

# City of Newark

## Measure B Funds

Newark, California

*Financial Statements and  
Independent Auditors' Reports*

*For the year ended June 30, 2009*

**City of Newark**  
**Alameda County Transportation Improvement Authority – Measure B Funds**  
**Financial Statements**  
**For the year ended June 30, 2009**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council  
of the City of Newark  
Newark, 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 Newark, California (City), as of and for the year ended June 30, 2009, 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. 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 discussed in Note 1, the financial statements present only Measure B Funds and are not intended to present fairly the financial position and results of its operations of the City.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City's Measure B Funds as of June 30, 2009, and changes in financial position thereof 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 November 6, 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  
November 6, 2009

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**City of Newark**  
**Alameda County Transportation Improvement Authority - Measure B Funds**  
**Combined Balance Sheets**  
**June 30, 2009**

	Measure B ACTIA Paratransit	ACTIA Streets and Roads	ACTIA Bikes and Pedestrians	ACTIA Measure B	Total
<b>ASSETS:</b>					
Cash and investments	\$ 12,788	\$ 1,185,461	\$ 15,549	\$ 366,710	\$ 1,580,508
Intergovernmental receivables	20,100	51,540	15,012	-	86,652
Interest receivables	46	4,300	56	1,330	5,732
Other receivables	500	-	-	-	500
Prepays and deposits	-	1,000	-	-	1,000
<b>Total assets</b>	<b>\$ 33,434</b>	<b>\$ 1,242,301</b>	<b>\$ 30,617</b>	<b>\$ 368,040</b>	<b>\$ 1,674,392</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
Accounts payable and accrued liabilities	\$ 11,869	\$ 1,843	\$ 22,313	\$ 46,642	\$ 82,667
<b>Total liabilities</b>	<b>11,869</b>	<b>1,843</b>	<b>22,313</b>	<b>46,642</b>	<b>82,667</b>
<b>Fund Balance:</b>					
Reserved:					
Encumbrances	-	354,445	-	101,704	456,149
<b>Total reserved</b>	<b>-</b>	<b>354,445</b>	<b>-</b>	<b>101,704</b>	<b>456,149</b>
Unreserved:					
Designated for operations	17,557	-	-	-	17,557
Designated for capital projects	4,008	886,013	8,304	219,694	1,118,019
<b>Total fund balances</b>	<b>21,565</b>	<b>1,240,458</b>	<b>8,304</b>	<b>321,398</b>	<b>1,591,725</b>
<b>Total liabilities and fund balances</b>	<b>\$ 33,434</b>	<b>\$ 1,242,301</b>	<b>\$ 30,617</b>	<b>\$ 368,040</b>	<b>\$ 1,674,392</b>

See accompanying Notes to Financial Statements.

**City of Newark**

**Alameda County Transportation Improvement Authority - Measure B Funds**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**

**June 30, 2009**

	Measure B ACTIA Paratransit	ACTIA Streets and Roads	ACTIA Bikes and Pedestrians	ACTIA Measure B	Total
<b>REVENUES:</b>					
Measure B revenue	\$ 138,132	\$ 354,206	\$ 103,167	\$ 11	\$ 595,516
Charges for services	10,709	-	-	-	10,709
Use of money and property	385	23,745	2,866	9,307	36,303
Other	10,000	-	2,923	-	12,923
<b>Total revenues</b>	<b>159,226</b>	<b>377,951</b>	<b>108,956</b>	<b>9,318</b>	<b>655,451</b>
<b>EXPENDITURES:</b>					
Public works	-	5,890	215,557	108,951	330,398
Recreation	179,604	-	-	-	179,604
<b>Total expenditures</b>	<b>179,604</b>	<b>5,890</b>	<b>215,557</b>	<b>108,951</b>	<b>510,002</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(20,378)</b>	<b>372,061</b>	<b>(106,601)</b>	<b>(99,633)</b>	<b>145,449</b>
<b>FUND BALANCES:</b>					
Beginning of year	41,943	868,397	114,905	421,031	1,446,276
End of year	\$ 21,565	\$ 1,240,458	\$ 8,304	\$ 321,398	\$ 1,591,725

See accompanying Notes to Financial Statements.

# City of Newark

## Alameda County Transportation Improvement Authority – Measure B Funds

### Notes to Financial Statements

For the year ended June 30, 2009

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#### 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 Newark, California (City), are included as a separate special revenue fund 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.

##### 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 sheet. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

##### C. *Fund Accounting*

The operations of the Measure B Funds are accounted for in separate special revenue funds. The funds are separate accounting entities with a set of self-balancing accounts which comprise their assets, liabilities, fund equity, revenues, and expenses.

#### 2. MEASURE B FUNDS

Under Measure B, approved by the voters of Alameda County in 1986 (ACTA Old 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 were as follows:

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

Streets and Roads Program – To improve, repair, and overlay city streets.

Bike and Pedestrian Program – To provide sidewalk and American Disability Act (ADA) improvements and to implement the bikeway network.

## **City of Newark**

### **Alameda County Transportation Improvement Authority – Measure B Funds**

#### **Notes to Financial Statements, Continued**

**For the year ended June 30, 2009**

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### **3. CASH**

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

See the City's Basic Financial Statements for disclosures related to cash and investments and the related interest rate risk, credit rate risk, custodial risk and concentration risk.

### **4. INTERGOVERNMENTAL RECEIVABLES**

The intergovernmental receivables represent the Measure B sales tax revenues for the fiscal year received from the Alameda County Transportation Improvement Authority after June 30, 2009.

### **5. COMMITMENTS AND CONTINGENCIES**

The City participates in several grant programs. These programs are subject to any further examination by the grantors and the amount, in 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.



## INDEPENDENT AUDITORS' REPORT ON MEASURE B COMPLIANCE

To the Honorable Mayor and Members of City Council  
of the City of Newark  
Newark, 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 Newark, California (City), as of and for the year ended June 30, 2009, and have issued our report thereon dated November 6, 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 State of California 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 \$354,206, the Bike and Pedestrian program has received \$103,167, and the Paratransit program has received \$138,132. This financial statement reflects twelve months of revenue for the Local Streets and Roads, the Bike and Pedestrian, and the Paratransit Measure B programs.

In our opinion the City of Newark 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  
November 6, 2009

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