

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

*Financial Statements and
Independent Auditors' Reports*

For the year ended June 30, 2005

C&L
Caporicci & Larson
Certified Public Accountants

City of Dublin

Alameda County Transportation Improvement Authority - 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 the Alameda County Transportation Improvement Authority - Measure B Funds (Measure B Funds) of the City of Dublin, California (City), as of and for the year ended June 30, 2005, as listed in the foregoing table of contents. These financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 opinion.

As discussed in Note 1, the financial statements present only Measure B Funds and are not intended to present fairly the financial position and results of operations of the City.

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, 2005, and the results of its operations and changes in fund balance for the year then ended in conformity with generally accepted accounting principles in the United States.

Caporicci & Larson

Oakland, California
November 4, 2005

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City of Dublin

Alameda County Transportation Improvement Authority - Measure B Funds

Combined Balance Sheet

June 30, 2005

	Special Revenue Fund		
	Measure B	Measure B	Total
	Local Streets	Bike and Pathway	
ASSETS			
Cash and investments	\$ 505,664	\$ 91,901	\$ 597,565
Accounts receivable	67,620	20,923	88,543
Total assets	\$ 573,284	\$ 112,824	\$ 686,108
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 65,465	\$ -	\$ 65,465
Total liabilities	65,465	-	65,465
Fund Balances:			
Unreserved:			
Designated for capital projects	507,819	112,824	620,643
Total fund balances	507,819	112,824	620,643
Total liabilities and fund balances	\$ 573,284	\$ 112,824	\$ 686,108

City of Dublin

Alameda County Transportation Improvement Authority - Measure B Funds

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

For the year ended June 30, 2005

	Special Revenue Fund		Total
	Measure B Local Streets	Measure B Bike and Pedestrian	
REVENUES:			
Use of money and property	\$ 11,978	\$ 1,530	\$ 13,508
Intergovernmental	278,409	86,069	364,478
Total revenues	290,387	87,599	377,986
EXPENDITURES:			
Capital outlay:			
Streets, bike and pedestrian projects	85,601	-	85,601
Total operating expenditures	85,601	-	85,601
REVENUES OVER (UNDER) EXPENDITURES	204,786	87,599	292,385
FUND BALANCES:			
Beginning of year	303,033	25,225	328,258
End of year	\$ 507,819	\$ 112,824	\$ 620,643

See accompanying Notes to Financial Statements.

City of Dublin

Alameda County Transportation Improvement Authority - Measure B Funds

Notes to Financial Statements

For the year ended June 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - All transactions of the Alameda County Transportation Improvement Authority - 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.

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.

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

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, certificates of deposit, commercial paper, Bankers acceptances, repurchase agreements, 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 Improvement Authority - Measure B Funds

Notes to Financial Statements, Continued

For the year ended June 30, 2005

3. MEASURE B FUNDS

Under Measure B, approved by the voters of Alameda County in 1986, 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.

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.

From a pool of funds held by the County, 22.33 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 fund.

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MEASURE B
FUNDS AND INTERNAL CONTROL OVER COMPLIANCE**

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

Compliance

We have audited the compliance of the City of Dublin with the certain requirements described in an Agreement with the Alameda County of Transportation Improvement Authority that are applicable to its Measure B Funds for the year ended June 30, 2005. Compliance with the requirements of laws, regulations, contracts and grants applicable to its Measure B 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 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 noncompliance with the 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. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Dublin, in all material respects, has complied with the requirements referred to above that are applicable to its Measure B Funds for the year ended June 30, 2005.

Internal Control Over Compliance

City management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Measure B Funds. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on Measure B Funds in order to determine our auditing procedures for the purpose of expressing our opinion on compliance.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to Measure B Funds audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the City Council, management, others within the City and operating agencies and is not intended to be and should not be used by anyone other than these specified parties.

Caporicci & Larson

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November 4, 2005

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