

CITY OF OAKLAND

Alameda County Transportation Commission -
Measure BB Funds

Independent Auditor's Reports,
Financial Statements,
and Independent Accountant's Report

For the Year Ended June 30, 2025

CITY OF OAKLAND
Alameda County Transportation Commission -
Measure BB Funds
For the Year Ended June 30, 2025

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the total columns of the financial statements of the Alameda County Transportation Commission – Measure BB Funds (Funds) of the City of Oakland, California (City), as of and for the year ended June 30, 2025, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Funds as of June 30, 2025, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 opinion.

Emphasis of Matter

As discussed in Note 2(a) to the financial statements, the financial statements present only the Funds and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2025, 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.

Responsibilities of Management for the Financial Statements

The City's 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.

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 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.

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2026, on our consideration of the City's internal control over the Funds' 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 the Funds' 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 the Funds' financial reporting and compliance.

Macias Gini É O'Connell LLP

Walnut Creek, California
January 26, 2026

CITY OF OAKLAND
 Alameda County Transportation Commission - Measure BB Funds
 Combining Balance Sheet
 June 30, 2025

	Local Streets and Roads	Bicycle and Pedestrian	Paratransit	Total
Assets				
Cash and investments	\$ 28,930,753	\$ 4,338,464	\$ 4,251,535	\$ 37,520,752
Measure BB sales taxes receivable	4,938,747	503,810	538,659	5,981,216
Interest receivable	265,249	39,306	39,869	344,424
Total assets	\$ 34,134,749	\$ 4,881,580	\$ 4,830,063	\$ 43,846,392
Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 3,056,924	\$ 287,388	\$ 498,795	\$ 3,843,107
Fund Balances				
Restricted for transportation	31,077,825	4,594,192	4,331,268	40,003,285
Total liabilities and fund balances	\$ 34,134,749	\$ 4,881,580	\$ 4,830,063	\$ 43,846,392

See accompanying Notes to Financial Statements.

CITY OF OAKLAND

Alameda County Transportation Commission - Measure BB Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2025

	Local Streets and Roads	Bicycle and Pedestrian	Paratransit	Total
Revenues				
Measure BB sales tax	\$ 28,150,902	\$ 2,871,720	\$ 3,070,361	\$ 34,092,983
Interest and investment income	1,560,550	218,374	190,728	1,969,652
Change in fair value of investments	113,050	16,908	17,583	147,541
Other	-	-	1,154	1,154
Total revenues	29,824,502	3,107,002	3,279,826	36,211,330
Expenditures				
Public works and transportation	42,424,133	4,319,101	3,555,666	50,298,900
Net change in fund balance	(12,599,631)	(1,212,099)	(275,840)	(14,087,570)
Fund balance - beginning	43,677,456	5,806,291	4,607,108	54,090,855
Fund balance - ending	\$ 31,077,825	\$ 4,594,192	\$ 4,331,268	\$ 40,003,285

See accompanying Notes to Financial Statements.

CITY OF OAKLAND
Alameda County Transportation Commission - Measure BB Funds
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 1 – DESCRIPTION OF REPORTING ENTITY

Under Measure BB approved by the voters of Alameda County on November 4, 2014, the City of Oakland (City) receives a formulaic-based portion of the Measure BB sales tax collection to be used for local transportation-related expenditures. The duration of the tax will be 30 years from the initial year of collection, which began April 1, 2015 and will expire on March 31, 2045. From April 1, 2015 to March 31, 2022, Measure BB consisted of a one-half percent sales tax to augment the existing 2000 Measure B sales tax until the expiration of the 2000 Measure, which occurred on March 31, 2022. From April 1, 2022 to March 31, 2045, the Measure BB collections consist of a full one percent sales tax dedicated to transportation expenditures.

The accompanying financial statements are prepared from the accounts and financial transactions of the City for the Alameda County Transportation Commission – Measure BB Funds (Funds). The Funds are used to account for the City’s share of revenues earned and expenditures incurred for the City’s Local Streets and Roads, Bicycle and Pedestrian, and Paratransit programs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The Measure BB Funds have been accounted for in special revenue funds and are included in the City’s basic financial statements in the Traffic Safety & Control nonmajor governmental fund. Special revenue funds are used to account for proceeds from specific revenue sources that are restricted or committed to specific purposes other than debt service or capital projects.

The financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2025, 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. The Fund represents a portion of the activities of the City and, as such, are included in the City’s basic financial statements.

(b) Basis of Accounting

The accompanying financial statements have been prepared on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recorded when the related governmental fund liabilities are incurred. Revenues, including sales taxes and interest and investment income, are recognized when they become measurable and available. Revenues are considered to be available if they are collected within 90 days of the year-end.

(c) Fund Balance

The City established a policy on Governmental Fund Balance Financial Reporting to provide necessary clarification on the terminology used in the fund balance classifications and assist with adhering to the requirements of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 outlines the requirement to report the fund balance for governmental funds in specific classifications (nonspendable, restricted, committed, assigned and unassigned), which create a hierarchy primarily based on the extent to which the City is bound to the constraints on the specific purposes for which

CITY OF OAKLAND

Alameda County Transportation Commission - Measure BB Funds
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

funds can be spent. The Funds only receive restricted revenues and have restricted fund balance at June 30, 2025. Restricted fund balance represents amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

(d) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments represent the Funds' share of the City Treasury's pool. All of the Funds' cash and investments are deposited in the City Treasury's pool as described in the City's *Annual Comprehensive Financial Report*, which can be obtained from the City's Department of Finance. Investments in the pool are made in accordance with the City's investment policy as approved by the City Council. Investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Pools* and GASB Statement No. 72, *Fair Value Measurement and Application*. However, the value of the pool shares in the City Treasury's pool that may be withdrawn is determined on an amortized cost basis, which is different from the fair value of the Funds' position in the pool. Interest earned from time deposits and investments is allocated monthly to the Funds based on average daily cash balance. At June 30, 2025, the City Treasury's pool is unrated and has a weighted average maturity of 222 days. The Funds' investment in the City Treasury's pool is exempt from fair value hierarchy disclosure.

**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***

Honorable Mayor and Members
of the City Council
City of 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 (*Government Auditing Standards*), the financial statements of the Alameda County Transportation Commission – Measure BB Funds (Funds) of the City of Oakland, California (City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated January 26, 2026.

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 the Funds' financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Funds' 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.

Macias Gini & O'Connell LLP

Walnut Creek, California

January 26, 2026

**Independent Accountant's Report on Compliance with
the Agreement Between the City of Oakland and the
Alameda County Transportation Commission Applicable to the Measure BB Funds**

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

We have examined the City of Oakland, California's (City) compliance with the requirements described in the Agreement between the City and the Alameda County Transportation Commission (Agreement) applicable to the Measure BB Funds for the year ended June 30, 2025. Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, the City complied, in all material respects, with the specified requirements described in the Agreement applicable to the Measure BB Funds for the year ended June 30, 2025.

This report is intended solely for the information and use of the Alameda County Transportation Commission, the City Council, and City management and is not intended to be and should not be used by anyone other than these specified parties.



Walnut Creek, California
January 26, 2026