

CITY OF CONCORD
TRANSPORTATION DEVELOPMENT ACT PROGRAM
Financial Statements and Independent Auditors' Report
For the Years Ended June 30, 2022 and 2021

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**CITY OF CONCORD
TRANSPORTATION DEVELOPMENT ACT PROGRAM
Financial Statements
For the Years Ended June 30, 2022 and 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
of the City of Concord, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the City of Concord Transportation Development Act Program (Program) of the City of Concord, California, as of and for the years ended June 30, 2022 and 2021, and the related notes to the 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 financial position of the Program as of June 30, 2022 and 2021, and the changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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 requirement 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.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Program and do not purport to, and do not present fairly the financial position of the City as of June 30, 2022 and 2021, the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 the 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 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, individually or in the aggregate, they could reasonably be expected to 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 Program'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 December 29, 2022, on our consideration of the Program'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 Program'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 the Program's internal control over financial reporting and compliance.



Pleasant Hill, California
December 29, 2022

**CITY OF CONCORD
TRANSPORTATION DEVELOPMENT ACT PROGRAM
(A Program of the City of Concord, California)
BALANCE SHEETS
JUNE 30, 2022 AND 2021**

| | 2022 | 2021 |
|--|-----------------|------------------|
| ASSETS | | |
| Due from Metropolitan Transportation Commission | \$ 9,883 | \$ 46,812 |
| Total Assets | \$ 9,883 | \$ 46,812 |
| LIABILITIES | | |
| Due to the City of Concord | \$ 9,883 | \$ 46,812 |
| Total Liabilities | 9,883 | 46,812 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable revenue | 9,883 | 46,812 |
| Total Deferred Inflows of Resources | 9,883 | 46,812 |
| FUND BALANCE | | |
| Unassigned | (9,883) | (46,812) |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | \$ 9,883 | \$ 46,812 |

See accompanying notes to the financial statements

CITY OF CONCORD
TRANSPORTATION DEVELOPMENT ACT PROGRAM
(A Program of the City of Concord, California)
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

| | 2022 | 2021 |
|---|-------------|-------------|
| REVENUES: | | |
| Transportation Development Act (Note 2) | \$ 46,812 | \$ 82,095 |
| EXPENDITURES: | | |
| West Concord Bikeway Improvements | | 52,225 |
| Salvio Street Bikeway Improvements | | 49,313 |
| Chestnut Avenue Bicycle Boulevard | 9,883 | |
| Total Expenditures | 9,883 | 101,538 |
| Net Change in Fund Balance | 36,929 | (19,443) |
| Fund Balance, Beginning of Year | (46,812) | (27,369) |
| Fund Balance, End of Year | \$ (9,883) | \$ (46,812) |

See accompanying notes to the financial statements

CITY OF CONCORD
TRANSPORTATION DEVELOPMENT ACT PROGRAM
(A Program of the City of Concord, California)
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Concord operates various pedestrian and bicycle path planning and construction activities financed with Transportation Development Act (TDA), Article 3.0 grants approved by the Metropolitan Transportation Commission (MTC). The accompanying financial statements are for the Transportation Development Act Program only and are not intended to fairly present the financial position of the City or the results of its operations.

The following is a summary of significant accounting policies of the Program which conform to generally accepted accounting principles in the United States of America as applicable to governments.

A. *Project Descriptions and Locations*

During fiscal years 2022 and 2021 the city had the following Transportation Development Act Projects:

The Salvio Street Bikeway Improvements Project proposes to design and construct bikeways that will connect the recently installed Class 2 bike lanes on Salvio Street between Port Chicago Highway and Parkside Drive to the Class 3 bike route from Colfax Street to the downtown area with the new buffered bike lanes. The Project will provide access to the high walking and bicycle demand downtown area and the various businesses in the downtown, from Todos Santos Plaza all the way to the Civic Center, and Concord Library. The improvements to these streets are identified as Tier 1 priority projects in the City of Concord Bicycle, Pedestrian, & Safe Routes to Transit Plan.

The West Concord/Iron Horse Trail Connection Project will provide a connection between the Iron Horse Trail located at the northeast corner of Willow Way/Meridian Park Boulevard, and existing bike lanes and sidewalks along Willow Way and Meridian Park Boulevard. The project will provide for a high visibility crosswalk with a dedicated path for pedestrians and bicycles as indicated by separate colored markings, flashing beacons, signage, pavement markings, and a new curb ramp that is American with Disability Act (ADA) compliant. The proposed improvements will provide a direct and safe access between the West Concord area and Iron Horse Trail for both pedestrians and bicyclists.

The Chestnut Avenue Bicycle Boulevard Project - This project will install bicycle safety improvements such as green-backed sharrow markings to complement the existing traffic calming measures, making the street a bicycle boulevard. Chestnut Ave is identified in the City's Bicycle, Pedestrian and Safe Routes to Transit Plan as a bicycle boulevard. Design and construction of the project is anticipated to start and be completed in 2022.

CITY OF CONCORD
TRANSPORTATION DEVELOPMENT ACT PROGRAM
(A Program of the City of Concord, California)
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting

The Projects are accounted for within the General Projects Capital Project Fund of the City of Concord. This Fund is a set of self-balancing accounts which comprise its assets, deferred inflows/outflows, liabilities, fund equity, revenues and expenditures.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized. The Program is accounted for in a governmental fund type and the modified accrual basis of accounting is used. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. The Program considers all revenues collected to be available if they are collected within sixty days after year-end. Expenditures are generally recognized when they are incurred.

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) 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.

NOTE 2 – TDA ARTICLE 3.0 REVENUES/EXPENDITURES

During the years ended June 30, 2022 and 2021, the City received allocation instructions from the Metropolitan Transportation Commission for the following projects:

| Project Description | Allocation Instruction # | Grant Amount | Expended in Fiscal 2021-2022 | Revenue from MTC 2021-2022 | Expended in Fiscal 2020-2021 | Revenue from MTC 2020-2021 | Revenue to Date |
|--|--------------------------|--------------|------------------------------|----------------------------|------------------------------|----------------------------|-----------------|
| West Concord/Iron Horse Trail Connection Project | 20001017 | \$ 110,000 | \$ - | \$ - | \$ 52,225 | \$ 79,594 | \$ 110,000 |
| Salvio Street Bikeway Improvements | 21001001 | 49,313 | - | 46,812 | 49,313 | 2,501 | 49,313 |
| Chestnut Avenue Bicycle Boulevard | 22001008 | 50,000 | 9,883 | - | - | - | - |
| Total | | | \$ 9,883 | \$ 46,812 | \$ 101,538 | \$ 82,095 | \$ 159,313 |

NOTE 3 – DEFICIT FUND BALANCE

At June 30, 2022 and 2021, the TDA Program had deficit fund balances of \$9,883 and \$46,812. The \$9,883 and \$46,812 of project reimbursements were recorded as unavailable revenue to the Program as they were received subsequent to the period of availability of sixty days after year-end.

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
WITH THE TRANSPORTATION DEVELOPMENT ACT AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor and Members of the City Council
of the City of Concord, 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 City of Concord Transportation Development Act Program (Program) as of and for the year ended June 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated December 29, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Program’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 Program’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Program’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 Program’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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 Program’s financial statements are free of 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 determination of financial statement amounts. Our procedures included the applicable audit procedures contained in §6666 of Title 21 of California Code of Regulations and tests of compliance with the applicable provisions of the Transportation Development Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission. 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*.

We have also issued a separate Memorandum on Internal Control dated December 29, 2022, which is an integral part of our audit and should be read in conjunction with this report.

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 result of that testing, and not to provide an opinion on the effectiveness of the Program’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 Program’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Metropolitan Transportation Commission, management, City Council, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Pleasant Hill, California
December 29, 2022