

**Alameda CTC Annual Compliance Report  
2010/2011 Reporting Year**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT**

**City of  
Dublin**  
Alameda County  
Transportation Commission -  
Measure B Funds  
Dublin, California

*Financial Statements and  
Independent Auditors' Reports*

*For the year ended June 30, 2011*

**C&L**  
Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants

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**City of Dublin**  
**Alameda County Transportation Commission - Measure B Funds**

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of each major fund of the Alameda County Transportation Commission - Measure B Funds (Measure B Funds) of the City of Dublin, California (City), as of and for the year ended June 30, 2011, which collectively comprise the Measure B Funds' financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Measure B Funds. Our responsibility is to express an opinion 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Measure B Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1 to the basic financial statements, these basic financial statements present only the Measure B Funds and are not intended to present fairly the financial position and results of operations of the City in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Measure B Funds as of June 30, 2011 and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the Measure B Funds adopted Statement of Governmental Accounting Standards Board No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010.

To the Honorable Mayor and Members of City Council  
of the City of Dublin  
Dublin, California  
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In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2011 on our consideration of the Measure B Funds' 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* and should be considered in assessing the results of our audit.

*Caporicci & Larson, Inc.*

Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants  
San Francisco, California  
December 20, 2011

**City of Dublin**  
**Alameda County Transportation Commission - Measure B Funds**  
**Combined Balance Sheet**  
**For the year ended June 30, 2011**

	Special Revenue Funds			Total
	Measure B Local Streets	Measure B Bike and Pedestrian	Alamo Canal Trail Under I580	
<b>ASSETS</b>				
Cash and investments	\$ 591,215	\$ 434,239	\$ -	\$ 1,025,454
Accounts receivable	86,002	54,040	-	140,042
<b>Total assets</b>	<b>677,217</b>	<b>488,279</b>	<b>-</b>	<b>1,165,496</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ 18	\$ -	\$ 18
<b>Total expenditures</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>18</b>
<b>Fund Balances:</b>				
Restricted	677,217	488,261	-	1,165,478
<b>Total fund balances</b>	<b>677,217</b>	<b>488,261</b>	<b>-</b>	<b>1,165,478</b>
<b>Total Liabilities and fund balances</b>	<b>\$ 677,217</b>	<b>\$ 488,279</b>	<b>\$ -</b>	<b>\$ 1,165,496</b>

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, 2011**

	Special Revenue Funds			Total
	Measure B Local Streets	Measure B Bike and Pedestrian	Alamo Canal Trail Under I580	
<b>REVENUES:</b>				
Taxes other than property	\$ 327,117	\$ 116,196	\$ -	\$ 443,313
Interest	34,316	7,581	-	41,897
Reimbursement	-	-	23,491	23,491
<b>Total revenues</b>	<b>361,433</b>	<b>123,777</b>	<b>23,491</b>	<b>508,701</b>
<b>EXPENDITURES:</b>				
Current:				
Highway and Streets	-	12,643	-	12,643
Capital Outlay:				
Street Overlay Program	340,565	-	-	340,565
Sidewalk Safety Program	-	72,884	-	72,884
Slurry Seal Program	-	19,870	-	19,870
Traffic Signal Improvements	-	29,515	-	29,515
Alamo Canal Trail Under I580	-	-	23,491	23,491
<b>Total expenditures</b>	<b>340,565</b>	<b>134,912</b>	<b>23,491</b>	<b>498,968</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>20,868</b>	<b>(11,135)</b>	<b>-</b>	<b>9,733</b>
<b>FUND BALANCES:</b>				
Beginning of year	656,349	499,396	-	1,155,745
End of year	\$ 677,217	\$ 488,261	\$ -	\$ 1,165,478

See accompanying Notes to Financial Statements

## City of Dublin

### Alameda County Transportation Commission – Measure B Funds

#### Notes to Financial Statements, Continued

For the year ended June 30, 2011

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#### 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 separate special revenue funds in the basic financial statements of the City. Measure B Funds are used to account for the City's share of revenues earned and expenditures incurred under the City's streets and roads, and bike and pedestrian 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 increases (revenues and other financing sources) and decreases (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 fund type is used:

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

#### D. *Fund Balances*

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

Previously the fund balances were grouped as Reserved and Unreserved Fund Balances. Effective July 1, 2010 Fund balance reclassifications were made to conform to the provisions of GASB No. 54. GASB No. 54 establishes criteria for classifying fund balances into specifically defined classifications to provide clearer hierarchy of fund balance based on constraints and to achieve consistency in reporting between Fund Financial Statements and Government-Wide Financial Statements. It applies to government reporting to government fund, therefore, it excludes proprietary funds and business-type special purposes governments. GASB 54 details five components of fund balance: Non-Spendable; Restricted; Committed; Assigned; and Unassigned. Measure B Funds reported all fund balances as Restricted on the Balance Sheet of the Governmental Funds.

*Restricted Fund Balance* is the portion of fund balance constrained for specific purposes imposed by external parties, by law, or by enabling legislation legally enforceable by external parties.

**City of Dublin**  
**Alameda County Transportation Commission - Measure B Funds**  
**Notes to Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*E. Use of Estimates*

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

**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.

**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, 2011.

**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.

City of Dublin  
Alameda County Transportation Commission - Measure B Funds  
Notes to Financial Statements, Continued  
For the year ended June 30, 2011

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4. MEASURE B FUNDS, Continued

Local projects funded by Measure B were as follows:

Street Resurfacing Projects - To place overlays on various streets throughout the City.

Bicycle and Pedestrian Safety - To fund various bicycle and pedestrian safety projects throughout the City.

- Highways & Streets (Public Works Admin) Bicycle Master Plan Program Implementation
- Sidewalk Safety Repair Project #949102 - A portion of a larger project was partially funded with Measure B funds. The improvements were adjacent to Dublin High School and adjacent bus stops. These improvements were also partially funded by General Fund sources.
- Slurry Seal Program Project #969202 (Bicycle Master Plan Striping Component). Measure B provided funding associated with replacement and installation of pavement markings in conformance with the adopted Bicycle Master Plan.
- Traffic Signal Improvements Project #96022 (Shannon Avenue / San Ramon Road School Crossing Component). Measure B provided funding associated with the implementation of a controlled left turn signal at a major intersection which is a primary pedestrian route to two schools. The control of the left turn movement eliminated conflicts with pedestrians and turning vehicles.

From a pool of funds held by the County, 26.88 percent 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.

Regional capital projects not using Local Funds, being constructed under contract administered by the City of Dublin were as follows:

Alamo Canal Trail Under I-580 - This project is a multi-agency partnership including Measure B as well as funding provided by the East Bay Regional Park District and the Cities of Dublin and Pleasanton. The project is independent of local funds provided as part of the Local Bike and Pedestrian funding.

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**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**

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

We have audited the financial statements of the Alameda County Transportation Commission - Measure B Funds (Measure B Funds) of the City of Dublin, California (City), as of and for the year ended June 30, 2011, and have issued our report thereon dated December 20, 2011. 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.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Measure B Funds' internal control over financial reporting as a basis for designing our auditing procedures 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 Measure B Funds' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Measure B Funds' internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Honorable Mayor and Members of City Council  
of the City of Dublin  
Dublin, California  
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure B Funds' 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. 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*.

This report is intended solely for the information and use of the City Council, management, and the Alameda County Transportation Commission, and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited

*Caporicci & Larson, Inc.*

Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants  
San Francisco, California  
December 20, 2011



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## INDEPENDENT AUDITORS' REPORT ON MEASURE B COMPLIANCE

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

### Compliance and Other Matters

We have audited the City of Dublin, California (City)'s compliance with the agreement between the City and Alameda County Transportation Commissions applicable to Measure B 2000 funds for the year ended June 30, 2011. Compliance with the requirements referred to above is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States; and the agreement between the City and Alameda County Transportation Commissions. Those standards and the agreement require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirement referred to above could have a material effect on Measure B 2000 funds. An audit includes examining, on 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. Our audit does not provide a legal determination of the City's compliance with those requirements.

Under Measure B, approved by the voters of Alameda County in 2000, the City has received under Alameda County Transportation Commissions Measure B a total of 12 months of revenue from July 2010 through June 2011. The Local Street and Roads program has received \$327,117, and the Bike and Pedestrian program has received \$116,196. This financial statement reflects twelve months of revenue for the Local Streets and Roads, and the Bike and Pedestrian programs.

In our opinion, the City is in compliance, in all material respects, with the laws and regulations, contracts, and grant requirements related to Measure B 2000 funds as specified in the agreement between the City and the Alameda County Transportation Improvement Authority for the year ended June 30, 2011.

### Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on 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.



To the Honorable Mayor and Members of City Council  
of the City of Dublin  
Dublin, California  
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*A deficiency in internal control over compliance* 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, noncompliance 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 compliance requirement will not be prevented, or detected and corrected, on a timely basis.

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 that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Council, management, and the Alameda County Transportation Commission and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

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December 20, 2011