



Fiscal Year 2017-2018
MEASURE B, MEASURE BB, AND VEHICLE REGISTRATION FEE
AUDITED FINANCIAL STATEMENTS AND
PROGRAM COMPLIANCE REPORTING

Reporting Period July 1, 2017 through June 30, 2018

SUBMITTAL GUIDANCE AND REPORTING REQUIREMENTS

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SECTION 1.1 - Reporting Requirements

INTRODUCTION

Jurisdictions eligible for Measure B (MB), Measure BB (MBB), and Vehicle Registration Fee (VRF) Direct Local Distribution (DLD) funds signed a Master Programs Funding Agreement (MPFA) with the Alameda County Transportation Commission (Alameda CTC). This agreement outlines eligible expenditures, reporting requirements, and policies on the timely use of funds.

Each year, jurisdictions are required to submit separate audited financial statements and Program Compliance Reports for these funds demonstrating fulfillment of the MPFA requirements.

This year's reporting period covers Fiscal Year 2017-2018 from July 1, 2017 through June 30, 2018.

KEY DUE DATES

Submittal	Due Dates
Audited Financial Statements	Friday, December 28, 2018 <ul style="list-style-type: none">Electronic version by email
Compliance Reports	Friday, December 28, 2018 <ul style="list-style-type: none">Electronic version by email

STAFF CONTACTS

Financial Questions:	DLD Program Questions:	
Yoana Navarro Accounting Manager (510) 208-7431 ynavarro@alamedactc.org	John Nguyen Senior Transportation Planner (510) 208-7419 jnguyen@alamedactc.org	Andrea Gomez Assistant Transportation Planner (510) 208-7456 agomez@alamedactc.org

SUBMITTAL INSTRUCTIONS

- Submit electronic versions of the Audited Financial Statements and Program Compliance Reports to Andrea Gomez, agomez@alamedactc.org.
- See Section 1.2 Submittal Instructions and requirements.

AUDITED FINANCIAL STATEMENTS REQUIREMENTS

A. Audited Financial Statement: Recipients are required to submit separate audited financial statements for Measure B, Measure BB, and VRF DLD Funds. Each financial statement must include:

1. Independent Auditor's Opinion: Include an independent auditor's opinion on a Balance Sheet, a Statement of Revenues, Expenditures and Changes in Fund Balances and related notes for each program fund type. Alameda CTC recommends this opinion language:

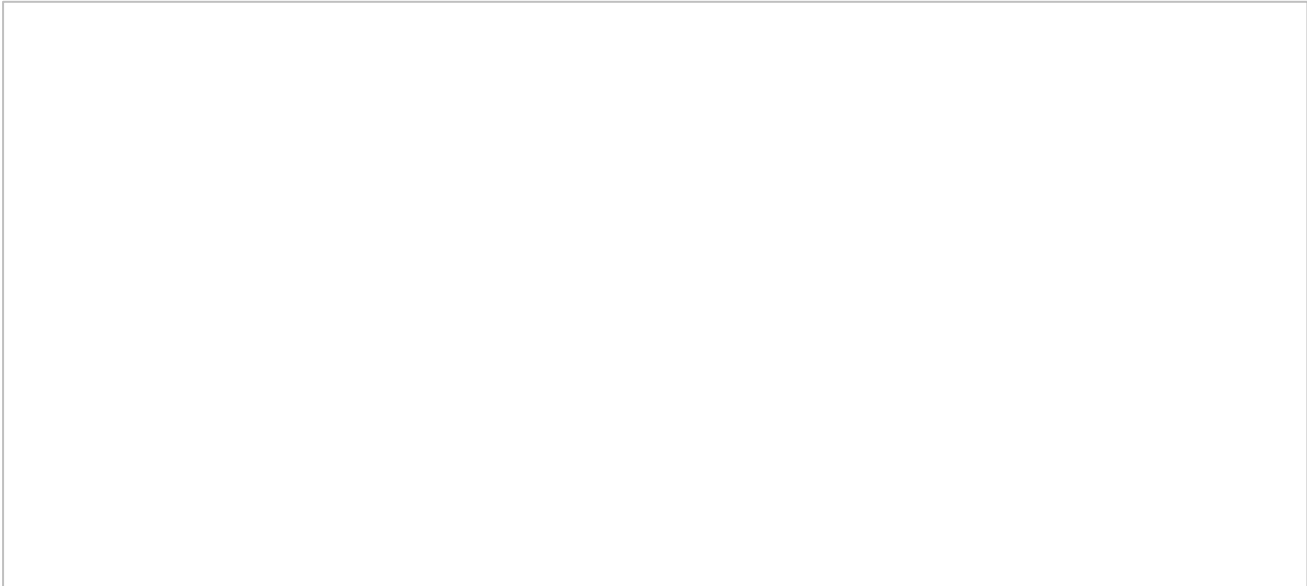
"In our opinion, the City of _____ is in compliance with the laws and regulations, contracts, and grant requirements related to [2000 Measure B, 2014 Measure BB, Vehicle Registration Fee] funds as specified in the agreement between the City and the Alameda County Transportation Commission."

2. Statement of Revenues, Expenditures and Changes in Fund Balances: Each audited financial statement includes a summary of DLD program revenues, interest earnings and expenditures. Refer to Exhibit A - Sample Financial Statement format, on next page.
 - The financial statements should only include DLD funds.
 - All fund accounts should be separate and distinguishable on the statements.
3. Balance Sheet: Each audited financial statement includes a summary of DLD program assets, liabilities, and fund balance. Refer to Exhibit A - Sample Financial Statement format.

B. Specific Requirements

1. **Beginning Fund Balance:** Must equal to the prior year's ending fund balance.
 - **Restatement of Prior Year's Financial Statements:** Explain change i.e. removed non-DLD revenues included in prior year's financials, and restate the prior year's financial statements.
 - **Fund Balance Sheet:** All audited financial statements must include a balance sheet.
2. **Revenues:** Must equal total DLD Program fund revenue received by the agency
 - **Do not include:** Non-DLD revenues such as fares, project specific reimbursements, grant funds or any funds not specifically related to Measure B/BB/VRF DLDs.
3. **Interest:** Report interest earned on DLD funds only.
 - **Interest:** Measure B/BB/VRF interest must be allocated throughout the fiscal year.
 - **GASB 31:** GASB 31 adjustments must be identified separately from the interest line.
4. **Expenditures:** Expenditures reported on the Audited Financial Statements must equal total DLD fund expenditures reported within the program compliance report.
5. **Ending Fund Balance:** Must be the fund balance as of June 30, 2017.
6. **Transfer of Funds:** Transfer of Funds are not allowed. All Measure B/BB/VRF expenditures must appear on the Statement of Revenues, Expenditures and Changes in Fund Balances.
7. **Reporting Consistency:** The dollar amounts in the Audited Financial Statements must match the program compliance reports.

Exhibit A: Sample Financial Statement Format



PROGRAM COMPLIANCE REPORT REQUIREMENTS

A. Measure B / Measure BB / VRF recipients are required to complete a program compliance report that documents the following:

1. **Consistency with Audited Financial Statements:** Revenues/expenditures in the Audited Financial Statements must match the Compliance Reports.
2. **Eligible Expenditures:** Expenditures must be used for eligible program activities. All expenditures must be documented and include a description of the accomplishment and performance of the DLD investment.
3. **Article Publication:** Include documentation of an article published informing the public of Measure B/BB/VRF funded programs/projects.
4. **Website Coverage:** Include documentation of website information informing the public of Measure B/BB/VRF funded programs/projects.
5. **Signage:** Include documentation of posted signage at project sites where Measure B/BB/VRF funds were used.
6. **Bicycle/Pedestrian Master Plan:** Include confirmation of current Local Pedestrian Master Plan AND a Local Bicycle Master Plan OR a combined Local Pedestrian and Bicycle Master Plan. Each plan must be updated, at minimum, every five years. *(Only applicable to Bicycle Pedestrian Program).*
7. **15% of MBB Local Streets and Roads (LSR) funds expended on Bike/Pedestrian improvements:** Report the use of MBB LSR funds on bike/pedestrian improvements (minimum of 15% over the life of the Measure).
8. **Timely Use of Funds:** Demonstrate expeditious use of DLD funds to adhere to the Timely Use of Funds Policies. See Section 1.3.

SECTION 1.2 - Submittal Instructions

Audited Financial Statements

Audited Financial Statements Submittal Instructions	DUE DATE: Friday, December 28, 2018
Electronic submission <ul style="list-style-type: none">• Submit an electronic copy of the Audited Financial Statements to Andrea Gomez, agomez@alamedactc.org.• A hardcopy is NOT required.	

Program Compliance Reports

Program Compliance Report Submittal Instructions	DUE DATE: Friday, December 28, 2018
Download Compliance Reporting Forms <p>The Program Compliance Report includes a Microsoft (MS) Excel Workbook with tabbed sections for each program. The forms are available to download at http://www.alamedactc.org/app_pages/view/4136.</p>	
Electronic submission <ol style="list-style-type: none">1. Complete all applicable sections of the MS Workbook for your agency.2. Include attachments for documenting completion of reporting requirements.<ol style="list-style-type: none">a. Include documentation of articles, newsletters, signage, etc.b. Include (2) max photos per program fund type. Send high-resolution JPEG, GIFs.3. Send MS Excel file, PDF of the attachments, and electronic photos to Andrea Gomez, agomez@alamedactc.org. <p>A hardcopy of the Program Compliance Reports and attachments is NOT required. In lieu of a signature page used in prior years, by submitting the Program Compliance Report to Alameda CTC, the submitting agency is certifying that the reports are accurate and correspond to the Audited Financial Statements.</p>	

Alameda CTC may request additional information for the local agency to better evaluate compliance with program requirements and policies. Additional program requirements, Timely Use of Funds, and reporting instructions are available on Alameda CTC's website: http://www.alamedactc.org/app_pages/view/4136.

SECTION 1.3 - Timely Use of Funds Policies

Timely Use of Funds Policy

In December 2015, the Commission approved the Timely Use of Funds Policies below:

POLICY: RECIPIENT shall not carry a fiscal year ending fund balance greater than 40 percent of the Direct Local Distribution revenue received for that same fiscal year for four consecutive fiscal years, by funding program. Non-compliance with this policy may invoke rescission penalties per the Use it or Lose It Policy.

RECIPIENT may seek an exemption from the Timely Use of Funds Policy through the Annual Program Compliance reporting process. RECIPIENT must demonstrate that extraordinary circumstances have occurred and provide a timely expenditure plan that would justify the exemption. Exemption requests must be submitted to ALAMEDA CTC and approved by the Commission.

IMPLEMENTATION: Through the Annual Program Compliance reporting process, ALAMEDA CTC will monitor the RECIPIENT's annual ending fund balance to revenue received ratio, cumulatively across the RECIPIENT's programmatic categories by fund program, to verify policy compliance.

Each jurisdiction receiving Measure B, Measure BB and Vehicle Registration Fee (VRF) Direct Local Distribution Program funds are required to comply with this policy as referenced in the recently executed 2016 Master Programs Funding Agreement (MPFA) between the jurisdiction and Alameda CTC.

This policy is effective for funds received in Fiscal Year 2016-17, and will be monitored starting with the Fiscal Year 2016-17 program compliance review process.

To better understand the Timely Use of Funds implementation, the following exhibit shows example scenarios of various agencies in compliance and out of compliance.

Refer to the Alameda CTC's website for complete Timely Use of Funds Policies and Use It or Lose It Policy information: http://www.alamedactc.org/app_pages/view/4136.

Exhibit B: Timely Use of Funds Scenarios

SCENARIO 1: Agency OUT of Compliance

- Four consecutive years with an above 40% ratio of Ending Fund Balance to Revenue received each year.
- This agency is out of compliance. Requires exemption request from Timely Use of Funds Policy or penalties under Use it or Lose It.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Row A Starting Fund Balance		\$ 100	\$ 200	\$ 300
Row B Revenue	\$ 100	\$ 100	\$ 100	\$ 100
Row C Expenditures	\$ -	\$ -	\$ -	\$ 300
Row D Ending Fund Balance	\$ 100	\$ 200	\$ 300	\$ 100
% Ratio of Balance/Revenue	100.00%	200.00%	300.00%	100.00%

SCENARIO 2: Agency IN Compliance

- This agency is saving for a large project in YEAR 4.
- This restarts the four year consecutive clock.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Row A Starting Fund Balance	\$ -	\$ 100	\$ 200	\$ 300
Row B Revenue	\$ 100	\$ 100	\$ 100	\$ 100
Row C Expenditures	\$ -	\$ -	\$ -	\$ 361
Row D Ending Fund Balance	\$ 100	\$ 200	\$ 300	\$ 39
% Ratio of Balance/Revenue	100.00%	200.00%	300.00%	39.00%

SCENARIO 3: Agency IN Compliance

- This agency increased YEAR 2 expenditures to come into compliance.
- In YEAR 3 decided to limit expenditures. Still in compliance with "four year consecutive clock" restarting at Year 3.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Row A Starting Fund Balance	\$ -	\$ 100	\$ 39	\$ 139
Row B Revenue	\$ 100	\$ 100	\$ 100	\$ 100
Row C Expenditures	\$ -	\$ 161	\$ -	\$ -
Row D Ending Fund Balance	\$ 100	\$ 39	\$ 139	\$ 239
% Ratio of Balance/Revenue	100.00%	39.00%	139.00%	239.00%

Notes

1. Row A + B - C = D
2. % Ratio of Balance/ Revenue = Row D / Row B

SECTION 1.4 – Monitoring DLD Performance

DLD Performance Measures

DLD recipients are to document the performance and benefits of the projects and programs funded with Measure B, Measure BB, and/or Vehicle Registration Fee funds. The following performance measures are a selection of performance standards that must be documented at minimum by the recipients, as applicable. Additional performance measures may be requested by the Alameda CTC from time to time.

Performance reporting will be done through Alameda CTC’s reporting processes including the annual program compliance reports, annual performance report, and various planning activities, as they are requested and applicable.

Through the Program Compliance Process, the Performance Measures monitored include:

- Current Bicycle and Pedestrian Master Plan(s) – updated within five years.
- Infrastructure investments such as quantity of pavement repaired, pothole repairs, linear feet of sidewalk constructed, traffic signals installed.
- Capital versus Program/Administrative Investments: The investment into capital projects is greater than administrative program expenditures (outreach, staffing, and activities not directly tied to the delivery of a capital improvement).
- Pavement Condition Index: Maintain a city-wide average Pavement Condition Index of 60 (Fair Condition) or above.
- Complete Streets Implementation
- Maintain a 15% annual minimum Measure BB LSR investment to support bicycling and walking
- Ridership and Service utilization and provisions
- Transit On-time Performance

Performance will be evaluated periodically through the aforementioned evaluation reports to determine the effectiveness of investments and to inform future investment decisions.

SECTION 1.5 – Compliance Report Form Guidance

Program Compliance Report Structure

This Program Compliance Report consists of two separate reports: 1) Measure B/BB Compliance Report and 2) VRF Compliance Report. Each report is a single MS Workbook that contains the following:

- Cover - Agency Contact Information
- General Compliance Questions for all programs (Bike/Ped, Local Streets and Roads, Transit, Paratransit)
- Table 1 - Summary of Revenue, Expenditures, and Changes in Fund Balance
- Table 2 - Detailed Summary of Expenditures and Accomplishments

Jurisdictions are expected to complete all relevant sections for which it receives and expends DLD program funds (bike/pedestrian, LSR, Transit, and/or Paratransit).

Table 1: Summary of Revenue, Expenditures, and Changes in Fund Balance

Table 1 is a summary of revenues and expenditures for the fiscal year. The figures reported on this table must correspond to the Audited Financial Statement.

Table 2: Detailed Summary of Expenditures and Accomplishments

Table 2 is a detailed summary of fiscal year expenditures. It describes specific expenditure activities and resulting accomplishments and benefits. Alameda CTC requests jurisdictions to use the following units to describe the quantity of achievements on *Table 2: Expenditures and Accomplishments*. This will standardized the units reported from all fund recipients.

If there are multiple units used for a project, if appropriate, quantify the primary improvement and/or use the additional information columns to specify units all delivered.

Unit	Unit Used to Describe
Bicycle Parking Spaces	Number of bike parking spaces <i>(Bike Parking Spaces/ Bicycle Racks Installed – indicate spaces)</i>
Intersection	Number of intersections improved, traffic signals, roundabouts, etc. Use the additional column to provide specific details.
Lane Miles	Length of roadway, street improvements <i>(widening)</i> , and bicycle facilities <i>(bike lane specific)</i>
Linear Feet:	Length of sidewalk and pedestrian facilities
Meals Delivered	Number of meals delivered through a meal delivery program
People/Passengers	Number of people/passengers transported, contacted, or served
Scholarships Provided	Number of trip scholarships provided, ticket purchases
Square Feet	Quantity of rehabilitation/overlay improvements, building/floor plan specifications, landscaping, etc.
One-way Unduplicated Passenger Trips	Number of one-way, unduplicated passenger trips
Other	For any improvements/services that are unable to be qualified using the available, use the additional information columns to specify units/services rendered
Vehicles Purchased	Number of Vehicles Purchased

Capital vs Program/Administrative Investments	
<i>Metric: Investment into capital projects and programs is greater than funding program administration.</i>	
Capital Investment	Capital expenditures are specific costs towards design, row, con and capital support).
Program/Administrative Investment	Administrative expenditures are staffing costs associated with program outreach, administrative support, and other costs not directly tied to a project.