

**CITY OF SOLEDAD**

**COUNTY OF MONTEREY**

**FINANCIAL STATEMENTS RELATING TO  
THE TRANSPORTATION DEVELOPMENT ACT,  
SECTION 99400 (a)  
FOR STREET AND ROAD PURPOSES**

June 30, 2007 and June 30, 2006

**CITY OF SOLEDAD**  
**TRANSPORTATION DEVELOPMENT ACT**  
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**FINANCIAL SECTION**



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## INDEPENDENT AUDITORS' REPORT

Transportation Agency for Monterey County  
Salinas, California

We have audited the accompanying statement of revenues, expenditures, and changes in unexpended claims for street and road purposes relating to the Transportation Development Act (TDA), Section 99400 (a) of the Public Utilities Code of the City of Soledad, for the fiscal years ended June 30, 2007 and June 30, 2006. This financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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.

The accompanying financial statement was prepared to present only the TDA funds referred to above as described in Note 1, and is not intended to be a complete presentation of the financial position of the City of Soledad at June 30, 2007 and June 30, 2006, or the results of its operations for the fiscal years then ended.

In our opinion, the financial statement referred to above presents fairly in all material respects, the revenues, expenditures, and changes in unexpended claims for street and road purposes relating to the Transportation Development Act (TDA), Section 99400 (a) of the Public Utilities Code of the City of Soledad, for the fiscal years ended June 30, 2007 and June 30, 2006, in conformity with accounting principles generally accepted in the United States of America.

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated in all material respects in relation to the financial statement taken as a whole.

This report is intended solely for the information and use of City's management, the Transportation Agency for Monterey County, the State of California Department of Transportation, and the State Controller's Office, and is not intended to be and should not be used by anyone other than these specified parties.

MOSS, LEVY & HARTZHEIM LLP

*Moss, Levy & Hartzheim LLP*

April 22, 2008

**CITY OF SOLEDAD**  
**TRANSPORTATION DEVELOPMENT ACT FUNDS**

Statement of Revenues, Expenditures and Changes in Unexpended Claims for Street and Road Purposes  
 Relating to Section 99400(a) of the Public Utilities Code  
 Fiscal Years Ended June 30, 2007 and June 30, 2006

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	<u>2007</u>	<u>2006</u>
<b>Revenues</b>		
Allocations claimed for street and road purposes:		
Local Transportation Fund, Section 99400(a)	\$ 1,751,266	\$ -
Total revenues	<u>1,751,266</u>	<u>                    </u>
<b>Expenditures</b>		
Street construction	<u>1,751,266</u>	<u>                    </u>
Total expenditures	<u>1,751,266</u>	<u>                    </u>
Excess (deficiency) of revenues over expenditures		
Balance of unexpended TDA claims, beginning of fiscal year	<u>                    </u>	<u>                    </u>
Balance of unexpended TDA claims, end of fiscal year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this financial statement.

**CITY OF SOLEDAD**  
**TRANSPORTATION DEVELOPMENT ACT FUNDS**

Notes to Financial Statement  
June 30, 2007 and June 30, 2006

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Organization* - The City accounts for its claimed allocations of TDA Section 99400(a) funds as a separate function within the general fund. Interest income is allocated to the fund on the basis of monthly cash balances.

The financial statement presented is prepared from select accounts and financial transactions of the TDA Fund of the City of Soledad. The financial statement presents the information required to demonstrate the City's compliance with the Transportation Development Act, Section 99400(a), reimbursements for street and road expenditures. Accordingly, it does not present the financial position or the results of operations of the City of Soledad.

*Basis of accounting* - The financial statement is prepared using the modified accrual basis of accounting. Under the modified accrual method, revenues are recognized at the time they become susceptible to accrual; that is, when both measurable and available, and expenditures are recognized when the liability is incurred.

**NOTE 2 - REQUIRED ALLOCATIONS**

Regional Transportation Planning claims are controlled by the Transportation Agency for Monterey County (TAMC). Special Transportation Rides Program and Planning claims are controlled by that Agency. The claims reduce the balance of Local Transportation Funds held in trust for the City. These amounts are not included in the financial statements of the City and are included in a separate audit report.

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**SUPPLEMENTARY INFORMATION SECTION**

**CITY OF SOLEDAD**  
**TRANSPORTATION DEVELOPMENT ACT FUNDS**

Schedule of Approved Allocations and Claims Paid by Project Relating to Section 99400(a) of the Public Utilities Code  
 Fiscal Year Ended June 30, 2007

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<u>2007</u>	<u>Transportation Agency for Monterey County Approved Allocations</u>	<u>Amount Claimed</u>
Streets and Roads, Section 99400(a):		
Street construction	\$ 1,751,266	\$ 1,751,266
Maximum approved allocation	<u>\$ 1,751,266</u>	<u>\$ 1,751,266</u>

**CITY OF SOLEDAD**  
**TRANSPORTATION DEVELOPMENT ACT FUNDS**

Schedule of Cumulative TDA Allocations and Claimed Expenditures Relating to Section 99400(a)  
of the Public Utilities Code  
Fiscal Year Ended June 30, 2007.

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	<u>Fiscal Year 2007</u>	
	<u>TDA</u>	
	<u>Allocations</u>	
	<u>Claimed</u>	<u>Expenditures</u>
Streets and Roads, Section 99400(a):		
Soledad Street Projects and Improvements	<u>\$ 1,751,266</u>	<u>\$ 1,751,266</u>
Total	<u>\$ 1,751,266</u>	<u>\$ 1,751,266</u>

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Cumulative Total - June 30, 2007

<u>TDA Allocations Claimed</u>	<u>Expenditures</u>	<u>Unexpended TDA Claims</u>	<u>Project Status</u>
<u>\$ 1,751,266</u>	<u>\$ 1,751,266</u>	<u>\$ -</u>	Ongoing
<u><u>\$ 1,751,266</u></u>	<u><u>\$ 1,751,266</u></u>	<u><u>\$ -</u></u>	



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE --  
TRANSPORTATION DEVELOPMENT ACT

Transportation Agency for Monterey County  
Salinas, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statement of revenues, expenditures, and changes in unexpended claims for street and road purposes relating to the Transportation Development Act (TDA), Section 99400(a) of the Public Utilities Code of the City of Soledad, for the fiscal year ended June 30, 2007, and have issued our report thereon dated April 22, 2008.

As part of our audit, we tested whether the funds allocated to and received by the City of Soledad, pursuant to the Transportation Development Act (TDA), Section 99400(a) was expended in conformance with the applicable statutes, rules, and regulations of the Transportation Development Act (TDA), including Section 6666 of Title 21 of the California Administrative Code and the allocation instructions and resolutions of the Transportation Agency for Monterey County.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Soledad was not in compliance with the aforementioned laws or regulations as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of City's management, the Transportation Agency for Monterey County, the State of California Department of Transportation, and the State Controller's Office, and is not intended to be and should not be used by anyone other than these specified parties.

MOSS, LEVY & HARTZHEIM LLP

*Moss, Levy & Hartzheim LLP*

April 22, 2008