

# City of Piedmont

## Measure BB Funds

Piedmont, California

*Financial Statements and  
Independent Auditor's Reports*

*For the year ended June 30, 2025*



City of Piedmont  
Measure BB Fund  
For the year ended June 30, 2025

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## INDEPENDENT AUDITOR'S REPORT

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

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

#### *Opinions*

We have audited the financial statements of the Measure BB Fund of the City of Piedmont, 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 present fairly, in all material respects, the respective financial position of the Measure BB Fund of the City, as of June 30, 2025, 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. 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 Fund 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, the financial statements present only the Measure BB Fund and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2025, and 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.

Management has omitted a management's discussion and analysis 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 financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***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.

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 Measure BB Fund'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 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, 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 Measure BB Fund'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 Measure BB Fund'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.

To the Honorable Mayor and Members of the City Council  
of the City of Piedmont  
Piedmont, California  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2025 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 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.

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

Badawi & Associates, CPAs  
Emeryville, California  
December 29, 2025

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# City of Piedmont

## Measure BB Fund

### Balance Sheet

June 30, 2025

	Streets and Roads	Bikes and Pedestrians	Total
<b>ASSETS:</b>			
Cash and investments	\$ 2,422,942	\$ 460,183	\$ 2,883,125
Other receivables	175,200	12,779	187,979
Accrued interest receivable	18,126	-	18,126
<b>Total assets</b>	<b>\$ 2,616,268</b>	<b>\$ 472,962</b>	<b>\$ 3,089,230</b>
<b>LIABILITIES AND FUND BALANCES:</b>			
Accounts payable	\$ -	\$ 390,020	\$ 390,020
<b>Total liabilities</b>	<b>-</b>	<b>390,020</b>	<b>390,020</b>
<b>Fund Balances:</b>			
Restricted for Measure BB capital projects	2,616,268	82,942	2,699,210
<b>Total fund balances</b>	<b>2,616,268</b>	<b>82,942</b>	<b>2,699,210</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,616,268</b>	<b>\$ 472,962</b>	<b>\$ 3,089,230</b>

See accompanying Notes to Financial Statements.

# City of Piedmont

## Measure BB Fund

### Statement of Revenues, Expenditures and Changes in Fund Balances

For the year ended June 30, 2025

	<u>Streets and Roads</u>	<u>Bikes and Pedestrians</u>	<u>Total</u>
<b>REVENUES:</b>			
Measure BB pass-through revenues			
pass-through allocation	\$ 998,641	\$ 72,838	\$ 1,071,479
Interest income	104,827	-	104,827
<b>Total revenues</b>	<u>1,103,468</u>	<u>72,838</u>	<u>1,176,306</u>
<b>EXPENDITURES:</b>			
Public works	<u>186,453</u>	<u>-</u>	<u>186,453</u>
<b>Total expenditures</b>	<u>186,453</u>	<u>-</u>	<u>186,453</u>
<b>NET CHANGE IN FUND BALANCE</b>	917,015	72,838	989,853
<b>FUND BALANCES:</b>			
Beginning of year	<u>1,699,253</u>	<u>10,104</u>	<u>1,709,357</u>
End of year	<u>\$ 2,616,268</u>	<u>\$ 82,942</u>	<u>\$ 2,699,210</u>

See accompanying Notes to Financial Statements.

**City of Piedmont**  
**Measure BB Fund**  
**Notes to Financial Statements**  
**For the year ended June 30, 2025**

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**1. BACKGROUND - MEASURE BB**

Measure BB is a tax that was approved by the voters of Alameda County in November 2014, which implemented a 30-year Transportation Expenditure Plan. The measure extended Measure B which was the original 0.5 percent transportation sales tax approved in 2000 from ending April 1, 2022, to April 1, 2045, and increased the tax by 0.5 percent. This resulted in a 1 percent total sales tax in the County dedicated to transportation expenses. The City receives a portion of the proceeds to be used for transportation-related expenditures. The Measure BB Fund accounts for the direct funding from the measure for local street projects and bicycle and pedestrian projects based on population and road mileage provided by the additional 0.5 percent.

Projects funded by Measure BB during the year were as follows:

Street Resurfacing - To improve, repair, and overlay cities streets.

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

The pool of funds held by the County is allocated among the cities in the County, based on the cities' populations and the number of roads within their city limits for other transportation-related projects. Funds allocated for streets and roads, bike lanes and pedestrian lanes are recorded as a special revenue fund.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

All transactions of the Measure BB Fund of the City of Piedmont, California are included as separate special revenue and capital project funds in the basic financial statements of the City. The financial statements are intended to present the financial position, results of operations and cash flows of only transactions recorded under the Measure BB Fund. The fund itself is included in the financial statements of the City.

**B. Basis of Presentation**

The Measure BB Fund's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

**City of Piedmont**  
**Measure BB Fund**  
**Notes to Financial Statements**  
**For the year ended June 30, 2025**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**C. Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

All governmental funds are reported using the *current financial resources* measurement focus and the modified *accrual* basis of accounting. Revenues are recorded when measurable and available and expenditures are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

**D. Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles 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.

**3. CASH AND INVESTMENTS**

The Measure BB fund participates in the City's cash and investment pool. See the City's Basic Financial Statements for disclosures related to cash and investments and the related custodial risk categorization.

**4. COMMITMENTS AND CONTINGENCIES**

The City participates in several grant programs. These programs did not require a Single Audit during the year ended June 30, 2025. However, these programs are 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.

**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**

**Independent Auditor's Report**

To the Honorable Mayor and Members  
of City Council of the City of Piedmont  
Piedmont, 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 of the City of Piedmont, 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 December 29, 2025.

**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 in relation to Measure BB Fund (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 may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Measure BB Fund'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.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is stylized, with a large, looped initial 'B' and a cursive script for the rest of the name.

Badawi & Associates, CPAs  
Emeryville, California  
December 29, 2025

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER COMPLIANCE FOR MEASURE BB**

**Independent Auditor's Report**

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

**Report on Compliance for Measure BB**

***Opinion on Compliance for Measure BB***

We have audited City of Piedmont's (City) compliance with the types of compliance requirements described in the agreement between the City and Alameda County Transportation Commission that could have a direct and material effect on its Measure BB Fund for the year ended June 30, 2025.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Measure BB Fund for the year ended June 30, 2025.

***Basis for Opinion on Measure BB***

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 the agreement between the City and Alameda County Transportation Commission. Our responsibilities under those standards and 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 the City's Measure BB Fund. Our audit does not provide a legal determination of the Measure BB Fund'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 BB Fund.

### ***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 Measure BB Fund'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 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 Measure BB Fund's compliance with the requirements of the agreement between the City and Alameda County Transportation Commission.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the agreement between the City and Alameda County Transportation Commission, 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 Measure BB Fund'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 the agreement between the City and Alameda County Transportation Commission, but not for the purpose of expressing an opinion on the effectiveness of 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.

### ***Other Matters***

Under Measure BB, approved by the voters of Alameda County in 2014, the City has received a total of 12 months of revenue from July 2024 through June 2025. The Local Street and Roads program has received \$998,641 and the Bike and Pedestrians program has received \$72,838.



### **Report on Internal Control over Compliance**

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 below. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

*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 the agreement between the City and the Alameda County Transportation Commission 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 the agreement between the City and the Alameda County Transportation Commission 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 the agreement between the City and the Alameda County Transportation Commission 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 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 between the City and the Alameda County Transportation Commission. Accordingly, this report is not suitable for any other purpose.



Badawi & Associates, CPAs  
Emeryville, California  
December 29, 2025