Element (TE).

Transportation System Management (TSM) Employer Support Program – To provide technical analysis and public outreach of governmental agency liaison for Alameda employees as trip reduction strategies.

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

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

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 TTT & TC - This project provides for the Public Works Department to administer the work of the Transportation Technical Team (TTT) and the Transportation Commission (TC). It also provides for staff to formulate recommendations and improvements in response to public, TTT, and/or TC requests.

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.

I-880 High Street Improvements – In 1997 Caltrans announced plans to seismically retrofit this interchange requiring complete reconstruction of the freeway bridge. The local agencies and the CMA coordinated with Caltrans to construct improvement projects concurrently with the Seismic upgrade. A consultant was hired and a design was developed to install an urban diamond interchange at 42<sup>nd</sup> Ave and to extend 42<sup>nd</sup> Ave to High Street south of Oakport.

8<sup>th</sup>/Taylor In-Pavement Lights – Install in-pavement crosswalk lights in existing school crosswalk on north leg of Eighth Street/Taylor Avenue intersection.

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.

Central Ave Bike Lanes – Restripe street to change diagonal parking to parallel parking, and add bike lanes.

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.

Accessibility (AD) Upgrade – Repair curb ramps and flush street corners that are damaged or that do not meet ADA guidelines. Install detectable warnings (truncated domes). Construction will be done in conjunction with Phase 9 Sidewalks.

Grand Ballena Bridge Rep – The work includes removing and replacing loose and damaged concrete, sealing the deck and underside with epoxy, and installing zinc rods to retard corrosion of the steel reinforcement.

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).

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

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

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

*Bicycle Lockers Program* – Install bike racks and electronic bike lockers at various locations.

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.

**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.

This Page Left Intentionally Blank

**ACCOUNTANCY CORPORATION**  
3478 Buskirk Ave. - Suite 215  
Pleasant Hill, California 94523  
(925) 930-0902 · FAX (925) 930-0135  
· [maze@mazeassociates.com](mailto:maze@mazeassociates.com)  
[www.mazeassociates.com](http://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 and City Council  
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, 2008, and have issued our report thereon dated December 11, 2008. 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.

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. We noted no items we consider to be material weaknesses. As part of our audits, we prepared and issued our separate Memorandum on Internal Control dated December 11, 2008 which included other matters related to City Council



*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, 2008.

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.

December 11, 2008

*Maze & Associates*