

CITY OF SAN LEANDRO, CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT
ARTICLE III FUND
FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2025 AND 2024

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**CITY OF SAN LEANDRO
TRANSPORTATION DEVELOPMENT ACT
ARTICLE III FUND
For The Years Ended June 30, 2025 and 2024**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

We have audited the financial statements of the City of San Leandro Transportation Development Act Article III Fund (Projects) of the City of San Leandro (City), California, as of and for the years ended June 30, 2025 and 2024, and the related notes to the 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 Projects as of June 30, 2025 and 2024, and the changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 City 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 opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Projects and do not purport to, and do not present fairly the financial position of the City as of June 30, 2025 and 2024, the changes in its financial position, in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management's 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.

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, 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 Projects' 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.

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.

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 Projects' 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 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 Projects' 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 Projects' internal control over financial reporting and compliance.



Pleasant Hill, California
December 26, 2025

CITY OF SAN LEANDRO
TRANSPORTATION DEVELOPMENT ACT
ARTICLE III FUND
BALANCE SHEETS
AS OF JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
TDA Grants Receivable	<u> </u>	<u> </u>
Total Assets	<u> </u>	<u> </u>
LIABILITIES		
Due to the City	<u> </u>	<u> </u>
Total Liabilities	<u> </u>	<u> </u>

See accompanying notes to financial statements

CITY OF SAN LEANDRO
TRANSPORTATION DEVELOPMENT ACT
ARTICLE III FUND
STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
REVENUES		
TDA Article 3.0	<u>\$57,856</u>	<u>\$105,062</u>
Total Revenues	<u>57,856</u>	<u>105,062</u>
EXPENDITURES		
Pedestrian Curb Ramp Upgrade Program 2022-23	<u>57,856</u>	<u>105,062</u>
Total Expenditures	<u>57,856</u>	<u>105,062</u>
Net Change in fund balance		
Fund balance at beginning of year	<u> </u>	<u> </u>
Fund balance at end of year	<u> </u>	<u> </u>

See accompanying notes to financial statements

**CITY OF SAN LEANDRO
TRANSPORTATION DEVELOPMENT ACT ARTICLE III FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024**

NOTE 1 – DESCRIPTION OF REPORTING ENTITY

Reporting Entity – The City of San Leandro, California (City) Transportation Development Act Article III Fund (TDA Fund) include the financial activities associated with allocations funded by the State of California Transportation Development Act (TDA). The State of California created a local transportation fund for each County funded by a portion of the State sales tax.

The TDA Funds are distributed through the Metropolitan Transportation Commission (MTC) which is the agency's responsibility for allocation of funds to eligible claimants within the greater San Francisco Bay area.

The TDA grant is for Pedestrian/Bicycle Projects.

TDA Funds are part of the City and are included in the Special Grants Special Revenue Fund of the annual comprehensive financial report of the City. These TDA Fund financial statements are not intended to present fairly the financial position, results of operations and cash flows of the City of San Leandro in conformity with accounting principles generally accepted in the United States of America.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting – The accounts of the TDA Fund for the City are organized on the basis of funds, and is considered to be a separate accounting entity. The operations of the TDA Fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting – The accounting and reporting treatment applied to a fund is determined by its measurements focus. All governmental funds are accounted for on a spending or "current financial resources" measurement focus. Accordingly, only current asset 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 fund balance.

All governmental fund types are accounted for using the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred.

Revenue Recognition – Under the terms of the various grant agreements, the TDA Funds generally recognize revenues when approved expenditures are incurred. Accordingly, the accompanying financial statements present grants receivable and the corresponding intergovernmental revenues.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CITY OF SAN LEANDRO
TRANSPORTATION DEVELOPMENT ACT ARTICLE III FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Years Ended June 30, 2025 and 2024

NOTE 3 – TDA ARTICLE III REVENUE / EXPENDITURES

The following is a summary of the project grant revenues and total expenditures.

<u>Project Name</u>	<u>MTC Allocation #</u>	<u>TDA Grant</u>	<u>Prior Years Expenditures</u>	<u>2024/2025 Expenditures</u>	<u>Total Expenditures</u>	<u>Unexpended Balance</u>
Pedestrian Curb Ramp Upgrade Program 22-23	23001040	\$ 57,856	\$ -	\$ 57,856	\$ 57,856	\$ -
Pedestrian Curb Ramp Upgrade Program 23-24	24001035	141,443	-	-	-	141,443
Pedestrian Curb Ramp Upgrade Program 24-25	25001051	154,722	-	-	-	154,722
Total		<u>\$ 354,021</u>	<u>\$ -</u>	<u>\$ 57,856</u>	<u>\$ 57,856</u>	<u>\$ 296,165</u>

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING,
ON COMPLIANCE WITH THE TRANSPORTATION
DEVELOPMENT ACT 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 City of San Leandro Transportation Development Act Article III Fund (Project) of the City of San Leandro (City), California, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, and have issued our report thereon dated December 26, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Projects' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 Projects' internal control. Accordingly, we do not express an opinion on the effectiveness of the Projects' internal control.

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 Projects' 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Projects' financial statements 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. Our procedures included the applicable audit procedures contained in §6666 of Title 21 of California Code of Regulations and tests of compliance with the applicable provisions of the Transportation Development Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission. 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 or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated December 26, 2025 which is an integral part of our audit and should be read in conjunction with this report.

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 Projects' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Projects' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Metropolitan Transportation Commission, management, City Council, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

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

Pleasant Hill, California
December 26, 2025