

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

FOR THE YEAR ENDED JUNE 30, 2022

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**LIVERMORE AMADOR VALLEY
TRANSIT AUTHORITY
MEASURE BB PROGRAM
Financial Statements
For the year ended June 30, 2022**

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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 the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Alameda County Transportation Commission - Measure BB Program (Measure BB Program) of the Livermore Amador Valley Transit Authority (Authority), California, as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise the Authority's 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 BB Funds as of June 30, 2022, 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.

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 BB 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 opinions.

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 Authority'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, individually or in the aggregate, they could reasonably be expected to 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 Authority'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 Authority'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 Matter

As discussed in Note 1, 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, 2022, 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 November 1, 2022 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 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 Authority'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 Measure Authority's internal control over financial reporting and compliance.

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Pleasant Hill, California
November 1, 2022

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

**STATEMENT OF NET POSITION
JUNE 30, 2022**

	Fixed Route Program	Paratransit Program	Totals
ASSETS			
Measure BB Direct Local Distribution Program Receivable	\$ 471,665	\$ 234,304	\$ 705,969
Total Assets	\$ 471,665	\$ 234,304	\$ 705,969
LIABILITIES			
Due to other programs (Note 3)	\$ 471,665	\$ 234,304	\$ 705,969
Total Liabilities	471,665	234,304	705,969
NET POSITION			
Restricted for Measure BB Programs	-	-	-
Total Net Position	\$ -	\$ -	\$ -

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, 2022**

	<u>Fixed Route Program</u>	<u>Paratransit Program</u>	<u>Totals</u>
OPERATING EXPENSES			
Contract Services - Transit Operator	<u>\$ 1,148,884</u>	<u>\$ 570,719</u>	<u>\$ 1,719,603</u>
Total Expenses	<u>1,148,884</u>	<u>570,719</u>	<u>1,719,603</u>
OPERATING LOSS	<u>(1,148,884)</u>	<u>(570,719)</u>	<u>(1,719,603)</u>
NONOPERATING REVENUES			
Intergovernmental - Measure BB: Recurring Allocations	<u>1,148,884</u>	<u>570,719</u>	<u>1,719,603</u>
Total Revenues	<u>1,148,884</u>	<u>570,719</u>	<u>1,719,603</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, 2022**

	<u>Fixed Route Program</u>	<u>Paratransit Program</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to vendors	<u>\$ (1,148,884)</u>	<u>\$ (570,719)</u>	<u>\$ (1,719,603)</u>
Net cash used by operating activities	<u>(1,148,884)</u>	<u>(570,719)</u>	<u>(1,719,603)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Local sales tax/Measure BB funds	842,132	417,141	1,259,273
Payments to the Authority	(164,913)	(80,726)	(245,639)
Receipts from the Authority	<u>471,665</u>	<u>234,304</u>	<u>705,969</u>
Net cash provided by noncapital and financing activities	<u>1,148,884</u>	<u>570,719</u>	<u>1,719,603</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>\$ (1,148,884)</u>	<u>\$ (570,719)</u>	<u>\$ (1,719,603)</u>
Net cash used by operating activities	<u><u>\$ (1,148,884)</u></u>	<u><u>\$ (570,719)</u></u>	<u><u>\$ (1,719,603)</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, 2022

NOTE 1 – BACKGROUND

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. 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. 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.

B. 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, 2022

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 a receivable. The Authority does not record interest because 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, California

Report on Compliance for Measure BB Program

Opinion on Compliance for Measure BB Program

We have audited the Livermore Amador Valley Transit Authority 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 (Funding Agreement) that could have a direct and material effect on the Alameda County Transportation Commission Measure BB Program for the year ended June 30, 2022.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Measure BB Program for the year ended June 30, 2022.

Basis for Opinion on the Measure BB 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 Authority 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 BB Program. Our audit does not provide a legal determination of the Authority'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 BB 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 Authority'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 Authority's compliance with the requirements of the Measure BB 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 Authority'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 Authority'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 Authority'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 a federal 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 a Measure BB 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 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.

We have also issued separate Memorandum on Internal Control date November 1, 2022 which is a critical part of our audit 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.

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Pleasant Hill, California
November 1, 2022

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