

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
MEASURE VV AGREED UPON PROCEDURES
June 30, 2023

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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, 2023. 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, 2023 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, 2023 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, 2023 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, 2023 by county and STSD.

Step performed without exception.

- e) We compared STSD No. 1 miles by county for the year ended June 30, 2023 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, 2023 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, 2023.

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:

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

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

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

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 \$29,882,502 by \$508,509,828 for the year ended June 30, 2023.

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.

Crowe LLP

San Francisco, California
<<>>, 2023

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, 2023

	For the Year Ended June 30, 2022	Net Increase/ (Decrease)	For the Year Ended June 30, 2023
SERVICE HOURS			
Contra Costa - STSD No. 1	210,609	23,212	233,821
Alameda - STSD No. 1	1,325,577	59,755	1,385,332
Alameda - STSD No. 2	184,318	2,460	186,778
Total Alameda service hours	<u>1,509,895</u>	<u>62,215</u>	<u>1,572,110</u>
Total STSD No. 1 service hours	<u>1,536,186</u>	<u>82,967</u>	<u>1,619,153</u>
Total Service Hours	<u><u>1,720,504</u></u>	<u><u>85,427</u></u>	<u><u>1,805,931</u></u>
SERVICE MILES			
Contra Costa - STSD No. 1	1,857,461	108,609	1,966,070
Alameda - STSD No. 1	13,221,936	342,419	13,564,355
Alameda - STSD No. 2	2,293,171	(155,993)	2,137,178
Total Alameda service miles	<u>15,515,107</u>	<u>186,426</u>	<u>15,701,533</u>
Total STSD No. 1 service miles	<u>15,079,397</u>	<u>451,028</u>	<u>15,530,425</u>
Total Service Miles	<u><u>17,372,568</u></u>	<u><u>295,035</u></u>	<u><u>17,667,603</u></u>

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, 2023

	Before Allocation By County	Contra Costa County STSD #1	Alameda County		Total	Total STSD #1
			STSD #1	STSD #2		
Expenses						
Operator wages	\$ 85,253,163	\$ 10,266,246	\$ 65,498,240	\$ 9,488,677	\$ 74,986,917	\$ 75,764,486
Other wages	81,145,648	9,761,772	62,279,712	9,104,164	71,383,876	72,041,484
Fringe benefits	139,360,440	16,774,330	107,019,549	15,566,561	122,586,110	123,793,879
Pension expenses	86,385,266	10,397,893	66,338,139	9,649,234	75,987,373	76,736,032
Services	42,174,162	5,073,526	32,368,891	4,731,745	37,100,636	37,442,417
Fuel and lubricants	17,019,270	2,047,408	13,062,379	1,909,483	14,971,862	15,109,787
Office/printing supplies	1,065,021	128,121	817,410	119,490	936,900	945,531
Bus parts/maintenance supplies	14,787,319	1,778,905	11,349,346	1,659,068	13,008,414	13,128,251
Utilities	5,138,498	618,158	3,943,824	576,516	4,520,340	4,561,982
Insurance	14,563,968	1,752,037	11,177,922	1,634,009	12,811,931	12,929,959
Other expenses	10,964,136	1,318,979	8,415,032	1,230,125	9,645,157	9,734,011
ADA paratransit joint venture	33,483,357	3,659,505	23,347,494	6,476,358	29,823,852	27,006,999
Interest expense	1,216,331	151,589	967,134	97,608	1,064,742	1,118,723
Depreciation/amortization	77,107,326	9,275,964	59,180,279	8,651,083	67,831,362	68,456,243
Total expenses	\$ 609,663,905	73,004,433	465,765,351	70,894,121	536,659,472	538,769,784
Measure VV revenues		5,119,777	24,762,726	-	24,762,726	29,882,503
Net deficit		<u>\$ (67,884,656)</u>	<u>\$ (441,002,625)</u>	<u>\$ (70,894,121)</u>	<u>\$ (511,896,746)</u>	<u>\$ (508,887,281)</u>
Service Hours	1,805,931	233,821	1,385,332	186,778		1,619,153
Allocation Percentage	100.00%	12.95%	76.71%	10.34%		89.66%
Service Miles	17,667,603	1,966,070	13,564,355	2,137,178		15,530,425
Allocation Percentage	100.00%	11.13%	76.78%	12.10%		87.90%
Average	100.00%	12.04%	76.74%	11.22%		88.78%

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, 2023

<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	\$ 57,461,141	88.78%	\$ 7,261,928	11.22%	\$ 64,723,069
042 Non-vehicle maintenance	<u>15,310,574</u>	88.78%	<u>1,934,947</u>	11.22%	<u>17,245,521</u>
Total maintenance costs	<u>72,771,715</u>		<u>9,196,875</u>		<u>81,968,590</u>
Measure VV taxes	<u>29,882,503</u>	100.00%	-	0.00%	<u>29,882,503</u>
Net costs funded by other resources	<u>\$ 42,889,212</u>		<u>\$ 9,196,875</u>		<u>\$ 52,086,087</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, 2023

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 \$29.9 million in Measure VV taxes during the year ended June 30, 2023.

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.