

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

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

June 30, 2021

DRAFT
ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

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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, which were agreed to by management and the Board of Directors of the Alameda-Contra Costa Transit District ("the District") solely to assist the specified parties in evaluating the Schedule of Revenues and Expenses by Service Area for the year ended June 30, 2021. The District's management is responsible for the accompanying schedule and allocation methodology. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

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, 2021 that are used for allocation to the supporting spreadsheets prepared by the District.

Step performed without exception.

- D. We compared the net changes in service hours from the prior year to the year ended June 30, 2021 by Alameda and Contra Costa counties and STSD.

Step performed without exception. District 1 service hours were 1,540,245 (90.64%) in FY21 and 1,783,883 (90.99%) in FY20. District 2 service hours were 159,046 (9.36%) in FY21 and 176,629 (9.01%) in FY20.

- 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.

(Continued)

- F. We compared the net changes in service miles from the prior year to the year ended June 30, 2021 by Alameda and Contra Costa counties and STSD.

Step performed without exception. District 1 service miles were 15,231,503 (86.94%) in FY21 and 17,772,225 (88.45%) in FY20. District 2 service miles were 2,288,693 (13.06%) in FY21 and 2,321,493 (11.55%) in FY20.

- 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
November <>, 2021

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ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY SERVICE AREA
For the Year Ended June 30, 2021

	STSD #1	STSD #2	Total	STSD #2 as a % of Total	Allocation Method- ology
Revenues:					
Passenger fares	\$ 11,967,639	\$ 580,811	\$ 12,548,450	4.63%	(1)
BART transfers	3,496,558	169,694	3,666,252	4.63%	(3)
Contract services	8,155,652	-	8,155,652	0.00%	(14)
Advertising	1,120,540	141,491	1,262,031	11.21%	(2)
Interest income	34,377	5,265	39,642	13.28%	(6)
Other	2,201,048	277,926	2,478,974	11.21%	(14)
Total operating revenues	<u>26,975,814</u>	<u>1,175,187</u>	<u>28,151,001</u>	4.17%	
Subsidies:					
Property taxes	103,949,299	25,280,153	129,229,452	19.56%	(7)
Property taxes - Measure VV	30,053,598	-	30,053,598	0.00%	(10)
Local sales tax - Measure B	31,469,822	2,556,328	34,026,150	7.51%	(11)
Local sales tax - Measure BB	33,564,234	4,238,163	37,802,397	11.21%	(2)
Local sales tax - Measure J	5,592,588	-	5,592,588	0.00%	(10)
Local operating assistance	9,338,440	3,306,135	12,644,575	26.15%	(14)
State - AB1107	38,088,548	5,032,190	43,120,738	11.67%	(15)
State - AB2972 Home to School	1,500,000	-	1,500,000	0.00%	(10)
State - TDA	58,974,104	12,957,296	71,931,400	18.01%	(14)
State - STA	24,494,595	3,790,748	28,285,343	13.40%	(5)
Federal operating assistance	85,872,357	10,555,798	96,428,155	10.95%	(2)
Total subsidies	<u>422,897,585</u>	<u>67,716,811</u>	<u>490,614,396</u>	13.80%	
Total revenue & subsidies	<u>449,873,399</u>	<u>68,891,998</u>	<u>518,765,397</u>	13.28%	
Expenses:					
Operator wages	68,228,862	7,547,306	75,776,168	9.96%	(4)
Other wages	64,827,835	8,185,824	73,013,659	11.21%	(2)
Fringe benefits	139,934,973	16,539,334	156,474,307	10.57%	(13)
Pension expense	29,682,113	3,508,218	33,190,331	10.57%	(13)
Services	32,574,424	4,113,179	36,687,603	11.21%	(2)
Fuel & lubricants	7,809,405	986,095	8,795,500	11.21%	(2)
Office/Printing supplies	536,757	67,776	604,533	11.21%	(2)
Bus parts/Maint. supplies	10,753,482	1,357,844	12,111,326	11.21%	(2)
Utilities	3,645,484	460,316	4,105,800	11.21%	(2)
Insurance	10,207,377	1,288,888	11,496,265	11.21%	(2)
Other expenses	8,443,484	1,066,161	9,509,645	11.21%	(2)
Purchased transportation	16,887,267	3,697,367	20,584,634	17.96%	(8)
Interest expense	454,031	56,412	510,443	11.05%	(9)
Depreciation	38,274,484	4,832,927	43,107,411	11.21%	(2)
Total operating expenses	<u>432,259,978</u>	<u>53,707,647</u>	<u>485,967,625</u>	11.05%	
Income (loss) before capital contributor	17,613,421	15,184,351	32,797,772	46.30%	
Capital contributions	<u>8,826,141</u>	<u>560,758</u>	<u>9,386,899</u>	5.97%	(14)
Change in net position	<u>\$ 26,439,562</u>	<u>\$ 15,745,109</u>	<u>\$ 42,184,671</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.

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ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
ALLOCATION METHODOLOGY
For the Year Ended June 30, 2021

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