

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

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ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

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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:

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

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

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

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.