

**CITY OF SAN LEANDRO, CALIFORNIA**

**ALAMEDA COUNTY  
VEHICLE REGISTRATION FEE (VRF)  
MEASURE F PROGRAM  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

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**CITY OF SAN LEANDRO**  
**ALAMEDA COUNTY VEHICLE REGISTRATION FEE (VRF)**  
**MEASURE F PROGRAM**  
**Financial Statements**  
**For the Year Ended June 30, 2025**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council  
City of San Leandro, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Alameda County Transportation Commission - Measure F Program (Measure F Program) of the City of San Leandro (City), California, as of and for the year ended June 30, 2025, and the related notes to the financial statements which collectively comprise the Measure F Program basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure F Program as of June 30, 2025, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Measure F Program and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Emphasis of Matters***

As discussed in Note 1, the financial statements present only the Measure F Program and do not purport to, and do not present fairly the financial position of the City as of June 30, 2025, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

As discussed in Note 4 of the Notes to Financial Statements, the City determined that the cash balance and fund balance for fiscal year ended June 30, 2024 was understated by \$65,357, and therefore, has recorded a prior period adjustment to increase fund balance as of July 1, 2024 by this amount.

Our opinion is not modified with respect to these matters.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2025, on our consideration of the City's internal control over financial reporting as it relates to the Measure F Program 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 solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance as it relates to the Measure F Program.



Pleasant Hill, California  
December 26, 2025

CITY OF SAN LEANDRO  
ALAMEDA COUNTY VEHICLE REGISTRATION FEE —  
(VRF) MEASURE F PROGRAM  
BALANCE SHEET  
JUNE 30, 2025

	<u>Local Road Improvement and Repair Program</u>
<b>ASSETS</b>	
Cash and investments (Note 3)	\$720,513
Direct local distribution program receivable - Measure F	<u>70,532</u>
<b>Total Assets</b>	<b><u><u>\$791,045</u></u></b>
<b>FUND BALANCES</b>	
Restricted for Measure F Programs	<u>\$791,045</u>
<b>Total Liabilities and Fund Balances</b>	<b><u><u>\$791,045</u></u></b>

See accompanying notes to financial statements.

CITY OF SAN LEANDRO  
ALAMEDA COUNTY VEHICLE REGISTRATION FEE —  
(VRF) MEASURE F PROGRAM  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Local Road Improvement and Repair Program</u>
<b>REVENUES</b>	
Measure F direct local distribution funds allocation	\$408,503
Interest income	<u>67,914</u>
<b>Total Revenues</b>	<u>476,417</u>
<b>EXPENDITURES</b>	
Construction:	
Street Sealing 2021-22	707,050
Street Overlay/Rehab 17-18	<u>471,404</u>
<b>Total Expenditures</b>	<u>1,178,454</u>
<b>NET CHANGE IN FUND BALANCE</b>	(702,037)
<b>FUND BALANCES</b>	
Beginning of year, as previously reported	1,427,725
Prior period adjustment (Note 4)	<u>65,357</u>
Beginning of year, as adjusted	<u>1,493,082</u>
End of year	<u><u>\$791,045</u></u>

See accompanying notes to financial statements.

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CITY OF SAN LEANDRO

ALAMEDA COUNTY VEHICLE REGISTRATION FEE (VRF) MEASURE F PROGRAM  
Notes to the Financial Statements  
For The Year Ended June 30, 2025

NOTE 1 – BACKGROUND

**Measure F Program** – Alameda County Vehicle Registration Fee Measure F (Measure F Program) was approved by the voters in November 2010, with 63 percent of the vote. The fee will generate about \$10.7 million per year by a \$10 per year vehicle registration fee. The collection of the \$10 per year vehicle registration fee started in the first week of May 2011. The goal of the VRF Program is to sustain the County’s transportation network and reduce traffic congestion and vehicle related pollution. The program includes four categories of projects:

- Local Road Improvement and Repair Program (60 percent)
- Transit for Congestion Relief (25 percent)
- Local Transportation Technology (10 percent)
- Pedestrian and Bicyclist Access and Safety Program (5 percent)

The Alameda County Transportation Commission administers the program and distributes an equitable share of the funds among the four planning areas of the county over successive five year cycles. Geographic equity will be measured by a formula, weighted 50 percent by population of the planning area and 50 percent of registered vehicles of the planning area.

The Measure F Program financial statements present only the Measure F Program and are not intended to present fairly the financial position of the City and the results of its operations in conformity with general accepted accounting principles.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

**Reporting Entity** – All transactions of the Measure F Program of the City of San Leandro, California (City), are included as a separate special revenue fund in the basic financial statements of the City.

The accompanying financial statements include the Measure F Program only and are not intended to fairly present the financial position, results of operations and cash flows of the City in conformity with accounting principles generally accepted in the United States of America.

**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 presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**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.

**CITY OF SAN LEANDRO**

**ALAMEDA COUNTY VEHICLE REGISTRATION FEE (VRF) MEASURE F PROGRAM**  
**Notes to the Financial Statements**  
**For The Year Ended June 30, 2025**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

The following funds are used:

*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.

**Use of Estimates** – Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**NOTE 3 – 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. government securities, bankers' acceptances, commercial paper, medium term notes, repurchase agreements, deposits with banks, and participation in the California Local Agency Investment Fund. All investments are stated at fair value. Pooled investment earnings are allocated monthly based on the average monthly cash and investment balances of the various funds and related entities of the City.

See the City's Annual Comprehensive Financial Report (ACFR) for disclosures related to cash and investments as prescribed by Governmental Accounting Standards Board. The ACFR may be obtained from the City of San Leandro, 835 East 14th Street, San Leandro, California 94577-3767.

**NOTE 4 – PRIOR PERIOD ADJUSTMENT**

During the fiscal year, the City determined that the cash balance reported in the Measure F Program financial statements for fiscal year ended June 30, 2024 was understated by \$65,357. This resulted in a prior period adjustment to increase beginning fund balance as of July 1, 2024 by \$65,357.

**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Members of the City Council  
City of San Leandro, California

We have audited, in accordance with the 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, the financial statements of the Alameda County Transportation Commission Vehicle Registration Fee Program (Measure F Program) of the City of San Leandro (City), California, as of and for the year ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated December 26, 2025. Our report included an emphasis of a matter paragraph stating that the financial statements of the Measure F Program do not purport to, and do not, present fairly the financial position of the City as of June 30, 2025.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as it relates to the Measure F Program as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control as it relates to the Measure F Program. Accordingly, we do not express an opinion on the effectiveness of the City's internal control as it relates to the Measure F Program.

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 the City's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the financial statements of the Measure F Program are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance as it relates to the Measure F Program. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance as it relates to the Measure F Program. Accordingly, this communication is not suitable for any other purpose.



Pleasant Hill, California  
December 26, 2025

**INDEPENDENT AUDITOR'S  
REPORT ON VEHICLE REGISTRATION FEE (VRF)  
MEASURE F PROGRAM COMPLIANCE**

To the Honorable Mayor and Members of the City Council  
City of San Leandro, California

**Report on Compliance for Measure F Program**

***Opinion on Compliance for Measure F Program***

We have audited the City of San Leandro's (City) compliance with the requirements of laws, regulations, contracts, and grants specified in the *Master Programs Funding Agreement* between the City and the Alameda County Transportation Commission (Funding Agreement) that could have a direct and material effect on the Alameda County Transportation Commission Measure F Program for the year ended June 30, 2025.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Measure F Program for the year ended June 30, 2025.

***Basis for Opinion on the Measure F Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), and requirements specified in the Funding Agreement. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Measure F Program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Measure F Program.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and requirements specified in the Funding Agreement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the Measure F Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Funding Agreement, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the requirements referred to above, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the Measure F program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the Measure F Program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Measure F program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements, specified in the *Master Programs Funding Agreement* between the City and the Alameda County Transportation Commission. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mazze & Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California  
December 26, 2025

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