

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 11/14/2024

Staff Report No. 24-540

TO: Distict Parcel Tax Fiscal Oversight Committee
 FROM: Michael A. Hursh, General Manager
 SUBJECT: FY 2023-24 Measure VV/C1 Financial Statement

ACTION ITEM

RECOMMENDED ACTION(S):

Review the Measure VV/C1 Financial Statement and consider the adoption of Resolution No. 24-001 determining that the Measure VV/C1 funds collected during the 2023-24 Fiscal Year have been appropriated and expended in Special Transit Service District No. 1 for operation and maintenance activities.

- History of the District 1 - District 2 Allocation Methodology;
- Measure VV/C1 Agreed Upon Procedure, including an Hours and Miles Comparison for District 1/District 2;
- AC Transit Audited Financial Statements (includes the D1/D2 Report and Supplemental Schedule).

Staff Contact:
 Chris Andrichak, Chief Financial Officer

BUDGETARY/FISCAL IMPACT:

There are no budgetary or fiscal impacts associated with this report.

BACKGROUND/RATIONALE:

The parcel tax was initially enacted in 2002. Proceeds from this special tax can only be used to fund the operations and maintenance of bus service within District 1. In 2008, the voters in District 1 approved Measure VV, which increased the tax to \$96 per year per parcel for a 10-year period.

In 2016, the voters in District 1 approved Measure C1, which extended the expiration date of the Parcel Tax until 2039. Measure VV proceeds are specifically designated for the operation and maintenance of bus services and this revenue is essential to the sustainability of operations in District 1.

Measure VV funds for Operations and Maintenance Expenses by County and Special Transit Service District for the fiscal year ending June 30, 2024 are shown in Attachment 2 - Measure VV Schedules with Independent Auditor's Report

Revenue Collection History for Measure VV/C1

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24

Measure VV/C1	\$29.7M	\$29.6M	\$30.1M	\$29.8M	\$29.9M	\$30.0M
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On November 12, 2008, the Board of Directors adopted Resolution 08-064 establishing the Alameda-Contra Costa Transit District Parcel Tax Fiscal Oversight Committee. The Committee is required to meet at least once per year to determine that funds generated by the District’s parcel tax measures have been expensed in accordance with the intentions of the voters. In addition, the Committee is required to provide a written report or resolution regarding its findings to the Board of Directors and during the same time frame that the Chief Financial Officer makes his/her report on the annual fiscal year audit. In accordance with this resolution, the Committee is requested to review the use of Measure VV funds as accounted for in the attached report and to provide a written report and/or resolution to the AC Transit Board of Directors at the Regular Board meeting on December 11, 2024. Resolution 24-001 is attached for the Committee’s consideration in confirming that the Measure VV funds collected during the 2023-24 fiscal year have been appropriated and expended in District 1 for operations and maintenance activities.

ADVANTAGES/DISADVANTAGES:

There are no advantages or disadvantages associated with this report.

ALTERNATIVES ANALYSIS:

There are no alternatives as this report is a requirement for the Parcel Tax Fiscal Oversight Committee.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report 23-488 with Resolution 23-001, FY 2022-23 Measure VV/C1 Tax Proceeds to AC Transit Special Transit Service District

ATTACHMENTS:

1. Resolution 24-001
2. Measure VV Agreed Upon Procedures (draft)
3. Schedules for Districts No. 1 and No. 2 (draft)
4. AC Transit Audited Financial Statements; Year Ended June 30, 2024 (draft)
5. Presentation

Prepared by:

Kenneth Myers, Controller

Approved/Reviewed by:

Chris Andrichak, Chief Financial Officer

Michael A. Hursh, General Manager/Chief Executive Officer

Aimee L. Steele, General Counsel/Chief Legal Officer (as to Resolution only)

**PARCEL TAX FISCAL OVERSIGHT COMMITTEE
ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
RESOLUTION NO. 24-001**

**A RESOLUTION DETERMINING THAT THE MEASURE VV/C1 FUNDS COLLECTED DURING THE
2023-24 FISCAL YEAR HAVE BEEN APPROPRIATED AND EXPENDED IN SPECIAL TRANSIT
SERVICE DISTRICT NO. 1 FOR OPERATION AND MAINTENANCE ACTIVITIES**

WHEREAS, on November 5, 2002, the voters in Special Transit Service District No. 1 (“District 1”) approved Measure AA which imposed a \$24 dollar per parcel per year tax on properties in District 1 for five years, for the operation and maintenance of AC Transit’s activities in District 1; and

WHEREAS, AC Transit Resolution No. 2098 created the Measure AA Oversight Committee for the purpose of determining that the monies collected under Measure AA were spent in District 1 for the operation and maintenance of AC Transit’s services in District 1, as those terms are defined in AC Transit Resolution No. 2067; and

WHEREAS, on November 2, 2004, the voters in District 1 approved Measure BB, increasing the amount of the parcel tax to \$48.00 per parcel per year for ten years commencing on July 1, 2005; and

WHEREAS, as a consequence of the passage of Measure BB (with an increased time period and amount) Resolution No. 05-031 was adopted repealing Resolution No. 2098 and establishing the Measure AA/BB Oversight Committee, appointed its membership and amended Resolutions Nos. 2067 and 2135, modifying the reporting period from September 20th to December 31st of each year; and

WHEREAS, on November 4, 2008, the voters in District 1 approved Measure VV, increasing the amount of the parcel tax to \$96.00 per parcel per year for ten years, commencing on July 1, 2009; and

WHEREAS, on November 8, 2016, the voters in District 1 approved Measure C1 which extended the expiration date of the parcel tax for a period of 20 years until 2039; and

WHEREAS, a regular meeting of the Alameda-Contra Costa District Parcel Tax Fiscal Oversight Committee (“the Committee”) was held on November 14, 2024, during which the Committee reviewed information provided by Alameda-Contra Costa Transit District’s Chief Financial Officer contained in Staff Report No. 24-540.

NOW THEREFORE, the Parcel Tax Fiscal Oversight Committee of the Alameda-Contra Costa Transit District does resolve as follows:

Section 1. Determines that the monies collected pursuant to Measure VV/C1 during the 2023-24 Fiscal year were appropriated and expended for the operation and maintenance of AC Transit services in District 1.

Section 2. Authorizes the transmittal of a copy of this resolution to the AC Transit Board of Directors.

Section 3. This resolution shall become effective immediately upon its passage by four affirmative votes of the Alameda-Contra Costa Transit District Parcel Tax Fiscal Oversight Committee.

PASSED AND ADOPTED this 14th day of November, 2024.

Chair

Attest:

Linda A. Nemeroff
Board Administrative Officer/District Secretary

I, Linda A. Nemeroff, District Secretary for the Alameda-Contra Costa Transit District, do hereby certify that the foregoing Resolution was passed and adopted at a special meeting of the Alameda-Contra Costa Transit District Parcel Tax Fiscal Oversight Committee held on the 14th day of November, 2024, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Linda A. Nemeroff
Board Administrative/District Secretary

Approved as to Form and Content:

Aimee L. Steele
General Counsel/Chief Legal Officer

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
MEASURE VV AGREED UPON PROCEDURES
June 30, 2024

DRAFT

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

MEASURE VV AGREED UPON PROCEDURES

June 30, 2024

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Management and the Board of Directors
Alameda-Contra Costa Transit District
Oakland, California

We have performed the procedures enumerated below, solely to assist you in evaluating compliance with the service hours, service miles, and the allocation of operations and maintenance expenses by county and Special Transit Service District (STSD) set forth in the accompanying schedules for the year ended June 30, 2024. The Alameda-Contra Costa Transit District's (District) management is responsible for compliance and the accompanying schedules.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding compliance with the service hours, service miles, and the allocation of operations and maintenance expenses by county and SSTSD. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

Our procedures and findings are as follows:

General

- a) We read the Measure VV voter approved ballot measure noting that the ten-year parcel tax is levied for the purposes of providing essential transportation services, including the operation and maintenance of bus services within District 1.

Step performed without exception.

- b) We traced Measure VV funds received for the year ended June 30, 2024 to the District's general ledger and to the independent confirmations received from the County of Alameda and the County of Contra Costa.

Step performed without exception.

Schedule of Service Hours and Service Miles By County and Special Transit Service District

- a) We tested the schedule for clerical accuracy.

Step performed without exception.

(Continued)

- b) We compared service hours for the year ended June 30, 2024 to the worksheets prepared by the District.

Step performed without exception.

- c) We compared STSD No. 1 service hours for the year ended June 30, 2024 to the worksheets prepared by the District.

Step performed without exception.

- d) We recomputed the net changes in service hours during the year ended June 30, 2024 by county and STSD.

Step performed without exception.

- e) We compared STSD No. 1 miles by county for the year ended June 30, 2024 to the worksheets prepared by the District.

Step performed without exception.

- f) We recomputed the net changes in service miles during the year ended June 30, 2024 by county and STSD.

Step performed without exception.

Schedule of Operations and Maintenance Expenses Funded by Measure VV Taxed by County and Special Transit Service District

- a) We tested the schedule for mathematical accuracy.

Step performed without exception.

- b) We compared total expenses to the District's unaudited Statement of Revenues, Expenses, and Changes in Fund Net Position for the Transit Fund for the year ended June 30, 2024.

Step performed without exception.

- c) We recomputed the total expenses before allocation by county and STSD.

Step performed without exception.

- d) We compared service hours and service miles by county and STSD to the Schedule of Service Hours and Service Miles by county and STSD.

Step performed without exception.

- e) We recomputed the service hours and service miles allocation percentages.

Step performed without exception.

- f) We traced expenses, allocated by county and STSD, to a worksheet prepared by the District. We noted that the District computed the allocated expenses for Contra Costa County, STSD No. 1 as follows:

$$\begin{array}{l} \text{Total Expenses before allocation} \\ \text{By County and STSD} \end{array} \times \frac{\text{Service Hours allocation \% (a) + Service Miles allocation \% (b)}}{2}$$

$$(a) \text{ Service Hours allocation \%} = \frac{\text{Contra Costa County STSD 1 Service Hours}}{\text{Total STSD 1 Service Hours}}$$

$$(b) \text{ Service Miles Allocation \%} = \frac{\text{Contra Costa County STSD 1 Service Miles}}{\text{Total STSD 1 Service Miles}}$$

Step performed without exception.

- g) We recomputed expenses allocated to Contra Costa County, STSD No. 1 using the above calculation and compared to the amounts calculated by the District.

Step performed without exception.

- h) We compared the method used to allocate operations and maintenance expenses to Alameda STSD No. 2 to the District's stated allocation methodology.

Step performed without exception.

- i) We noted that the District computed the allocated expenses for Alameda County STSD No. 1 as follows:

Total expenses before allocation by county and STSD	-	Expenses allocated to Contra Costa County STSD No. 1	=	Expenses allocated to Alameda County
Expenses allocated to Alameda County	-	Expenses allocated to Alameda County STSD No. 2	=	Expenses allocated to Alameda County STSD No. 1

- j) We noted that the District allocated total operations and maintenance expenses to STSD No. 1 by adding the sum of expenses allocated to Contra Costa County STSD No. 1 plus expenses allocated to Alameda County STSD No. 1.

Step performed without exception.

- k) We recomputed the total allocation of operations and maintenance expenses to Alameda County and Contra Costa County STSD No. 1.

Step performed without exception.

- l) We verified that the Measure VV proceeds received by the District did not exceed the operations and maintenance expenses allocated to STSD No. 1.

Step performed without exception.

- m) We noted that total District operations and maintenance expenses allocated to STSD No. 1 exceeded Measure VV funding of \$29,982,074 by \$473,815,546 for the year ended June 30, 2024.

Step performed without exception.

- n) We recalculated the total revenues and capital contributions and expenses for STSD No. 2.

Step performed without exception.

- o) Calculate the cost coverage ratio for STSD No. 2 as defined by total operating revenues plus capital contributions for STSD No. 2 divided by total operating expenses for STSD No 2.

Step performed without exception.

Schedule of Maintenance Costs Funded By Measure VV Taxes By County and Special Transit Service District

- a) We obtained the Schedule of Maintenance Costs Funded by Measure VV Taxes (Schedule) from the District.

Step performed without exception.

- b) We agreed Total Modal Expenses reported on the Schedule for function code 041 Vehicle Maintenance and 042 Non-vehicle Maintenance to the District's National Transit Database Report, Operating Expenses (F-30) form.

Step performed without exception.

- c) We recalculated the percentage used to allocate costs reported on the Schedule by using expense allocations reported in the Special Transit Service Districts No. 1 and No. 2 Schedule with Independent Accountant's Report.

Step performed without exception.

- d) We agreed Measure VV Taxes to the Special Transit Service Districts No. 1 and No. 2 Schedule with Independent Accountant's Report.

Step performed without exception.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying schedule. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the Board of Directors of the District and the Measure VV parcel tax oversight committee and is not intended to be, and should not be, used by anyone other than the specified parties.



San Francisco, California
<>, 2024

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ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
SCHEDULE OF SERVICE HOURS AND SERVICE MILES
BY COUNTY AND SPECIAL TRANSIT SERVICE DISTRICT
For The Year Ended June 30, 2024

	For the Year Ended June 30, 2023	Net Increase/ (Decrease)	For the Year Ended 6/30/20224
SERVICE HOURS			
Contra Costa - STSD No. 1	<u>171,459</u>	<u>6,998</u>	<u>178,457</u>
Alameda - STSD No. 1	1,447,694	22,111	1,469,805
Alameda - STSD No. 2	<u>186,778</u>	<u>1,114</u>	<u>187,892</u>
Total Alameda service hours	<u>1,634,472</u>	<u>23,225</u>	<u>1,657,697</u>
Total STSD No. 1 service hours	<u>1,619,153</u>	<u>29,109</u>	<u>1,648,262</u>
Total Service Hours	<u>1,805,931</u>	<u>30,223</u>	<u>1,836,154</u>
SERVICE MILES			
Contra Costa - STSD No. 1	<u>1,966,070</u>	<u>55,745</u>	<u>2,021,815</u>
Alameda - STSD No. 1	13,564,355	220,367	13,784,722
Alameda - STSD No. 2	<u>2,137,178</u>	<u>(30,065)</u>	<u>2,107,113</u>
Total Alameda service miles	<u>15,701,533</u>	<u>190,302</u>	<u>15,891,835</u>
Total STSD No. 1 service miles	<u>15,530,425</u>	<u>276,112</u>	<u>15,806,537</u>
Total Service Miles	<u>17,667,603</u>	<u>246,047</u>	<u>17,913,650</u>

See accompanying notes to the schedule.

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ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
SCHEDULE OF OPERATIONS AND MAINTENANCE EXPENSES FUNDED BY
MEASURE VV TAXES BY COUNTY AND SPECIAL TRANSIT SERVICE DISTRICT
For The Year Ended June 30, 2024

	Before Allocation	Contra Costa	Alameda County			Total
	By County	County STSD #1	STSD #1	STSD #2	Total	STSD #1
Expenses						
Operator wages	\$ 90,164,809	\$ 9,512,526	\$ 71,040,714	\$ 9,611,569	\$ 80,652,283	\$ 80,553,240
Other wages	85,197,023	8,954,435	66,872,823	9,369,765	76,242,588	75,827,258
Fringe benefits	117,793,886	12,405,180	92,643,408	12,745,298	105,388,706	105,048,588
Pension expenses	49,866,088	5,251,527	39,219,050	5,395,511	44,614,561	44,470,577
Services	44,124,154	4,637,567	34,633,918	4,852,669	39,486,587	39,271,485
Fuel and lubricants	17,656,395	1,855,734	13,858,853	1,941,808	15,800,661	15,714,587
Office/printing supplies	1,073,059	112,781	842,266	118,012	960,278	955,047
Bus parts/maintenance supplies	17,932,994	1,884,806	14,075,960	1,972,228	16,048,188	15,960,766
Utilities	5,403,021	567,872	4,240,938	594,211	4,835,149	4,808,810
Insurance	23,994,844	2,521,922	18,834,026	2,638,896	21,472,922	21,355,948
Other expenses	12,506,069	1,314,421	9,816,260	1,375,388	11,191,648	11,130,681
ADA paratransit joint venture	41,961,765	4,060,547	30,324,666	7,576,552	37,901,218	34,385,213
Interest expense	817,774	85,549	638,891	93,334	732,225	724,440
Depreciation/amortization	60,213,070	6,328,555	47,262,425	6,622,090	53,884,515	53,590,980
Total expenses	\$ 568,704,951	59,493,422	444,304,198	64,907,331	509,211,529	503,797,620
Measure VV revenues		5,122,438	24,859,636	-	24,859,636	29,982,074
Net deficit		<u>\$ (54,370,984)</u>	<u>\$ (419,444,562)</u>	<u>\$ (64,907,331)</u>	<u>\$ (484,351,893)</u>	<u>\$ (473,815,546)</u>
Service Hours	1,836,154	178,457	1,469,805	187,892		1,648,262
Allocation Percentage	100.00%	9.72%	80.05%	10.23%		89.77%
Service Miles	17,913,650	2,021,815	13,784,722	2,107,113		15,806,537
Allocation Percentage	100.00%	11.29%	76.95%	11.76%		88.24%
Average	100.00%	10.50%	78.50%	11.00%		89.00%

See accompanying notes to the schedule.

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ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
SCHEDULE OF MAINTENANCE COSTS FUNDED BY MEASURE VV TAXES
BY COUNTY AND SPECIAL TRANSIT SERVICE DISTRICT
For Year Ended June 30, 2024

<u>Maintenance Costs and Funding</u>	<u>STSD #1</u>		<u>STSD #2</u>		<u>Total</u>
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>	
Total model expenses					
041 Vehicle maintenance	\$ 61,539,099	89.00%	\$ 7,604,217	11.00%	\$ 69,143,316
042 Non-vehicle maintenance	<u>17,399,968</u>	89.00%	<u>2,150,066</u>	11.00%	<u>19,550,034</u>
Total maintenance costs	<u>78,939,067</u>		<u>9,754,283</u>		<u>88,693,350</u>
Measure VV taxes	<u>29,982,074</u>	100.00%	-	0.00%	<u>29,982,074</u>
Net costs funded by other resources	<u>\$ 48,956,993</u>		<u>\$ 9,754,283</u>		<u>\$ 58,711,276</u>

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ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
PROCEDURES PERFORMED AND CONCLUSIONS
NOTES TO THE SCHEDULE OF SERVICE HOURS AND
SERVICE MILES BY COUNTY AND SPECIAL TRANSIT SERVICE DISTRICT AND
THE SCHEDULE OF OPERATIONS AND MAINTENANCE EXPENSES FUNDED BY
MEASURE VV TAXES BY COUNTY AND SPECIAL TRANSIT SERVICE DISTRICT
For The Year Ended June 30, 2024

NOTE 1 - GENERAL

On November 30, 2004, the voters approved Measure BB, which superseded the Measure AA parcel tax authorizing Alameda and Contra Costa Counties (the Counties) to levy and collect a parcel tax for the purposes of "preserving affordable local public transportation services that allow seniors and people with disabilities to remain independent, take students to and from school, help East Bay residents commute to work and reduce traffic and air pollution by reducing the number of cars on the road." The tax became effective on July 1, 2005 and was to terminate on June 30, 2016. However, on November 4, 2008, the voters approved Measure VV, which supersedes the Measure BB parcel tax. Measure VV became effective July 1, 2009 and increased the annual parcel tax to \$96 per parcel. Measure VV was originally effective through June 30, 2019, but voters approved the extension through June 30, 2039. Proceeds from this special tax can only be used to fund the operation and maintenance of bus service within Special Transit Service District (STSD) No. 1. The District received approximately \$30.0 million in Measure VV taxes during the year ended June 30, 2024.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SCHEDULE PRESENTATION

These schedules are prepared under the guidelines of the agreement between the Contra Costa Transportation Authority and the Alameda-Contra Costa Transit District that essentially allocates expenses between STSD No. 1 and STSD No. 2. Consequently, they do not present the financial position, changes in financial position, or cash flows of the Alameda-Contra Costa Transit District.

NOTE 3 - BASIS OF ACCOUNTING

The Schedule of Operations and Maintenance Expenses by County and Special Transit Service District has been prepared in accordance with the accrual basis of accounting.

NOTE 4 - BASIS OF EXPENSE ALLOCATION

The expenses on the Schedule of Operations and Maintenance Expenses by County and Special Transit Service District are prorated to the Counties and the Special Transit Service Districts. It is based on an equal weighing of the relationship of hours and miles of service between the Counties and the Special Transit Service Districts within the Counties.

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
SPECIAL TRANSIT SERVICE
SCHEDULES FOR DISTRICTS NO. 1 AND NO. 2
June 30, 2024

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ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

SPECIAL TRANSIT SERVICE
SCHEDULES FOR DISTRICTS NO. 1 AND NO. 2
June 30, 2024

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Management and Board of Directors
Alameda-Contra Costa Transit District
Oakland, California

We have performed the procedures enumerated below, solely to assist you in evaluating compliance with the Board approved allocation methodology of the Schedule of Revenues and Expenses by Service Area for the year ended June 30, 2024. The Alameda-Contra Costa Transit District's (District) management is responsible for compliance and the accompanying schedules.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding compliance with the compliance with the Board approved allocation methodology of the Schedule of Revenues and Expenses by Service Area. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

Our procedures and findings are as follows:

General:

- A. We have read the Special Transit Service Districts (STSD) No. 1 and No. 2 allocation methodology for consistency with the prior year, and inquired of District Controller for any changes.

Step performed without exception.

Schedule of Revenues and Expenses by Service Area:

- B. We have compared the Schedule to the audited financial statements.

Step performed without exception.

- C. We compared service hours by STSD and by Alameda and Contra Costa Counties for the year ended June 30, 2024 that are used for allocation to the supporting spreadsheets prepared by the District.

Step performed without exception.

(Continued)

- D. We compared the net changes in service hours from the prior year to the year ended June 30, 2024 by Alameda and Contra Costa counties and STSD.

Step performed without exception. District 1 service hours were 1,648,262 (89.77%) in FY24 and 1,619,153 (89.66%) in FY23. District 2 service hours were 187,892 (10.23%) in FY24 and 186,778 (10.34%) in FY23.

- E. We compared service miles by STSD and by Alameda and Contra Costa Counties for the year ended June 30, 2024 that are used for allocation to the supporting spreadsheets prepared by the District.

Step performed without exception.

- F. We compared the net changes in service miles from the prior year to the year ended June 30, 2024 by Alameda and Contra Costa counties and STSD.

Step performed without exception. District 1 service miles were 15,806,537 (88.24%) in FY24 and 15,530,425 (87.90%) in FY23. District 2 service miles were 2,107,113 (11.76%) in FY24 and 2,137,178 (12.10%) in FY23.

- G. We recalculated the allocation of each financial statement caption in the Schedule by applying the District's allocation methodology for each caption to the District's total revenue or expense line item amount and compared this to the Schedule provided by the District.

Step performed without exception.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion on the schedule and allocation methodology. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the Board of Directors of the District and is not intended to be, and should not be, used by anyone other than the specified parties.



San Francisco, California
<>, 2024

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ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY SERVICE AREA
For the Year Ended June 30, 2024

	STSD #1	STSD #2	Total	STSD #2 as a % of Total	Allocation Method- ology
Revenues:					
Passenger fares	\$ 32,358,530	\$ 1,973,665	\$ 34,332,195	5.75%	(1)
Contract services	10,168,144	1,931,899	12,100,043	15.97%	(14)
Advertising	1,463,450	180,835	1,644,285	11.00%	(2)
Interest income	10,433,508	1,742,856	12,176,364	14.31%	(6)
Other	2,110,481	260,787	2,371,268	11.00%	(14)
Total operating revenues	<u>56,534,113</u>	<u>6,090,042</u>	<u>62,624,155</u>	9.72%	
Subsidies:					
Property taxes	127,574,730	31,727,389	159,302,119	19.92%	(7)
Property taxes - Measure VV	29,982,074	-	29,982,074	0.00%	(10)
Local sales tax - Measure BB	75,433,589	9,321,120	84,754,709	11.00%	(2)
Local sales tax - Measure J	7,680,758	-	7,680,758	0.00%	(10)
Local operating assistance	14,825,290	3,434,771	18,260,061	18.81%	(14)
State - AB1107	47,177,953	6,233,066	53,411,019	11.67%	(15)
State - AB2972 Home to School	500,000	-	500,000	0.00%	(10)
State - TDA	79,898,503	18,034,930	97,933,433	18.42%	(14)
State - STA	48,329,616	8,184,895	56,514,511	14.48%	(5)
Federal operating assistance - ADA	6,109,548	721,145	6,830,693	10.56%	(8)
Federal operating assistance	28,056,956	3,466,921	31,523,877	11.00%	(2)
Total subsidies	<u>465,569,017</u>	<u>81,124,237</u>	<u>546,693,254</u>	14.84%	
Total revenue & subsidies	<u>522,103,130</u>	<u>87,214,279</u>	<u>609,317,409</u>	14.31%	
Expenses:					
Operator wages	80,553,241	9,611,569	90,164,810	10.66%	(4)
Other wages	75,827,258	9,369,765	85,197,023	11.00%	(2)
Fringe benefits	105,048,588	12,745,298	117,793,886	10.82%	(13)
Pension expense	44,470,577	5,395,511	49,866,088	10.82%	(13)
Services	39,271,485	4,852,669	44,124,154	11.00%	(2)
Fuel & lubricants	15,714,587	1,941,808	17,656,395	11.00%	(2)
Office/Printing supplies	955,047	118,012	1,073,059	11.00%	(2)
Bus parts/Maint. supplies	15,960,766	1,972,228	17,932,994	11.00%	(2)
Utilities	4,808,810	594,211	5,403,021	11.00%	(2)
Insurance	21,355,948	2,638,896	23,994,844	11.00%	(2)
Other expenses	11,130,681	1,375,388	12,506,069	11.00%	(2)
Purchased transportation	34,385,213	7,576,552	41,961,765	18.06%	(8)
Interest expense	724,440	93,334	817,774	11.41%	(9)
Depreciation/amortization	53,590,980	6,622,090	60,213,070	11.00%	(2)
Total operating expenses	<u>503,797,621</u>	<u>64,907,331</u>	<u>568,704,952</u>	11.41%	
Income before capital contributions	18,305,509	22,306,948	40,612,457	54.93%	
Capital contributions	<u>20,753,803</u>	<u>51,831</u>	<u>20,805,634</u>	0.25%	(14)
Change in net position	<u>\$ 39,059,312</u>	<u>\$ 22,358,779</u>	<u>\$ 61,418,091</u>		

See accompanying notes to the schedule.

NOTE 1 – GENERAL

Special Transit Service District (STSD) No. 1 was the designation used from the creation of the Alameda-Contra Costa Transit District (District) for its original territory, consisting of the cities and surrounding unincorporated area from Richmond and San Pablo through Hayward. STSD No. 1 extends from San Pablo Bay to Hayward, including the cities of Richmond, San Pablo, El Cerrito, Albany, Berkeley, Emeryville, Oakland, Piedmont, Alameda, San Leandro, Hayward, and the unincorporated areas of Ashland, Castro Valley, Cherryland, El Sobrante, Kensington, and San Lorenzo. STSD No. 2 was created through an annexation agreement and includes the City of Fremont and the City of Newark in southwestern Alameda County where the District operates a network of local routes. Local service within Union City is operated by a separate agency, Union City Transit. Service to Palo Alto across the Dumbarton Bridge on the DB line is provided by the District under contract with a consortium of operators, led by the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SCHEDULE PRESENTATION

The accompanying Schedule was prepared in accordance with accounting principles generally accepted in the United States of America and the allocation methodology guidelines listed below. This Schedule does not present the financial position, changes in financial position, or cash flows of the District.

NOTE 3 – BASIS OF ACCOUNTING

The Schedule has been prepared in accordance with the accrual basis of accounting.

NOTE 4 – BASIS OF ALLOCATION

The revenues and expenses on the Schedule are prorated between STSD No. 1 and No. 2 based on an allocation methodology that is specific to each financial statement caption. The primary allocation basis is an equal weighting of the relationship of hours and miles of service between the counties and the Special Transit Service District within the counties. The complete listing of allocation methodology is reported on page 5.

DRAFT
ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
ALLOCATION METHODOLOGY
For the Year Ended June 30, 2024

- (1) Fare box revenues are allocated on the basis of estimated revenues for each route operated by a District as record by the GFI system. Estimated revenues consist of cash collected on a route, plus the impact of estimated revenues related to passes and tickets used on that same route.
 - (2) This revenue/expense line item is allocated to the District in which such services are provided, and then on the basis of the District's pro-rata share of service hours and service miles. Each District's allocation percentage is calculated using the following formula:
$$\frac{(\text{District svc. Hours}/\text{Total svc. Hours}) + (\text{District svc. Miles}/\text{Total svc. Miles})}{2}$$
 - (3) BART transfer revenue is allocated on the basis of each District's pro-rata share of fare box revenues as calculated under (1) above.
 - (4) Actual operator pay per the general ledger is allocated to each District based on its prorated share of scheduled operator pay as recorded by the OTS 370 report.
 - (5) State transit assistance revenues are allocated to each District based on its pro-rata share of "qualifying revenues", which are defined by the District to include the following: property taxes, Measure VV revenues, Measure BB revenues, Measure J revenues, fare box revenues, contract services, and Dumbarton reimbursement Revenues.
 - (6) Interest income is allocated to each District based on its pro-rata share of total revenues and subsidies, excluding interest income.
 - (7) Property taxes are allocated to each District on the basis of actual revenue as reported to the District by Alameda and Contra Costa County.
 - (8) ADA paratransit subsidies are expenses that are allocated to each District based on its prorated share of ridership as reported to the District by its paratransit contractor.
 - (9) Interest expense is allocated to each District based on its pro-rata share of total expenses, excluding interest expense.
 - (10) Allocation of this revenue or expenses line item is not necessary as it is associated solely with a single District.
 - (11) Measure B revenues were allocated between the Districts using two different methodologies. For the former Measure B, revenues are allocated using the formula in (2) above. Subsequent to May 31, 2002, Measure B revenues are based on the revised legislation, which allocates a specific portion of the total revenues received from each District.
 - (12) TDA revenues are allocated to each District on the basis of actual revenues as reported to the District by the Metropolitan Transportation Commission.
 - (13) Fringe benefits and pension expenses are allocated using the sum of each District's pro-rata share of operator's wages and other wages divided by the sum of total operator wages and other wages.
 - (14) This revenue or expense line item is allocated to the District in which such services are provided, or if District wide, using methodology (2) above.
 - (15) Allocation of this revenue line item is based upon the allocation percentage approved by the District's Board of Directors.
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DRAFT

SR 24-540
Attachment 4

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
FINANCIAL STATEMENTS
June 30, 2024

DRAFT
ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
ENTERPRISE FUND – STATEMENT OF NET POSITION
June 30, 2024
(In thousands)

ASSETS

Current assets

Cash and cash equivalents (Note 3)	\$	95,966
Investments (Note 3)		99,860

Receivables:

Federal and local grants:

Capital		17,811
Planning, operating and other (Note 7)		39,022
Property tax		3,355
Local sales tax		18,214
Lease receivable		372
Other trade receivables		17,347
Total receivables, net		96,121

Due from Pension Trust Fund (Note 5)		7,723
Inventory		16,760
Prepaid expenses		14,775
Total current assets		331,205

Noncurrent assets

Restricted cash and cash equivalents:

Restricted for capital purchases (Note 3)		107,758
Restricted for certificates of participation - debt service (Note 3)		1,137
Lease receivable		13,138
Capital assets (Note 4)		
Nondepreciable		79,430
Depreciable, net		332,187
Right-to-use lease assets, net		6,295
Subscription assets, net		5,435
Total capital assets, net		423,347

Total noncurrent assets		545,380
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Total assets		876,585
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DEFERRED OUTFLOWS OF RESOURCES

Pension related (Note 11)		102,928
OPEB related (Note 12)		24,088
Deferred loss on refunding debt (Note 8)		402
Total deferred outflows of resources		127,418

Total assets and deferred outflows of resources		\$ 1,004,003
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(Continued)

DRAFT
ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
ENTERPRISE FUND – STATEMENT OF NET POSITION
June 30, 2024
(In thousands)

LIABILITIES

Current liabilities

Accounts payable and accrued expenses	\$	18,333
Accrued salaries and wages		1,250
Current portion of accrued vacation and sick leave		23,401
Due to Pension Trust Fund (Note 5)		2,519
Unearned revenue		22,881
Other accrued liabilities		12,702
Accrued interest payable		345
Current portion of lease liability (Note 9)		187
Current portion of claims liabilities (Note 15)		15,675
Current portion of remediation obligations (Note 14)		67
Current portion of certificates of participation (Note 8)		1,640
Total current liabilities		99,000

Noncurrent liabilities

Accrued vacation and sick leave		10,090
Lease liability (Note 9)		6,283
Subscription liability (Note 10)		5,017
Claims liabilities (Note 15)		79,917
Remediation obligations (Note 14)		952
Certificates of participation (Note 8)		19,200
Net pension liability (Note 11)		313,803
Net OPEB liability (Note 12)		125,147
Total noncurrent liabilities		560,409

Total liabilities		659,409
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DEFERRED INFLOWS OF RESOURCES

Pension related (Note 11)		3,282
OPEB related (Note 12)		66,688
Lease related		12,934
Total deferred inflows of resources		82,904

Total liabilities and deferred inflows of resources		742,313
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NET POSITION

Net investment in capital assets		396,037
Restricted for capital purchases		107,758
Restricted for debt service		792
Unrestricted		(242,897)
Total net position	\$	261,690

The accompanying notes are an integral part of these financial statements.

DRAFT
 ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
 ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 Year ended June 30, 2024
 (In thousands)

Operating Revenues	
Passenger fares	\$ 32,358
Contract services	12,100
Operating revenues of JPA and consortium (Note 16)	1,974
Other	4,014
Total operating revenues	<u>50,446</u>
 Operating expenses	
Operator wages	90,165
Other wages	85,197
Fringe benefits	167,660
Depreciation and amortization (Note 4)	60,213
Fuel and oil	17,656
Other material and supplies	19,006
Services	44,124
Insurance	23,995
Expenses of JPA and consortium (Note 16)	41,962
Other	17,908
Total operating expenses	<u>567,886</u>
Operating loss	<u>(517,440)</u>
 Non-operating revenues (expenses)	
Operating assistance:	
Property taxes	189,284
Local sales tax (Note 7)	129,080
Local funds (Note 7)	107,447
State (Note 7)	48,350
Federal (Note 7)	31,524
Non-operating revenues of JPA and consortium	41,009
Interest income	12,176
Interest expense	(818)
Net non-operating revenues (expenses)	<u>558,052</u>
Gain (loss) before capital contributions	40,612
Capital contributions (Note 6)	<u>20,806</u>
Change in net position	61,418
Net position at beginning of year	<u>200,272</u>
Net position at end of year	<u><u>\$ 261,690</u></u>

The accompanying notes are an integral part of these financial statements.

Parcel Tax Fiscal Oversight Committee

November 14, 2024



Agenda

- Overview of District
- Parcel Tax Measures and Their Purpose
- Structure and Scope of the Committee
- FY 2023-24 Highlights



AC Transit At-a-Glance

AC Transit serves 13 cities and 8 unincorporated areas in Alameda and Contra Costa Counties, with Transbay Service across 2 Bay Area bridges (Bay Bridge, Dumbarton Bridge)

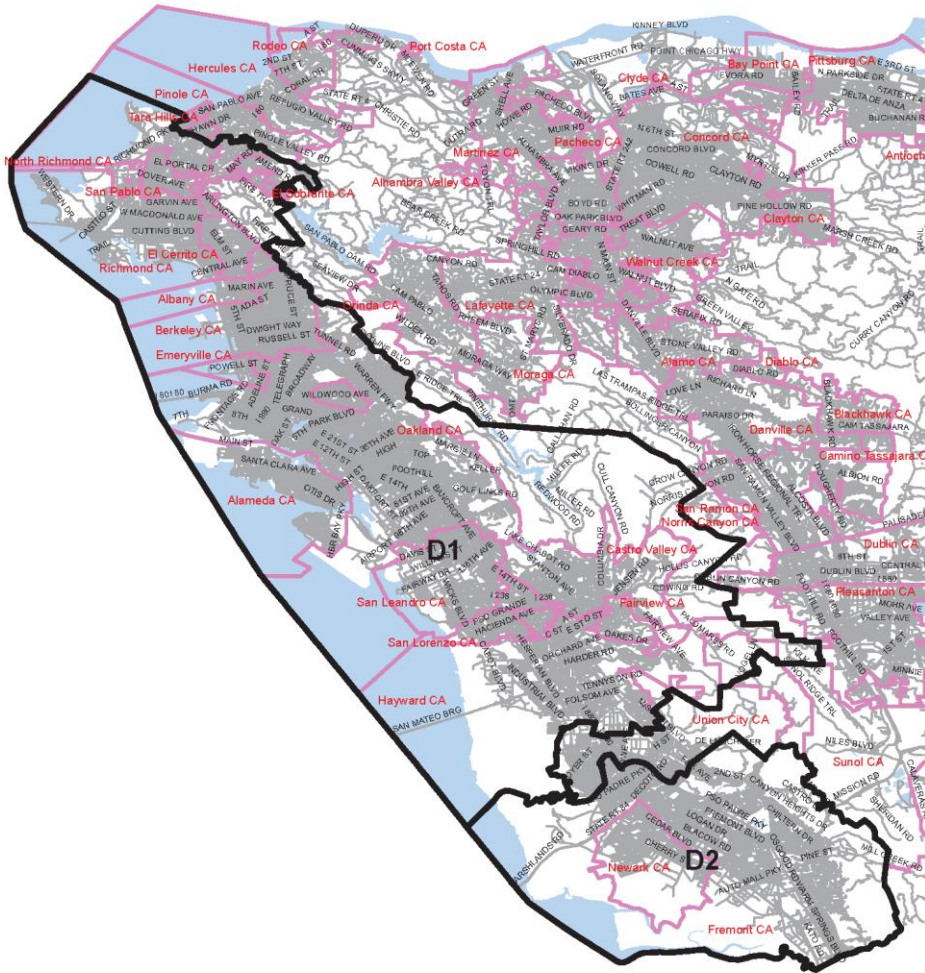


AC Transit At-A-Glance (Aug 2024)

RIDERSHIP	SERVICE	CONNECTIONS
Weekday 133,000	Bus Lines 132	16 Other bus systems
Weekend 80,000	Bus Stops ~5,400	25 BART stations
Annual 33,931,000	Annual Service Miles 16.7 million	6 Amtrak stations
Paratransit 419,000 <i>(annual)</i>	Service Area 364 sq miles	3 Ferry terminals



Special Transit Service Districts 1 & 2



- **Two Separate Taxing Areas**
- **District 2: Cities of Fremont & Newark**
 - Annexed in 1974
 - Agreements with the cities required an “Equitable Level of Service” consistent with the financial ability of the area to pay
 - Agreement between the Cities and AC Transit as to funding for the service; often referred to as the “agreed upon allocation methodology”
- **No Parcel Taxes Collected in District 2**
 - Lack of support



History of the Parcel Tax

- **Measure AA - Nov 2002:** voters approved \$24 per year parcel tax for 5 years
 - For the *operation and maintenance* of bus services in District 1
 - July 2003: Measure AA Oversight Committee established
- **Measure BB - Nov 2004:** voters approved \$48 per year parcel tax for 10 years
 - For the *operation and maintenance* of bus services in District 1
 - Sept 2005: Measure BB Oversight Committee established
- **Measure VV - Nov 2008:** voters approved \$96 per year parcel tax for 10 years
 - For the *operation and maintenance* of bus services in District 1
 - Nov 2008: Measure VV Oversight Committee established
- **Measure C1 – Nov 2016:** voters approved extending VV for 20 years to 2036



Statutory Requirements for Special Taxes

- California Government Code §50075.1
 - Requires any local special tax measure that is subject to voter approval that would provide for the imposition of a special tax by a local agency to provide for accountability measures. These measures include a requirement that the proceeds be applied to the specific purpose of the special tax



Specific Purpose of the District's Parcel Tax

- Fund the *operation and maintenance* of bus services in Special District 1
- *Operation and maintenance* refers to all activities necessary to provide bus service, including, but not limited to, equipment, supplies, fuel & lubricants, personnel, compensation, and payment for and maintenance of facilities in District 1



Parcel Tax Fiscal Oversight Committee

Structure

- Seven members, appointed by the AC Transit Board of Directors
- Staggered three-year terms (some initial terms are four years)
- Must convene at least once a year
- Requires a quorum to conduct business, decisions require a majority of the membership

Purpose

- **Ensure that the parcel tax funds are spent for the *operation and maintenance* of bus services in Special District 1**
- The committee does not approve or disapprove of spending provided that funds were spent for operations and maintenance for bus services in Special District 1



Agreed Upon Allocation Methodology

- The Agreed Upon Allocation Methodology was jointly developed by representatives from SD1 and SD2
- The Allocation Methodology was formally approved by the District's Board of Directors and the Cities of Fremont and Newark
- In FY 2014-15 the District's Board voted to permit the allocation of AB1107 funds to Special District 2
- The SD1/SD2 and Measure VV/C1 Reports are produced on an annual basis and continue to utilize the adopted methodology



FY 2023-24 Highlights

- Parcel Tax receipts of \$30.0M were received in December 2023
 - Stable – growth roughly ¼% per year
- 5% of total District Operating Revenue



FY 2023-24 Highlights

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2
Operating Revenues	\$62,624	\$56,534	\$6,090

- Primarily Farebox
- Allocated on the basis for each route as recorded by GFI fare system

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2
Subsidies	\$546,693	\$465,569	\$81,124

- Property Taxes, Sales Taxes, State and some Federal assistance
- Property Taxes are allocated on the basis of actual revenue collected as reported to the District by Alameda and Contra Costa Counties

Note: amounts in these and following tables may not total exactly due to rounding



FY 2023-24 Highlights

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2
Expenses	\$568,705	\$503,798	\$64,907

- Consistent with the transit industry, approximately 70% of expenses (excl. depreciation) are related to wages and fringe benefits, including pensions
- These costs are allocated between SD1/SD2 using various factors such as pro-rata shares of scheduled pay, ridership, and service hours and miles in each district as detailed in following slides



FY 2023-24 Highlights - Revenues

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2	Methodology
Farebox	\$34,332	\$32,359	\$1,974	A
BART Transfers	-	-	-	B
Contract Services	12,100	10,168	1,932	C

(A) Farebox revenues are allocated on the basis of estimated revenues for each route operated by a District as recorded by the fareboxes. Revenues consist of cash collected plus estimated revenues related to passes and tickets used on the same route

(B) BART Transfer revenue was last received in FY 22-23

(C) This line item is allocated to the District in which such services are provided, and then on the basis of the District's pro-rata share of service hours and service miles. The pro-rata allocation percentage is calculated

using the following formula:
$$\frac{((\text{District svc. Hours} / \text{Total svc. Hours}) + (\text{District svc. Miles} / \text{Total svc. Miles}))}{2}$$



FY 2023-24 Highlights - Revenues

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2	Methodology
Advertising	\$1,644	\$1,463	\$181	C
Interest Income	12,176	10,434	1,743	D
Other	2,371	2,110	261	C

(C) This line item is allocated to the District in which such services are provided, and then on the basis of the District's pro-rata share of service hours and service miles. Each District's allocation percentage is calculated using the following formula:
$$\frac{((\text{District svc. Hours} / \text{Total svc. Hours}) + (\text{District svc. Miles} / \text{Total svc. Miles}))}{2}$$

(D) Interest income is allocated to each District based on its pro-rata share of total revenue and subsidies, excluding interest income



FY 2023-24 Highlights - Revenues

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2	Methodology
Property tax	\$159,302	\$127,575	\$31,727	E
Parcel tax - Measure VV/C1	29,982	29,982	-	F

(E) Property taxes are allocated to each District on the basis of actual revenue as reported to the District by Alameda and Contra Costa Counties

(F) Line item is associated solely with a single District



FY 2023-24 Highlights - Revenues

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2	Methodology
Local sales tax – Measure BB	\$84,755	75,434	9,321	C
Local sales tax – Measure J	7,681	7,681	-	F

(C) This line item is allocated to the District in which such services are provided, and then on the basis of the District’s pro-rata share of service hours and service miles. Each District’s allocation percentage is calculated using the following formula:
$$\frac{((\text{District svc. Hours} / \text{Total svc. Hours}) + (\text{District svc. Miles} / \text{Total svc. Miles}))}{2}$$

(F) Line item is associated solely with a single District

Note: Measure B expired in 2022 and Measure BB now accounts for the entire 1c sales tax



FY 2023-24 Highlights - Revenues

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2	Methodology
State - AB1107	\$53,411	\$47,178	\$6,233	H
State - Home-to-School	500	500	-	F
State - TDA	97,933	79,899	18,035	C
State - STA	56,515	48,330	8,185	I

(C) This line item is allocated to the District in which such services are provided, and then on the basis of the District’s pro-rata share of service hours and service miles. Each District’s allocation percentage is calculated using the following formula:
$$\frac{((District\ svc.\ Hours / Total\ svc.\ Hours) + (District\ svc.\ Miles / Total\ svc.\ Miles))}{2}$$

(F) Line item is associated solely with a single District

(H) Allocation is based upon a percentage approved by the District’s Board of Directors (11.67% to SD2)

(I) STA revenues are allocated to each District based on its pro-rata share of “qualifying revenues”, which are defined by the District as: property taxes, Measure VV, Measure BB, Measure J, farebox, contract service revenue, and Dumbarton Express reimbursement revenues



FY 2023-24 Highlights - Revenues

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2	Methodology
Local operating assistance	\$18,260	\$14,825	\$3,435	C
Federal operating assistance	31,524	28,057	3,467	C
Federal operating ADA	6,831	6,110	721	J

(C) This line item is allocated to the District in which such services are provided, and then on the basis of the District's pro-rata share of service hours and service miles. Each District's allocation percentage is calculated using the following formula:
$$\frac{((\text{District svc. Hours} / \text{Total svc. Hours}) + (\text{District svc. Miles} / \text{Total svc. Miles}))}{2}$$

(J) ADA Paratransit subsidies are expenses that are allocated to each District based on its pro-rata share of ridership as reported to the District by its paratransit contractor



FY 2023-24 Highlights - Expenses

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2	Methodology
Operator wages	\$90,165	\$80,553	\$9,612	K
Other wages	85,197	75,827	9,370	C
Fringe benefits	117,794	105,049	12,745	L
Pension expenses	49,866	44,471	5,396	L

(C) This line item is allocated to the District in which such services are provided, and then on the basis of the District's pro-rata share of service hours and service miles. Each District's allocation percentage is calculated using the following formula:
$$\frac{((\text{District svc. Hours} / \text{Total svc. Hours}) + (\text{District svc. Miles} / \text{Total svc. Miles}))}{2}$$

(K) Actual operator pay is allocated to each District based on its pro-rata share of scheduled operator pay as recorded by the District's operator timekeeping system

(L) Fringe benefits and pension expenses are allocated using the sum of each District's pro-rata share of operator and other wages divided by the sum of total wages.



FY 2023-24 Highlights - Expenses

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2	Methodology
Services	\$44,124	\$39,271	\$4,853	C
Fuel & Lubricants	17,656	15,715	1,942	C
Office & printing supplies	1,073	955	118	C
Bus parts & maint. supplies	17,933	15,961	1,972	C
Utilities	5,403	4,809	594	C

(C) This line item is allocated to the District in which such services are provided, and then on the basis of the District's pro-rata share of service hours and service miles. Each District's allocation percentage is calculated

using the following formula:
$$\frac{((District\ svc.\ Hours / Total\ svc.\ Hours) + (District\ svc.\ Miles / Total\ svc.\ Miles))}{2}$$



FY 2023-24 Highlights - Expenses

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2	Methodology
Insurance	\$23,995	\$21,356	\$2,639	C
Other expenses	12,506	11,131	1,375	C
Purchased transportation	41,962	34,385	7,577	J

(C) This line item is allocated to the District in which such services are provided, and then on the basis of the District's pro-rata share of service hours and service miles. Each District's allocation percentage is calculated

using the following formula:
$$\frac{((\text{District svc. Hours} / \text{Total svc. Hours}) + (\text{District svc. Miles} / \text{Total svc. Miles}))}{2}$$

(J) ADA Paratransit subsidies are expenses that are allocated to each District based on its pro-rata share of ridership as reported to the District by its paratransit contractor



FY 2023-24 Highlights - Expenses

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2	Methodology
Interest expense	\$818	\$724	\$93	M
Depreciation	60,213	53,591	6,622	C
Capital contributions (all)	20,806	20,754	52	C

(C) This line item is allocated to the District in which such services are provided, and then on the basis of the District's pro-rata share of service hours and service miles. Each District's allocation percentage is calculated

using the following formula:
$$\frac{((\text{District svc. Hours} / \text{Total svc. Hours}) + (\text{District svc. Miles} / \text{Total svc. Miles}))}{2}$$

(M) Interest expense is allocated to each District based on its pro-rata share of total expenses, excluding interest expense



Questions?

