

# TRI-VALLEY TRANSPORTATION COUNCIL

## TVTC FINANCE SUBCOMMITTEE MEETING

**Jean Josey**  
TVTC Chair  
Councilmember  
Dublin  
(925) 833-2530

**Thursday, March 28, 2024**  
**1:00 p.m.**

**Renee Morgan**  
TVTC Vice Chair  
Councilmember  
Town of Danville  
(510) 366-0716

### In-Person Meeting Location:

1. City of Dublin, CMO Conference Room, 100 Civic Plaza, Dublin, CA 94568

**Scott Perkins**  
Vice Mayor  
San Ramon  
(925) 973-2530

### Remote Meeting Link:

Join Zoom Meeting Link:  
<https://dublinca.zoom.us/j/81161851681>

Webinar ID: 811 618 51681

Or One tap mobile:

+16699009128, 81161851681# US (San Jose)

+16694449171,81161851681# US

Or Telephone:

Dial (for higher quality, dial a number based on your current location):

+1 669 900 9128 US (San Jose)

If you have any questions related to the Tri-Valley Transportation Council meeting agenda, Please contact Sai Midididdi, TVTC Administrative staff at (925)833-6630 or email at [sai.midididdi@dublin.ca.gov](mailto:sai.midididdi@dublin.ca.gov)

Members of the public who wish to participate in the meeting electronically have the option of giving public comments via Zoom during the Public Comment period (for topics not on the agenda), in addition to each of the items on the agenda.

If you are submitting a public comment via email, please do so **by 10:00 a.m. on Thursday, March 28, 2024**, to [sai.midididdi@dublin.ca.gov](mailto:sai.midididdi@dublin.ca.gov). Please include "**Public Comment 03/28/24**" in the subject line. In the body of the email, please include your name and the item you wish to speak on. Public comments submitted will be read during Public Comment and will be subject to the regular three-minute time restriction.

This AGENDA is posted in accordance with Government Code Section 54954.2(a). If requested, pursuant to Government Code Section 54953.2, this agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) (ADA), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation, please contact the Administrator at (925) 833-6630 or by email at [sai.midididdi@dublin.ca.gov](mailto:sai.midididdi@dublin.ca.gov) at least 24 hours in advance of the meeting. Upon receiving a request, the TVTC will swiftly resolve requests for reasonable accommodation for individuals with disabilities, consistent with the federal ADA, and resolve any doubt in favor of accessibility.

# **TRI-VALLEY TRANSPORTATION COUNCIL**

Agenda materials that become available within 72 hours in advance of the meeting, and after publishing of the agenda, will be available at Civic Center, 100 Civic Plaza, and will be posted on the TVTC's website at <https://www.tvtc-jpa.com/Meetings/Upcoming-Meetings.aspx>

Once connected to the Zoom platform using the Zoom link information provided, the public speaker will be added to the Zoom webinar as an attendee and muted. The speaker will be able to observe the meeting from the Zoom platform. The speaker will be unmuted to give public testimony via Zoom.

# TRI-VALLEY TRANSPORTATION COUNCIL

## AGENDA

1. **Call to Order**
2. **Roll Call and Self Introductions**
3. **Public Comment**
4. **Consent Calendar**
  - a. APPROVE January 24, 2024, Finance Subcommittee Meeting Minutes\*.
  - b. REVIEW AND RECOMMEND the TVTC Board approve the draft audit report for FY 2022-2023\*.
  - c. REVIEW and RECOMMEND the TVTC Board adopt the Construction Cost Index Annual Adjustment to the Tri-Valley Transportation Development Fee\*.
5. **Old Business**
6. **New Business**
7. **Administrative Business**
  - a. Local Agency Investment Fund (LAIF) Monthly Statement\*
  - b. Mechanics Bank Monthly Statement\*
8. **Informational Items**
  - a. April 15, 2024, at 4:00 pm – *TVTC Board Meeting*
9. **Adjournment**

\* *Attachment(s)*

# Item 4

# TRI-VALLEY TRANSPORTATION COUNCIL

## Item 4a - DRAFT - MEETING MINUTES

### TRI-VALLEY TRANSPORTATION COUNCIL FINANCE SUBCOMMITTEE MEETING

CMO Conference Room, Dublin City Hall, 100 Civic Plaza, Dublin CA 94568 and  
Zoom Teleconference Call  
Wednesday, January 24, 2024

#### 1. CALL TO ORDER

The Tri-Valley Transportation Council (TVTC) Finance Subcommittee was called to order at 4:05 p.m. by Chair, Jean Josey, City of Dublin.

#### 2. ROLL CALL, AND SELF-INTRODUCTIONS

##### TVTC Members in Attendance:

Jean Josey, Chair, Councilmember, Dublin  
Renee Morga, Vice-chair, Councilmember, Town of Danville  
Scott Perkins, Vice Mayor, San Ramon

##### TVTC Staff in Attendance:

Andrew Dillard, Danville  
Adam Cleary, Danville  
Joanna Liu, Livermore (absent)  
Sai Midididdi, Dublin  
Cedric Novenario, Pleasanton  
Kristen Villanueva, Alameda CTC (absent)  
Matt Kelly, CCTA (absent)  
Chris Weeks, San Ramon  
Robert Sarmiento, Contra Costa County

##### Others in Attendance

None

#### 3. PUBLIC COMMENT

None

#### 4. CONSENT CALENDAR

- a. REVIEW AND RECOMMEND the TVTC Board to approve AB 1600 Annual Report and Five-Year Findings\*
- b. REVIEW AND RECOMMEND the TVTC Board to approve the amendment to Bookkeeping and Accounting Services Contract between TVTC and Krish & Company – Resolution 2024-01\*
- c. REVIEW AND RECOMMEND the TVTC Board to approve the amendment to the Funding Plan in Strategic Expenditure Plan document to include Project B1\*

# TRI-VALLEY TRANSPORTATION COUNCIL

Motion to Approve Consent Calendar Items by **Perkins**; Second by **Morgan**  
**Approved (Ayes 3; Noes 0; Abstain 0)**

## 5. **OLD BUSINESS**

## 6. **NEW BUSINESS**

- a. REVIEW AND RECOMMEND the TVTC Board to approve 2023-24 Mid-year Budget Update and 2024-25 Proposed Budget\*

Finance Subcommittee reduced TVTC Legal budget to \$20,000 per year instead of the proposed \$30,000/year.

Motion to Approve with change to legal budget by **Morgan**; Second by **Perkins**  
Approved (Ayes 3; Noes 0; Abstain 0)

- b. Review End of Year Financial Reports\*
- c. Review monthly statement, LAIF reports and Mechanics Bank Statement\*

## 7. **ADMINISTRATIVE BUSINESS**

## 8. **INFORMATIONAL ITEMS**

- a. Staff will be amending the auditing services contract with Cropper & Rowe, LLP by \$2,000 to compensate for the additional government-wide roll forward analysis/conversation required during the FY 2021-22 audit process. With the amendment, the contract remains under \$25,000, which can be approved by joint signature of the TVTC Chair and Vice Chair per Section H (3) of the Bylaws. Post meeting, TVTC administrator will send an amendment for the TVTC Chair and Vice Chair's signature.
- b. RFP results - Legal Services and Audit Services
- c. January 29, 2024, at 4:00 pm – TVTC Board Meeting
- d. March 1, 2024, at 4:00 pm – Finance Subcommittee Meeting

## 8. **ADJOURNMENT**

The meeting was adjourned by Chair Josey at 4:33 p.m.

# TRI-VALLEY TRANSPORTATION COUNCIL

## Item 4b

**Jean Josey**  
**TVTC Chair**  
**Councilmember**  
Dublin  
(925) 833-2530

**Renee Morgan**  
**TVTC Vice Chair**  
**Councilmember**  
Town of Danville  
(510) 366-0716

**Scott Perkins**  
**Vice Mayor**  
San Ramon  
(925) 973-2530

**To:** TVTC Finance Subcommittee

**From:** TVTC Technical Advisory Committee (TAC)

**Date:** March 28, 2024

**Subject:** REVIEW AND RECOMMEND the TVTC Board approve the draft audit report for FY 2022-2023

---

### BACKGROUND

The Tri-Valley Transportation Council (TVTC) Joint Exercise of Powers Agreement (JEPA) requires a designated, independent certified accountant to perform an annual audit of accounts and records of the TVTC. The TVTC acquired the services of Cropper Accountancy Corporation to review the TVTC's financial statements and prepare a FY 2022-2023 Audit.

### DISCUSSION

The TVTC FY 2022-2023 Audit was initiated in December 2023, with a draft report completed in February 2023. The Auditor, Cropper Accountancy Corporation, worked with TVTC Administrative staff and member agencies to obtain documents pertaining to the collection and disbursement of Tri-Valley Transportation Development Funds (TVTDF), operating budget, and contracts. Information was provided by all TVTC member agencies.

The auditor did not identify any deficiencies in internal control that can be considered as significant deficiencies. They also noted that TVTC has hired accounting professionals with knowledge of governmental accounting principles to maintain the general ledger and prepare the financial statements with the fiscal year beginning July 1, 2023.

### RECOMMENDATION

The TVTC TAC recommends that the Finance Subcommittee review the Audit Report for FY 2022-23 and recommend the Board to approve it.

### ATTACHMENTS

Draft Audit Report for FY 2022-23

# **TRI-VALLEY TRANSPORTATION COUNCIL**

## **Attachment 1 - Draft Audit Report**



**TRI-VALLEY TRANSPORTATION COUNCIL**  
**(A JOINT POWERS AUTHORITY)**  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
WITH  
INDEPENDENT AUDITORS' REPORT THEREON

Draft 2024-03-22

**TRI-VALLEY TRANSPORTATION COUNCIL**  
**(A JOINT POWERS AUTHORITY)**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2023**

**TABLE OF CONTENTS**

<b><u>Financial Section</u></b>	<b><u>Page</u></b>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Financial Statements:	
Statement of Net Position	6
Statement of Revenues, Expenses, and Changes in Net Position	7
Statement of Cash Flow	8
Notes to the Financial Statements	9
<b><u>Other Report</u></b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15

Draft 2024-03-22

## INDEPENDENT AUDITORS' REPORT

Board Members  
Tri-Valley Transportation Council  
c/o TVTC Administrator, City of Dublin  
Dublin, California

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

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities of the Tri-Valley Transportation Council (the Council), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Council's basic 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 respective financial position of the business-type activities of the Council, as of June 30, 2023, and the respective changes in financial position and cash flows thereof 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 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Council 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 opinions.

#### ***Responsibilities of Management for the Financial Statements***

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 Council'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.

Draft 2024-03-22

## ***Auditors' 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 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 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 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 Council'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 Council'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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3-5 be presented to supplement the basic financial statements. Such 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 basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Draft 2024-03-22

**TRI-VALLEY TRANSPORTATION COUNCIL**  
(A JOINT POWERS AUTHORITY)  
Management’s Discussion and Analysis  
For the Year Ended June 30, 2023

---

**THE PURPOSE OF THE TRI-VALLEY TRANSPORTATION COUNCIL:**

In 1991, the seven jurisdictions of Alameda County, Contra Costa County, Dublin, Pleasanton, Livermore, Danville, and San Ramon signed a Joint Powers Agreement (JPA) that established the Tri-Valley Transportation Council (the “Council”). The purpose of the JPA was the joint preparation of a Tri-Valley Transportation Plan/Action Plan (TVTP/AP) for Routes of Regional Significance (RRS) and cost sharing of recommended improvements.

The Council adopted the TVTP/AP in 1995. The TVTP/AP was later updated in 2000, 2009, and 2014. The most recent update occurred in January 2023, prior to the issuance of these financial statements. TVTC approved the draft TVTP/AP on January 23, 2023 and recommended that the Contra Costa Transportation Authority incorporate the TVTP/AP into the 2023 Countywide Transportation Plan. The purpose of the TVTP/AP is for TVTC member agencies to participate in the multijurisdictional, cooperative planning process envisioned in the Contra Costa Measure J Program to address regional transportation issues that span jurisdictional boundaries. The TVTP/AP establish overall goals, identify RRS, create a set of performance measures (referred to as “regional transportation objectives” or RTOs), and establish a set of actions that will support achievement of the RTOs.

In 1998, through a Joint Exercise Powers Agreement (JEPA), the seven member agencies that comprise the Council approved the Tri-Valley Transportation Development Fee (TVTDF) program. The TVTDF is intended to allocate fair share costs for the regional improvement projects identified in the TVTP/AP.

In 1999, the Council adopted a Strategic Expenditure Plan (SEP) which identified priorities, project sponsors, and funding plan for 11 regional transportation projects (List A). The Council then expanded this list to add 11 new projects (List B).

In 2008, the Council adopted a TVTC Fee Nexus Study (Nexus Study). The Council completed a Validation Review of the Nexus Study in 2017. The Nexus Study summarizes the status of the 22 projects, estimates revenues from the TVTDF over a 10-year horizon, and provides a funding plan for the remaining projects. In 2021, with half of the projects on the list A and B no longer being eligible for funding as a result of projects being completed or changes to the program, TVTC reviewed and selected additional projects to be considered for funding from the TVTDF. This selection process resulted in a new list of projects to mitigate the impacts of new development based on feasibility and stakeholder support. From this process, 16 projects (“List C”) were identified to be considered for TVTDF funding.

The 2021 TVTC Nexus Fee Update Study evaluated the remaining projects from List A and List B, as well as the addition of 16 projects from List C. The analysis found that these projects would reduce the congestion created by new development. The Nexus Study update also determined the new maximum fee needed to fund the improvement projects. The study was adopted on August 16, 2021.

In 2022, the Council adopted a 2022 Strategic Expenditure Plan update which estimated revenues from the TVTDF over a 10-year horizon and provides a funding plan for the priority projects identified from List A, B and C.

Draft 2024-03-22

**TRI-VALLEY TRANSPORTATION COUNCIL**  
(A JOINT POWERS AUTHORITY)  
Management’s Discussion and Analysis  
For the Year Ended June 30, 2023

---

**THE BASIC FINANCIAL STATEMENTS**

The Basic Financial Statements comprise the *Statement of Net Position*, *Statement of Revenues, Expenses, and Changes in Net Position*, and *Statement of Cash Flows*. These statements present all assets and liabilities using the full accrual basis of accounting similar to the accounting model used by private sector firms.

**Statement of Net Position**

The *Statement of Net Position* (Basic Financial Statements, page 6) is a snapshot of the Council’s financial position at the end of the Fiscal Year (FY) 2023. The Council’s assets are all current assets, i.e. cash and receivables. The Council has no capital assets. For the year ended June 30, 2023, net position totaled \$23,203,939.

**Table 1. Statement of Net Position as of June 30:**

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Assets</b>				
Cash and equivalents	\$ 22,402,516	\$ 22,222,134	\$ 180,382	0.8%
Interest receivable	176,098	36,676	139,422	380.1%
Prepaid expenses	736	692	44	6.4%
Developer fee receivables	1,230,141	904,803	325,338	36.0%
	<u>\$ 23,809,491</u>	<u>\$ 23,164,305</u>	<u>\$ 645,186</u>	<u>2.8%</u>
<b>Liabilities and Net Position</b>				
Liabilities	\$ 605,552	\$ 8,946	\$ 596,606	6669.0%
Unrestricted Net Position	23,203,939	23,155,359	48,580	0.2%
	<u>\$ 23,809,491</u>	<u>\$ 23,164,305</u>	<u>\$ 693,766</u>	<u>3.0%</u>

*This space intentionally left blank*

Draft 2024-03-22

**TRI-VALLEY TRANSPORTATION COUNCIL**  
(A JOINT POWERS AUTHORITY)  
Management's Discussion and Analysis  
For the Year Ended June 30, 2023

**Statement of Revenues, Expenses, and Changes in Net Position**

The Statement of Revenues, Expenses, and Changes in Net Position (Basic Financial Statements, page 7) presents the Council's revenue and incurred expenses for the year ended June 30, 2023. All financial activities incurred for the Council are recorded here, including operational expenses, capital project costs, and other revenues and expenses. Since revenues are dependent on new construction, the Council's financial position is generally subject to the same fluctuations as the economy.

**Table 2. Statement of Revenues, Expenses, and Changes in Net Position  
for the Fiscal Years Ended June 30:**

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Expenses</b>				
Transportation improvements	\$ 2,887,629	\$ -	\$ 2,887,629	100.0%
Accounting fees	15,575	7,665	7,910	103.2%
Legal fees	25,583	41,787	(16,204)	-38.8%
Nexus study	-	126,155	(126,155)	-100.0%
Administrative	32,129	32,182	(53)	-0.2%
Refund of fees	-	3,788	(3,788)	-100.0%
<b>Total Expenses</b>	<u>2,960,916</u>	<u>211,577</u>	<u>2,749,339</u>	<u>1299.5%</u>
<b>Revenues (Operating and Nonoperating)</b>				
Interest income (from investments and members)	166,458	73,988	92,470	125.0%
Development fees				
Alameda County	5,277	12,123	(6,846)	-56.5%
Town of Danville	262,880	12,137	250,743	2065.94%
City of Dublin	1,179,054	2,359,601	(1,180,547)	-50.0%
City of Livermore	421,006	202,641	218,365	107.8%
City of Pleasanton	273,738	868,575	(594,837)	-68.5%
City of San Ramon	395,734	305,408	90,326	29.6%
Contra Costa County	49,717	24,139	25,578	106.0%
<b>Total Revenues</b>	<u>2,753,864</u>	<u>3,858,612</u>	<u>(1,104,748)</u>	<u>-28.6%</u>
Change in Net Position	<u>(207,052)</u>	<u>3,647,035</u>	<u>(3,854,087)</u>	<u>-105.7%</u>
Beginning Net Position, as previously stated	23,155,359	19,508,324	3,647,035	18.7%
Prior period adjustment	255,632	-	255,632	100.0%
Beginning Net Position, as restated	<u>23,410,991</u>	<u>19,508,324</u>	<u>3,902,667</u>	<u>20.0%</u>
<b>Ending Net Position</b>	<u>\$23,203,939</u>	<u>\$ 23,155,359</u>	<u>\$ 48,580</u>	<u>0.2%</u>

**CONTACTING THE COUNCIL'S FINANCIAL MANAGEMENT**

This Management's Discussion and Analysis is intended to provide the reader with a narrative overview of the Council's financial statements for the year ended June 30, 2023. Questions concerning any information provided in this report or requests for additional financial information should be directed to:

Tri-Valley Transportation Council  
Sai Midididdi, TVTC Administrator  
City of Dublin  
100 Civic Plaza  
Dublin, CA 94568

Draft 2024-03-22

**TRI-VALLEY TRANSPORTATION COUNCIL  
(A JOINT POWERS AUTHORITY)**

Statement of Net Position

June 30, 2023

---

<u>ASSETS</u>	<u>2023</u>
Cash and cash equivalents (Note 2)	\$ 22,402,516
Interest receivable	176,098
Prepaid expenses	736
Development fees receivable (Note 1E)	<u>1,230,141</u>
 Total Assets	 <u>\$ 23,809,491</u>
 <u>LIABILITIES AND NET POSITION</u>	
Accounts payable	\$ <u>605,552</u>
 Total Liabilities	 <u>605,552</u>
Net Position (Note 1B)	
Unrestricted	<u>23,203,939</u>
Total Net Position	<u>23,203,939</u>
Total Liabilities and Net Position	<u>\$ 23,809,491</u>

The accompanying notes are an integral part of these financial statements.

Draft 2024-03-22



**TRI-VALLEY TRANSPORTATION COUNCIL**  
**(A JOINT POWERS AUTHORITY)**  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2023

	2023
<b>Operating Expenses</b>	
Transportation improvements (Note 3)	\$ 2,887,629
Accounting fees	15,575
Legal fees	25,583
Administrative	32,129
<b>Total Operating Expenses</b>	<b>2,960,916</b>
<b>Operating Income</b>	
Interest income from member agencies	6,971
	6,971
Development fees:	
Alameda County	5,277
Town of Danville	262,880
City of Dublin	1,179,054
City of Livermore	421,006
City of Pleasanton	273,738
City of San Ramon	395,734
Contra Costa County	49,717
Total development fees	2,587,406
<b>Total Operating Income</b>	<b>2,594,377</b>
<b>Net operating income</b>	<b>(366,539)</b>
<b>Non-Operating Income</b>	
Investment income	159,487
<b>Total Non-Operating Income</b>	<b>159,487</b>
Change in net position	<b>(207,052)</b>
Net Position, beginning (as previously stated)	23,155,359
Prior period adjustment, correction of an error	255,632
Net Position, beginning (as restated)	23,410,991
Net Position, ending	<b>\$ 23,203,939</b>

The accompanying notes are an integral part of these financial statements.

Draft 2024-03-22

**TRI-VALLEY TRANSPORTATION COUNCIL**  
(A JOINT POWERS AUTHORITY)  
Statement of Cash Flows  
For the Year Ended June 30, 2023

<b>Cash flows from operating activities</b>	
Receipts from customers (via members)	\$ 2,524,600
Payments to suppliers	(76,725)
Payments for transportation projects	(2,287,629)
<b>Net cash provided by operating activities</b>	<u>160,246</u>
<b>Cash flows from investing activities</b>	
Investment income	<u>20,136</u>
<b>Net cash provided by investing activities</b>	<u>20,136</u>
Net change in cash and cash equivalents	180,382
Cash and cash equivalents, July 1	<u>22,222,134</u>
Cash and cash equivalents, June 30	<u><u>\$ 22,402,516</u></u>
<b>Reconciliation of operating income (loss) to net cash used in operating activities</b>	
Net operating income (loss)	(366,539)
Decreases (increases) in assets:	
Prepaid expenses	(44)
Accounts receivable	(69,777)
Increases (decreases) in liabilities:	
Accounts payable (transportation projects)	600,000
Accounts payable (other)	(3,394)
<b>Net cash provided by operating activities</b>	<u><u>\$ 160,246</u></u>

The accompanying notes are an integral part of the financial statements

Draft 2024-03-22

**TRI-VALLEY TRANSPORTATION COUNCIL**  
**(A JOINT POWERS AUTHORITY)**  
Notes to the Financial Statements  
For the Year Ended June 30, 2023

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Tri-Valley Transportation Council (the "Council") is a joint powers authority (JPA) organized by the Counties of Alameda and Contra Costa, the Town of Danville, and the Cities of Dublin, Livermore, Pleasanton, and San Ramon. The Council's administrative responsibilities rotate between jurisdictions every two years. The City of San Ramon was the administrator for fiscal years 2020/21 and 2021/22. The City of Dublin is the administrator for the fiscal years 2022/23 through 2023/24. The Council was created to administer development fees for the planning and implementation of sub-regional transportation facilities. This fee was adopted by the seven jurisdictions pursuant to Government Code 6502, and is paid to each of the member agencies by project developers. There are no separate legal entities that are a part of the Council's reporting entity.

The Council applies all applicable Governmental Accounting Standards Board (GASB) pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued GASBS No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This statement incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. This includes pronouncements by the Financial Accounting Standards Board (FASB), Accounting Principles Board Opinions (APB), and the Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure, unless those pronouncements conflict with or contradict with GASB pronouncements.

**B. Measurement Focus and Basis of Accounting**

The Council reports its activities as a proprietary fund. A proprietary fund is accounted for on a cost of service or "economic resources" measurement focus. This means that all assets and liabilities (whether current or non-current) associated with the activity are included on the balance sheet. The reported fund equity presents total net position. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in total net position. Revenues and expenses are recognized on an accrual basis. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenue for the Council is development fees collected by the member agencies on the Councils behalf. The fee schedule is reviewed and updated periodically to reflect changes in regional construction costs.

Draft 2024-03-22

**TRI-VALLEY TRANSPORTATION COUNCIL**  
(A JOINT POWERS AUTHORITY)  
Notes to the Financial Statements  
For the Year Ended June 30, 2023

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Statement of Net Position* - The statement of net position is designed to display the financial position of the Council.

- Invested in capital assets, net of related debt - This component consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The Council does not have any capital assets at June 30, 2023.
- Restricted - This component consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation. The Council does not have any restrictions on net position at June 30, 2023.
- Unrestricted - This component consists of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt." When both restricted and unrestricted resources are available, restricted resources will be depleted prior to use of unrestricted resources.

*Statement of Revenues, Expenses, and Changes in Net Position* - The statement of revenues, expenses, and changes in net position is the operating statement for proprietary funds. Revenues are reported by major source. This statement distinguishes between operating and non-operating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses, and net operating income/loss.

**C. Prior Period Adjustment**

During the course of the audit, discrepancies between the fiscal year 2022 audited financial statements and the confirmations for several member agencies were noted. As a result, the auditor and the Council reassessed the 2022 and 2023 revenue and booked a prior period adjustment as follows:

Beginning net position, as previously stated	\$ 23,155,359
2022 revenue not previously recognized	255,632
Beginning net position, as restated	<u>\$ 23,410,991</u>

Draft 2024-03-22

**TRI-VALLEY TRANSPORTATION COUNCIL**  
(A JOINT POWERS AUTHORITY)  
Notes to the Financial Statements  
For the Year Ended June 30, 2023

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Cash and Investments**

The Council does not commingle its cash and investments with the JPA members. The funds are invested in accordance with the State Investment Policy established pursuant to the State Law. All monies not required for immediate expenditure are invested or deposited to earn maximum yield consistent with safety and liquidity.

Investments are carried at fair value, which is based on quoted market price if applicable. Otherwise, the fair value hierarchy is as follows:

Level 1 – Values are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs, other than quoted prices, included within Level 1 that are observable for the asset or liabilities at the measurement date.

Level 3 – Certain inputs are unobservable inputs (supported by little or no market activity, such as the Council’s best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date).

The Council invests in the California Local Agency Investment Fund (LAIF), which is part of the Pooled Money Investment Account operated by the California State Treasurer. LAIF funds are invested in high quality money market securities and are managed to insure the safety of the portfolio. A portion of LAIF’s investments are in structured notes and asset-backed securities.

LAIF determines fair value on its investment portfolio based on market quotations for these securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available.

**E. Receivables**

Receivables recorded in the financial statements are net of any allowance for doubtful accounts. Any doubtful accounts at June 30, 2023 were not considered material.

**F. Revenue Recognition - Development Fees**

Development fees are assessed according to a set fee schedule for new construction. The fees collected under the Council from new construction will be used to mitigate the increased traffic congestion.

Draft 2024-03-22

**TRI-VALLEY TRANSPORTATION COUNCIL**  
(A JOINT POWERS AUTHORITY)  
Notes to the Financial Statements  
For the Year Ended June 30, 2023

---

**NOTE 2. CASH AND INVESTMENTS**

The cash and investments of the Council are maintained separately from with the funds of the JPA members. The Council considers cash and investment amounts with original maturities of three months or less to be cash equivalents.

Cash and Investments consisted of the following at June 30:

	<u>2023</u>
Cash in banks	\$ 809,040
Local Agency Investment Fund	21,593,476
Total cash and investments	<u>\$ 22,402,516</u>

Investments Authorized by the Council's Investment Policy

The Council is authorized to invest in obligations of the U.S. Treasury, agencies, commercial paper with certain minimum ratings, certificates of deposit, bankers' acceptances, repurchase agreements and the State Treasurer's Investment pool ("LAIF").

Deposits/Credit Risk

The California Government Code requires California banks and savings and loan associations to secure Public Agencies' deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of deposits. California law also allows financial institutions to secure such deposits by pledging first trust deed mortgage notes having a value of 150% of the total deposits. The first \$250,000 of each institution's deposits are covered by FDIC insurance. The Council's cash is held at one financial institution.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Council's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

Draft 2024-03-22

**TRI-VALLEY TRANSPORTATION COUNCIL**  
(A JOINT POWERS AUTHORITY)  
Notes to the Financial Statements  
For the Year Ended June 30, 2023

---

**NOTE 2. CASH AND INVESTMENTS (continued)**

Custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover its deposits or will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Council's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Investment Fair Value

The Council is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Council's investment in this pool is reported in the accompanying financial statements at amounts based upon the Council's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**NOTE 3: TRANSPORTATION IMPROVEMENT PROJECTS**

During the fiscal year ended June 30, 2023, \$2,887,629 was expensed relating to transportation improvement projects. Monies are disbursed only after it is determined that sufficient funds are available in the joint Tri-Valley Transportation Development Fund bank account.

**NOTE 4: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date of the audit opinion, which is the date on which the financial statements were available to be issued. No events that would require additional adjustment or disclosure came to the attention of management.

Draft 2024-03-22

**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***

The Board Members  
Tri-Valley Transportation Council  
San Ramon, California

We have audited, 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, the financial statements of the business activities of the Tri-Valley Transportation Council (the “Council”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Council’s basic financial statements, and have issued our report thereon dated February 9, 2024.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Council’s internal control over financial reporting (internal control) to determine the 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 Council’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Council’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 over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did identify the following deficiencies in internal control that we consider to be material weaknesses:

- Preparing financial statements in accordance with generally accepted accounting principles (GAAP) for governmental entities requires the preparer to possess adequate knowledge of the accounting principles affecting the organization. Such knowledge includes an understanding of the requirements related to relevant note disclosures, an awareness of accounting changes taking place in the industry in which the organization operates, and the ability to research unusual accounting transactions or situations encountered.



Draft 2024-03-22

In larger organizations, accounting personnel who lack this knowledge obtain it through advanced accounting courses or continuing education. However, many smaller organizations, such as the Council, do not employ accounting personnel with the education and experience to prepare full disclosure financial statements in accordance with GAAP. The Council uses a third-party accounting firm to maintain the general ledger. This Company uses QuickBooks as its accounting software. QuickBooks is a good software for entities with a single business-type fund on a cash basis but is not ideal for governmental accounting. Additionally, the Council does not necessarily know how much each member agency will be remitting per quarter until those funds are received. This can result in cutoff or completeness issues related to development fee revenue. The audit team confirms all revenue and accounts receivable with the member agencies, however we recommend that each member remit an annual report to the Council to substantiate their position on revenue paid and/or due to the Council, based on the approved fee schedule. The auditors can perform procedures, on a rotating basis, to ensure the propriety of those reports.

The Council has retained accounting professionals with a knowledge of governmental accounting principles to maintain the general ledger and prepare the financial statements beginning with the fiscal year beginning July 1, 2023. **This finding is expected to be removed for fiscal year 2023-24.**

We did not identify any deficiencies in internal control that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Council’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 determination of financial statement amounts. 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*.

### **Tri-Valley Transportation Council’s Response to Findings**

Management’s response to the findings identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.

CROPPER ROWE, LLP  
Walnut Creek, California  
February 9, 2024

# TRI-VALLEY TRANSPORTATION COUNCIL

## Item 4c

**Jean Josey**  
**TVTC Chair**  
**Councilmember**  
Dublin  
(925) 833-2530

**Renee Morgan**  
**TVTC Vice Chair**  
**Councilmember**  
Town of Danville  
(510) 366-0716

**Scott Perkins**  
**Vice Mayor**  
San Ramon  
(925) 973-2530

**To:** TVTC Finance Subcommittee

**From:** Technical Advisory Committee (TAC)

**Date:** March 28, 2024

**Subject:** REVIEW and RECOMMEND the TVTC Board adopt the Construction Cost Index Annual Adjustment to the Tri-Valley Transportation Development Fee

---

### BACKGROUND

The Joint Exercise of Powers Agreement (JEPA) for the Tri-Valley Transportation Development Fee (TVTDF) contemplates that the TVTDF amounts will be adjusted automatically as of July 1 of each year to reflect changes in regional construction costs. JEPA Section 3(D)(I) specifies that the adjustment may be adopted by a simple majority of the TVTC Board.

### DISCUSSION

The amount of the adjustment is based on the change in the "Construction Cost Index" (CCI) for the San Francisco Bay Area, as reported annually in the Engineering News Record (ENR). The December 2023 ENR CCI for the San Francisco Bay Area is **+3.6%**. Per TVTC Resolution No. 2022-07 all the rates are adjusted by CCI.

### RECOMMENDATION

The TVTC TAC recommends that the Finance Subcommittee recommend the Board adopt the Tri-Valley Transportation Development Fee Construction Cost Index Annual Adjustment and notify each TVTC member agency to collect the TVTDF rates as listed below starting **July 1, 2024**:

Single Family Residential	\$7,196.07/Dwelling Unit (DU)
Multi-Family Residential	\$4,242.76/DU
Office	\$9.61/sq. ft. Gross Floor Area
Retail	\$6.13/sq. ft. Gross Floor Area
Industrial	\$5.42/sq. ft. Gross Floor Area
Other	\$6,655.28/average am/pm peak hour trip
ADU/SDU	\$0
Affordable Housing	\$0

# TRI-VALLEY TRANSPORTATION COUNCIL

## TVTDF Historical Fee Rates

	<b>2022</b>	<b>2023</b>	<b>2024</b>
Single Family Residential (per DU)	\$6,596.40	\$6,946.01	\$7,196.07
Multi-Family Residential (per DU)	\$3,889.20	\$4,095.33	\$4,242.76
Office (per SF Gross Floor Area)	\$8.81	\$9.28	\$9.61
Retail (per SF Gross Floor Area)	\$5.07	\$5.92	\$6.13
Industrial (per SF Gross Floor Area)	\$4.97	\$5.23	\$5.42
Other (average am/pm peak hour trip)	\$6,100.68	\$6,424.02	\$6,655.28
Affordable Housing *	\$0.00	\$0.00	\$0.00
ADU/SDU**	\$0.00	\$0.00	\$0.00

\*Pursuant to Resolution No. 2015-01 Adjusting the Tri-Valley Transportation Development Fee Schedule

\*\*Pursuant to Resolution No. 2019-03 – Resetting the Accessory Dwelling Unit/Secondary Dwelling Unit Fee in the Tri Valley Transportation Council Development Fee Program.

# Item 7

# **TRI-VALLEY TRANSPORTATION COUNCIL**

## **Item 7a**

### **Local Agency Investment Fund (LAIF) Monthly Statement**

# California State Treasurer *Fiona Ma, CPA*



Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

March 22, 2024

[LAIF Home](#)  
[PMIA Average Monthly Yields](#)

---

TRI-VALLEY TRANSPORTATION COUNCIL

ADMINISTRATOR  
7000 BOLLINGER CANYON ROAD  
SAN RAMON, CA 94583

[Tran Type Definitions](#)



**Account Number:** 40-07-023

February 2024 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
2/7/2024	2/6/2024	RD	1747885	N/A	SAI MIDIDIDI	625,000.00

**Account Summary**

Total Deposit:	625,000.00	Beginning Balance:	17,571,022.91
Total Withdrawal:	0.00	Ending Balance:	18,196,022.91




# TRI-VALLEY TRANSPORTATION COUNCIL

## Item 7b Mechanics Bank Monthly Statement

RETURN SERVICE REQUESTED

TRI-VALLEY  
 TRANSPORTATION COUNCIL  
 200 OLD BERNAL AVE  
 PLEASANTON CA 94566-7016

**Managing Your Accounts**

-  Client Services 800.797.6324
-  Online [www.mechanicsbank.com](http://www.mechanicsbank.com)
-  Mobile Download Our Mobile Apps

**“ A Great Banking App ”**  
 Simple to use and very convenient

★★★★★ 2.11.23

Download our highly-rated app today!<sup>1</sup>



1) App Store® is a service mark of Apple Inc. Google Play and the Google Play logo are trademarks of Google LLC.

**WATCH OUT FOR GRANDPARENT SCAMS**

Criminals pose as a relative (usually a child or a grandchild) claiming to be in some kind of trouble that requires immediate financial support. **Learn how to spot this scam at [www.MechanicsBank.com/Security](http://www.MechanicsBank.com/Security).**

**Summary of Accounts**

Account Type	Account Number	Ending Balance
PUBLIC CHECKING	XXXXXXXXX0415	\$312,711.12

**PUBLIC CHECKING-XXXXXXXXX0415**

**Account Summary**

Date	Description	Amount
02/01/2024	Beginning Balance	\$921,307.53
	2 Credit(s) This Period	\$16,433.59
	2 Debit(s) This Period	\$625,030.00
02/29/2024	Ending Balance	\$312,711.12

**Deposits**

Date	Description	Amount
02/27/2024	DEPOSIT	\$5,553.65







**PUBLIC CHECKING-XXXXXXXX0415 (continued)**
**Electronic Credits**

Date	Description	Amount
02/02/2024	CITY PLEASANTON ACCTPYBL 3615	\$10,879.94

**Electronic Debits**

Date	Description	Amount
02/07/2024	Wire/Out/121140218/LAIF #40-07-023/State Of California/WEST AM BK SUI CY	\$625,000.00

**Other Debits**

Date	Description	Amount
02/07/2024	In Branch Wire Fee 871173	\$30.00

**Daily Balances**

Date	Amount	Date	Amount	Date	Amount
02/02/2024	\$932,187.47	02/07/2024	\$307,157.47	02/27/2024	\$312,711.12

**Overdraft and Returned Item Fees**

	Total for this period	Total year-to-date	Previous year-to-date
Total Overdraft Fees	\$0.00	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00	\$0.00

THIS PAGE LEFT INTENTIONALLY BLANK



## Important Notice regarding Changes in Terms to the Schedule of Fees & Charges

Mechanics Bank has updated its Schedule of Fees & Charges for Personal and Business Products. Please review these changes carefully. If you have any questions about your Mechanics Bank account, please call Customer Care at 800.797.6324.

### Effective February 1, 2024

## Important Notice regarding Schedule of Fees & Charges for Personal and Business Products

### The following items have been updated FROM:

Account activity printout.....	\$3.00
Clerical/Research work (account research).....	\$30.00 (per hour / 1 hour minimum)
Copies of cashier's checks and paid checks (each).....	\$4.00
Copy of previous statement (each).....	\$5.00
Multiple statement originals.....	\$2.00

### TO:

Account activity printout ( <b>business</b> account).....	\$3.00
Clerical/Research work ( <b>business</b> account research).....	\$30.00 (per hour / 1 hour minimum)
Copies of cashier's checks and paid checks (each – <b>business</b> account).....	\$4.00
Copy of previous statement (each – <b>business</b> account).....	\$5.00
Multiple statement originals ( <b>business</b> account).....	\$2.00

THIS PAGE LEFT INTENTIONALLY BLANK