

**LIVERMORE AMADOR VALLEY
TRANSIT AUTHORITY
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB PROGRAM
FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020**

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**LIVERMORE AMADOR VALLEY
TRANSIT AUTHORITY
MEASURE BB PROGRAM
Financial Statements
For the year ended June 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Directors
Livermore Amador Valley Transit Authority
Livermore, California

Report on Financial Statements

We have audited the financial statements of the Alameda County Transportation Commission - Measure BB Program (Measure BB Program) of the Livermore Amador Valley Transit Authority (Authority), as of and for the year ended June 30, 2020, and the related notes to the financial statements as listed in the Table of Contents.

Management's Responsibility 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; this includes 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 Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing such an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly in all material respects the financial position of the Measure BB Funds as of June 30, 2020, and changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements present only the Authority's Measure BB Program and do not purport to, and do not present fairly the financial position of the Authority as of June 30, 2020, 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. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2020, on our consideration of the Authority's 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 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 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 Authority's internal control over financial reporting and compliance.

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

Pleasant Hill, California
December 2, 2020

**LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB PROGRAM**

**STATEMENT OF NET POSITION
JUNE 30, 2020**

	<u>Fixed Route Program</u>	<u>Paratransit Program</u>	<u>Totals</u>
ASSETS			
Due from ACTC - Measure BB	<u>\$ 121,966</u>	<u>\$ 56,598</u>	<u>\$ 178,564</u>
Total Assets	<u><u>\$ 121,966</u></u>	<u><u>\$ 56,598</u></u>	<u><u>\$ 178,564</u></u>
LIABILITIES			
Due to other programs (Note 3)	<u>\$ 121,966</u>	<u>\$ 56,598</u>	<u>\$ 178,564</u>
Total Liabilities	<u>121,966</u>	<u>56,598</u>	<u>178,564</u>
NET POSITION			
Restricted for Measure BB Programs	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements

**LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB PROGRAM**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Fixed Route Program</u>	<u>Paratransit Program</u>	<u>Totals</u>
OPERATING EXPENSES			
Contract Services - Transit Operator	<u>\$ 736,134</u>	<u>\$ 341,602</u>	<u>\$ 1,077,736</u>
Total Expenses	<u>736,134</u>	<u>341,602</u>	<u>1,077,736</u>
OPERATING LOSS	<u>(736,134)</u>	<u>(341,602)</u>	<u>(1,077,736)</u>
NONOPERATING REVENUES			
Intergovernmental - Measure BB: Recurring Allocations	736,134	341,602	1,077,736
Total Revenues	<u>736,134</u>	<u>341,602</u>	<u>1,077,736</u>
Change in Net Position	-	-	-
Beginning Net Position	<u>-</u>	<u>-</u>	<u>-</u>
Ending Net Position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements

**LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
ALAMEDA COUNTY TRANSPORTATION COMMISSION
ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
MEASURE BB PROGRAM**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Fixed Route Program</u>	<u>Paratransit Program</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to vendors	<u>\$ (736,134)</u>	<u>\$ (341,602)</u>	<u>\$ (1,077,736)</u>
Net cash used by operating activities	<u>(736,134)</u>	<u>(341,602)</u>	<u>(1,077,736)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Local sales tax/Measure BB funds	744,456	344,517	1,088,973
Interfund payments	(130,288)	(59,513)	(189,801)
Interfund receipts	<u>121,966</u>	<u>56,598</u>	<u>178,564</u>
Net cash provided by noncapital and financing activities	<u>736,134</u>	<u>341,602</u>	<u>1,077,736</u>
NET CASH FLOWS			
CASH AND INVESTMENTS AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS AT END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Reconciliation of operating (loss) to net cash provided (used) by operating activities:			
Operating loss	<u>\$ (736,134)</u>	<u>\$ (341,602)</u>	<u>\$ (1,077,736)</u>
Net cash used by operating activities	<u><u>\$ (736,134)</u></u>	<u><u>\$ (341,602)</u></u>	<u><u>\$ (1,077,736)</u></u>

See accompanying notes to basic financial statements

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LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
MEASURE BB PROGRAM
Notes to the Financial Statements
For the year ended June 30, 2020

NOTE 1 – BACKGROUND

A. Measure BB Program

Alameda County Measure BB (Measure BB Program) was approved by the voters in November 2014, with 70 percent of the vote. The fee is expected to generate about \$30 billion over the next 30 years funded by an additional one-half cent sales tax to be used for transportation related expenditures. The program includes four categories of projects:

- a. Transit
- b. Affordable Transit for Seniors and People with Disabilities
- c. Local Streets and Roads
- d. Bicycle and Pedestrian Path and Safety

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

A. Reporting Entity

All transactions of the Measure BB Program of the Livermore/Amador Valley Transit Authority (Authority), are included as part of the basic financial statements of the Authority. Measure BB Funds are used to account for the Authority's share of revenues earned and expenses incurred under the Authority's paratransit, local streets and roads, and bike and pedestrian programs. The accompanying financial statements are for Measure BB Program only and are not intended to fairly present the financial position of the Authority and the results of its operations and cash flows.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized. The Authority is accounted for using the accrual basis of accounting, under which revenues are recognized when they are earned and expenses are recognized when they are incurred. The Authority follows Governmental Accounting Boards Statements.

Non-exchange transactions, in which the Authority gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On an accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
MEASURE BB PROGRAM
Notes to the Financial Statements
For the year ended June 30, 2020

NOTE 3 – AUTHORITY REIMBURSEMENTS & TRANSFERS

The Authority operates its Transit and Paratransit programs on a cost reimbursement basis. The Authority incurs costs which are then reimbursed from federal, state and local sources, including Measure BB. Measure BB funds are fully expended each year. Measure BB funds reported as receivables at year end will be used to reimburse the Authority for costs incurred and are reflected in the accompanying financial statements as Due to the Authority. The Authority does not record interest as Measure BB funds are received after project expenditures have been incurred.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

The Authority participates in several grant programs. These programs have been audited by the Authority's independent accountants in accordance with the provisions of applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The Authority expects such amounts, if any, to be immaterial.

INDEPENDENT AUDITOR'S REPORT ON MEASURE BB COMPLIANCE

To the Honorable Members of the Board of Directors
Livermore Amador Valley Transit Authority
Livermore, California

Report on Compliance for Each Major Federal Program

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 basic financial statements of the Measure BB Program of the Livermore Amador Valley Transit Authority (Authority), California, as of and for the year ended June 30, 2020 and the related notes to the financial statements, and have issued our report thereon dated October 15, 2020.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants specified in the *Master Programs Funding Agreement* between the Authority and the Alameda County Transportation Commission.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Measure BB Program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and requirements specified in the *Master Programs Funding Agreement* between the Authority and the Alameda County Transportation Commission. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on Measure BB Program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Measure BB Program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Measure BB Program

In our opinion, the Authority is in compliance with the laws and regulations, contracts, and grant requirements related to Measure BB funds as specified in the agreement between the Authority and the Alameda County Transportation Commission.

Report on Internal Control Over Compliance

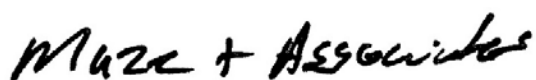
Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the Measure BB Program and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 a federal 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 federal 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We have also issued a separate Memorandum on Internal Control dated October 15, 2020 which is an integral part of our audits and should be read in conjunction with this report.

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 Authority and the Alameda County Transportation Commission. Accordingly, this report is not suitable for any other purpose.



Pleasant Hill, California
December 2, 2020