

**CITY OF OAKLAND**  
**ALAMEDA COUNTY TRANSPORTATION**  
**COMMISSION**  
**MEASURE F FUNDS**

**FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**CITY OF OAKLAND  
ALAMEDA COUNTY TRANSPORTATION COMMISSION  
MEASURE F FUNDS  
FINANCIAL STATEMENTS  
JUNE 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the  
City Council of the City of Oakland  
Oakland, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the Alameda County Transportation Commission (Alameda CTC) - Measure F Funds of the City of Oakland, California (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City'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 respective financial position of the City, as of June 30, 2023, 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 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 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.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 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.

## INDEPENDENT AUDITOR'S REPORT(CONTINUED)

### *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 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 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 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 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.

## INDEPENDENT AUDITOR'S REPORT(CONTINUED)

### *Emphasis of Matter*

As discussed in Note 1, the financial statements of the Alameda CTC – Measure F Funds of the City present only the Measure F Funds and are not intended to present fairly the financial position of the City and the results of its operations in conformity with generally accounting principles accepted in the United States of America.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023, 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 City's internal control over financial reporting and compliance.

*Grant & Smith, LLP*

Oakland, California  
December 29, 2023

**CITY OF OAKLAND  
ALAMEDA COUNTY TRANSPORTATION COMMISSION  
MEASURE F FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2023**

	<b>Streets &amp; Roads</b>
<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 2,929,551
Receivables:	
Measure F Allocation	316,214
Interest Receivable	26,028
Prepaid	
<b>TOTAL ASSETS</b>	<b>\$ 3,271,793</b>
<b>LIABILITIES &amp; FUND BALANCE</b>	
<b>LIABILITIES:</b>	
Accounts Payable	\$ 13,144
<b>TOTAL LIABILITIES</b>	<b>13,144</b>
<b>FUND BALANCE:</b>	
Restricted Fund Balance	3,258,649
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 3,271,793</b>

*See accompanying notes.*

**CITY OF OAKLAND  
ALAMEDA COUNTY TRANSPORTATION COMMISSION  
MEASURE F FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Streets &amp; Roads</b>
	<hr/>
<b>REVENUES:</b>	
Measure F Allocation	\$ 1,723,912
Interest on Investments	70,565
Unrealized Gain/(Loss)	12,114
	<hr/>
<b>TOTAL REVENUES</b>	<b>1,806,591</b>
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<b>EXPENDITURES:</b>	
Public Works	
Professional & Specialized Services	1,155,143
	<hr/>
<b>TOTAL EXPENDITURES</b>	<b>1,155,143</b>
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<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>651,448</b>
<b>BEGINNING FUND BALANCE</b>	<b>2,607,201</b>
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<b>ENDING FUND BALANCE</b>	<b>\$ 3,258,649</b>
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*See accompanying notes.*

**CITY OF OAKLAND  
ALAMEDA COUNTY TRANSPORTATION COMMISSION  
MEASURE F FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**General**

**Reporting Entity**

Measure F, approved and reauthorized by the voters of the City of Oakland on November, 2010, authorized Alameda CTC to administer the proceeds from a \$10 per year vehicle registration fee on each annual motor-vehicle registration or renewal of registration in the City of Oakland. Transactions of the Alameda CTC Measure F funds of the City of Oakland are included, as separate funds, in the basic financial statements of the City of Oakland. The City of Oakland uses Measure F Funds to account for expenditures incurred in the City's Local Streets and Roads.

The accompanying financial statements are for Measure F Funds only, and are not intended to fairly present the financial position of the City of Oakland and the results of its operations and changes in fund balances.

**Measurement Focus and Basis of Accounting**

The accompanying financial statements are reported using the *current financial resources measurement focus* and the *modified accrual* basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 120 days after the end of the current fiscal year. Expenditures are recorded when the liability is incurred and is expected to be liquidated with expendable available resources.

**Cash and Investments**

Cash and investments for Measure F Funds are maintained in the City's cash and investment pool. Funds are invested according to the investment policy adopted by the City Council. Investments are generally carried at fair value. Relevant information about the separate portion of the investment pool related to Measure F is not available.

Information regarding the characteristics of the entire investment pool can be found in the City's June 30, 2023 Annual Comprehensive Financial Report (ACFR) under the basic financial statements. Income earned or losses arising from the investment of pooled cash are allocated on a monthly basis to the participating funds based on their proportionate share of the average daily cash balance.



**CITY OF OAKLAND  
ALAMEDA COUNTY TRANSPORTATION COMMISSION  
MEASURE F FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**Fund Balance**

Reservations of fund balances indicate those portions of fund equity that are not available for appropriation for expenditure or which have been legally restricted to specific use. Encumbrances outstanding at fiscal year end are reported as reservation of fund balances and the related appropriation is automatically carried forward into the next fiscal year. Encumbrances do not constitute expenditures or liabilities because the commitments will be honored during the subsequent fiscal year.

At June 30, 2023, \$3,258,649 of Measure F fund balance was temporarily restricted for use in programs imposed by Alameda CTC stipulations. These stipulations may expire with time or may be satisfied and removed by the actions of Alameda CTC. Upon expiration, satisfaction or removal, the associated net assets are released from temporary restriction and reported as unrestricted fund balances.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported balances. Accordingly, actual results could differ from those estimates.

**NOTE 2 – SELF INSURANCE**

The City of Oakland is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City is self-insured for its general liability, worker's compensation, malpractice liability, general and auto liability and has excess reinsurance with the California State Association of Counties.

**NOTE 3 – COMMITMENTS AND CONTINGENCIES**

As of June 30, 2023, \$812,482 of Measure F Funds were committed to cover anticipated costs of completing street resurfacing projects and programs. Of the balance of \$3,258,649 the City will appropriate for various capital improvements street resurfacing projects.

**CITY OF OAKLAND  
ALAMEDA COUNTY TRANSPORTATION COMMISSION  
MEASURE F FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 – MEASURE F FUNDS IN THE CITY’S BASIC FINANCIAL STATEMENTS**

Measure F funds are grouped with other funds under “Traffic Safety and Control” as a part of Non Major Governmental Funds (Special Revenue Funds) in the City’s June 30, 2023, Annual Comprehensive Financial Report (ACFR) under the basic financial statements. That report may be obtained by writing to the Financial Management Agency, Accounting Division City of Oakland, 150 Frank H. Ogawa Plaza, Suite 6353, Oakland, California 94612-2093.

See the City’s Annual Comprehensive Financial Report (ACFR) for disclosures related to cash and investments as prescribed by Governmental Accounting Standards Board. The ACFR may be obtained from the City’s finance department.

**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**

To the Honorable Mayor and Members of the  
City Council of the City of Oakland  
Oakland, 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 Alameda County Transportation Commission (Alameda CTC) - Measure F Funds of the City of Oakland, California (the City) , as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 29, 2023.

**Report on 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 a 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 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 or significant deficiencies may exist that were not identified.

**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  
(Continued)**

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Grant & Smith, LLP*

Oakland, California  
December 29, 2023

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH MEASURE F REQUIREMENTS**

To the Honorable Mayor and Members of the  
City Council of the City of Oakland  
Oakland, California

### **Report on Compliance for Measure F Fund**

#### ***Opinion on Measure F Fund***

We have audited Alameda County Transportation Commission (Alameda CTC) - Measure F Funds of the City of Oakland, California (the City)'s compliance with the types of compliance requirements identified in the agreement between the City and Alameda County Transportation Commission Applicable to Measure F Funds, that could have a direct on the City's Measure F Funds, for the year ended June 30, 2023

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Measure F Funds for the year ended June 30, 2023.

#### ***Basis for Opinion on Measure F Fund***

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 the audit requirements of Alameda County Transportation Commission applicable to Measure F. Our responsibilities under those standards and the Uniform Guidance 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 City 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 each major federal program. Our audit does not provide a legal determination of the City'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 City's Measure F programs.

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH MEASURE F REQUIREMENTS (Continued)

### *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 City'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 generally accepted auditing standards, *Government Auditing Standards*, and the Agreement between the City and Alameda County Transportation Commission 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 City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 City'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 City'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 Alameda County Transportation Commission, but not for the purpose of expressing an opinion on the effectiveness of the City'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*

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
MEASURE F REQUIREMENTS (Continued)**

**Report on Internal Control over Compliance (Continued)**

*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 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 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.

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 of the Agreement with Alameda County Transportation Commission. Accordingly, this report is not suitable for any other purpose.

*Grant & Smith, LLP*

Oakland, California  
December 29, 2023