

City of Fremont

Measure B Funds

Fremont, California

*Financial Statements and
Independent Auditors' Reports*

*For the year ended June 30, 2009
With comparative totals for the year ended
June 30, 2008*

City of Fremont
Alameda County Transportation Improvement Authority – Measure B Funds

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council
of the City of Fremont
Fremont, 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 Fremont, California (City), as of and for the years ended June 30, 2009 and 2008, 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 from 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.

As described in Note 1, the financial statements present only the Measure B Funds and are not intended to, and do not, present fairly the financial position of the City as of June 30, 2009 and 2008, and the changes in fund balances thereof for the years then ended in conformity with general accepted accounting principles in the United States.

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, 2009 and 2008, and the results of its operations and changes in fund balance 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 December 3, 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
December 3, 2009

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City of Fremont
Alameda County Transportation Improvement Authority - Measure B Funds
Combined Balance Sheet
June 30, 2009
(With comparative totals for the year ended June 30, 2008)

	Special Revenue					Total	
	Funds		Capital Project Funds				
	ACTIA Measure B Paratransit	ACTIA Measure B Wash Grade Sep	ACTIA 1986 Measure B	ACTIA-2000 Streets & Roads	ACTIA-2000 Bike & Pedestrian	2009	2008
ASSETS							
Cash and investments	\$ 24,296	\$ -	\$ 181,615	\$ 2,694,741	\$ 1,901,215	\$ 4,801,867	\$ 6,965,340
Accounts receivable:							
Measure B	136,254	1,623,190	-	250,226	73,058	2,082,728	736,238
Other receivables	-	-	-	-	-	-	5,700
Total assets	\$ 160,550	\$ 1,623,190	\$ 181,615	\$ 2,944,967	\$ 1,974,273	\$ 6,884,595	\$ 7,707,278
LIABILITIES AND FUND BALANCES							
Liabilities:							
Cash overdraft	\$ -	\$ 1,029,107	\$ -	\$ -	\$ -	\$ 1,029,107	\$ 160,457
Accounts payable and other accrued liabilities	50,336	594,083	-	8,925	50,256	703,600	1,364,952
Total liabilities	50,336	1,623,190	-	8,925	50,256	1,732,707	1,525,409
Fund Balances:							
Reserved for encumbrances	2,068	6,473,335	-	224,853	231,737	6,931,993	7,568,585
Unreserved:							
Designated for:							
Capital projects	-	-	181,615	2,711,189	1,692,280	4,585,084	5,787,596
Specific purposes	108,146	-	-	-	-	108,146	212,810
Undesignated	-	(6,473,335)	-	-	-	(6,473,335)	(7,387,122)
Total fund balances	110,214	-	181,615	2,936,042	1,924,017	5,151,888	6,181,869
Total liabilities and fund balances	\$ 160,550	\$ 1,623,190	\$ 181,615	\$ 2,944,967	\$ 1,974,273	\$ 6,884,595	\$ 7,707,278

See accompanying Notes to Financial Statements.

City of Fremont

Alameda County Transportation Improvement Authority - Measure B Funds

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

For the year ended June 30, 2009

(With comparative totals for the year ended June 30, 2008)

	Special Revenue					Total	
	Funds		Capital Project Funds				
	ACTIA Measure B Paratransit	ACTIA Measure B Wash Grade Sep	ACTIA 1986 Measure B	ACTIA-2000 Streets & Roads	ACTIA-2000 Bike & Pedestrian	2009	2008
REVENUES:							
Investment earnings	\$ 12	\$ -	\$ 19,325	\$ 40,743	\$ 34,107	\$ 94,187	\$ 322,584
Intergovernmental	635,664	-	54	1,719,651	502,084	2,857,453	3,293,723
Grants	90,321	2,439,581	-	-	-	2,529,902	3,634,295
Charges for services	15,770	-	-	-	-	15,770	7,209
Total revenues	741,767	2,439,581	19,379	1,760,394	536,191	5,497,312	7,257,811
EXPENDITURES:							
Human services (Paratransit)	844,363	-	-	-	-	844,363	840,441
Capital assets maintenance	-	-	184,257	2,588,766	470,326	3,243,349	3,899,174
Capital outlay	-	2,439,581	-	-	-	2,439,581	3,538,463
Total expenditures	844,363	2,439,581	184,257	2,588,766	470,326	6,527,293	8,278,078
REVENUES OVER (UNDER)							
EXPENDITURES	(102,596)	-	(164,878)	(828,372)	65,865	(1,029,981)	(1,020,267)
FUND BALANCES:							
Beginning of year	212,810	-	346,493	3,764,414	1,858,152	6,181,869	7,202,136
End of year	\$ 110,214	\$ -	\$ 181,615	\$ 2,936,042	\$ 1,924,017	\$ 5,151,888	\$ 6,181,869

See accompanying Notes to Financial Statements.

City of Fremont
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 Fremont, California (City) are included as separate special revenue and capital projects 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 program and for capital projects. The accompanying financial statements are for Measure B Funds only and are not intended to fairly present the financial position of the City and the results of its operations.

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 increases (revenues and other financing sources) and decreases (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 fund types 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 Projects Funds – To account for financial resources to be used for the acquisition, construction, and/or improvement of major capital assets.

City of Fremont

Alameda County Transportation Improvement Authority – Measure B Funds

Notes to Financial Statements, Continued

For the year ended June 30, 2009

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, 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 daily 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.

3. MEASURE B FUNDS

Under Measure B, approved by the voters of Alameda County in 1986 (ACTA 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.

Major projects funded by Measure B are as follows:

Paratransit Program – To provide transit services for the elderly and the handicapped.

Citywide Street Overlays – To apply asphalt overlay on selected streets throughout the City.

Cape Sealing – To apply asphalt emulsions to street surfaces to seal the surface.

Washington Grade Separation Grant Project – To construct grade separations (underpass at Paseo Padre Parkway and overpass at Washington Boulevard).



INDEPENDENT AUDITORS' REPORT ON MEASURE B COMPLIANCE

To the Honorable Mayor and Members of City Council
of the City of Fremont
Fremont, 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 Fremont, California (City), as of and for the year ended June 30, 2009, and have issued our report thereon dated December 3, 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 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 City 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 \$1,719,651, the Bike and Pedestrian program has received \$502,084, and the Paratransit program has received \$635,664. This financial statement reflects twelve months of revenue for the Local Streets and Roads, the Bike and Pedestrian, and the Paratransit programs.

In our opinion the City of Fremont 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.

Caporicci & Larson

Oakland, California
December 3, 2009

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