

CITY OF DUBLIN, CALIFORNIA

ALAMEDA COUNTY
VEHICLE REGISTRATION FEE (VRF)
MEASURE F PROGRAM
FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

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CITY OF DUBLIN, CALIFORNIA

**ALAMEDA COUNTY VEHICLE REGISTRATION FEE (VRF)
MEASURE F PROGRAM
FINANCIAL STATEMENTS**

For The Year Ended June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the Alameda County Vehicle Registration Fee (VRF) Measure F Program (Measure F Program) of the City of Dublin (City), California, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Measure F Program's 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 F Program of the City as of June 30, 2015, 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 2, the financial statements present only the Measure F Program and do not purport to, and do not present fairly the financial position of the City as of June 30, 2015, 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 20, 2015, 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 20, 2015

City of Dublin
Alameda County Transportation Improvement
Authority - Vehicle Registration Fee
Balance Sheet
June 30, 2015

	Vehicle Registration Fee Special Revenue Fund
ASSETS	
Cash and investments	\$ 139,350
Direct Local Distribution Program Receivable	44,777
Total assets	\$ 184,127
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 9,939
Total liabilities	9,939
Fund Balances:	
Restricted	174,188
Total fund balances	174,188
Total liabilities and fund balances	\$ 184,127

See accompanying Notes to Financial Statements

City of Dublin
Alameda County Transportation Improvement Authority
- Vehicle Registration Fee Statement of Revenues,
Expenditures and Changes In Fund Balance
For the year ended June 30, 2015

	Vehicle Registration Fee Special Revenue Fund
REVENUES:	
Direct Local Distributions	\$ 252,863
Interest	847
Total revenues	<u>253,710</u>
EXPENDITURES:	
Current:	
Highway and Streets	3,670
Capital Outlay:	
Traffic Signal Improvements	<u>161,330</u>
Total expenditures	<u>165,000</u>
NET CHANGE IN FUND BALANCE	88,710
FUND BALANCE:	
Beginning of year	85,478
End of year	<u><u>\$ 174,188</u></u>

See accompanying Notes to Financial Statements

CITY OF DUBLIN, CALIFORNIA
ALAMEDA COUNTY VEHICLE REGISTRATION FEE (VRF) MEASURE F PROGRAM
Notes to the Financial Statements
for the Year Ended June 30, 2015

NOTE 1 – BACKGROUND

Measure F Program - Alameda County Vehicle Registration Fee Measure F (Measure F Program) was approved by the voters in November 2010, with 63 percent of the vote. The fee will generate about \$10.7 million per year by a \$10 per year vehicle registration fee. The collection of the \$10 per year vehicle registration fee started in the first week of May 2011. The goal of the VRF Program is to sustain the County's transportation network and reduce traffic congestion and vehicle related pollution. The program includes four categories of projects:

- Local Road Improvement and Repair Program (60 percent)
- Transit for Congestion Relief (25 percent)
- Local Transportation Technology (10 percent)
- Pedestrian and Bicyclist Access and Safety Program (5 percent)

The Alameda County Transportation Commission administers the program and distributes an equitable share of the funds among the four planning areas of the county over successive five year cycles. Geographic equity will be measured by a formula, weighted 50 percent by population of the planning area and 50 percent of registered vehicles of the planning area.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Reporting Entity – All transactions of the Measure F Program of the City are included as a separate special revenue fund in the basic financial statements of the City.

The accompanying financial statements include the Measure F Program only and are not intended to fairly present the financial position, results of operations and cash flows of the City in conformity with accounting principles generally accepted in the United States of America.

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 presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

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.

CITY OF DUBLIN, CALIFORNIA
ALAMEDA COUNTY VEHICLE REGISTRATION FEE (VRF) MEASURE F PROGRAM
Notes to the Financial Statements
for the Year Ended June 30, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

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.

Use of Estimates - Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTE 3 - 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.

**INDEPENDENT AUDITOR'S REPORT ON VEHICLES REGISTRATION FEE (VRF)
MEASURE F COMPLIANCE**

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

Report on Compliance for Measure F Program

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 Measure F Program of the City of Dublin (City), California, as of and for the year ended June 30, 2015 and the related notes to the financial statements, and have issued our report thereon date November 20, 2015.

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 F Program 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 F Program. 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 F Program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Measure F Programs

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 F Program for the year ended June 30, 3015.

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 F Program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the Measure F Program 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 F Program 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 F Program 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 F Program 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 20, 2015 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.



Pleasant Hill, California
November 20, 2015