



CITY COUNCIL STAFF REPORT

ITEM NO. 6.5

DATE: January 26, 2026

TO: Honorable Mayor and City Council

FROM: Tina Olson, Administrative Services Director

SUBJECT: Resolution accepting the Annual Comprehensive Financial Report (ACFR) and Other Audit Reports for the Fiscal Year ended June 30, 2025.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution accepting the following reports for Fiscal Year 2024-25 as completed:

1. Annual Comprehensive Financial Report, and ratify and approve the audited financial statements presented therein in accordance with Government Code §37208;
2. Alameda County Transportation Commission Measure B Program Financial Statements;
3. Alameda County Transportation Commission Measure BB Program Financial Statements;
4. Alameda County Transportation Commission Vehicle Registration Fee (VRF) Measure F Program Financial Statements;
5. Agreed Upon Procedures for Compliance with the Proposition 111 2024-25 Appropriations Limit Increment;
6. Memorandum of Internal Control; and
7. Required Communications.

DECISION TYPE

Administrative

SUMMARY

The Annual Comprehensive Financial Report (ACFR), which contains the Auditor's Opinion, for the fiscal year ending June 30, 2025, is complete and ready for City Council acceptance. The auditors have given the City an unmodified or "clean" opinion on the ACFR as shown in the Independent Auditors' Opinion letter on page 1 of the audit report. This is the 44th consecutive year the City has received an unmodified opinion. In addition to the ACFR, there are six other audit compliance reports being presented for acceptance.

DISCUSSION

The audited ACFR and other required audit compliance reports are being presented to the City Council in accordance with the Livermore Municipal Code §2.28.020 and Government Code §37208. This year's audits were performed by the City's independent auditors, Eide Bailly LLP.

Government Code §37208 provides that a City Council is not required to approve payroll and other budgeted demands prior to issuing payment, they may be presented to the City Council for ratification and approval, in the form of an ACFR.

The City has submitted the FY 2024-25 ACFR for the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting award program. In the past, the City has received the GFOA award and believes that the recent ACFR meets the stringent requirements to again merit GFOA recognition.

In addition to the ACFR, there are six other reports for review:

- Alameda County Transportation Commission Measure B Program Financial Statements is required by the Master Program Funding Agreement with the Alameda County Transportation Commission (ACTC) and confirms that the City has complied with the provisions of Measure B. Alameda County voters approved the half-cent transportation sales tax in November 2000. The sales tax collection began on April 1, 2002, and extended through March 31, 2022. ACTC administers Measure B funds to deliver transportation improvements and services.
- Alameda County Transportation Commission Measure BB Program Financial Statements is required by the Master Program Funding Agreement with the Alameda County Transportation Commission (ACTC) and confirms that the City has complied with the provisions of Measure BB. Alameda County voters approved Measure BB in November 2014 and collection of the half-cent transportation sales tax by the Board of Equalization began on April 1, 2015, and extended through March 31, 2022. The full one-cent sales tax authorized by Measure BB began April 1, 2022, and will extend through March 31, 2045. Local jurisdictions began to receive the flow of funds in July 2015. ACTC administers Measure BB funds for transportation improvements in every city throughout Alameda County.
- Alameda County Transportation Commission Vehicle Registration Fee Measure F Program Financial Statements is required by the Master Programs Funding Agreement between the City and the Alameda County Transportation Commission and confirms that the City has complied with the laws, regulations, contracts, and grant agreements as specified and applicable to Measure F. Measure F is the Alameda County Vehicle Registration Fee Program which was approved by voters in November 2010 and generates \$10 per vehicle each year. The collection of these funds began in May 2011 will continue to be imposed annually unless repealed. The revenue generated is used for local road improvement and repair, transit congestion relief, local transportation technology, and pedestrian, bicyclist access, and safety programs.
- Agreed Upon Procedures for Compliance with the Proposition 111 2020-21 Appropriation Limit Increment is required by Section 1.5 of Article XIII B of the California Constitution. This report shows the auditors applied specific procedures, which were suggested by the League of California Cities and presented in their Article XIII B Appropriation Limitation Uniform Guidelines, to validate the City's calculation of the Appropriations Limit. No exceptions were noted.

- Memorandum on Internal Control: In planning and performing the audit of the financial statements, the City's auditors, Eide Bailly LLP, considered the City's internal control over financial reporting as a basis for designing the auditing procedures for the purpose of expressing opinions on the financial statements. The auditors are required to communicate to the City Council any internal control matters that come to their attention during the audit. Eide Bailly LLP have provided such a report in their Memorandum on Internal Control (MOIC) for the fiscal year ended June 30, 2025. The report states that the audit did not identify any deficiencies in the City's internal controls.
- Required Communications: Under generally accepted auditing standards, the City's external auditors are required to formally communicate with the governing body to convey audit matters, the scope of work, difficulties, adjustments to financial statements, or any possible disagreements with management. Professional standards require the auditor to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks". The auditors identified no areas of significant risk.

FISCAL AND ADMINISTRATIVE IMPACTS

There is no direct fiscal impact in accepting the FY 2024-25 audit reports. Total audit and report preparation costs of \$157,748 are within budget and are allocated to the General Fund, Enterprise funds, Measure B funds, Measure BB funds and transportation funds as the audits and reports are completed. The total fee also includes preparation costs of certain reports not requiring City Council acceptance that are transmitted directly to the California State Controller, including the Special Districts Financial Transactions Report for the Livermore Capital Projects Financing Authority (LCPFA) and the Cities Financial Transactions Report for the City of Livermore.

COMMUNITY PILLAR

5: A City That Works

GOAL

17: Ensure effective use of public resources

ATTACHMENTS

1. Resolution
2. Exhibit A - Annual Comprehensive Financial Report
3. Exhibit B - ACTC Measure B Funds Financial Statements
4. Exhibit C - ACTC Measure BB Funds Financial Statements
5. Exhibit D - ACTC Vehicle Registration Fee Program (VRF) Financial Statements
6. Exhibit E - Independent Accountant's Report on Applying Agreed Upon Procedures Related to the Article XIII-B Appropriations Limit Calculation
7. Exhibit F - Independent Auditor's Report on Internal Control Over Financial Reporting on Compliance and Other Matters

8. Exhibit G - Required Communications

Prepared by: Erik Peterson
Finance Manager

Approved by:



Marianna A. Burch
City Manager

Fiscal Review by:



Tina Olson
Administrative Services Director