

**CITY OF DUBLIN
ALAMEDA COUNTY TRANSPORTATION COMMISSION-
MEASURE B FUNDS**

FOR THE YEAR ENDED JUNE 30, 2016

This Page Left Intentionally Blank

**CITY OF DUBLIN
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE B FUNDS
For the Year Ended June 30, 2016**

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Combined Balance Sheet	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balance	4
Notes to Financial Statements	5
Independent Auditor's Report On Measure B Compliance	9

This Page Left Intentionally Blank

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council of the City of Dublin
City of Dublin, California

Report on Financial Statements

We have audited the accompanying financial statements of the Alameda County Transportation Commission – Measure B Funds (Measure B Funds) of the City of Dublin, California, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Measure B Funds' basic financial statements as listed in the Table of Contents.

Management's Responsibility 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; this includes 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 Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure B Funds of the City as of June 30, 2016, and the change in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the City's Measure B funds and do not purport to, and do not present fairly the financial position of the City as of June 30, 2016, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2016 on our consideration of the City'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 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 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 City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
November 17, 2016

City of Dublin

Alameda County Transportation Commission - Measure B Funds

Combined Balance Sheet

June 30, 2016

	Special Revenue Funds		
	Measure B Local Streets	Measure B Bike and Pedestrian	Total
ASSETS			
Cash and investments	\$498,012	\$234,153	\$732,165
Direct Local Distribution Program Receivable	68,494	26,398	94,892
Total assets	<u>566,506</u>	<u>260,551</u>	<u>827,057</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable		\$99	\$99
Due to the City			-
Total liabilities		<u>99</u>	<u>99</u>
Fund Balances:			
Restricted	<u>\$566,506</u>	<u>260,452</u>	<u>\$826,958</u>
Total fund balances	<u>566,506</u>	<u>260,452</u>	<u>826,958</u>
Total liabilities and fund balances	<u>\$566,506</u>	<u>\$260,551</u>	<u>\$827,057</u>

See accompanying Notes to Financial Statements

City of Dublin

Alameda County Transportation Commission - Measure B Funds

Combined Statement of Revenues, Expenditures and Changes In Fund Balance

For the year ended June 30, 2016

	Special		
	Revenue Funds		
	Measure B Local Streets	Measure B Bike and Pedestrian	Total
REVENUES:			
Direct Local Program Distribution Allocation	\$435,604	\$167,885	\$603,489
Interest	4,079	1,660	5,739
Total revenues	439,683	169,545	609,228
EXPENDITURES:			
Current:			
Highway and Streets		11,250	11,250
Capital outlay:			
Street Overlay Program	349,839		349,839
Street Slurry Seal Programs	59,386	30,000	89,386
Dougherty Road Improvement			-
Total expenditures	409,225	41,250	450,475
CHANGE IN FUND BALANCES	30,458	128,295	158,753
FUND BALANCES:			
Beginning of year	536,048	132,157	668,205
End of year	<u>\$566,506</u>	<u>\$260,452</u>	<u>\$826,958</u>

See accompanying Notes to Financial Statements

CITY OF DUBLIN
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE B FUNDS
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

All transactions of the Alameda County Transportation Commission - Measure B Funds (Measure B Funds) of the City of Dublin, California (City), are included as a separate special revenue fund in the basic financial statements of the City. Measure B Funds is used to account for the City's share of revenues earned and expenditures incurred under the City's local streets, bikes and pedestrians and capital projects programs. The accompanying financial statements are for Measure B Funds only and are not intended to fairly present the financial position of the City and the results of its operations and cash flows of its proprietary fund type.

B. Basis of Accounting

The accompanying financial statements are prepared on the modified accrual basis of accounting. Revenues are generally recorded when measurable and available, and expenditures are recorded when the related liabilities are incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a "current financial resources" measurement focus, wherein only current assets and current liabilities generally are included on the balance sheets. Operating statements of governmental funds present increased (revenues and other financing sources) and decreased (expenditures and other financing uses) in net current assets.

C. Description of Funds

The accounts are maintained on the basis of fund accounting. A fund is a separate accounting entity with a self-balancing set of accounts.

The following funds are used:

Special Revenue Funds - To account for the proceeds of specific revenues that are legally restricted to be expended for specified purposes.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments are maintained on a pooled basis with those of other funds of the City. Pooled cash and investments consist of U.S. government securities, deposits with banks, mutual funds and participation in the California Local Agency Investment Fund. All investments are stated at fair value. Pooled investment earnings are allocated monthly based on the average monthly cash and investment balances of the various funds and related entities of the City.

See the City's Comprehensive Annual Financial Report for disclosures related to cash and investments and the related custodial risk categorization. This may be obtained from the City of Dublin, 100 Civic Plaza, Dublin, California 94568.

CITY OF DUBLIN
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE B FUNDS
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2016

NOTE 3 – RECEIVABLES

The receivables represent the Measure B sales tax revenues and project reimbursements for the fiscal year received from the Alameda County Transportation Commission after June 30, 2016.

NOTE 4 – MEASURE B FUNDS

Under Measure B, approved by the voters of Alameda County in 1986 (Old Measure B) and in 2000, Alameda CTC Measure B, the City receives a portion of the proceeds of an additional one-half cent sales tax to be used for transportation-related expenditures. This measure was adopted with the intention that the funds generated by the additional sales tax will not fund expenditures previously paid for by property taxes but, rather, would be used for additional projects and programs.

Local projects funded by Measure B were as follows:

- Highway and Streets (Public Work Admin) - Bicycle Master Plan Program Implementation
- Street Overlay Program - Measure B provided funding for the replacement of asphalt overlay on streets throughout the City and prolongs the useful life of the pavement. The scope of work includes removing and replacing failed pavement, placing asphalt concrete overlay and restriping the street.

From a pool of funds held by the County, Certain additional portion of the pool is allocated among the cities in the County, based on the cities' populations and the number of roads within their city limits for other transportation-related projects. Funds allocated for streets and roads; bike lanes and pedestrian lanes are recorded as a special revenue funds.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

The City participates in several grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

INDEPENDENT AUDITOR'S REPORT ON MEASURE B COMPLIANCE

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

Report on Compliance for Measure B Funds

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 basic financial statements of the Measure B Funds of the City of Dublin (City), California, as of and for the year ended June 30, 2016 and the related notes to the financial statements, and have issued our report thereon date November 17, 2016.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants specified in the *Master Programs Funding Agreement* between the City and the Alameda County Transportation Commission.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Measure B funds based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and requirements specified in the *Master Programs Funding Agreement* between the City and the Alameda County Transportation Commission. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on Measure B Funds occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Measure B Funds. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Measure B Funds

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Measure B Funds for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on Measure B Funds to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the Measure B Funds and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of Measure B Funds on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of Measure B Funds will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of Measure B Funds that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We have also issued a separate Memorandum on Internal Control dated November 17, 2016 which is an integral part of our audits and should be read in conjunction with this report.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements, specified in the *Master Programs Funding Agreement* between the City and the Alameda County Transportation Commission. Accordingly, this report is not suitable for any other purpose.

Maze & Associates

Pleasant Hill, California

November 17, 2016