

City of Dublin

Measure B Funds

Dublin, California

*Financial Statements and
Independent Auditor's Reports*

For the year ended June 30, 2021

City of Dublin
Alameda County Transportation Commission – Measure B Funds
Financial Statements
For the year ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure B Funds (Measure B Funds) of the City of Dublin, California (City), as of and for the year ended June 30, 2021 and the related notes to the 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 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 entity'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 entity'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 opinion.

Opinion

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, 2021, and the changes in financial position for the year then ended in accordance 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 Measure B Funds and do not purport to, and do not, present fairly the financial positions of the City as of June 30, 2021, and the changes in its financial position 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 Matters

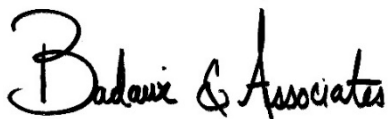
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure B Funds' financial statements. The budgetary comparison information is presented for purposes of additional analysis and are not a required part of the financial statements.

The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2021, 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 City's internal control over financial reporting and compliance.



Badawi & Associates, CPAs
Berkeley, California
December 6, 2021

City of Dublin

Alameda County Transportation Commission- Measure B Funds

Balance Sheet

June 30, 2021

	ACTC Streets and Roads	ACTC Bikes and Pedestrians	Total
ASSETS:			
Cash and investments	\$ 764,087	\$ 157,149	\$ 921,236
Direct local distribution program receivables	131,110	47,695	178,805
Total assets	<u>\$ 895,197</u>	<u>\$ 204,844</u>	<u>\$ 1,100,041</u>
FUND BALANCES:			
Restricted	\$ 895,197	\$ 204,844	\$ 1,100,041
Total fund balances	<u>\$ 895,197</u>	<u>\$ 204,844</u>	<u>\$ 1,100,041</u>

See accompanying Notes to Financial Statements.

City of Dublin

Alameda County Transportation Commission- Measure B Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the year ended June 30, 2021

	ACTC Streets and Roads	ACTC Bikes and Pedestrians	Total
REVENUES:			
Measure B revenue	\$ 643,740	\$ 234,185	\$ 877,925
Interest Income	7,486	2,084	9,570
Total revenues	651,226	236,269	887,495
EXPENDITURES:			
Bikes and Pedestrians	-	2,500	2,500
Streets and Roads	63,398	231,580	294,978
Total expenditures	63,398	234,080	297,478
REVENUES OVER (UNDER) EXPENDITURES	587,828	2,189	590,017
FUND BALANCES:			
Beginning of year	307,369	202,655	510,024
End of year	\$ 895,197	\$ 204,844	\$ 1,100,041

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, 2021

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 are used to account for the City's share of revenues earned and expenditures incurred under the City's local 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 or results of operations of the City.

B. *Basis of Accounting and Measurement Focus*

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 sheet. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

C. *Fund Accounting*

The operations of the Measure B Funds are accounted for in separate special revenue funds. The funds are separate accounting entities with a set of self-balancing accounts which comprise their assets, liabilities, fund equity, revenues, and expenses.

D. *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. MEASURE B FUNDS

Under Measure B, approved by the voters of Alameda County in 1986 (ACTA Old Measure B) and in 2000, (ACTC 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.

Major projects funded by Measure B were as follows:

Streets and Roads Program – To improve, repair, and overlay city streets.

Bike and Pedestrian Program – To provide sidewalk and American Disability Act (ADA) improvements and to implement the bikeway network.

City of Dublin

Alameda County Transportation Commission – Measure B Funds

Notes to Financial Statements

For the year ended June 30, 2021

3. CASH AND INVESTMENTS, Continued

A. Investments, Continued

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value using the aggregate method in all funds and component units. The City's investments are carried at fair market value as required by generally accepted accounting principles. The City accounts for all changes in fair value that occurred during the year and are reflected in the fund balance for the fiscal year. These investment value changes are unrealized since the City's policy is to generally hold and buy investments until maturity dates.

B. Risk Disclosures

Interest Risk – Interest rate risk is the fluctuation in fair value of investments due to changes in interest rates. The City's exposure to losses caused by rising interest rates is minimized by limiting the average maturity of the City's investment not to exceed five years.

Credit Risk – Credit risk is the risk of loss of value of a security or investment due to downgrade of its rating due to a change in the ability of the issuer to fulfill its debt obligation. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution to reduce the City's exposure to credit risks.

Custodial Credit Risk – The custodial credit risk for an investment is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the City's investments were subject to custodial credit risk.

C. Local Agency Investment Fund

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2021, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes – are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities – the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2021, the City invested in LAIF, which had invested 2.31% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 3.37% in the previous year. The LAIF fair value factor of 1.00008297 was used to calculate the fair value of the investments in LAIF.

City of Dublin

Alameda County Transportation Commission – Measure B Funds

Notes to Financial Statements

For the year ended June 30, 2021

4. DIRECT LOCAL DISTRIBUTION PROGRAM RECEIVABLES

The receivables represent the Measure B sales tax revenues for the fiscal year received from the Alameda County Transportation Commission after June 30, 2021.

5. COMMITMENTS AND CONTINGENCIES

The City participates in several grant programs. These programs are 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.

SUPPLEMENTARY INFORMATION

City of Dublin

Alameda County Transportation Commission – Measure B Funds

Supplementary Information

For the year ended June 30, 2021

1. BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- Prior to June 30 the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- The public is given an opportunity to comment on the budget at a noticed City Council meeting. Prior to July 1, the budget is legally enacted through passage of a resolution.
- During the fiscal year, the City Manager is authorized to transfer budgeted amounts between line items, provided that the transfer is within the same fund, regardless of the specific department activity. This include the authority to transfer from the General Fund budgeted contingency amounts that are approved by the City Council during the budget adoption. The City Manager is authorized to increase revenue and expenditure budget for various departmental functions, when the net budget impact is zero.
- The City Manager is authorized to increase the appropriations for the following fiscal year in an amount not to exceed the amount of funds encumbered or designated by the City Manager as needed for expenses that did not occur prior to the year-end, but are expected to be expended in the next year consistent with the original purpose.
- As part of the annual Budget adoption the City Council authorizes the carry-over unexpended capital project appropriations, for those projects where work and expenditures will continue in the subsequent year.
- Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds and capital projects funds.
- Budgets for the general, special revenue and capital projects funds are adopted on a basis consistent with generally accepted accounting principles in the United States.

City of Dublin

Supplementary Information, Continued

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Measure B - ACTC Streets and Roads

For the year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Measure B revenue	\$ 542,180	\$ 542,180	\$ 643,740	\$ 101,560
Interest Income	4,768	4,768	7,486	2,718
Total revenues	546,948	546,948	651,226	104,278
EXPENDITURES:				
Streets and Roads	593,980	687,586	63,398	624,188
Total expenditures	593,980	687,586	63,398	624,188
Net change in fund balance	\$ (47,032)	\$ (140,638)	587,828	\$ 728,466
FUND BALANCE:				
Beginning of year			307,369	
End of year			\$ 895,197	

City of Dublin

Supplementary Information, Continued

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Measure B - ACTC Bikes and Pedestrians

For the year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Measure B revenue	\$ 195,862	\$ 195,862	\$ 234,185	\$ 38,323
Interest Income	2,200	2,200	2,084	(116)
Total revenues	198,062	198,062	236,269	38,207
EXPENDITURES:				
Bikes and Pedestrians	18,000	22,618	2,500	20,118
Streets and Roads	223,400	316,297	231,580	84,717
Total expenditures	241,400	338,915	234,080	104,835
Net change in fund balance	\$ (43,338)	\$ (140,853)	2,189	\$ 143,042
FUND BALANCE:				
Beginning of year			202,655	
End of year			\$ 204,844	



**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**

Independent Auditor's Report

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

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 financial statements of the Measure B Funds (Measure B Funds) of the City of Dublin, California (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated December 6, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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.

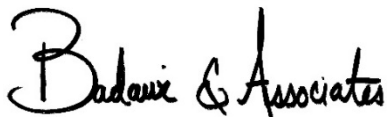
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

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.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs

Berkeley, California

December 6, 2021



INDEPENDENT AUDITOR'S REPORT ON MEASURE B COMPLIANCE

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

Compliance

We have audited the City of Dublin's (City) compliance with the types of compliance requirements described in the agreement between the City and Alameda County Transportation Commission applicable to the City's Measure B 2000 Funds (Measure B Funds) for the year ended June 30, 2021.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of the City's management.

Auditor's Responsibility

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; the standards applicable to financial audits contained in Government Audit Standards issued by the Comptroller General of the United States; and the agreement between the City and Alameda County Transportation Commission. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Measure B Funds occurred. An audit also 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. Our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion

In our opinion the City complied, in all material respects, with the compliance requirements referred to above that are applicable to the Measure B Funds for the year ended June 30, 2021.

Other Matter

Under Measure B, approved by the voters of Alameda County in 2000, the City has received under Alameda County Transportation Improvement Authority Measure B a total of 12 months of revenue from July 2020 through June 2021. The Local Street and Roads program has received \$643,740 and the Bike and Pedestrian program has received \$234,185. This financial statement reflects twelve months of revenue for the Paratransit, Local Streets and Roads, and the Bike and Pedestrian programs.

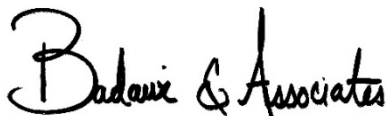
Internal Control Over Compliance

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.

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 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.

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 agreement between the City and Alameda County Transportation Commission. Accordingly, this report is not suitable for any other purpose.



Badawi & Associates, CPAs

Berkeley, California

December 6, 2021