

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

MEASURE BB FUNDS

June 30, 2022

DRAFT
ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

MEASURE BB FUNDS
June 30, 2022

CONTENT

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MEASURE BB FUNDS AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE; REPORT ON COMBINING BALANCE SHEET, COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND SCHEDULE OF REVENUES AND EXPENSES.....	1
COMBINING BALANCE SHEET.....	3
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE	4
SCHEDULE OF REVENUES AND EXPENSES	5



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MEASURE BB FUNDS
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE; REPORT ON COMBINING BALANCE
SHEET, COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES AND SCHEDULE OF REVENUES AND EXPENSES

Board of Directors
Alameda-Contra Costa Transit District
Oakland, California

Report on Compliance for Measure BB Funds

Opinion on Measure BB Funds Compliance

We have audited Alameda-Contra Costa Transit District's (District) compliance with the types of compliance requirements identified as subject to audit in the Measure BB 2014 Expenditure Plan, issued by the Alameda County Transportation Commission, that could have a direct and material effect on the District's Measure BB program for the year ended June 30, 2022.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the 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 Measure BB 2014 Expenditure Plan issued by the Alameda County Transportation Commission. Our responsibilities under those standards and the Measure BB 2014 Expenditure Plan 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 District 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 District'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 District's Measure BB program.

(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 District'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 Measure BB 2014 Expenditure Plan 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 District'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 Measure BB 2014 Expenditure Plan, 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 District'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 District'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 Measure BB 2014 Expenditure Plan, but not for the purpose of expressing an opinion on the effectiveness of the District'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 the Measure BB 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 the 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 the Measure BB 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 Measure BB 2014 Expenditure Plan issued by the Alameda County Transportation Commission. Accordingly, this report is not suitable for any other purpose.

Report on Combining Balance Sheet, Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances and Schedule of Revenues and Expenses

We have audited the financial statements of the business-type activities and fiduciary activities of the District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated **December <>, 2022**, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying combining balance sheet, combining schedule of revenues, expenditures, and changes in fund balance, and schedule of revenues and expenses are presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual programs and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet, combining schedule of revenues, expenditures, and changes in fund balance, and schedule of revenue and expenses are fairly stated in all material respects in relation to the basic financial statements as a whole.

Crowe LLP

San Francisco, California
December <>, 2022

DRAFT
 ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
 MEASURE BB FUNDS
 ALAMEDA COUNTY TRANSPORTATION COMMISSION
 COMBINING BALANCE SHEET
 June 30, 2022

	<u>Paratransit</u>	<u>Mass Transit</u>	<u>Total</u>
ASSETS			
Measure BB direct local program distribution receivable	\$ 4,244,986	\$ 17,734,608	\$ 21,979,594
Total assets	<u>\$ 4,244,986</u>	<u>\$ 17,734,608</u>	<u>\$ 21,979,594</u>
FUND BALANCES			
Restricted for:			
Paratransit programs	\$ 4,244,986	\$ -	\$ 4,244,986
Measure BB projects & programs	<u>-</u>	<u>17,734,608</u>	<u>17,734,608</u>
Total fund balances	<u>\$ 4,244,986</u>	<u>\$ 17,734,608</u>	<u>\$ 21,979,594</u>

DRAFT
ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
MEASURE BB FUNDS
ALAMEDA COUNTY TRANSPORTATION COMMISSION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the year ended June 30, 2022

	<u>Paratransit</u>	<u>Mass Transit</u>	<u>Total</u>
REVENUES			
Measure BB direct local program distribution revenue	\$ 10,339,956	\$ 43,198,039	\$ 53,537,995
Total revenues	<u>10,339,956</u>	<u>43,198,039</u>	<u>53,537,995</u>
EXPENDITURES			
Paratransit	7,579,186	-	7,579,186
Transportation and operations	<u>-</u>	<u>31,664,157</u>	<u>31,664,157</u>
Total expenditures	<u>7,579,186</u>	<u>31,664,157</u>	<u>39,243,343</u>
Revenues over/under expenditures	<u>2,760,770</u>	<u>11,533,882</u>	<u>14,294,652</u>
FUND BALANCES			
Beginning fund balance	<u>1,484,216</u>	<u>6,200,726</u>	<u>7,684,942</u>
Ending fund balance	<u>\$ 4,244,986</u>	<u>\$ 17,734,608</u>	<u>\$ 21,979,594</u>

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ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
MEASURE BB FUNDS
SCHEDULE OF REVENUES AND EXPENSES
For the year ended June 30, 2022

Revenues	
Paratransit - AC Transit	\$ 10,339,956
AC Transit Services	<u>43,198,039</u>
Total revenues	<u>\$ 53,537,995</u>
Operating expenses	
Paratransit - AC Transit	\$ 7,579,186
AC Transit Services	<u>31,664,157</u>
Total operating expenses	<u>\$ 39,243,343</u>