



ALAMEDA COUNTY TRANSPORTATION COMMISSION

## Direct Local Distribution Program Compliance Review Orientation for Fiscal Year 2019-20



A presentation to the Independent Watchdog Committee  
John Nguyen, Principal Transportation Planner  
March 8, 2021

## Today's Agenda

1. Overview of Measure B and Measure BB Programs
2. Purpose of Program Compliance Review and Process
3. Audited Financial Statement and Compliance Reporting Requirements and Policies
4. Review Walk-through Financial Statement and Compliance Reporting Forms
5. Review Schedule



## Role of the Independent Watchdog Committee

- Reviews all 2000 Measure B and 2014 Measure B expenditures for the four programmatic areas
- Reports to the public through the “Annual Report to the Public”
- May request additional information from recipients on their expenditures

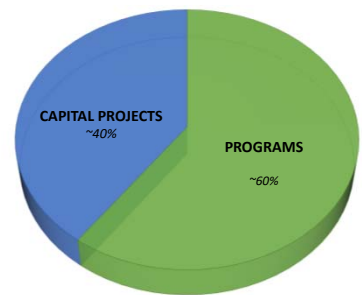


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## DLD Distributions Overview

- **Over 50% of net revenues** generated from the Measure B and Measure BB Programs **are returned to source** as “Direct Local Distributions” (DLDs)
- Twenty recipients (*cities, transit agencies and the County*)
- DLD Programs
  - Bicycle/Pedestrian
  - Local Streets and Roads (*local transportation*)
  - Transit
  - Special Transportation for Seniors and People with Disabilities (*Paratransit*)



**~\$150M**  
**Annually**  
**Available**  
to DLD Programs



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# Direct Local Distributions Fiscal Year 2019-20

Direct Local Distributions FY2019-20 <i>(dollars in millions)</i>			
DLD Programs	Measure B	Measure BB	Total Funds
Local Streets and Roads	\$32.3	\$29.5	\$61.8
Mass Transit	\$30.7	\$31.7	\$62.4
Special Transportation for Senior and People with Disabilities (Paratransit)	\$13.1	\$13.3	\$26.4
Bicycle and Pedestrian Safety	\$5.4	\$4.4	\$9.8
<b>TOTAL</b>	<b>\$81.5</b>	<b>\$78.9</b>	<b>\$160.4</b>



## Measure B and Measure BB DLD Recipients By Program Category

No.	Agency	Bicycle and Pedestrian Program	Local Streets and Roads Program (Local Transportation)	Transit Program	Paratransit Program
1	ACE / SJRRC			X	
2	AC Transit			X	X
3	BART			MBB only	X
4	LAVTA			X	X
5	WETA			X	
6	Alameda County	X	X		
7	Alameda	X	X		X
8	Albany	X	X		X
9	Berkeley	X	X		X
10	Dublin	X	X		
11	Emeryville	X	X		X
12	Fremont	X	X		X
13	Hayward	X	X		X
14	Livermore	X	X		
15	Newark	X	X		X
16	Oakland	X	X		X
17	Piedmont	X	X		
18	Pleasanton	X	X		X
19	San Leandro	X	X		X
20	Union City/Union City Transit	X	X	X	X

X = Agency receives Measure B and Measure BB Direct Local Distributions for the identified Program, unless otherwise stated.



# DLD Eligible Use of Funds

## DLD Program

### Bicycle/Pedestrian



## Eligible Uses

- Sidewalk, Curb and Gutter Programs
- Safety improvements
- Maintenance of bike/ped facilities
- Crossing improvements
- Bicycle parking facilities, lockers, racks
- ADA on-street improvements
- Signage for pedestrians and/or bicyclists
- Access improvements
- Traffic calming projects
- Costs related to program implementation of eligible activities, including staffing, program administration, reporting



# DLD Eligible Use of Funds

## DLD Program

### Local Streets and Roads (Local Transportation)




## Eligible Uses

- Streets and roads infrastructure
- Street resurfacing and rehabilitation
- Street maintenance and repair
- Sidewalks and curb ramps
- Bridge/Tunnel improvements
- ADA on-street improvements
- Traffic signals, signage, and lights
- Bike facilities such as bicycle routes, boulevards, lanes, multi-use pathways
- Transit operations and facility improvements
- Costs related to program implementation of eligible activities, including staffing, program administration, reporting





# DLD Eligible Use of Funds

DLD Program	Eligible Uses
<p><b>Transit</b></p>  	<ul style="list-style-type: none"> <li>• Mass transit system operations and services, including commuter rail; express, local, and feeder bus; and ferry</li> <li>• Capital improvements and studies</li> <li>• Upgrades to or expansions to bus, ferry, rail and shuttle infrastructure</li> <li>• Purchase or lease of equipment or new vehicles for transit services</li> <li>• Paratransit services</li> <li>• Costs related to program implementation of eligible activities, including staffing, program administration, reporting</li> </ul>



# DLD Eligible Use of Funds

DLD Program	Eligible Uses
<p><b>Special Transportation for Seniors and People with Disabilities (Paratransit)</b></p>  	<ul style="list-style-type: none"> <li>• Paratransit services and operations</li> <li>• ADA mandated services</li> <li>• Volunteer Driver Programs</li> <li>• Same Day Taxi Programs</li> <li>• Capital projects, programs, maintenance or operations that directly improve paratransit services</li> <li>• Costs related to program implementation of eligible activities, including staffing, program administration, reporting</li> </ul>



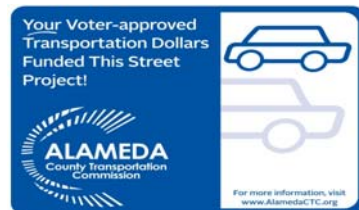
## Purpose of Program Compliance

1. Independent audit of Direct Local Distributions (DLD) receipts and expenses
2. Monitor the use and performance of the DLD funds
3. Completion of program reporting requirements
4. Adherence to Timely Use of Funds requirements



## Recipient Reporting Mechanisms

- Annually required to submit to the Alameda CTC:
  - 1. Audited Financial Statements**
  - 2. Program Compliance Reports**
- This year's reporting period covers Fiscal Year 2019-20 expenditures (*July 1, 2019 to June 30, 2020*)



# Program Compliance Process

## Submit Compliance Reports and Financial Statements *(Due end of December)*

- Reports prior fiscal year revenues & expenditures
- Provides evidence of completing general reporting requirements
- Reports implementation plan for projected balances

## Review Process Alameda CTC / IWC Review *(January to March)*

- IWC and Alameda CTC reviews expenditures
- Alameda CTC confirms completion of general reporting requirements
- Alameda CTC reviews implementation plan and adherence to timely use of funds policies

## Summary Report Commission receives Summary Report *(in July)*

- Receives Summary Report of Compliance Submittals
- Considers exemption requests for timely use of funds and notes areas of concerns



# Audited Financial Statement and Compliance Reporting Requirement & Policies



# Audited Financial Statement Requirements

## 1. Separate Audited Financial Statements for MB and MBB

## 2. Primary Components

- Balance Sheet
- Statement of Revenues, Expenditures, and Changes in Fund Balances
- Independent Audit opinion that demonstrates compliance
  - *"In our opinion, the recipient is in compliance with the laws and regulations, contracts, and grant requirements related to [Measure B/Measure BB] funds as specified in the agreement between the recipient and the Alameda County Transportation Commission."*
- Separate line on statement for DLD Program revenues, interest and other adjustments i.e. GASB31

## 3. Explanations

- Restated fund balances
- Interest earnings



# Program Compliance Requirements

## 1. Accounts for Revenues, Expenditures and Fund balances

- Beginning of year balances tie to prior year fund balances
- Revenues received tie into Alameda CTC's distribution
  - DLD distributions: <https://www.alamedactc.org/funding/direct-local-prog-dist-pay/>

## 2. Documents expenditures are on eligible expenses

## 3. Documents current Bicycle/Pedestrian Master Plan

## 4. Documents completion of publicity requirements (articles, signage, and website)

## 5. Documents adherence to 15% requirement for MBB LSR funds on bike/pedestrian improvements

## 6. Documents annual performance accomplishments

## 7. Documents compliance with agreement requirements





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## Performance Monitoring

- **Requirement:** DLD recipients required to report annually on the performance and accomplishments.
- **Performance Measures Examples:**
  - Annual quantity of improvements (sidewalks, bike lanes built/striped, pavement rehabilitation, pothole repair)
  - Annual Capital vs Administrative investments
  - Annual transit performance (ridership, on time performance, route speeds)
  - Timely Use of Funds: Monitoring fund balances
  - Measure BB LSR 15% of bike/ped improvements
- **Monitoring Performance:** Monitoring conducted through various reports include compliance reports, Alameda CTC's performance report, paratransit program plan and other planning functions.



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## Walk-through Review Audited Financial Statements and Compliance Reporting Forms



# IWC Reviewer's Toolkit

## 1. Financial Statements/Compliance Reports on Alameda CTC Website

- <https://www.alamedactc.org/funding/reporting-and-grant-forms/>

## 2. Program Compliance Review Guide

- General Guidance document for reviewers
- Link to the current policies: <https://www.alamedactc.org/funding/reporting-and-grant-forms/>

## 3. IWC Comment Form

- [https://www.alamedactc.org/wp-content/uploads/2019/02/IWC\\_MB-MBB\\_ComplianceReviewForm.xlsx](https://www.alamedactc.org/wp-content/uploads/2019/02/IWC_MB-MBB_ComplianceReviewForm.xlsx)

Agency	Reviewer's Comments
<b>Transit Agencies and Authorities</b>	
1 AC Transit	
Audited Financial Statement	
Mass Transit	
Paratransit	
2 BART	
Audited Financial Statement	
Paratransit	
3 LAVTA	
Audited Financial Statement	
Mass Transit	
Paratransit	
4 WETA (Alameda Ferries)	
Audited Financial Statement	
Mass Transit	
5 Alameda Commuter Express (ACE)	
Audited Financial Statement	
Mass Transit	
<b>Alameda County Agencies</b>	
6 Alameda County (AC/PWA)	
Audited Financial Statement	
Bicycle/Pedestrian	
Local Streets & Roads	
<b>City Agencies</b>	
7 City of Alameda	
Audited Financial Statement	
Bicycle/Pedestrian	
Local Streets & Roads	
Paratransit	
8 City of Albany	
Audited Financial Statement	
Bicycle/Pedestrian	
Local Streets & Roads	
Paratransit	
9 City of Berkeley	
Audited Financial Statement	
Bicycle/Pedestrian	



# Audited Financial Statement

## Revenues, Expenditures and Changes in Fund Balance

	Bicycle and Pedestrian	Local Streets and Roads	Paratransit	Total	Programs
<b>REVENUES</b>					
Measure B Direct Local Distribution Program Revenue					
Direct Local Distribution Funds Allocation	\$ 248,891	\$ 861,419	\$ 115,336	\$ 1,225,646	
Subtotal Program Revenues	248,891	861,419	115,336	1,225,646	
<b>Other Measure B Revenue</b>					
Investment Earnings:					
Interest	1,448	10,080	-	11,528	
GASB 31 Adjustments	(953)	(2,462)	-	(3,415)	
Subtotal Other Measure B Revenues	495	7,618	-	8,113	
<b>Total Revenues</b>	<b>249,386</b>	<b>869,037</b>	<b>115,336</b>	<b>1,233,759</b>	
<b>EXPENDITURES</b>					
Measure B Direct Local Distribution Program Expenditures					
Construction	60,181	2,013,491	-	2,073,672	
Salaries and Benefits	-	-	115,336	115,336	
Subtotal Measure B Expenditures	60,181	2,013,491	115,336	2,189,008	
<b>Total Expenditures</b>	<b>60,181</b>	<b>2,013,491</b>	<b>115,336</b>	<b>2,189,008</b>	
<b>REVENUES OVER (UNDER) EXPENDITURES / NET CHANGES IN FUND BALANCES</b>					
	189,205	(1,144,454)	-	(955,249)	
<b>FUND BALANCES</b>					
Beginning Fund Balances	38,559	1,386,074	-	1,424,633	
Ending Fund Balances	\$ 227,764	\$ 241,620	\$ -	\$ 469,384	



# Structure of the Compliance Report

1. **Cover Page**
2. **General Reporting Questions**
3. **Table 1: Summary of Revenues and Expenditures**
4. **Table 2: Summary of Expenditures and Accomplishments**
5. **Agency's Signed Certification of Use of Funds**

**MEASURE B AND MEASURE BB  
Annual Program Compliance Report  
Reporting Fiscal Year 2016-2017**

**AGENCY CONTACT INFORMATION**

Agency Name: **City of Pleasanton**

Date: **12/11/2017**

Primary Point of Contact

Name: **Nick Johnson**

Title: **Senior Accountant**

Phone: **925-931-5406**

Email: **njohnson@cityofpleasantonca.gov**

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**Agency's Certification of True and Accurate Reporting by Submission**  
By submitting this Compliance Report to the Alameda County Transportation Commission, the submitting agency certifies the compliance information reported is true and complete to the best of their knowledge, and the dollar figures in the agency's Audited Financial Statement matches exactly to the revenues and expenditures reported herein.

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**Program Compliance Report Structure**  
This Reporting Form is broken into the following sections for the Measure B and BB Direct Local Distribution Programs applicable to the recipient agency.

- Cover - Agency Contact
- General Compliance Reporting for all programs
- Table 1 - Summary of Revenue, Expenditures, and Changes in Fund Balance
- Table 2 - Detailed Summary of Expenditures and Accomplishments



# General Compliance Reporting

**General Reporting Questions Include**

1. **Completed Reporting Requirements?**
2. **Identified Potential uses of Fund Balances?**
3. **Completed Publicity Requirements?**
4. **Followed policies guiding expenditures?**

**GENERAL COMPLIANCE REPORTING**

1. Indicate the adoption year of the most current Bicycle/Pedestrian Master Plans, as applicable.

	Adoption Year
Bicycle Master Plan	
Pedestrian Master Plan	
Bike/Ped Master Plan	2017

If the plans are over five-years past the last adoption year, specify when your agency's will perform its next update. Indicate N/A, if not applicable.

2a. How much of the program balance is encumbered into active contracts and projects?  
\$ Encumbered

MB Balance	\$ 227,764	\$ 227,760
BB Balance	\$ 564,137	\$ 564,138
<b>Total</b>	<b>\$ 791,901</b>	<b>\$ 791,903</b>

2b. Explain why the program has a fund balance, and how the agency plans to expend the balances down. Indicate N/A, if not applicable.

The City has begun a project to design bike and pedestrian improvements along West Las Posas Blvd. This project will consist of buffered and protected bike lanes, intersections, and sidewalk improvements. The encumbered money is expected to be used for construction of the improvements on the corridor.

2c. Specify any large planned uses of fund balances within this program and their status (i.e. planned or underway).

Project Title	Brief Project Description	MBL Amount	Project Status
West Las Posas Corridor Plan	Bike and pedestrian improvements along a 1.5-mile stretch of roadway.	791,903	Underway
		\$ --	
		\$ --	
		\$ --	
		\$ --	
		\$ --	
		\$ --	
		\$ --	

3. Confirm all expenditures were governing body approved (Yes/No). **Yes**

4. Confirm the completion of the publicity requirements in the table below (Yes/No).

Article	Measure B		Measure BB		Copy of Article, website, signage attached?	If applicable, briefly explain why the publicity requirement wasn't completed.
	Yes	No	Yes	No		
Website	Yes	Yes	Yes	Yes		
Signage	Yes	Yes	Yes	Yes		



# Table 1: Revenues and Expenditures

**TABLE 1: SUMMARY OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE**

DIRECTIONS: Complete the sections below based on the Measure B and BB Audited Financial Statements, for the applicable DLD programs for your agency. Values must match financial statements and total reported expenditures on Table 2.

**A. 2000 MEASURE B Direct Local Distribution Programs**

	Bicycle / Pedestrian	Local Streets and Roads	Mass Transit	Paratransit	Total
Beginning of Year Fund Balance	\$ 38,559	\$ 1,386,074	\$ -	\$ -	\$ 1,424,633
Revenue	\$ 248,891	\$ 861,419	\$ -	\$ 115,336	\$ 1,225,646
Interest	\$ 495	\$ 7,618	\$ -	\$ -	\$ 8,113
Expenditures	\$ 60,181	\$ 2,013,491	\$ -	\$ 115,336	\$ 2,189,008
End of Year Fund Balance	\$ 227,764	\$ 241,620	\$ -	\$ -	\$ 469,383

Notes

**B. 2014 MEASURE BB Direct Local Distribution Programs**

	Bicycle / Pedestrian	Local Streets and Roads	Mass Transit	Paratransit	Total
Beginning of Year Fund Balance	\$ 366,884	\$ 1,087,978	\$ -	\$ 305,694	\$ 1,760,556
Revenue	\$ 201,925	\$ 768,661	\$ -	\$ 192,056	\$ 1,162,642
Interest	\$ 2,819	\$ 7,303	\$ -	\$ 2,291	\$ 12,413
Expenditures	\$ 7,491	\$ 1,434,233	\$ -	\$ 213,767	\$ 1,655,491
End of Year Fund Balance	\$ 564,137	\$ 429,709	\$ -	\$ 286,274	\$ 1,280,120



# Example Financial and Compliance Review The City of Pleasanton's Bicycle/Pedestrian Program

## Audited Financial Statement

	Bicycle and Pedestrian
<b>REVENUES</b>	
Measure B Direct Local Distribution Program Revenue	
Direct Local Distribution Funds Allocation	\$ 248,891
Subtotal Program Revenues	248,891
Other Measure B Revenue	
Investment Earnings:	
Interest	1,448
GASB 31A Adjustments	(953)
Subtotal Other Measure B Revenues	495
Total Revenues	249,386
<b>EXPENDITURES</b>	
Measure B Direct Local Distribution Program Expenditures	
Construction	60,181
Salaries and Benefits	-
Subtotal Measure B Expenditures	60,181
Total Expenditures	60,181
REVENUES OVER (UNDER) EXPENDITURES / NET CHANGES IN FUND BALANCES	189,205
<b>FUND BALANCES</b>	
Beginning Fund Balances	38,559
Ending Fund Balances	\$ 227,764

## Compliance Report

**TABLE 1: Summary of Revenues and Expenditures**

	Bicycle / Pedestrian
Beginning of Year Fund Balance	\$ 38,559
Revenue	\$ 248,891
Interest	\$ 495
Expenditures	\$ 60,181
End of Year Fund Balance	\$ 227,764



## Table 2: Summary of Expenditures

TABLE 2: DETAILED SUMMARY OF EXPENDITURES AND ACCOMPLISHMENTS												
Provide a detailed summary of Measure B and BB Expenditures for the reporting fiscal year. - Expenditure total must correspond to your Audited Financial Statements, and Table 1 values.												
No.	Project Category (Drop-down Menu)	Project Phase (Drop-down Menu)	Project Type (Drop-down Menu)	Primarily Capital or Administrative Expenditure?	Project Name	Project Description/Benefits	Quantity Completed in FY 17-18	Units for Quantity (Drop-down Menu)	Additional description on units or expanded detail on expenditures, performance, accomplishments	Measure B DLD Expenditures	Measure BB DLD Expenditures	
1	Bicycle	Other	Bike Parking	Capital	Bike storage lockers at City Hall	Four bike storage lockers at City Hall	4	Bike Parking Spaces		\$ 4,310	\$ -	
2	Bike/Ped	PS&E	Bikeways (non-Class I)	Capital	Foothill Road Bicycle Corridor Plan	Feasibility study to provide 35% plans for bike and safety improvements. Improve safety along the Foothill Road corridor	1	Other	Provide a corridor plan for bike and ped improvements along Foothill Road. Improvements for both city and future developers to fund.	\$ 12,234	\$ -	
3	Pedestrian	Other	Pedestrian Crossing	Capital	In-roadway school signs	In-roadway signs used in ped crossings near schools within the city.	3	Signs		\$ 798	\$ -	
4	Bike/Ped	PS&E	Safety Improvements	Capital	I-580 freeway overcrossing bike & ped improvements	Design plans for bike and ped improvements over three I-580 overcrossings. This will improve connectivity and safety between Pleasanton and Dublin.	1	Other	Provide striping and concrete design plans to improve safety at the overcrossings.	\$ 42,840	\$ 6,921	
5	Bike/Ped	Planning/Scoping	Bridges and Tunnels	Capital	Arroyo Mocho Pedestrian and Bicycle Bridge	Feasibility study for a pedestrian and bicycle bridge over the Arroyo Mocho Canal.	1	Other	Feasibility study	\$ -	\$ 570	
Total Percentage of Capital vs Administrative Costs				100%								
a. Total Capital				\$ 67,672								
b. Total Administrative				\$ -								
<b>TOTAL</b>										\$ 60,181	\$ 7,491	
<b>Match to Table 1?</b>										TRUE	TRUE	
Is the total percentage of Capital vs Program Administration (outreach, staffing, administrative support) Costs GREATER THAN 50%? If not, explain how capital investments will increase in the future.												
Yes												



## Program Compliance Review Schedule

Program Compliance Review Schedule	
<b>By December 31, 2020</b>	Recipients' Audited Financial Statements and Compliance Reports Due
<b>January 2021</b>	Alameda CTC reviews and requests revisions to the recipient reports (as necessary).
<b>February 2021</b>	Recipients submit revised reports; revised reports posted onto Alameda CTC's website.
<b>March 08, 2021 (IWC Meeting)</b>	Program Compliance Review Orientation Workshop <ul style="list-style-type: none"> <li>Staff provides general review guidance</li> </ul>
<b>March 22, 2021</b>	IWC comments due to Alameda CTC
<b>April 2021</b>	IWC comments forwarded to recipients for response
<b>July 2021</b>	IWC receives response to comments and summary report



# Focus Questions

## IWC Review Focuses on Revenues and Expenditures

- Do the revenues and expenditures from the Audited Financial Statements/Compliance Reports match?
- Are expenditures descriptive enough to determine the performance accomplishments of the Measure B/BB funded activity?
- Are expenditures on eligible activities?

Submit comments by Friday, March 22, 2020 to:

**John Nguyen**  
Principal Transportation Planner  
[jnguyen@AlamedaCTC.org](mailto:jnguyen@AlamedaCTC.org)  
(510) 208-7419

