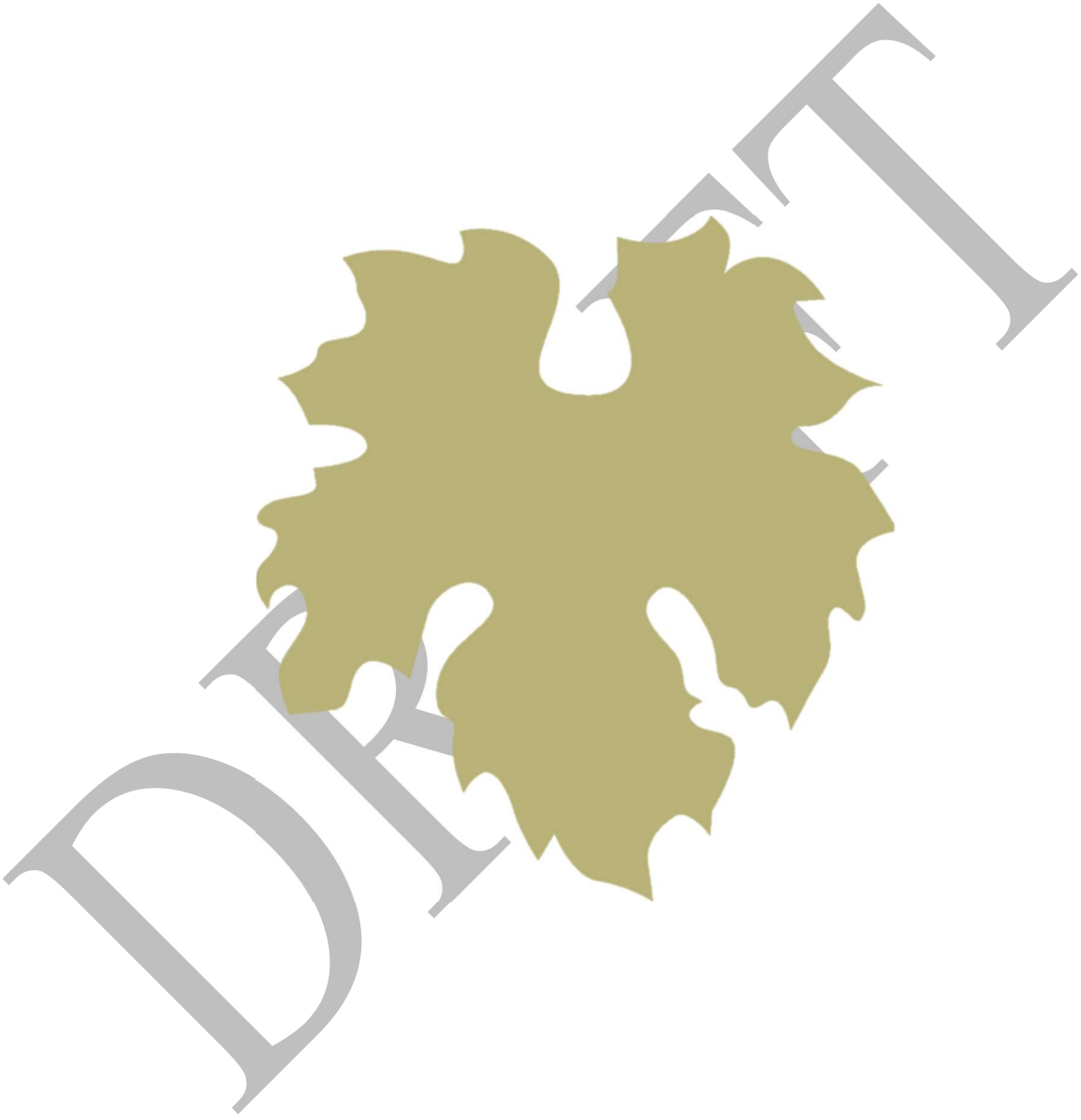




CITY OF LIVERMORE

**ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB FUNDS
FINANCIAL STATEMENTS**

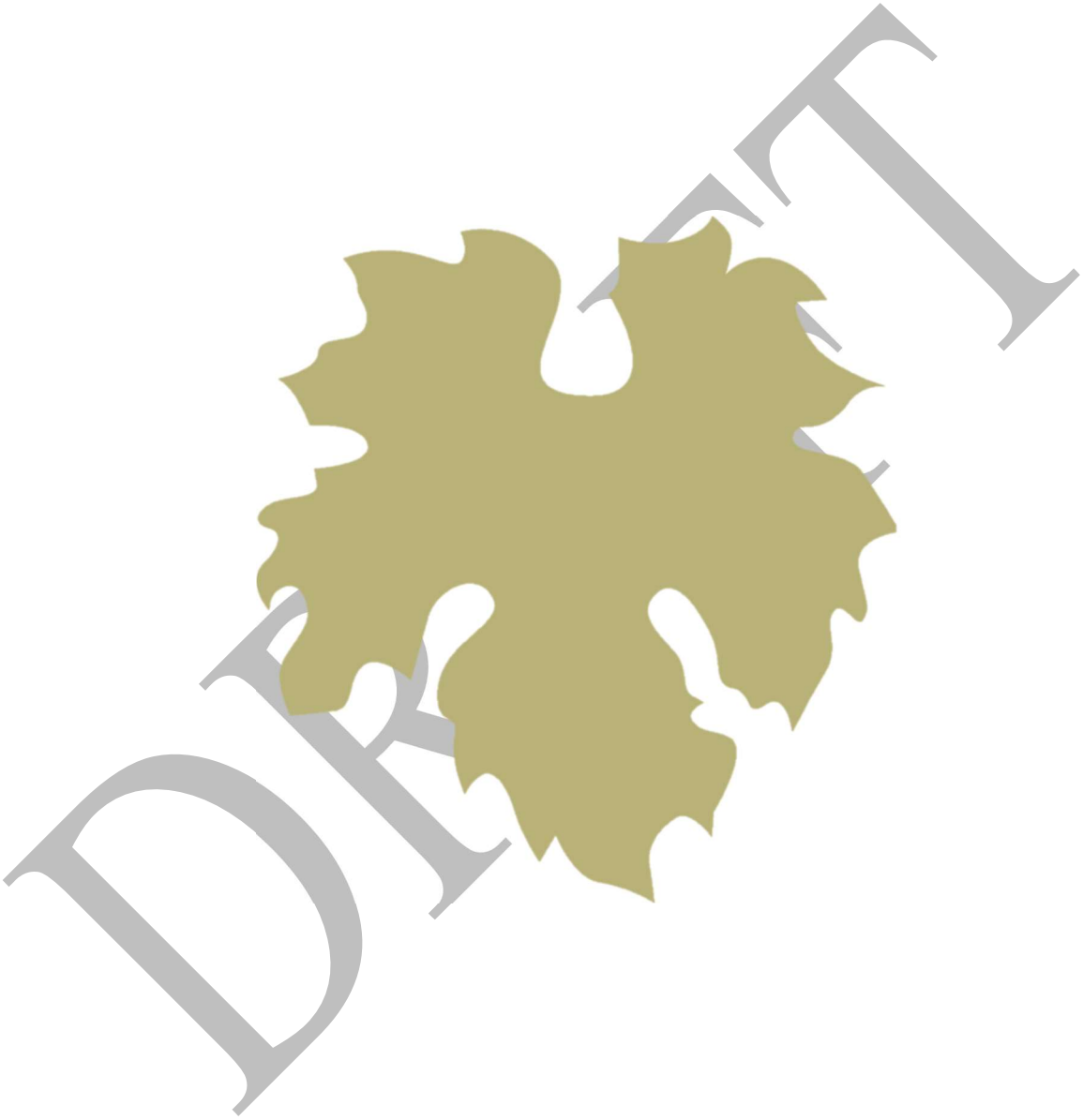
FOR THE FISCAL YEAR ENDED JUNE 30, 2022



**CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Table of Contents

	<u>Page</u>
<i>Independent Auditor's Report</i>	1
<i>Financial Statements:</i>	
Balance Sheet	4
Statement of Revenues, Expenditures and Changes in Fund Balances	5
Notes to Financial Statements	6
<i>Independent Auditor's Report on Measure BB Compliance</i>	9



Independent Auditor's Report

The Honorable City Council
City of Livermore, California

Report on the Audit of the Financial Statements

Opinions

We have audited the Financial Statements of the Measure BB Fund, a special revenue fund of City of Livermore, California (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure BB Fund of the City, as of June 30, 2022, and the respective changes in financial position 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 requirements 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.

Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 City'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 opinions. 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 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 there is a substantial likelihood that, 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 GAAS 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 City'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 City'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 specific to Measure BB are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the City as of June 30, 2022, and the changes in its financial position 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.

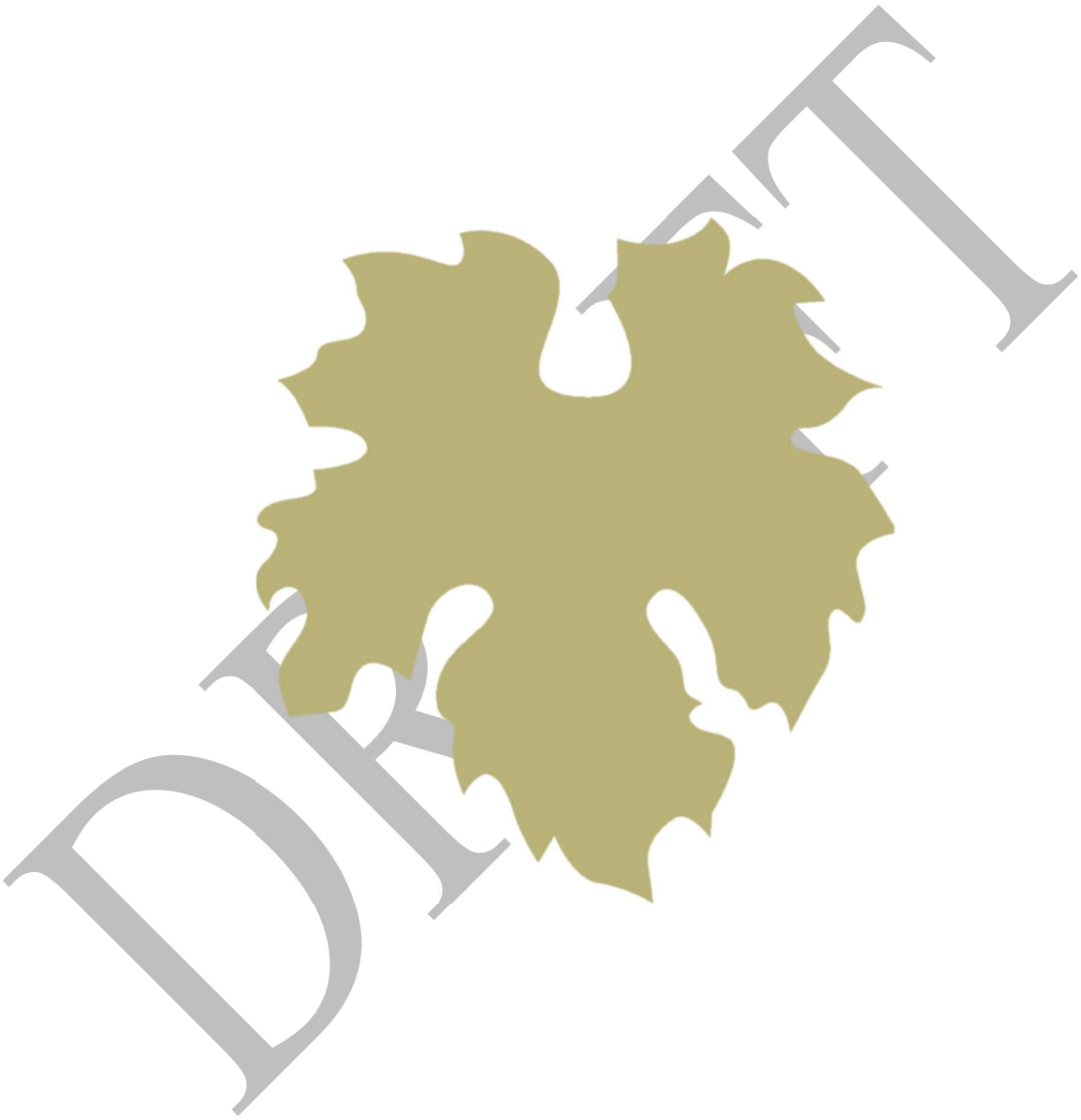
Required Supplementary Information

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

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

Menlo Park, California
REPORT DATE



**CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB FUNDS**

**BALANCE SHEET
As of June 30, 2022**

	<u>Bike and Pedestrian</u>	<u>Local Streets and Roads</u>	<u>Total</u>
ASSETS			
Cash and Investments	\$ 596,962	\$ 3,179,269	\$ 3,776,231
Measure BB Direct Local Distribution Program Receivable	155,827	638,893	794,720
Total Assets	<u><u>\$ 752,789</u></u>	<u><u>\$ 3,818,162</u></u>	<u><u>\$ 4,570,951</u></u>
FUND BALANCE			
Restricted for Measure BB Programs and Projects	752,789	3,818,162	4,570,951
Total Fund Balances	<u><u>752,789</u></u>	<u><u>3,818,162</u></u>	<u><u>4,570,951</u></u>
Total Liabilities & Fund Balances	<u><u>\$ 752,789</u></u>	<u><u>\$ 3,818,162</u></u>	<u><u>\$ 4,570,951</u></u>

See accompanying notes to financial statements

**CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2022**

	<u>Bike and Pedestrian</u>	<u>Local Streets and Roads</u>	<u>Total</u>
REVENUES			
Measure BB Direct Local Distribution			
Program Revenue			
Direct Local Distribution Funds Allocation	\$ 379,562	\$ 1,556,219	\$ 1,935,781
Interest	(14,847)	(76,034)	(90,881)
Total Program Revenues	<u>364,715</u>	<u>1,480,185</u>	<u>1,844,900</u>
EXPENDITURES			
Measure BB Direct Local Distribution			
Expense			
General Government	780	48,470	49,250
Construction	85,599	297	85,896
Total Program Expenditures	<u>86,379</u>	<u>48,767</u>	<u>135,146</u>
REVENUES OVER (UNDER) EXPENDITURES/ NET CHANGE IN FUND BALANCE	<u>278,336</u>	<u>1,431,418</u>	<u>1,709,754</u>
FUND BALANCES			
Beginning Fund Balance	474,453	2,386,744	2,861,197
Ending Fund Balance	<u>\$ 752,789</u>	<u>\$ 3,818,162</u>	<u>\$ 4,570,951</u>

See accompanying notes to financial statements

**CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
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A. *Reporting Entity*

All transactions of the Alameda County Transportation Commission - Measure BB Funds (Measure BB Funds) of the City of Livermore, California (City), are included as a separate special revenue fund in the basic financial statements of the City. The Measure BB Funds are used to account for the City's share of revenues earned and expenditures incurred under the City's local streets and roads, and bike and pedestrian programs. The accompanying financial statements are for the Measure BB Funds only and are not intended to fairly present the financial position of the City and the results of its operations.

B. *Basis of Accounting*

The accompanying financial statements are prepared on the modified accrual basis of accounting. Revenues are generally recorded when measurable and available, and expenditures are recorded when the related liabilities are incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a "*current financial resources*" measurement focus, wherein only current assets and current liabilities generally are included on the balance sheets. Operating statements of governmental funds present increased (revenues and other financing sources) and decreased (expenditures and other financing uses) in net current assets.

C. *Description of Funds*

The accounts are maintained on the basis of fund accounting. A fund is a separate accounting entity with a self-balancing set of accounts. The City uses Special Revenue Funds to account for the proceeds of specific revenues (other than for capital projects) that are legally restricted to be expended for specified purposes.

D. *Capital Assets*

Capital assets, consisting primarily of infrastructure, are recorded as expenditures and are not capitalized since they will be maintained by the City.

E. *Use of Estimates*

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**CITY OF LIVERMORE
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – CASH AND INVESTMENTS

Cash and investments are maintained on a pooled basis with those of other funds of the City. Pooled cash and investments consist of U.S. Treasury or its agencies, money market funds investing in such obligations, negotiable certificates of deposit, commercial paper and medium-term corporate notes that meet specified rating requirements, mutual funds, guaranteed investment contracts, repurchase agreements, reverse repurchase agreements when authorized by the City's Council, the State Treasurer's investment pool (Local Agency Investment Fund), and banker's acceptances. The City did not enter into any reverse repurchase agreements during 2021-2022. All investments are stated at fair value. Pooled investment earnings are allocated quarterly based on the average quarterly cash and investment balances of the various funds are related entities of the City. Due to the recent federal rate hikes occurring at the end of fiscal year 2022, the City ended with a large adjustment to fair market value of pooled cash, resulting in negative interest income in the fiscal year.

See the City's Annual Comprehensive Financial Report for disclosures related to cash and investments and the related custodial risk categorization.

NOTE 3 – MEASURE BB FUNDS

Under Measure BB, approved by the voters of Alameda County in 2014, the City receives a portion of the proceeds of an additional 0.5 percent sales tax to be used for transportation-related expenditures. These measures were adopted with the intention that the funds generated by the additional sales tax will not fund expenditures previously paid by property taxes but, rather, would be used for additional projects and programs.

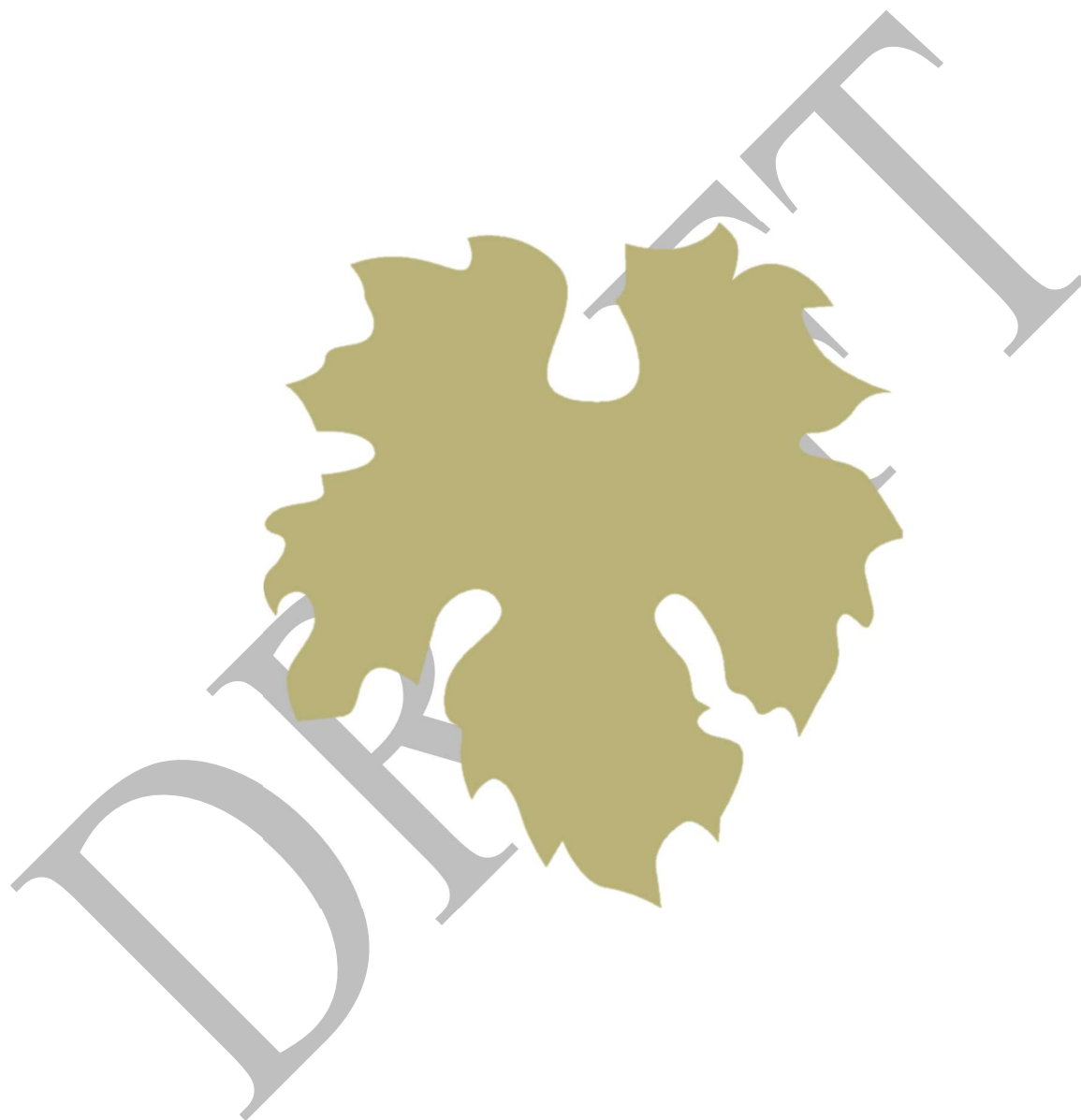
Projects funded by Measure BB 2014 were as follows:

Local Streets and Roads - To improve, repair, and overlay city streets.

Bike and Pedestrian - To provide sidewalk and ADA improvements and to implement the bikeway network.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The City participates in several grant programs. These programs have been audited by the City'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 City expects such amounts, if any, to be immaterial.



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable City Council
City of Livermore, 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 Measure BB Fund (Measure BB Fund) of the City of Livermore, California (City), as of and for the year ended June 30, 2022, and have issued our report thereon dated [Report Date]. Our opinion included an emphasis of matter as discussed in Note 1, that the financial statements present only the Fund specific to Measure BB Fund and are not intended to present fairly the financial position and results of operations of the City in conformity with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 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 over financial reporting 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure BB Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements including the applicable compliance requirements specified in the Measure BB agreement between the City and Alameda County Transportation Commission, and noncompliance with which could have a direct and material effect on the financial statements. 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*.

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

Menlo Park, California

REPORT DATE