

**LIVERMORE AMADOR VALLEY
TRANSIT AUTHORITY MEASURE B 2000 FUNDS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

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**LIVERMORE AMADOR VALLEY
TRANSIT AUTHORITY
MEASURE B 2000 FUNDS
Financial Statements
For the Year Ended June 30, 2012**

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INDEPENDENT AUDITOR'S REPORT

Honorable Members of the Board of Directors of
Livermore Amador Valley Transit Authority
Livermore, California

We have audited the financial statements of the Measure B 2000 Funds (Measure B Funds) of the Livermore Amador Valley Transit Authority as of and for the year ended June 30, 2012 as listed in the table of contents. These financial statements are the responsibility of the Authority's management. 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 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 audit 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.

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 Authority and the results of its operations and cash flows in conformity with generally accepted accounting principles.

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, 2012 and the results of operations and cash flows 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 September 14, 2012 on our consideration of the Authority'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 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.

September 14, 2012

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
MEASURE B 2000 FUNDS

STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Fixed Route Program</u>	<u>Paratransit Program</u>	<u>Totals</u>
ASSETS			
Accounts Receivable	<u>\$354,649</u>	<u>\$22,939</u>	<u>\$377,588</u>
Total Assets	<u><u>\$354,649</u></u>	<u><u>\$22,939</u></u>	<u><u>\$377,588</u></u>
LIABILITIES			
Due to other programs (Note 3)	<u>\$354,649</u>	<u>\$22,939</u>	<u>\$377,588</u>
Total Liabilities	<u>354,649</u>	<u>22,939</u>	<u>377,588</u>
NET ASSETS			
Restricted for Measure B Programs	<u> </u>	<u> </u>	<u> </u>
Total Net Assets	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

See accompanying notes to financial statements

**LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
MEASURE B 2000 FUNDS**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Fixed Route Program</u>	<u>Paratransit Program</u>	<u>Totals</u>
OPERATING EXPENSES			
Contract Services - Transit Operator	\$1,752,157	\$139,302	\$1,891,459
Dial-A-Ride Tickets Issued		2,030	2,030
Total Expenses	<u>1,752,157</u>	<u>141,332</u>	<u>1,893,489</u>
OPERATING LOSS	<u>(1,752,157)</u>	<u>(141,332)</u>	<u>(1,893,489)</u>
NONOPERATING REVENUES			
Intergovernmental - Measure B:			
Recurring Allocations	741,866	139,302	881,168
Special Allocations	1,010,291		1,010,291
Dial-A-Ride Scholarship Tickets		2,030	2,030
Total Revenues	<u>1,752,157</u>	<u>141,332</u>	<u>1,893,489</u>
Change in Net Assets			
Beginning Net Assets	<u> </u>	<u> </u>	<u> </u>
Ending Net Assets	<u> </u>	<u> </u>	<u> </u>

See accompanying notes to financial statements

**LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
MEASURE B 2000 FUNDS**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012**

	Fixed Route Program	Paratransit Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to vendors	(\$1,752,157)	(\$141,332)	(\$1,893,489)
Net cash used by operating activities	(1,752,157)	(141,332)	(1,893,489)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Local sales tax/Measure B funds	1,942,250	152,823	2,095,072
Interfund payments	(544,741)	(34,430)	(579,171)
Interfund receipts	354,649	22,939	377,588
Net cash provided by noncapital and financing activities	1,752,157	141,332	1,893,489
NET CASH FLOWS			
CASH AND INVESTMENTS AT BEGINNING OF YEAR			
CASH AND INVESTMENTS AT END OF YEAR			
Reconciliation of operating (loss) to net cash provided (used) by operating activities:			
Operating loss	(\$1,752,157)	(\$141,332)	(\$1,893,489)
Net cash provided by operating activities	(\$1,752,157)	(\$141,332)	(\$1,893,489)

See accompanying notes to basic financial statements

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
MEASURE B 2000 FUNDS
Notes To Financial Statements
For The Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

All transactions of the Measure B 2000 Funds (Measure B Funds) of the Livermore/Amador Valley Transit Authority (Authority), are included as part of the basic financial statements of the Authority. Measure B Funds are used to account for the Authority's share of revenues earned and expenses incurred under the Authority's paratransit, local streets and roads, and bike and pedestrian programs. The accompanying financial statements are for Measure B Funds only and are not intended to fairly present the financial position of the Authority and the results of its operations and cash flows.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized. The Authority is accounted for using the accrual basis of accounting, under which revenues are recognized when they are earned and expenses are recognized when they are incurred. The Authority follows Financial Accounting Standards Board Statements issued before November 30, 1989, which do not conflict with Governmental Accounting Boards Statements.

Non-exchange transactions, in which the Authority gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On an accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – MEASURE B FUNDS

Under Measure B, approved by the voters of Alameda County in 1986 and 2000, the Authority receives a portion of the proceeds of an additional on-half cent sales tax to be used for transportation-related expenditures. These measures were adopted with the intention that the funds generated by the additional sales tax will not fund expenditures previously paid by property taxes but, rather, would be used for additional projects and programs.

Projects funded by Measure B 2000 were as follows:

- Bicycle and Pedestrian Safety
- Local Streets and Roads
- Paratransit Program
- Mass Transit Operations
- Transit Center Development
- Project Specific Allocations

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
MEASURE B 2000 FUNDS
Notes To Financial Statements
For The Year Ended June 30, 2012

NOTE 3 – AUTHORITY REIMBURSEMENTS & TRANSFERS

The Authority operates its Transit and Para-transit programs on a cost reimbursement basis. The Authority incurs costs which are then reimbursed from federal, state and local sources, including Measure B funds. Measure B funds are fully expended each year. Measure B funds reported as receivables at year end will be used to reimburse the Authority for costs incurred and are reflected in the accompanying financial statements as Due to the Authority.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The Authority participates in several grant programs. These programs have been audited by the Authority'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 Authority expects such amounts, if any, to be immaterial.

**INDEPENDENT AUDITOR'S
REPORT ON MEASURE B COMPLIANCE**

Honorable Members of the Board of Directors of
Livermore Amador Valley Transit Authority
Livermore, California

We have audited the financial statements of Measure B funds of the Livermore Amador Valley Transit Authority as of and for the year ended June 30, 2012, and have issued our report thereon dated September 14, 2012. 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.

Compliance

We have audited the Authority's compliance with the laws, regulations, contracts and grant requirements, as specified in the *Master Programs Funding Agreement*, between the Authority and Alameda County Transportation Commission, for the year ended June 30, 2012. Compliance with the Measure B Requirements referred to above is the responsibility of the Authority's management. Our responsibility is to express an opinion on Authority'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; and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and Measure B Requirements.

Those standards and require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with Measure B Requirements could have a material effect on Measure B Funds Financial Statements. An audit includes examining, on a test basis, evidence about the Authority's compliance with Measure B 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 Authority's compliance with Measure B Requirements.

In our opinion, the Authority complied, in all material respects, with the laws, regulations, contracts and grant requirements, as specified in the *Master Programs Funding Agreement*, that are applicable to the Authority's Measure B Program for the year ended June 30, 2012.

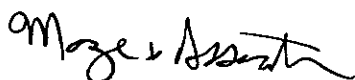
Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with Measure B Requirements. In planning and performing our audit, we considered the Authority's internal control over compliance to determine the 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 Authority's internal control over compliance.

A deficiency in internal control over compliance 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 and correct, noncompliance on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of Authority's Board, management, the Alameda County Transportation Commission, its Board and Committees, others within the entity, and members of the public that will examine compliance information and is not intended to be and should not be used by anyone other than these specified parties.



September 14, 2012