

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

MEASURE VV AGREED UPON PROCEDURES

June 30, 2025

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CONTENTS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	1
SCHEDULE OF SERVICE HOURS AND SERVICE MILES BY COUNTY AND SPECIAL TRANSIT SERVICE DISTRICT	5
SCHEDULE OF OPERATIONS AND MAINTENANCE EXPENSES FUNDED BY MEASURE VV TAXES BY COUNTY AND SPECIAL TRANSIT SERVICE DISTRICT	6
SCHEDULE OF MAINTENANCE COSTS FUNDED BY MEASURE VV TAXES BY COUNTY AND SPECIAL TRANSIT SERVICE DISTRICT	7
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	8

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, 2025. 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, 2025 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, 2025 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, 2025 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, 2025 by county and STSD.

Step performed without exception.

- e) We compared STSD No. 1 miles by county for the year ended June 30, 2025 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, 2025 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, 2025.

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:

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

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

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

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:

$$\begin{array}{rclcl} \text{Total expenses before} & & \text{Expenses allocated} & & \text{Expenses allocated} \\ \text{allocation} & - & \text{to Contra Costa County} & = & \text{to Alameda County} \\ \text{by county and STSD} & & \text{STSD No. 1} & & \end{array}$$

$$\begin{array}{rclcl} \text{Expenses allocated to} & - & \text{Expenses allocated} & = & \text{Expenses allocated} \\ \text{Alameda County} & & \text{to Alameda County} & & \text{to Alameda County} \\ & & \text{STSD No. 2} & & \text{STSD No. 1} \end{array}$$

- 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 \$30,054,000 by \$541,100,348 for the year ended June 30, 2025.

Step performed without exception.

(Continued)

- 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.

[REDACTED]

San Francisco, California
<>, 2025

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, 2025

	For the Year Ended June 30, 2024	Net Increase/ (Decrease)	For the Year Ended June 30, 2025
SERVICE HOURS			
Contra Costa - STSD No. 1	178,457	5,464	183,921
Alameda - STSD No. 1	1,469,805	31,450	1,501,255
Alameda - STSD No. 2	187,892	(5,999)	181,893
Total Alameda service hours	1,657,697	25,451	1,683,148
Total STSD No. 1 service hours	1,648,262	36,914	1,685,176
Total Service Hours	1,836,154	30,915	1,867,069
SERVICE MILES			
Contra Costa - STSD No. 1	2,021,815	(12,176)	2,009,639
Alameda - STSD No. 1	13,784,722	(117,913)	13,666,809
Alameda - STSD No. 2	2,107,113	5,298	2,112,411
Total Alameda service miles	15,891,835	(112,615)	15,779,220
Total STSD No. 1 service miles	15,806,537	(130,089)	15,676,448
Total Service Miles	17,913,650	(124,791)	17,788,859

See accompanying notes to the schedule.

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, 2025

<i>Description</i>	Before Allocation	Contra Costa	Alameda County			Total
	By County	County STSD #1	STSD #1	STSD #2	Total	STSD #1
<i>Expenses</i>						
Operator wages	\$ 96,031,602	\$ 10,212,957	\$ 75,850,565	\$ 9,968,080	\$ 85,818,645	\$ 86,063,522
Other wages	89,474,820	9,470,142	70,333,757	9,670,921	80,004,678	79,803,899
Fringe benefits	141,930,097	15,058,891	111,840,809	15,030,397	126,871,206	126,899,700
Pension expenses	75,463,287	8,006,712	59,465,013	7,991,562	67,456,575	67,471,725
Services	48,418,881	5,124,723	38,060,784	5,233,374	43,294,158	43,185,507
Fuel and lubricants	15,129,460	1,601,323	11,892,863	1,635,274	13,528,137	13,494,186
Office/printing supplies	691,634	73,203	543,675	74,756	618,431	616,878
Bus parts/maintenance supplies	19,168,293	2,028,799	15,067,682	2,071,812	17,139,494	17,096,481
Utilities	6,095,152	645,120	4,791,235	658,797	5,450,032	5,436,355
Insurance	32,367,532	3,425,826	25,443,249	3,498,457	28,941,706	28,869,075
Other expenses	10,490,334	1,110,312	8,246,170	1,133,852	9,380,022	9,356,482
Purchased Transportation	46,668,512	4,635,834	34,429,858	7,602,820	42,032,678	39,065,692
Interest expense	789,747	83,344	618,984	87,419	706,403	702,328
Depreciation/amortization	59,526,459	6,300,365	46,792,153	6,433,941	53,226,094	53,092,518
Total expenses	\$ 642,245,810	67,777,551	503,376,797	71,091,462	574,468,259	571,154,348
Measure VV revenues		5,146,154	24,907,846	-	24,907,846	30,054,000
Net Deficit		<u>\$ (62,631,397)</u>	<u>\$ (478,468,951)</u>	<u>\$ (71,091,462)</u>	<u>\$ (549,560,413)</u>	<u>\$ (541,100,348)</u>
Feeds from Hours & Miles Schedule:						
Service Hours	1,867,069	183,921	1,501,255	181,893		1,685,176
Allocation Percentage	100.00%	9.85%	80.41%	9.74%		90.26%
Service Miles	17,788,859	2,009,639	13,666,809	2,112,411		15,676,448
Allocation Percentage	100.00%	11.30%	76.83%	11.87%		88.13%
Average	100.00%	10.57%	78.62%	10.81%		89.19%

See accompanying notes to the schedule.

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, 2025

<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	\$ 65,387,170	89.19%	\$ 7,924,079	10.81%	\$ 73,311,249
042 Non-vehicle maintenance	<u>18,661,395</u>	89.19%	<u>2,261,520</u>	10.81%	<u>20,922,915</u>
Total maintenance costs	<u>84,048,565</u>		<u>10,185,999</u>		<u>94,234,164</u>
Measure VV taxes	<u>30,054,000</u>	100.00%	<u>-</u>	0.00%	<u>30,054,000</u>
Net costs funded by other resources	<u>\$ 53,994,565</u>		<u>\$ 10,185,999</u>		<u>\$ 64,180,164</u>

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, 2025

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 \$30.1 million in Measure VV taxes during the year ended June 30, 2025.

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.