

# ACTIA Independent Audit Presentation

Alameda County Transportation Commission  
Board Meeting                      January 26, 2012

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- Basic financial statements audit of Alameda County Transportation Improvement Authority (ACTIA) for the fiscal year ended June 30, 2011. (page 585: bottom right hand side of agenda package)
  - Maze and Associates – we are an independent CPA firm. We are independent auditors; independent from ACTIA.
  - Audit timing: interim fieldwork audit and final fieldwork audit.
  - Audit was conducted according to generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States of America.

## Basic financial statements Audit of Alameda County Transportation Improvement Authority (ACTIA) for the fiscal year ended June 30, 2011 (Continued)

- Result of audit (page 587-588): Unqualified/clean opinion – basic financial statements...fairly stated, in all material respects...conformity with accounting principles generally accepted (GAAP) in the USA.
- ACTA is now included in ACTIA's financial statements:
  - Reported as a separate fund (column) ACTA Capital Projects Fund (page 600)
  - Disclosed in footnote 1(a) (page 606)
  - Total column for fiscal 2010 amounts were adjusted so that they are comparable (page 601, 603).
- ACTIA implemented the provision of Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*.

## Basic financial statements Audit of Alameda County Transportation Improvement Authority (ACTIA) for the fiscal year ended June 30, 2011 (Continued)

- GASB 54:

GOVERNMENTAL FUND BALANCE CONSTRAINT HIERARCHY		
New GASB 54 Classification	Strength of Constraint	Determining Factors
Nonspendable	Strongest ↑ ↓ Weakest	Nature of Asset + Permanent Fund Balance
Restricted		External Limitation
Committed		Council/Board Action to create or change
Assigned		Other Internal Action, including residual fund balances from gov't. funds other than the General Fund.
Unassigned		General Fund residual + residual deficits from gov't. funds other than the General Fund.

## Memorandum on Internal Control and Required Communications (Page 633)

- Page 635 - We considered ACTIA's internal control over financial reporting (internal control) 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 ACTIA's internal control. Accordingly, we do not express an opinion on the effectiveness of ACTIA's internal control.
- Page 635 - A deficiency in internal control 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 misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of ACTIA's financial statements will not be prevented, or detected and corrected on a timely basis.

## Memorandum on Internal Control and Required Communications (Continued)

- Page 635 - A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
- The results of our audit did not identify any material weaknesses or significant deficiencies.
- Page 636 - Required Communications to the Governing Board:
  - Implementation of GASB No. 54 (as discussed earlier)
  - No disagreement with management – management has been cooperative throughout the audit

## Limitation Worksheet (Page 639)

- Page 640 - Scope: Limitation worksheet is prepared by ACTIA; and the responsibility of the ACTIA's management. Our responsibility is to express an opinion on this Limitations Worksheet based on our audit.
  
- Audit result on Limitation Worksheet: unqualified/clean opinion.
  - Page 641 - Ratio of gross salaries and benefits expenditures(\$641,124) to net sales tax revenues(\$105,393,811) = 0.6083% (below the maximum allowed 1%)
  
  - Page 641 - Ratio of total administration costs(\$3,522,518) to net sales tax proceeds (\$105,393,811) = 3.3422% (below the maximum allowed 4.5%)

## Limitation Worksheet (Continued)

- Page 641 - Public Utilities Commission 180109 Requirement:
  - Ratio of gross salaries and benefits(\$641,124) to funds generated(\$108,640,131) = 0.5901% (below the maximum allowed 1%)