

CITY OF ALBANY

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE B FUNDS

FINANCIAL STATEMENTS

* * * *

WITH INDEPENDENT AUDITORS' REPORTS

FISCAL YEAR ENDED JUNE 30, 2009

CITY OF ALBANY

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE B FUNDS

FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2009

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Caporicci & Larson
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council
of the City of Albany
Albany, 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 Albany, 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 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 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 basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the financial statements present only the Measure B Funds and are not intended to present fairly the financial position and results of 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 December 28, 2009, on our consideration of the Measure B Fund'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 and results of our testing on internal control over financial reporting and compliance; it is not to provide an opinion on the internal control over financial reporting or 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 when considering the results of our audits.

Caporicci & Larson

Oakland, California
December 28, 2009

Toll Free Ph: (877) 862-2200

Toll Free Fax: (866) 436-0927

Oakland
180 Grand Ave., Suite 1365
Oakland, California 94612

Orange County
9 Corporate Park, Suite 100
Irvine, California 92606

Sacramento
777 Campus Commons Rd., Suite 200
Sacramento, California 95825

San Diego
4858 Mercury, Suite 106
San Diego, California 92111

MEASURE B FUND FINANCIAL STATEMENTS

CITY OF ALBANY

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY MEASURE B FUNDS

COMBINED BALANCE SHEET

JUNE 30, 2009

	<u>Paratransit</u>	<u>Streets & Roads/Bicycle & Pedestrian</u>			
	<u>ACTIA Paratransit</u>	<u>ACTIA Streets & Roads</u>	<u>ACTIA Bicycle & Pedestrian</u>	<u>ACTA Streets & Roads</u>	<u>Total</u>
ASSETS					
Receivables	\$ 122,197	\$ 43,480	\$ 5,775	\$ -	\$ 171,452
Total assets	<u>\$ 122,197</u>	<u>\$ 43,480</u>	<u>\$ 5,775</u>	<u>\$ -</u>	<u>\$ 171,452</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 3,525	\$ 15	\$ -	\$ -	\$ 3,540
Accrued salaries & benefits	449	-	-	-	449
Due to other funds	112,535	43,465	5,775	-	161,775
Total liabilities	<u>116,509</u>	<u>43,480</u>	<u>5,775</u>	<u>-</u>	<u>165,764</u>
Fund balances	<u>5,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,688</u>
Total liabilities and fund balances	<u>\$ 122,197</u>	<u>\$ 43,480</u>	<u>\$ 5,775</u>	<u>\$ -</u>	<u>\$ 171,452</u>

CITY OF ALBANY

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY MEASURE B FUNDS

COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Paratransit</u>	<u>Streets & Roads/Bicycle & Pedestrian</u>			
	<u>ACTIA Paratransit</u>	<u>ACTIA Streets & Roads</u>	<u>ACTIA Bicycle & Pedestrian</u>	<u>ACTA Streets & Roads</u>	<u>Total</u>
REVENUES					
Measure B Funds	\$ 24,895	\$ 298,815	\$ 39,687	\$ 6	\$ 363,403
Measure B Funds - Gap program	118,574	-	-	-	118,574
Other revenue	635	1,085	144	-	1,864
Total revenues	<u>144,104</u>	<u>299,900</u>	<u>39,831</u>	<u>6</u>	<u>483,841</u>
EXPENDITURES					
Contract operations	19,934	90,893	75,562	-	186,389
Non-contract operations	9,989	209,007	-	6	219,002
Capital outlay	117,774	-	-	-	117,774
Total expenditures	<u>147,697</u>	<u>299,900</u>	<u>75,562</u>	<u>6</u>	<u>523,165</u>
Revenues over (under) expenditures	(3,593)	-	(35,731)	-	(39,324)
Fund balances, beginning of year	<u>9,281</u>	<u>-</u>	<u>35,731</u>	<u>-</u>	<u>45,012</u>
Fund balances, end of year	<u>\$ 5,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,688</u>

THE CITY OF ALBANY
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE B FUNDS

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 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 Albany, California (the “City”), are included as separate special revenue funds in the basic financial statements of the City. 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 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. Special Revenue funds are funds which are used to account for revenues derived from specific sources, and for which expenditures are restricted to specific purposes. The City uses Special Revenue Funds to account for the Measure B Funds revenue and expenditures.

NOTE 2 – Cash and Investments

As of June 30, 2009, the Measure B funds did not have any cash and investment pooled with the City.

THE CITY OF ALBANY

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE B FUNDS

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 – Cash and Investments (Continued)

Cash and investments are maintained on a pooled basis with those of other funds of the City. In accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

- Securities of the U.S. government or its agencies
- Bonds issued by the City or other local California agencies
- Negotiable certificates of deposit
- Bankers' acceptances
- Commercial paper
- Local Agency Investment Fund (State Pool) deposits
- Investment Trust of California (CalTrust)
- Repurchase agreements
- Corporate medium term notes
- Securities of the State of California or its agencies

Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on the average month-end balances. The credit risk, carrying amount and market value of pooled cash and investments at June 30, 2009 is included in the Comprehensive Annual Financial Report of the City of Albany.

NOTE 3 – Receivables

Paratransit - Receivables at June 30, 2009 consist of ACTIA distributions for May and June, received in July and August 2009 totaling \$3,623. In July 2008, the City was awarded a Measure B GAP grant in the amount of \$161,600 from ACTIA. As of June 30, 2009, the City had expended \$121,044 of the grant of which \$118,574 was included in receivables. The unexpended grant funds will be used for training of drivers, outreach and operations.

Streets & Roads - Receivables at June 30, 2009 consist of ACTIA distributions for May and June, received in July and August 2009 totaling \$43,480.

Bicycle & Pedestrian - Receivables at June 30, 2009 consist of ACTIA distributions for May and June, received in July and August 2009 totaling \$5,775.

NOTE 4 – Due to other funds

Amounts due to other funds arise from payments of current year expenditures, utilizing General Fund cash, to be reimbursed to the General Fund after the close of the fiscal year.

THE CITY OF ALBANY

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE B FUNDS

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 - Measure B Funds

The voters of Alameda County passed Measure B in November 1986, which authorized the collection of an additional one-half cent sales tax to be used for transportation-related expenditures, and was for a period which began in April 1987 and ran through March 31, 2002. The City of Albany utilizes Measure B funds to maintain existing streets and to conduct special projects designed to improve traffic flows, traffic safety and on-street parking. Major projects such as street repaving, traffic studies and median design are contracted to outside firms that specialize in the work to be performed. Recurring maintenance work such as pothole patching, street sign replacement and median island maintenance is performed by City maintenance workers, under the supervision of the City's Public Works Manager. The Alameda County Transportation Authority ("ACTA") was created to oversee the expenditures of these funds, and the funds were distributed to the cities and county based on city population and road miles.

In 2000, the voters re-authorized the Measure B initiative originally authorized in 1986. Also in 2000, the Alameda County Transportation Improvement Authority ("ACTIA") was created to oversee expenditures of the Measure B funds. The one-half cent sales tax will be in effect from April 1, 2002 through March 30, 2022.



Caporicci & Larson
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON MEASURE B COMPLIANCE

To the Honorable Mayor and Members of City Council
of the City of Albany
Albany, 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 Albany, California (City), as of and for the year ended June 30, 2009, and have issued our report thereon dated December 28, 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, 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 the City's 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 a total of 12 months of revenue from July 2008 through June 2009. The Street and Roads program has received \$298,815, the Bike and Pedestrian program has received \$39,687, and the Paratransit program has received \$24,895. These financial statements reflect twelve months of revenue for the Streets and Roads, the Bike and Pedestrian programs and the Paratransit programs.

In our opinion the City of Albany is materially in compliance with the laws, 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 28, 2009

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Irvine, California 92606

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