

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

**MEETING DATE:** 11/7/2023

**Staff Report No. 23-488**

**TO:** Distict Parcel Tax Fiscal Oversight Committee  
**FROM:** Michael A. Hursh, General Manager  
**SUBJECT:** FY 2022-2023 Measure VV/C1 Financial Statement

### ACTION ITEM

#### **RECOMMENDED ACTION(S):**

Review the Measure VV/C1 Financial Statement and consider the adoption of Resolution No. 23-001 determining that the Measure VV/C1 funds collected during the 2022-23 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, 2023 are shown in Attachment 2 - Measure VV Schedules with Independent Auditor's Report

#### **Revenue Collection History for Measure VV/C1**

	<b>FY 18-19</b>	<b>FY 19-20</b>	<b>FY 20-21</b>	<b>FY 21-22</b>	<b>FY 22-23</b>
Measure VV/C1	\$29.7M	\$29.6M	\$30.1M	\$29.8M	\$29.9M

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 13, -2023. Resolution 23-001 is attached for the Committee’s consideration in confirming that the Measure VV funds collected during the 2022-23 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 22-541 with Resolution 22-001, FY 2021-22 Measure VV/C1 Tax Proceeds to AC Transit Special Transit Service District

**ATTACHMENTS:**

1. Resolution 23-001
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, 2023 (draft)
5. Presentation

**Prepared by:**

Kenneth Myers, Acting Controller

**Approved/Reviewed by:**

Chris Andrichak, Chief Financial Officer

Michael A. Hursh, General Manager

Jill A. Sprague, General Counsel (as to Resolution only)

**ALAMEDA-CONTRA COSTA TRANSIT DISTRICT  
RESOLUTION NO. 23-001**

**A RESOLUTION DETERMINING THAT THE MEASURE VV/C1 FUNDS COLLECTED DURING THE  
2022-23 FISCAL YEAR HAVE BEEN APPROPRIATED AND EXPENDED IN SPECIAL TRANSIT  
SERVICE DISTRICT NO. 1 FOR OPERATION AND MAINTENANCE ACTIVITIES**

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**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 20<sup>th</sup> to December 31<sup>st</sup> 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 7, 2023, during which the Committee reviewed information provided by Alameda-Contra Costa Transit District’s Chief Financial Officer contained in Staff Report No. 23-488.

**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 2022-23 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 7th day of November, 2023.

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Chair

Attest:

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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 7th day of November, 2023, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Linda A. Nemeroff  
Board Administrative/District Secretary

Approved as to Form and Content:

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Jill A. Sprague  
General Counsel/Chief Legal Officer

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

# DRAFT

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.*

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(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:

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

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

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

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

*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.

Crowe LLP

San Francisco, California  
<<>>, 2023

# DRAFT

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

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	For the Year Ended June 30, 2022	Net Increase/ (Decrease)	For the Year Ended June 30, 2023
<b>SERVICE HOURS</b>			
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>
<b>SERVICE MILES</b>			
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>

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See accompanying notes to the schedule.

**DRAFT**  
**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 STSD #1
			STSD #1	STSD #2	Total	
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	838,877	100,444	640,825	97,608	738,433	741,269
Depreciation/amortization	77,107,326	9,275,964	59,180,279	8,651,083	67,831,362	68,456,243
Total expenses	\$ 609,286,451	72,953,288	465,439,042	70,894,121	536,333,163	538,392,330
Measure VV revenues		5,119,776	24,762,726	-	24,762,726	29,882,502
Net deficit		<u>\$ (67,833,512)</u>	<u>\$ (440,676,316)</u>	<u>\$ (70,894,121)</u>	<u>\$ (511,570,437)</u>	<u>\$ (508,509,828)</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.

# DRAFT

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

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<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>29,882,502</u>	100.00%	-	0.00%	<u>29,882,502</u>
Net costs funded by other resources	<u>\$ 42,889,213</u>		<u>\$ 9,196,875</u>		<u>\$ 52,086,088</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, 2023

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## **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.

**ALAMEDA-CONTRA COSTA TRANSIT DISTRICT**

**SPECIAL TRANSIT SERVICE  
SCHEDULES FOR DISTRICTS NO. 1 AND NO. 2**

June 30, 2023

# DRAFT

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

SPECIAL TRANSIT SERVICE  
SCHEDULES FOR DISTRICTS NO. 1 AND NO. 2  
June 30, 2023

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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, 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 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, 2023 that are used for allocation to the supporting spreadsheets prepared by the District.

*Step performed without exception.*

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(Continued)

# DRAFT

- D. We compared the net changes in service hours from the prior year to the year ended June 30, 2023 by Alameda and Contra Costa counties and STSD.

*Step performed without exception. District 1 service hours were 1,619,153 (89.66%) in FY23 and 1,536,186 (89.29%) in FY22. District 2 service hours were 186,778 (10.34%) in FY23 and 184,318 (10.71%) in FY22.*

- E. We compared service miles by STSD and by Alameda and Contra Costa Counties for the year ended June 30, 2023 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, 2023 by Alameda and Contra Costa counties and STSD.

*Step performed without exception. District 1 service miles were 15,530,425 (87.90%) in FY23 and 15,079,397 (86.80%) in FY22. District 2 service miles were 2,137,178 (12.10%) in FY23 and 2,293,171 (13.20%) in FY22.*

- 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.

Crowe LLP

San Francisco, California  
<<>, 2023

**DRAFT**  
**ALAMEDA-CONTRA COSTA TRANSIT DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENSES BY SERVICE AREA**  
**For the Year Ended June 30, 2023**

	STSD #1	STSD #2	Total	STSD #2 as a % of Total	Allocation Method- ology
<b>Revenues:</b>					
Passenger fares	\$ 27,956,710	\$ 1,739,662	\$ 29,696,372	5.86%	(1)
BART transfers	3,013,877	187,544	3,201,421	5.86%	(3)
Contract services	9,412,377	-	9,412,377	0.00%	(14)
Advertising	1,535,036	193,988	1,729,024	11.22%	(2)
Interest income	3,398,209	560,672	3,958,881	14.16%	(6)
Other	1,961,371	247,866	2,209,237	11.22%	(14)
Total operating revenues	<u>47,277,580</u>	<u>2,929,732</u>	<u>50,207,312</u>	5.84%	
<b>Subsidies:</b>					
Property taxes	119,459,892	29,340,205	148,800,097	19.72%	(7)
Property taxes - Measure VV	29,882,503	-	29,882,503	0.00%	(10)
Local sales tax - Measure B	-	-	-	0.00%	(11)
Local sales tax - Measure BB	78,531,269	9,924,304	88,455,573	11.22%	(2)
Local sales tax - Measure J	6,330,474	-	6,330,474	0.00%	(10)
Local operating assistance	13,007,172	4,640,034	17,647,206	26.29%	(14)
State - AB1107	48,188,075	6,366,521	54,554,596	11.67%	(15)
State - AB2972 Home to School	500,000	-	500,000	0.00%	(10)
State - TDA	84,045,396	18,970,370	103,015,766	18.42%	(14)
State - STA	31,426,095	5,091,673	36,517,768	13.94%	(5)
Federal operating assistance	39,845,523	4,983,915	44,829,438	11.12%	(2)
Total subsidies	<u>451,216,399</u>	<u>79,317,022</u>	<u>530,533,421</u>	14.95%	
Total revenue & subsidies	<u>498,493,979</u>	<u>82,246,754</u>	<u>580,740,733</u>	14.16%	
<b>Expenses:</b>					
Operator wages	75,764,486	9,488,677	85,253,163	11.13%	(4)
Other wages	72,041,484	9,104,164	81,145,648	11.22%	(2)
Fringe benefits	123,793,879	15,566,561	139,360,440	11.17%	(13)
Pension expense	76,736,032	9,649,234	86,385,266	11.17%	(13)
Services	37,442,417	4,731,745	42,174,162	11.22%	(2)
Fuel & lubricants	15,109,787	1,909,483	17,019,270	11.22%	(2)
Office/Printing supplies	945,531	119,490	1,065,021	11.22%	(2)
Bus parts/Maint. supplies	13,128,251	1,659,068	14,787,319	11.22%	(2)
Utilities	4,561,982	576,516	5,138,498	11.22%	(2)
Insurance	12,929,959	1,634,009	14,563,968	11.22%	(2)
Other expenses	9,734,011	1,230,125	10,964,136	11.22%	(2)
Purchased transportation	27,006,999	6,476,358	33,483,357	19.34%	(8)
Interest expense	741,269	97,608	838,877	11.64%	(9)
Depreciation/amortization	68,456,243	8,651,083	77,107,326	11.22%	(2)
Total operating expenses	<u>538,392,330</u>	<u>70,894,121</u>	<u>609,286,451</u>	11.64%	
Income before capital contributions	(39,898,351)	11,352,633	(28,545,718)	-39.77%	
Capital contributions	<u>63,521,222</u>	<u>92,380</u>	<u>63,613,602</u>	0.15%	(14)
Change in net position	<u>\$ 23,622,871</u>	<u>\$ 11,445,013</u>	<u>\$ 35,067,884</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, 2023

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- (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 prorata 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 B 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 prorata 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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**ALAMEDA-CONTRA COSTA TRANSIT DISTRICT**  
**FINANCIAL STATEMENTS**  
June 30, 2023

DRAFT  
ALAMEDA-CONTRA COSTA TRANSIT DISTRICT  
ENTERPRISE FUND – STATEMENT OF NET POSITION  
June 30, 2023  
(In thousands)

**ASSETS**

Current assets	
Cash and cash equivalents (Note 3)	\$ 84,044
Restricted cash and cash equivalents:	
Restricted for capital purchases (Note 3)	92,598
Investments (Note 3)	93,843
Receivables:	
Federal and local grants:	
Capital	24,380
Planning, operating and other (Note 7)	10,787
Property tax	17,246
Local sales tax	6,968
Lease receivable	800
Other trade receivables	8,400
Total receivables, net	<u>68,581</u>
Due from Pension Trust Fund (Note 5)	12,303
Inventory	18,569
Prepaid expenses	15,517
Total current assets	<u>385,455</u>
Noncurrent assets	
Restricted cash and cash equivalents:	
Restricted for certificates of participation - debt service (Note 3)	1,137
Lease receivable	8,683
Capital assets (Note 4)	
Nondepreciable	77,771
Depreciable, net	351,373
Right-to-use lease assets, net	7,096
Subscription assets, net	7,146
Total capital assets, net	<u>443,386</u>
Total noncurrent assets	<u>453,206</u>
Total assets	<u>838,661</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related (Note 10)	160,276
OPEB related (Note 11)	21,143
Deferred loss on refunding debt (Note 8)	481
Total deferred outflows of resources	<u>181,900</u>
Total assets and deferred outflows of resources	<u>\$ 1,020,561</u>

(Continued)

**DRAFT**  
ALAMEDA-CONTRA COSTA TRANSIT DISTRICT  
ENTERPRISE FUND – STATEMENT OF NET POSITION  
June 30, 2023  
(In thousands)

**LIABILITIES**

Current liabilities

Accounts payable and accrued expenses	\$	19,615
Accrued salaries and wages		724
Current portion of accrued vacation and sick leave		23,049
Due to Pension Trust Fund (Note 5)		8,722
Unearned revenue		8,719
Other accrued liabilities		10,417
Accrued interest payable		335
Current portion of lease liability		155
Current portion of claims liabilities (Note 14)		11,702
Current portion of remediation obligations (Note 13)		67
Current portion of certificates of participation (Note 8)		800
Total current liabilities		84,305

Noncurrent liabilities

Accrued vacation and sick leave		10,090
Lease liability		7,137
Subscription liability		7,317
Claims liabilities (Note 14)		71,817
Remediation obligations (Note 13)		952
Certificates of participation (Note 8)		10,855
Other long-term obligations		7,549
Net pension liability (Note 10)		384,696
Net OPEB liability (Note 11)		146,094
Total noncurrent liabilities		646,507

Total liabilities		730,812
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**DEFERRED INFLOWS OF RESOURCES**

Pension related (Note 10)		1,048
OPEB related (Note 11)		78,899
Lease related		10,312
Total deferred inflows of resources		90,259

Total liabilities and deferred inflows of resources		821,071
---	--	---------

**NET POSITION**

Net investment in capital assets		424,439
Restricted for capital purchases (Note 12)		92,598
Restricted for debt service		802
Unrestricted		(318,349)
Total net position	\$	199,490

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, 2023  
 (In thousands)

<b>Operating Revenues</b>	
Passenger fares	\$ 28,372
Contract services	12,614
Operating revenues of JPA and consortium (Note 15)	1,320
Other	3,941
Total operating revenues	46,247
 <b>Operating expenses</b>	
Operator wages	85,253
Other wages	81,146
Fringe benefits	225,746
Depreciation and amortization (Note 4)	77,107
Fuel and oil	17,019
Other material and supplies	15,852
Services	42,174
Insurance	14,564
Expenses of JPA and consortium (Note 15)	33,483
Other	16,103
Total operating expenses	608,447
Operating loss	(562,200)
 <b>Non-operating revenues (expenses)</b>	
Operating assistance:	
Property taxes	178,683
Local sales tax (Note 7)	131,921
Local funds (Note 7)	111,610
State (Note 7)	37,018
Federal (Note 7)	38,844
Non-operating revenues of JPA and consortium	32,458
Interest income	3,959
Interest expense	(839)
Net non-operating revenues (expenses)	533,654
Gain (loss) before capital contributions	(28,546)
Capital contributions (Note 6)	63,614
Change in net position	35,068
Net position at beginning of year	164,422
<b>Net position at end of year</b>	<b>\$ 199,490</b>

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

# Parcel Tax Fiscal Oversight Committee Regular Meeting FYE 2023

November 7, 2023



# Agenda

- AC Transit At-a-Glance
- Overview of Parcel Tax Measures and Their Purpose
- Structure and Scope of the Committee
- Special Transit Service Districts 1 and 2
- FY 2022-23 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 3 Bay Area bridges (Bay Bridge, Dumbarton, San Mateo)



## AC Transit At-A-Glance (Aug 2023)

### RIDERSHIP

Daily

**110,000**

Transbay daily

**6,341**

Annual

**28,909,000**

Paratransit

**419,000**

(annual)

### SERVICE

Bus lines

**132**

Bus stops

**~5,400**

Weekday service hours

**5,323**

Weekday service miles

**54,279**

### CONNECTIONS

**16** Other bus systems

**25** BART stations

**6** Amtrak stations

**3** Ferry terminals

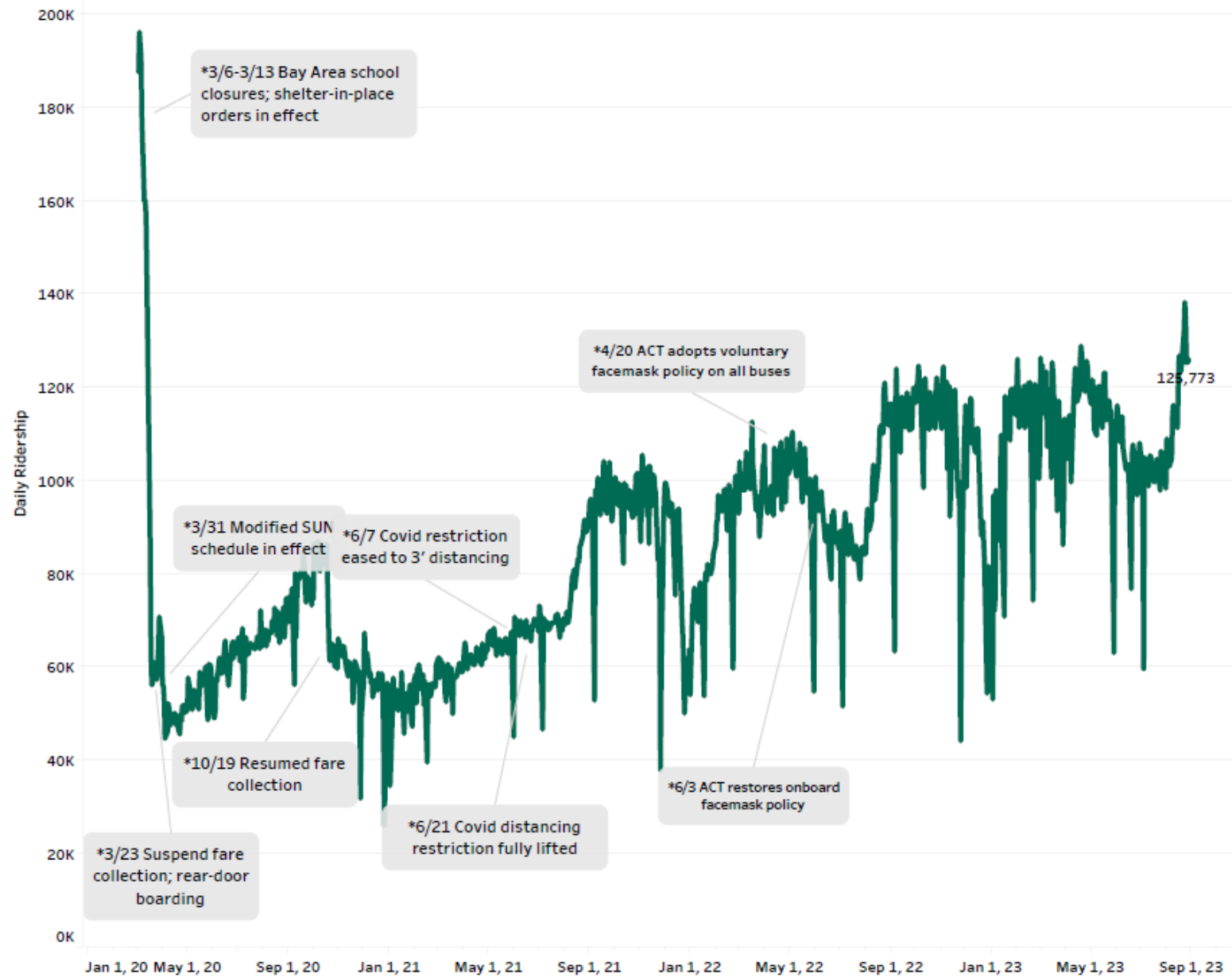


# Ridership

Apr 2020 – the bottom

- Overall 26% (of pre-pandemic)
- Transbay 4%

Sep 2023: 69% (Current)



# Rider Demographics

- 65% Low Income
- 73% People of Color
- 29% Limited English Proficiency
- 21% Traveling to work
- 42% Transit Dependent

*(Pre-COVID on-board survey)*

# Riders During Pandemic

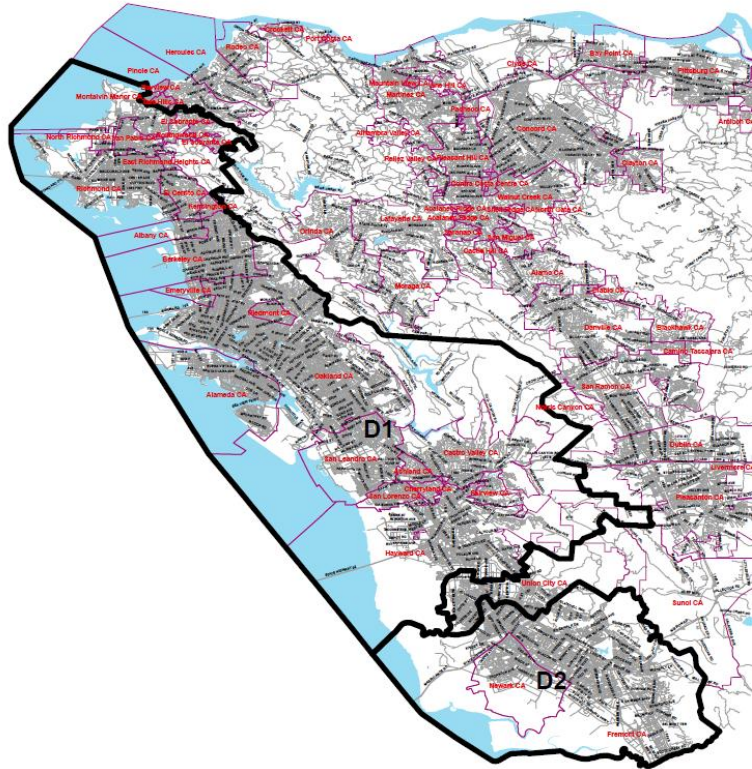
- 40% Essential Travel
- 15% Essential Workers
- 27% Traveling to Work
- 34% Zero-car Ownership

*(Online survey - Summer 2020)*



# Special Transit Service Districts 1 & 2

AC Transit - District 1 and District 2 Boundary



- **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



# Measure AA - 2002

- **August 2002:** AC Transit Board of Directors adopted Resolution 2067 calling for the election on a special tax measure and establishing an independent fiscal oversight committee to review the use of the special account funds and provide its own annual written report to be provided to the Board.
- **November 2002:** voters approved Measure AA, a \$24 per year parcel tax for 5 years, for the *operation and maintenance* of bus services in 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.
- **July 2003:** Board adopted Resolution 2098 establishing the Measure AA Oversight Committee
  - Committee to meet annually and review independently audited financial statements to determine that funds generated by Measure AA have been expended in accordance with the intentions of the voters and so advise the Board.





# Measure BB - 2004

- **August 2004:** AC Transit Board of Directors adopted Resolution 2135 calling for the election on a special tax measure and establishing an independent fiscal oversight committee to review the use of the special account funds and provide its own annual written report to the Board.
- **November 2004:** voters approved Measure BB, increasing the amount of tax to \$48 per year for 10 years, for the *operation and maintenance* of bus services in District 1
- **September 2005:** Board adopted Resolution 05-031 establishing the Measure AA/BB Oversight Committee.
  - Committee to meet annually and review independently audited financial statements to determine the funds generated by these measures have been expended in accordance with the intentions of the voters and so advise the Board



# Measure VV - 2008

- **July 2008:** AC Transit Board of Directors adopted Resolution 08-044 calling for an election on a special tax measure increasing the parcel tax by \$4 per parcel, per month for 10 years, and have the use of the funds reviewed by the established Measure AA/BB Oversight Committee
  - Proceeds of the special tax shall be applied only to the *operation and maintenance* of bus services in District 1
- **November 2008:** Voters approved Measure VV
- **November 2008:** Board adopted Resolution 08-064 repealing the prior resolutions establishing the AA and AA/BB Oversight Committees and establishing the Alameda-Contra Costa Transit District Parcel Tax Oversight Committee



# Measure C1 - 2016

- **June 2016:** AC Transit Board of Directors Board adopted Resolution 16-024 calling for an election on a special tax measure extending the current parcel tax for 20 years
- **November 2016:** Voters approved Measure C1



# Structure of the Parcel Tax Fiscal Oversight Committee

- Seven members
- Appointed by the AC Transit Board of Directors
- Staggered three-year terms (some initial terms are four years)
- No particular composition requirements
- Must convene at least once a year
- Chair selected from among the membership
- Requires a quorum to conduct business
- Decisions require a majority of the total existing membership



# 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

- All of the District's parcel taxes partially 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



# Scope of Oversight

- Based upon the statute and the text of the resolutions, the Parcel Tax Oversight Committee's scope of review is:

**To ensure that the parcel tax funds are spent for the operation and maintenance of bus service in Special District 1.**

- The committee need not approve or disapprove of the expenditures provided that they were spent for operations and maintenance for bus services in Special District 1.



# The One Question

Was the Parcel Tax bucket of money spent on operations and maintenance of bus services provided by AC Transit in Special District 1?



**Yes or No**





# Outside of Scope - Examples

- U.C. Berkeley Student Pass Revenue
- Amount of home-to-school funding SD1 and SD2 receive for supplemental school service
- Nexus/Relationship between AC Transit and the service provided by other transit agencies and services with regard to AC Transit funds and Measure BB funds



# Special Transit Service District 2 (SD2)

- 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 Reports are produced on an annual basis and continue to utilize the adopted methodology



# FY 2022-23 Highlights

- Parcel Tax receipts of \$29.8M were received in December 2022
  - (FY 2022-23 receipts of \$29.9M in Dec 2022)
- The receipts covered operation and maintenance expenses which were incurred to that date in SD1



# FY 2022-23 Highlights

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2
<b>Operating Revenues</b>	\$50,211	\$47,281	\$2,930

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

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2
<b>Subsidies</b>	\$580,745	\$498,498	\$82,247

- 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



# FY 2022-23 Highlights

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2
<b>Expenses</b>	\$601,177	\$531,189	\$69,988

- Consistent with the transit industry, approximately 64% of expenses (excl. depreciation) are related to wages and fringe benefits, including pensions
- These costs are allocated using factors such as pro-rata share of scheduled pay, and pro-rata share of service hours and miles in SD1/SD2 for other wages
- Pro-rata share of service hours and miles in SD1/SD2 are used to allocate general professional service contracts, fuel, bus parts, maintenance, insurance
- Purchased transportation (primarily Paratransit service) is allocated based on the pro-rata share of ridership for that service in SD1/SD2



# FY 2022-23 Highlights - Revenues

	Total	SD1	SD2	Methodology
<b>Farebox</b>	\$29,696,372	\$27,956,710	\$1,739,662	A
<b>BART Transfers</b>	3,201,421	3,013,877	187,554	B
<b>Contract Services</b>	9,412,377	9,412,377	-	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 is allocated on the basis of each District's pro-rata share of farebox revenue

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



# FY 2022-23 Highlights - Revenues

	Total	SD1	SD2	Methodology
<b>Advertising</b>	\$1,729,024	\$1,535,036	\$193,988	C
<b>Interest Income</b>	3,958,881	3,398,210	560,671	D
<b>Other</b>	2,213,563	1,965,212	248,351	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 2022-23 Highlights - Revenues

	Total	SD1	SD2	Methodology
<b>Property tax</b>	\$148,800,098	\$119,459,892	\$29,340,205	E
<b>Parcel tax - Measure VV</b>	29,882,503	29,882,503	-	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 2022-23 Highlights - Revenues

	Total	SD1	SD2	Methodology
Local sales tax – Measure B	\$	\$	\$	G
Local sales tax – Measure BB	88,455,573	78,531,269	9,924,304	C
Local sales tax – Measure J	6,330,474	6,330,474	-	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:  $\frac{((District\ svc.\ Hours / Total\ svc.\ Hours) + (District\ svc.\ Miles / Total\ svc.\ Miles))}{2}$

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

(G) Measure B expired in 2022. The revenues were previously allocated based on the legislation which has a specific portion of the total revenues associated with each District.



# FY 2022-23 Highlights - Revenues

	Total	SD1	SD2	Methodology
State - AB1107	\$54,554,596	\$48,188,075	\$6,366,521	H
State - AB2972 Home-to-School	500,000	500,000	-	F
State - TDA	103,015,766	84,045,396	18,970,370	C
State - STA	36,517,768	31,426,095	5,091,673	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 an allocation percentage approved by the District's Board of Directors

(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 B, Measure BB, Measure J, farebox, contract service revenue, and Dumbarton Express reimbursement revenues



# FY 2022-23 Highlights - Revenues

	Total	SD1	SD2	Methodology
<b>Local operating assistance</b>	\$17,647,206	\$13,007,172	\$4,640,034	C
<b>Federal operating assistance</b>	44,829,438	39,845,523	4,983,915	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 2022-23 Highlights - Expenses

	Total	SD1	SD2	Methodology
<b>Operator wages</b>	\$85,253,163	\$75,764,486	\$9,488,677	J
<b>Other wages</b>	81,145,648	72,041,484	9,104,164	C
<b>Fringe benefits</b>	131,774,262	117,055,077	14,719,185	K
<b>Pension expenses</b>	86,385,266	76,736,032	9,649,234	K

(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) 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

(K) 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 2022-23 Highlights - Expenses

	Total	SD1	SD2	Methodology
<b>Services</b>	42,174,162	\$37,442,417	\$4,731,745	C
<b>Fuel &amp; Lubricants</b>	17,019,270	15,109,787	1,909,483	C
<b>Office and printing supplies</b>	1,065,021	945,531	119,490	C
<b>Bus parts and maint. supplies</b>	14,292,310	12,688,779	1,603,531	C
<b>Utilities</b>	5,138,498	4,561,982	576,516	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 2022-23 Highlights - Expenses

	Total	SD1	SD2	Methodology
<b>Insurance</b>	\$14,563,968	\$12,929,959	\$1,634,009	C
<b>Other expenses</b>	10,936,108	9,709,128	1,226,980	C
<b>Purchased transportation</b>	33,483,356	27,006,999	6,476,358	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: 
$$\frac{((District\ svc.\ Hours / Total\ svc.\ Hours) + (District\ svc.\ Miles / Total\ svc.\ Miles))}{2}$$

(L) 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 2022-23 Highlights - Expenses

	Total	SD1	SD2	Methodology
<b>Interest expense</b>	\$838,877	\$741,216	\$97,661	M
<b>Depreciation</b>	77,107,326	68,456,243	8,651,083	C
<b>Capital contributions (all)</b>	63,613,602	63,521,222	92,380	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: 
$$\frac{((District\ svc.\ Hours / Total\ svc.\ Hours) + (District\ svc.\ Miles / Total\ svc.\ Miles))}{2}$$

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



# Questions?

