ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

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

June 30, 2022

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CONTENT

Crowe LLP
Independent Member Crowe Global

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, 2022. 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, 2022 that are used for allocation to the supporting spreadsheets prepared by the District.

   Step performed without exception.

(Continued)

D. We compared the net changes in service hours from the prior year to the year ended June 30, 2022 by Alameda and Contra Costa counties and STSD.

Step performed without exception. District 1 service hours were 1,536,186 (89.29%) in FY22 and 1,540,245 (90.64%) in FY21. District 2 service hours were 184,318 (10.71%) in FY22 and 159,046 (9.36%) in FY21.

E. We compared service miles by STSD and by Alameda and Contra Costa Counties for the year ended June 30, 2021 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, 2022 by Alameda and Contra Costa counties and STSD.

Step performed without exception. District 1 service miles were 15,079,397 (86.80%) in FY22 and 15,231,503 (86.94%) in FY21. District 2 service miles were 2,293,171 (13.20%) in FY22 and 2,288,693 (13.06%) in FY21.

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
December <>, 2022

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY SERVICE AREA
For the Year Ended June 30, 2022

	STSD #1	STSD #2	Total	STSD #2 as a % of Total	Allocation Method-ology
Revenues:					
Passenger fares	$ 22,998,434	$ 1,592,826	$ 24,591,260	6.48%	(1)
BART transfers	3,202,322	221,786	3,424,108	6.48%	(3)
Contract services	7,638,159	-	7,638,159	0.00%	(14)
Advertising	1,302,340	176,861	1,479,201	11.96%	(2)
Interest income	44,604	7,126	51,730	13.78%	(6)
Other	1,994,824	270,902	2,265,726	11.96%	(14)
Total operating revenues	37,180,683	2,269,501	39,450,184	5.75%	
Subsidies:					
Property taxes	109,479,213	26,676,126	136,155,339	19.59%	(7)
Property taxes - Measure VV	29,838,078	-	29,838,078	0.00%	(10)
Local sales tax - Measure B	26,594,526	2,160,300	28,754,826	7.51%	(11)
Local sales tax - Measure BB	47,136,731	6,401,264	53,537,995	11.96%	(2)
Local sales tax - Measure J	5,651,216	-	5,651,216	0.00%	(10)
Local operating assistance	8,702,898	4,171,301	12,874,199	32.40%	(14)
State - AB1107	45,744,908	6,043,735	51,788,643	11.67%	(15)
State - AB2972 Home to School	500,000	-	500,000	0.00%	(10)
State - TDA	60,385,923	13,615,872	74,001,795	18.40%	(14)
State - STA	22,995,506	3,672,468	26,667,974	13.77%	(5)
Federal operating assistance	69,439,382	9,057,933	78,497,315	11.54%	(2)
Total subsidies	426,468,381	71,798,999	498,267,380	14.41%	
Total revenue & subsidies	463,649,064	74,068,500	537,717,564	13.77%	
Expenses:					
Operator wages	74,063,545	9,463,629	83,527,174	11.33%	(4)
Other wages	70,229,897	9,537,364	79,767,261	11.96%	(2)
Fringe benefits	111,062,759	14,630,721	125,693,480	11.64%	(13)
Pension expense	38,473,877	5,068,311	43,542,188	11.64%	(13)
Services	33,733,771	4,581,115	38,314,886	11.96%	(2)
Fuel & lubricants	14,717,833	1,998,712	16,716,545	11.96%	(2)
Office/Printing supplies	741,715	100,726	842,441	11.96%	(2)
Bus parts/Maint. supplies	11,449,484	1,554,863	13,004,347	11.96%	(2)
Utilities	3,906,857	530,559	4,437,416	11.96%	(2)
Insurance	18,834,521	2,557,767	21,392,288	11.96%	(2)
Other expenses	8,007,994	1,087,502	9,095,496	11.96%	(2)
Purchased transportation	24,242,793	4,544,064	28,786,857	15.79%	(8)
Interest expense	440,607	59,883	500,490	11.96%	(9)
Depreciation	47,641,373	6,469,796	54,111,169	11.96%	(2)
Total operating expenses	457,547,026	62,185,012	519,732,038	11.96%	
Income before capital contributions	6,102,038	11,883,488	17,985,526	66.07%	
Capital contributions	29,387,094	3,114,285	32,501,379	9.58%	(14)
Change in net position	$ 35,489,132	$ 14,997,773	$ 50,486,905		

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.

(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:

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

(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 prorate 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 prorate 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.