

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

DRAFT

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

SPECIAL TRANSIT SERVICE
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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.

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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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