

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

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

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of the City Council  
City of Livermore, California

We have audited the financial statements of the Alameda County Transportation Improvement Authority - Measure B Funds (Measure B Funds of the City of Livermore, 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 audit. The prior year summarized information has been derived from the fiscal 2007 financial statements, and in our report dated November 17, 2007 we expressed an unqualified opinion on those financial statements.

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 City and the results of its operations 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, 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 November 29, 2008 on our consideration of the City of Livermore'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.

*Maze + Associates*

November 29, 2008

**CITY OF LIVERMORE**  
**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY - MEASURE B 2000 FUND PROGRAMS**

**BALANCE SHEET, JUNE 30, 2008**  
**WITH SUMMARIZED TOTALS AS OF JUNE 30, 2007**

	2008				2007 Totals	
	MEASURE B 2000 PROGRAMS & PROJECTS			1986 Measure B local		Totals
	Local Streets and Roads	Bike and Pedestrian				
<b>ASSETS</b>						
Cash and Investments (Note 2)	\$747,949	\$466,572	\$257,941	\$1,472,462	\$1,934,010	
Accounts Receivable	223,523	56,798		280,321	275,644	
Total Assets	<u>\$971,472</u>	<u>\$523,370</u>	<u>\$257,941</u>	<u>\$1,752,783</u>	<u>\$2,209,654</u>	
<b>LIABILITIES</b>						
Accounts Payable		\$30,613		\$30,613	\$98,318	
Total Liabilities		<u>30,613</u>		<u>30,613</u>	<u>98,318</u>	
<b>FUND BALANCE</b>						
Reserved for Measure B Programs	\$971,472	492,757	\$257,941	1,722,170	2,111,336	
Total Fund Balance	<u>971,472</u>	<u>492,757</u>	<u>257,941</u>	<u>1,722,170</u>	<u>2,111,336</u>	
Total Liabilities and Fund Balance	<u>\$971,472</u>	<u>\$523,370</u>	<u>\$257,941</u>	<u>\$1,752,783</u>	<u>\$2,209,654</u>	

See accompanying notes to financial statements

**CITY OF LIVERMORE**  
**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY - MEASURE B 2000 FUND PROGRAMS**

**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2007**

	2008				2007 Totals
	MEASURE B 2000 PROGRAMS & PROJECTS		1986 Measure B Local	Totals	
	Local Streets and Roads	Bike and Pedestrian			
<b>REVENUES</b>					
Intergovernmental					
Measure B allocations	\$883,596	\$224,534	\$4,568	\$1,112,698	\$1,089,504
Other					13,228
Total Revenues	<u>883,596</u>	<u>224,534</u>	<u>4,568</u>	<u>1,112,698</u>	<u>1,102,732</u>
<b>EXPENDITURES</b>					
Capital Improvement	1,173,250	144,840	55,164	1,373,254	889,532
Contract Service - Private	<u>1,528</u>			<u>1,528</u>	<u>3,663</u>
Total Expenditures	<u>1,174,778</u>	<u>144,840</u>	<u>55,164</u>	<u>1,374,782</u>	<u>893,195</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (Out)		<u>(127,082)</u>		<u>(127,082)</u>	<u>(50,000)</u>
Net Change in Fund Balance	(291,182)	(47,388)	(50,596)	(389,166)	159,537
Beginning Fund Balance	<u>1,262,654</u>	<u>540,145</u>	<u>308,537</u>	<u>2,111,336</u>	<u>1,951,799</u>
Ending Fund Balance	<u>\$971,472</u>	<u>\$492,757</u>	<u>\$257,941</u>	<u>\$1,722,170</u>	<u>\$2,111,336</u>

See accompanying notes to financial statements

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

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

**A. *Reporting Entity***

All transactions of the Alameda County Transportation Authority - Measure B Funds (Measure B Funds) of the City of Livermore, 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, 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 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 City uses 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 (specifically, the paratransit program).

**D. *Capital Assets***

Capital assets, consisting primarily of infrastructure, are recorded as expenditures and are not capitalized since they will be maintained by the City.

**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 U.S. Treasury or its agencies, money market funds investing in such obligations, negotiable certificates of deposit, commercial paper and medium term corporate notes that meet specified rating requirements, mutual funds, guaranteed investment contracts, repurchase agreements, reverse repurchase agreements when authorized by the City's Council, the State Treasurer's investment pool (Local Agency Investment Fund), and banker's acceptances. The City did not enter into any reverse repurchase agreements during 2007-2008. All investments are stated at fair value. Pooled investment earnings are allocated quarterly based on the average quarterly 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 LIVERMORE**  
**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY – MEASURE B FUNDS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 3 – MEASURE B FUNDS**

Under Measure B, approved by the voters of Alameda County in 1986 and 2000, the City 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:

Paratransit - To provide transit services for seniors and people with disabilities.

Local Streets and Roads - To improve, repair, and overlay city streets.

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 that was used to improve, repair, and overlay City streets. In fiscal 2004, 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 transportation improvement 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 are roads; bike lanes and pedestrian lanes are recorded as a capital projects 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.

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**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 Livermore, California

We have audited the financial statements of the Alameda County Transportation Improvement Authority - Measure B 2000 Funds of the City of Livermore as of and for the year ended June 30, 2008, and have issued our report thereon dated November 29, 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. As part of our audit, we prepared and issued our separate Memorandum on Internal Control dated November 29, 2008. Items considered to be significant deficiencies are included in a Schedule of Significant Deficiencies in that Memorandum.

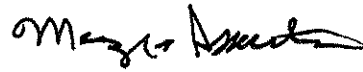
***Compliance and Other Matters***

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 Livermore 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.



November 29, 2008