ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2009

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

TABLE OF CONTENTS
JUNE 30, 2009

VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT

The Governing Board of the
Alameda County Transportation Improvement Authority
Oakland, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Alameda County Transportation Improvement Authority (ACTIA) as of and for the year ended June 30, 2009, which collectively comprise ACTIA's basic financial statements as listed in the table of contents. These financial statements are the responsibility of ACTIA's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from ACTIA's financial statements and in our prior report dated October 20, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of ACTIA as of June 30, 2009, and the respective changes in financial position, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with the *Government Auditing Standards*, we have also issued a report dated October 26, 2009, on our consideration of ACTIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis, budgetary comparison information, and schedule of other post employment benefits funding progress and employer's contribution, as listed in the table of contents, are not a required part of the basic financial statements of ACTIA, but are supplementary information required by accounting principles generally accepted in the United States of America. We applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise ACTIA's basic financial statements. The combining schedules of projects and programs listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of ACTIA. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Vavrinek, Trine, Day & Co., LLP.

Pleasanton, California
October 26, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Alameda County Transportation Improvement Authority (Authority or ACTIA), we offer readers of ACTIA's financial statements this narrative overview and analysis of the financial activities of ACTIA for the Fiscal Year Ended June 30, 2009 (FYE 2009). We encourage readers to consider the information presented here in conjunction with ACTIA's financial statements that follow this section.

ACTIA began collecting sales tax revenues on April 1, 2002. In the first two years of operation, ACTIA relied on ACTA for the financing of start-up cost and administrative infrastructure. In FYE 2006, ACTIA has repaid all start-up loans, organized its own administrative infrastructure and has emerged as a financially viable transportation authority to deliver on the commitments outlined in the Authority's 20-Year Transportation Expenditure Plan.

Since inception, ACTIA has delivered over $757 million in transportation funding to various Alameda County projects while incurring less than 4.5% in administrative costs and under 1% in staff costs (as percentages of revenues). ACTIA has also grown its net assets steadily over the same duration to address future commitments.

FINANCIAL HIGHLIGHTS

As of June 30, 2009, ACTIA has improved its net assets position from $127 million to $132 million. In prior year, FYE 2008, the Authority saw an improvement in net assets from $111 million to $127 million. ACTIA's overall financial position remained steady in the FYE 2009 after the precipitous 13% drop in sales tax revenues due to the economic recession. On the expenditure side, recent capital projects contracts have also experienced significantly lower bids, than the initial estimates, due to the recession. In the short term, due to the continued financial improvements and the recent lower cost environment for capital projects, ACTIA is expected to finance upcoming capital commitments without seeking external financing. However, in two to three years timeframe, ACTIA is likely to seek external medium term financing for upcoming capital projects.

In FYE 2009, the Authority posted revenues of $113.0 million, including sales tax revenues of $ 102.5 million, which was a 13% decline from prior year. ACTIA's total expenditures for FYE 2009 were $107.9 million, including $6.4 million for administration, $33.9 million for Highways and Streets, $40.4 million for Public Transit, and $27.2 million for Local Transportation. A total of $111.3 million and $118.6 million were expended in FYE 2008 and FYE 2007, respectively. The expenditures reflect the continuing development of capital projects and programs over the past three years.

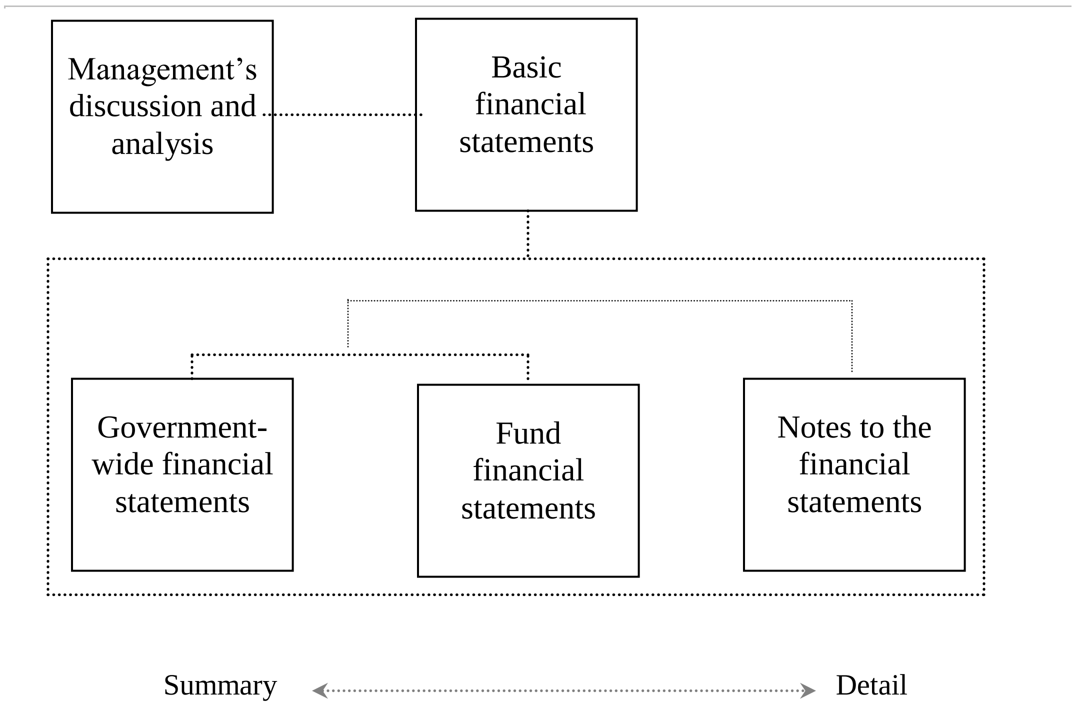
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of the management's discussion and analysis (this section), and the basic financial statements, including the government-wide financial statements, statements for the general and governmental funds, and budgetary comparison statements. The basic financial statements show the consolidated presentation of governmental funds, along with the required adjustments and the resulting government-wide statements. The distinction between the two formats is summarized below:

- The government-wide statements include the statement of net assets and the statement of activities, which provides a summary of both the expenses and revenues by function or program.
- The next statements are governmental fund statements, that provide a summary of the following:
  - Balance sheet showing the assets and liabilities by governmental fund type;

- Statement of revenues, expenditures and changes in fund balances, again by governmental fund type; (and reconciliation to the statement of activities); and
- Budgetary comparison statements for the general and special revenue funds.

Figure A-1
The Alameda County Transportation Improvement Authority
Required Components of the Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another**.**

Figure A-2 summarizes the major features of ACTIA's financial statements, including the portion of ACTIA they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2
The Alameda County Transportation Improvement Authority
Major Features of the Government-Wide and Fund Financial Statements

	Government-Wide Statements	Governmental Funds
Scope	Entire Agency	The activities of the entire Agency that are not proprietary or fiduciary, such as Highways and Streets and Public Transit
Required financial statements	• Statement of net assets • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

Government-Wide Statements

The government-wide statements report information about ACTIA as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of ACTIA's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The statement of activities includes the expenses, revenues, and changes in net assets by function or program.

The two government-wide statements report ACTIA's net assets and how they have changed. Net assets, the difference between ACTIA's assets and liabilities, are one way to measure ACTIA's financial health or position. Over time, increases or decreases in ACTIA's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of ACTIA include only one category:

- Governmental activities – ACTIA's basic services are included here, such as Highways and Streets, and Public Transit.

Fund Financial Statements

The fund financial statements provide more detailed information about ACTIA's governmental funds, not ACTIA as a whole. Funds are accounting devices that ACTIA uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law.
- The ACTIA Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

FINANCIAL ANALYSIS OF ACTIA AS A WHOLE

Government-wide Statements: Government-wide statements include the statement of activities and the statement of net assets.

Activities: In FYE 2009, ACTIA posted total revenues of $113.0 million, of which $102.5 million was from sales tax and the balance from interest and other revenue. In FYE 2008, ACTIA posted total revenues of $127.4 million, of which $117.3 million was from sales tax and the balance from interest and other revenue. In FYE 2007, ACTIA posted total revenues of $121.8 million, of which $114.7 million was from sales tax and the balance from interest and other revenue (see Table A-1 and Figure A-3).

The total costs for the current year, FYE 2009, were $107.9 million, including $6.4 million for Administration, $33.9 million for Highways and Streets, $40.4 million for Public Transit, and $27.2 million for Local Transportation. In FYE 2008, total costs were $111.3 million, including $5.3 million for Administration, $31.5 million for Highways and Streets, $40.5 million for Public Transit, and $33.9 million for Local Transportation. The total costs for the prior year, FYE 2007, were $118.6 million, including $5.4 million for Administration, $24.6 million for Highways and Streets, $57.4 million for Public Transit and $31.2 million for local transportation. (See Table A-1 and Figure A-4).

In the current year, FYE 2009, revenues exceeded expenditures by $5.0 million, resulting in net assets of $132.2 million at year-end. In the prior year, FYE 2008, revenues exceeded expenditures by $16.1 million, resulting in net assets of $127.1 million at year-end. In FYE 2007, revenues exceeded expenditures by $3.2 million, resulting in net assets of $111 million at year-end. (See Table A-1).

Table A-1
The Alameda County Transportation Improvement Authority
Changes in Net Assets
June 30, 2009, 2008 and 2007

	Govermental Activities		
	2009	**2008**	**2007**
Revenues			
Program revenues:			
Operating grants and contributions	$ 4,307,866	$ 3,691,335	$ 4,231,630
Capital grants and contributions	6,132,120	6,369,021	2,875,016
General revenues:			
Sales taxes	102,531,773	117,325,523	114,743,322
Total revenues	112,971,759	127,385,879	121,849,968
Expenses			
Administration	6,451,951	5,358,500	5,420,577
Highways and Streets	33,903,914	31,512,788	24,623,449
Public Transit	40,400,152	40,548,900	57,407,703
Local Transportation	27,166,706	33,893,417	31,174,209
Total expenses	107,922,723	111,313,605	118,625,938
Change in net assets	5,049,036	16,072,274	3,224,030
Net assets, beginning of year	127,106,079	111,033,805	107,809,775
Net assets, end of year	$ 132,155,115	$ 127,106,079	$ 111,033,805

Figure A-3
The Alameda County Transportation Improvement Authority
Sources of Revenue for Fiscal Year 2009

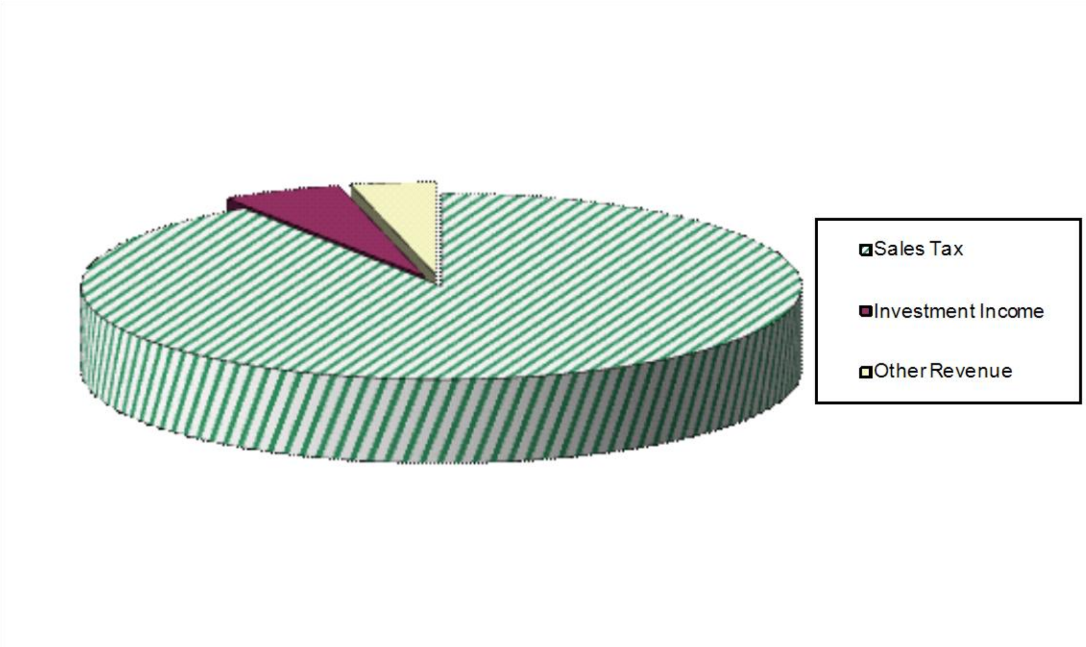
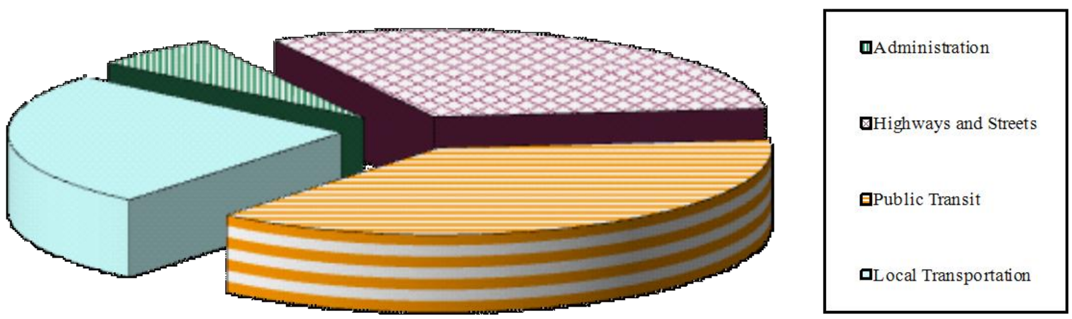


Figure A-4
The Alameda County Transportation Improvement Authority
Functional Expenses for Fiscal Year 2009



Net Assets: The total assets for the current year at June 30, 2009 were $150.7 million, of which $14.7 million was from sales tax receivables, $118.9 million was from cash and investments, $15.1 million are receivables from other government agencies and $2.0 million from various other assets. Liabilities totaled $18.5 million, most of which was accounts payable. Of the total $132.1 million in net assets, nearly all of it is restricted as to use and $0.1 million is invested in capital assets (see table A-2).

The total assets at June 30, 2008 were $155.4 million, of which $18.6 million was from sales tax receivables, $111.1 million was from cash and investments, $25.1 million are receivables from other government agencies and $0.5 million from various other assets. Liabilities totaled $28.2 million, most of which was accounts payable. Of the total $127.1 million in net assets, nearly all of it is restricted as to use and $0.1 million is invested in capital assets (see table A-2).

The total assets at June 30, 2007 were $161.4 million, of which $17.9 million was from sales tax receivables, $117.7 million was from cash and investments, $25.3 million are receivables from other government agencies and $0.5 million from various other assets. Liabilities totaled $50.3 million, all of which was accounts payable. Of the total $111 million in net assets, nearly all of it is restricted as to use and $0.1 million is invested in capital assets (see table A-2).

Table A-2
The Alameda County Transportation Improvement Authority
Net Assets
June 30, 2009, 2008 and 2007

	Governmental Activities		
	2009	**2008**	**2007**
Cash and investments	$ 118,906,164	$ 111,107,595	$ 117,670,978
Receivables			
Sales tax receivables	14,742,712	18,588,200	17,860,203
Interest	123,833	266,456	386,378
Other governmental	106,472	116,298	178,572
Other	1,645,589	9,475	-
Due from fiduciary	12,218	22,587	-
Capital assets (net of accumulated depreciation)			
Furniture and equipment	47,176	31,494	51,569
Leasehold improvements	-	34,406	40,390
Advances to other governments	15,086,398	25,080,225	25,108,355
Other assets	20,298	98,662	59,642
Total assets	$ 150,690,860	$ 155,355,398	$ 161,356,087
Accounts payable - current	$ 18,424,633	$ 28,159,090	$ 50,267,742
Compensated absences - current	73,761	72,450	54,540
Net OPEB Obligation - long-term	37,351	17,779	-
Total liabilities	18,535,745	28,249,319	50,322,282
Net assets:			
invested in capital assets	47,176	65,900	91,959
Restricted for:			
Transportation Projects/Programs	132,107,939	127,040,179	110,941,846
Total net assets	132,155,115	127,106,079	111,033,805
Total liabilities and net assets	$ 150,690,860	$ 155,355,398	$ 161,356,087

FINANCIAL ANALYSIS OF ACTIA'S FUNDS

Governmental Funds

ACTIA uses fund accounting to ensure compliance with finance-related legal requirements. The governmental funds in this case include the general, capital projects, and special revenue funds.

ACTIA works with other project sponsors to deliver the Highway and Streets projects and the Public Transit and Paratransit programs. Local Transportation funds are, for the most part, distributed directly to local agencies to administer projects important to their governing Boards. ACTIA's activities also include administration, which consists of financing public improvements, investing remaining fund balances, project management, and other administrative functions.

As of June 30, 2009, ACTIA had $150.6 million in assets in the governmental funds: $13.2 million in the general fund, $112.7 million in the capital projects fund, and $24.7 million in the special revenue fund. Of the total assets, $118.9 million was in cash and investments. As of June 30, 2008, ACTIA had $155.3 million in assets in the governmental funds: $11.9 million in the general fund, $113.7 million in the capital projects fund, and $29.7 million in the special revenue fund. Of the total assets, $111.1 million was in cash and investments. As of June 30, 2007, ACTIA had $161.3 million in assets in the governmental funds: $9.6 million in the general fund, $126.6 million in the capital projects fund, and $25.1 million in the special revenue fund. Of the total assets, $117.7 million was in cash and investments.

At the end of FYE 2009, ACTIA's liabilities were $18.4 million, most of which were in accounts payable. At the end of FYE 2008, ACTIA's liabilities were $28.2 million, most of which were in accounts payable. At the end of FYE 2007, ACTIA's liabilities were $50.3 million, nearly all of which were in accounts payable.

As of June 30, 2009, the total fund balance was $132.2 million. As of June 30, 2008, the total fund balance was $127.1 million. As of June 30, 2007, the total fund balance was $111.0 million.

For FYE 2009, ACTIA had revenues of $113.0 million, primarily from the sales tax and investment income. During the year, ACTIA expended $107.9 million through the governmental funds, including $6.4 million for administration, $33.9 million for Highways and Streets, $40.4 million for Public Transit and Paratransit operations, and $27.2 million for Local Transportation programs.

For FYE 2008, ACTIA had revenues of $127.4 million, primarily from the sales tax and investment income. During the year, ACTIA expended $111.2 million through the governmental funds, including $5.3 million for administration, $31.5 million for Highways and Streets, $40.5 million for Public Transit and Paratransit operations, and $33.9 million for Local Transportation programs.

For FYE 2007, ACTIA had revenues of $121.8 million, primarily from the sales tax. During the year, ACTIA expended $118.7 million through the governmental funds, including $5.4 million for administration, $24.6 million for Highways and Streets, $57.4 million for Public Transit and Paratransit operations, and $31.2 million for Local Transportation programs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2009, ACTIA had invested $47,176 in capital assets, including furniture and equipment and leasehold improvements (see Table A-3). Please refer to the notes to the financial statements for more detail.

Table A-3
The Alameda County Transportation Improvement Authority
Capital Assets (net of depreciation)
June 30, 2009, 2008 and 2007

	2009	2008	2007
Furniture and equipment (net of accumulated depreciation)	$ 18,754	$ 31,494	$ 51,569
Leasehold improvements (net of accumulated amortization)	28,422	34,406	40,390
Total	$ 47,176	$ 65,900	$ 91,959

The major capital asset additions included leasehold improvements and new furniture and equipment to carry out its regular business operations.

Long-Term Debt

As of June 30, 2009, 2008 and 2007, ACTIA had no outstanding long-term debt.

COMPARISON OF BUDGETED TO ACTUAL

Prior to the start of each fiscal year, ACTIA adopts a budget for the fiscal year. This budget may be modified at quarterly intervals resulting in subsequent legally adopted budgets. These modifications are made primarily to adjust revenues that change due to the economic climate and adjust expenses to reflect the changes in revenues or capital project costs.

For the general fund, ACTIA started with an adopted budget of $6.6 million from revenues, expenditures totaling $5.7 million, and a surplus in the general fund balance of $1.0 million. In the final adopted budget, these amounts were revised to $ 5.7 million in revenues, $ 5.5 million in expenditures, and a surplus in the general fund of $0.2 million. The actual revenues from the sales tax and other income were $6.8 million, and administrative costs totaled $5.4 million, resulting in a surplus of $1.4 million.

Likewise, the special revenue fund also generated higher revenues and lower expenditures than the final adopted budget. The starting adopted budget anticipated revenues and expenditures of $68.4 million and $74.9 million, respectively. The final adopted budget had revenues and expenditures of $57.2 million and $56.5 million, respectively. Actual amounts were $58.7 million in revenues and $58.5 million in expenditures, with $31.4 million for Public Transit, $26.6 million for Local Transportation (Highways and Streets) and $0.5 million for Administration. Special fund revenues include grants and pass-through funds, which match expenditures as nearly all receipts are passed through to Alameda County jurisdictions in accordance with the Measure B plan. The residual difference of $0.2 million is the net increase to the Reserve Funds under Special Revenue (Express Bus, Service Gap, Regional Bike and Pedestrians and Transit Oriented Development Reserves).

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of ACTIA's finances for all those with an interest in ACTIA's finances. Questions concerning information provided in this report or requests for additional financial information should be addressed to Christine Monsen or Anees Azad of the Alameda County Transportation Improvement Authority at 1333 Broadway, Suite 300, Oakland, California 94612.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

GOVERNMENTAL FUNDS - BALANCE SHEET / STATEMENT OF NET ASSETS
JUNE 30, 2009
(WITH COMPARATIVE TOTALS FOR 2008)

Assets	General	Capital Projects	Special Revenue	Total		Adjustments	Statement of Net Assets	2008 Total
Cash and investments	$ 12,444,259	$ 90,178,630	$ 16,283,275	$ 118,906,164		$ -	$ 118,906,164	$ 111,107,595
Receivables								
Sales tax	663,422	5,645,801	8,433,489	14,742,712		-	14,742,712	18,588,200
Accrued interest	-	123,833	-	123,833		-	123,833	266,456
Other governments	92,186	14,286	-	106,472		-	106,472	116,298
Other	2,386	1,643,203	-	1,645,589		-	1,645,589	9,475
Advances to other governments	12,343	15,074,055	-	15,086,398		-	15,086,398	25,080,225
Due from employee benefits trust	12,218	-	-	12,218		-	12,218	22,587
Capital assets net of accumulated depreciation	-	-	-	-	(1)	47,176	47,176	65,900
Other Assets	20,298	-	-	20,298		-	20,298	98,662
Total assets	$ 13,247,112	$ 112,679,808	$ 24,716,764	$ 150,643,684		$ 47,176	$ 150,690,860	$ 155,355,398
Liabilities and Fund Balances								
Liabilities								
Accounts payable	$ 262,875	$ 8,537,913	$ 9,623,845	$ 18,424,633		-	18,424,633	28,159,090
Compensated absences	-	-	-	-	(2)	73,761	73,761	72,450
Net OPEB Obligations	-	-	-	-	(3)	37,351	37,351	17,779
Total liabilities	262,875	8,537,913	9,623,845	18,424,633		111,112	18,535,745	28,249,319
Fund balances:								
Reserved for:								
Administration	12,984,237	-	-	12,984,237		(12,984,237)		
Long term advances	-	15,074,055	-	15,074,055		(15,074,055)		
Transportation projects	-	89,067,840	15,092,919	104,160,759		(104,160,759)		
Total fund balances	12,984,237	104,141,895	15,092,919	132,219,051		(132,219,051)		
Total liabilities and fund balances	$ 13,247,112	$ 112,679,808	$ 24,716,764	$ 150,643,684				
Net Assets:								
Invested in capital assets						47,176	47,176	65,900
Unrestricted						$ 132,107,939	132,107,939	127,040,179
Total net assets						$ 132,155,115	$ 132,155,115	$ 127,106,079

Amounts reported for governmental activities in the statement of net assets are different because:

(1) - Capital assets used in governmental activities are not financial resources and , and therefore are not reported in the funds.

(2) - Compensated absences are considered long term and therefore are not recorded in the governmental funds.

(3)- OPEB obligations are considered long term and therefore are not recorded in the governmental funds.

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

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE TOTALS FOR 2008)

	General	Capital Projects	Special Revenue	Total		Adjustments	Statement of Activities	2008 Total
Revenues:								
Sales tax	$ 5,773,395	$ 38,800,115	$ 57,958,263	$ 102,531,773		$ -	$ 102,531,773	$117,325,523
Investment income	779,632	4,624,310	728,178	6,132,120		-	6,132,120	6,369,021
Federal, state and local funds	-	2,656,029	-	2,656,029		-	2,656,029	-
Other income	266,552	1,385,229	56	1,651,837		-	1,651,837	3,691,335
Total revenues	6,819,579	47,465,683	58,686,497	112,971,759		-	112,971,759	127,385,879
Expenditures\expenses:								
Current:								
Administration	5,431,978	487,517	492,849	6,412,344	(1)	39,607	6,451,951	5,358,500
Highways and streets	-	33,903,914	-	33,903,914		-	33,903,914	31,512,788
Public transit	-	8,985,414	31,414,738	40,400,152		-	40,400,152	40,548,900
Local transportation	-	548,163	26,618,543	27,166,706		-	27,166,706	33,893,417
Total expenditures\expenses	5,431,978	43,925,008	58,526,130	107,883,116		39,607	107,922,723	111,313,605
Excess of revenues over expenditures	1,387,601	3,540,675	160,367	5,088,643		(39,607)	5,049,036	16,072,274
Net change in fund balances \ net assets	1,387,601	3,540,675	160,367	5,088,643		(39,607)	5,049,036	16,072,274
Fund balances \ net assets:								
Beginning of year	11,596,636	100,601,220	14,932,552	127,130,408		(7,729)	127,106,079	111,033,805
End of year	$ 12,984,237	$ 104,141,895	$ 15,092,919	$ 132,219,051		$ (47,336)	$ 132,155,115	$127,106,079

Amounts reported for governmental activities in the statement of activities are different because:

(1) - Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlays were exceeded by depreciation in the period.	$ 18,724
Changes in compensated absences are considered long term and need to be included in the statement of activities.	1,311
Changes in post-employment benefits other than pensions are considered long term and need to be included in the statement of activities	19,572
	$ 39,607

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

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2009

	Retiree Benefits Trust Fund
ASSETS	
Deposits and investments	$ 923,339
Total Assets	923,339
LIABILITIES	
Due to ACTIA General Fund	12,218
Total Liabilities	12,218
NET ASSETS	
Held in trust for OPEB benefits	911,121
Total Net Assets	$ 911,121

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

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	Retiree Benefits Trust Fund
ADDITIONS:	
Contributions: Employer	$ -
Investment earnings	28,748
Total Additions	28,748
DEDUCTIONS:	
Benefits	11,812
Total Deductions	11,812
Change in Net Assets	16,936
Net Assets - Beginning	894,185
Net Assets - Ending	$ 911,121

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

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The Alameda County Transportation Improvement Authority (ACTIA) was created by the Alameda County Board of Supervisors in 1998, to place a ballot measure to authorize the imposition of a one half of one percent sales and use tax (the sales tax) in Alameda County before Alameda County voters in June 1998. This measure did not receive two-thirds voter support. A subsequent ballot measure was placed on the November 2000 ballot, and was approved by over two-thirds of the voters. The proceeds from the sales tax are principally reserved for highway infrastructure, mass transit, local transportation, and administrative costs. The sales tax commenced April 1, 2002 and will expire on March 31, 2022.

The basic financial statements of ACTIA include all of its financial activities. ACTIA is the sole independent agency responsible for receiving and allocating funds necessary to complete the programs and is governed by an eleven-member board of elected officials from the County and local cities.

(b) Government-Wide and Fund Financial Statements

The fund financial statements (i.e., balance sheet and statement of governmental fund revenues, expenditures, and changes in fund balance) and government-wide financial statements (i.e., statement of net assets and the statement of activities) have been combined, as prescribed in Governmental Accounting Standards Board (GASB) statement number 34, as it applies to special purpose entities. The Authority meets the definition of a special purpose entity. These statements report information on all of the non-fiduciary activities of ACTIA.

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economics resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Sales tax revenues are recorded when the tax is due to the State Board of Equalization. Grants and similar items recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, ACTIA considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

(1) Summary of Significant Accounting Policies (Continued)

Sales taxes, local matching revenue, and investment income (including the change in the fair value of investments) associated with the current year fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period using the modified accrual basis of accounting as described above.

Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the Authority.

ACTIA reports the following major governmental funds:

The *general fund* is ACTIA's primary operating fund. It accounts for all financial resources of ACTIA, except those required to be accounted for in another fund. A total of 4.5% net revenues has been allocated for administration of this Measure B sales tax program. Administration costs include salaries, benefits, professional fees, rent expense, office supplies and equipment, utilities and other cost that cannot be specifically identified with another fund. The salaries and benefits of ACTIA's staff are limited by Measure B to 1% of sales tax revenue. Revenues in excess of administrative expenditures in any one year are reserved for future administrative costs.

The *capital projects fund* accounts for resources accumulated and payments made for the acquisition or construction of major capital improvements in accordance with the Alameda County 20-Year Transportation Expenditure Plan. ACTIA does not retain ownership of these improvements. They are transferred to the sponsor or managing jurisdiction after completion.

The *special revenue fund* accounts for resources accumulated as required by Measure B for allocation to local cities and the County of local transportation improvements, including streets and roads, and to transit agencies for operations and maintenance.

The *fiduciary fund* reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for the assets held by the Authority under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support the Authority's own programs. The Authority's fiduciary fund is a trust fund which accounts for the Retiree Medical Benefits and allocated sources to provide medical benefits for retirees.

The effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

(d) Budgetary Data

Following a public meeting, ACTIA adopts an annual budget for all governmental fund types to be effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted and controlled at the program level, the amounts stated therein as proposed expenditures become appropriations to the various programs. Once a quarter, ACTIA approves all transfers between expenditure objects and overall budget

(1) Summary of Significant Accounting Policies (Continued)

modifications during the year. For the capital projects fund, ACTIA annually approves individual project budgets (strategic plan), detailed by component functions. The Executive Director or designee approves reimbursements to the project sponsors, and reimbursements are not to exceed contract and strategic plan limits. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

(e) Deposits and Investments

ACTIA's cash and investments are maintained in custodial investment accounts managed by independent investment advisors, and California State Treasurers. ACTIA generally holds investments till maturity. All cash and investments of ACTIA are restricted as to the investment options as specified in the State government code and investment policy.

(f) Capital Assets

Capital assets, which include leasehold improvements and office furniture and equipment, are reported in the government-wide financial statements. Capital assets are defined by ACTIA as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of ACTIA are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Office Furniture and Equipment	5
Computer Equipment	3
Leasehold Improvements	5

(g) Compensated Absences

It is ACTIA's, policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Unused vacation and sick leave may be accumulated up to a specific maximum. ACTIA is not obligated to pay for unused sick leave if an employee terminates employment prior to retirement or prior to when ACTIA ceases operations.

(h) Fund Equity

In the fund financial statements, governmental funds report reservations of balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

(1) Summary of Significant Accounting Policies (Continued)

(i) Interfund Transfers

Interfund transfers are generally recorded as transfers in (out) except for reimbursements for services performed, which are recorded as a reduction of expenditures in the performing fund and an expenditure of the receiving fund.

(j) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(k) Reclassifications

Certain accounts in the summarized comparative information for the year ended June 30, 2008 have been reclassified for the comparative purposes to confirm with the presentation in the financial statements for the year ended June 30, 2009. Such reclassifications had no effect on previous reported fund balances or net assets.

(2) Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2009, are classified in the accompanying financial statements as follows:

Governmental activities	$	118,906,164
Fiduciary Funds		923,339
Total Deposits	$	119,829,503

Deposits and investments as of June 30, 2009, consist of the following:

Cash on hand and in banks	$	5,103,772
Investments		114,725,731
Total Deposits and Investments	$	119,829,503

(2) Deposits and Investments (Continued)

Policies and Practices

ACTIA is authorized under California Government Code or the Entity's investment policy, if different, to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Bonds, Notes, Warrants	5 years	10%	5%
Registered State Bonds, Notes, Warrants	5 years	10%	5%
U.S. Treasury Obligations	5 years	None	None
U.S Agency Securities	5 years	None	35%
Banker's Acceptance	180 days	40%	5%
Commercial Paper	270 days	25%	5%
Negotiable Certificates of Deposit	3 years	30%	5%
Repurchase Agreements	90 days	20%	None
Medium-Term Notes	5 years	30%	5%
Money Markets	N/A	20%	5%
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. ACTIA manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

(2) Deposits and Investments (Continued)

Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of ACTIA's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of ACTIA's investment by maturity.

Investment Type		Fair Value	Maturity
Commercial Paper	$	799,636	December 2009
Corporate Notes		14,830,111	November 2011 - August 2013
Federal Agency Bonds/Notes		37,650,309	July 2009 - July 2011
U.S. Treasury Bonds/Notes		29,273,919	December 2009 - May 2013
Money Market\ Mutual Funds		1,567,148	1-2 Days
LAIF		29,681,269	212 Days
Certificates of deposit		923,339	1 day
Total Securities	$	114,725,731	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measure by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, ACTIA’s investment policy, or debt agreements, and the actual rating as of the year-end for each investment type.

Investment Type	Fair Value	Minimum Legal Rating	Not Required To Be Rated	Rating as of Year End AAA	AA	AA+	AA-	A-1+	Unrated
U.S. Treasuries	$ 29,273,919	N/A	$ 29,273,919	$ -	$ -	$ -	$ -	$ -	$ -
Federal Agency Bond/Note	37,650,309	A	-	37,650,309	-	-	-	-	-
Money Market \ Mutual funds	1,567,148	A	-	1,567,148	-	-	-	-	-
Commercial Paper	799,636	A	-	-	-	-	-	799,636	-
LAIF	29,681,269	N/A	-	-	-	-	-	-	29,681,269
Corporate Notes	14,830,111	A	-	11,493,274	1,239,630	-	2,097,207	-	-
Certificates of deposit	923,339	N/A	923,339	-	-	-	-	-	-
Total	$ 114,725,731		$ 30,197,258	$ 50,710,731	$ 1,239,630	$ -	$ 2,097,207	$ 799,636	$ 29,681,269

(2) Deposits and Investment (Continued)

Concentration of Credit Risk

The investment policy of ACTIA contains limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. Investments in any one issuer (other than U.S Treasury securities, mutual funds and external investment pools) that represent five percent (5%) or more of the total investments are as follows:

Issuer	Investement Type	Amount
FHLB	Federal Agency Securities	$ 14,601,723
FHLMC	Federal Agency Securities	7,966,726
FNMA	Federal Agency Securities	6,324,205
Total		$ 28,892,655

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, ACTIA's deposits may not be returned to it. ACTIA's policy, as well as the California Government Code, requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2009, ACTIA's bank balance of $6,397,921, with a reported balance of $5,072,090, is collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the ACTIA.

Custodial Credit Risk Deposits – Retiree's Health Benefit Trust Fund Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Retiree Health Benefit Trust Fund's deposits may not be returned to them. Although the Retiree Health Insurance Trust Fund does not have its own investment policy, there are securities available as pledged collateral for the retirement fund for the Retiree Health Insurance Trust Fund's Deposits of $923,339 with a financial institution. Retiree Health Benefit Trust Fund is held as a timed deposit with a maturity date of June 30, 2009.

Custodial Credit Risk – Investments

This is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, ACTIA will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. It is ACTIA's policy that all securities held, be secured through third-party custody and safekeeping.

Investments in the State Investment Pool

ACTIA is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of ACTIA's investment in the pool is reported in the accompanying financial statement at amounts based upon ACTIA's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the

(2) Deposits and Investment (Continued)

Investments in the State Investment Pool (Continued)

amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

(3) Advances to Other Governments

ACTIA advanced $25 million of public transit program funds to Alameda-Contra Costa Transit Agency (AC Transit) in 2006. The advance had a variable interest rate, which is adjusted monthly, based on LAIF plus one percent. During the fiscal year ended on June 30, 2009, the loan agreement was amended where $10 million of loan was paid down. The amended loan carries an interest rate of 6% and another 1% for administrative fees. AC Transit will pay to the Authority $7 million of principal in December 2009 and remaining balance of $8 million in December 2010. The outstanding balance, including accrued interest, as of June 30, 2009 is $15,074,055.

(4) Capital Assets

(a) Capital Assets – Governmental Activities

A summary of changes in capital assets recorded in governmental activities follows:

	June 30, 2008	Additions	Deletions	June 30, 2009
Capital assets being depreciated:				
Furniture and equipment	$ 85,732	$ -	$ -	$ 85,732
Leasehold improvements	41,886	-	-	41,886
Total capital assets being depreciated	127,618	-	-	127,618
Less accumulated depreciation for:				
Furniture and equipment	(54,238)	(12,740)	-	(66,978)
Leasehold improvements	(7,480)	(5,984)	-	(13,464)
Total accumulated depreciation	(61,718)	(18,724)	-	(80,442)
Governmental activities capital assets, net	$ 65,900	$ (18,724)	$ -	$ 47,176

(b) Depreciation Expense

Depreciation expense of $18,724 was charged to the Administrative function of ACTIA during the year ended June 30, 2009.

(5) Long Term Liabilities

The following is summary long-term obligation as of June 30, 2009.

	June 30, 2008	Additions (payments)	June 30, 2009
Compensation absences	$ 72,450	$ 1,311	$ 73,761
Net OPEB Obligations	17,779	19,572	37,351
Total	$ 90,229	$ 20,883	$ 111,112

(6) Commitments and Contingent Liabilities

(a) Agreements with Engineering Firms

ACTIA has entered into contracts with various private engineering firms to provide scoping/planning, engineering, environmental, design, right-of-way engineering and acquisition, and construction management services. As of June 30, 2009, the total outstanding commitments (not paid or accrued) are $7.4 million. The terms range from June 30, 2009 for up to four and half years (or acceptance of the phase of work, whichever is earlier).

(b) Agreements with Project Sponsors

ACTIA has entered into contracts with various project sponsors to provide scoping/planning, engineering, environmental, design, right-of-way engineering and acquisition, construction management and equipment purchase services. As of June 30, 2009, the total outstanding commitments (not paid or accrued) are $245.55 million. The terms range from June 30, 2009 for seven and one half years (or acceptance of the phase of work, whichever is earlier).

(c) Operating Lease Commitments

The Authority has entered into an operating lease agreement with BOI- Broadway Trust for rental of facilities with commitments through November 2013. Future minimum rental payments are as follows:

Year Ending June 30	Lease Payments
2010	$ 353,508
2011	364,752
2012	376,020
2013	378,288
2014	161,370
Total	$ 1,633,938

ACTIA will also pay additional rent related to its share of increased operating costs and increased taxes. One fourth of the rent is paid by the ACTA under the budget approved by the Boards (See Note 9).

(6) Commitments and Contingent Liabilities (Continued)

(c) Operating Lease Commitments (Continued)

ACTIA has entered into sublease agreements for rental of facilities with Bay Area Program Management Group and Nelson\Nygaard for monthly rent of $3,941 and $927 respectively effective from July 1, 2007. Under new sublease agreements with Acumen and Rochelle Wheeler entered during the fiscal year ending June 30, 2009, the Authority will receive a monthly rent of $669 and $368, respectively. These subleases are month-to-month tenancy terminable for any reason whatsoever on 30 days written notice given at any time by either party.

(d) Insurance, Claims and Litigation

ACTIA is exposed to various risks of loss related to torts: thereof, damage to, and destruction of assets; errors and omissions; and natural disasters. ACTIA is named as an additional insured party on the ACTIA's commercial insurance coverage for general liability, directors and officers liability, automobile liability, and property coverage. The amounts of settlements for the past three fiscal years have not exceeded insurance coverage.

(7) Retirement Plan

Plan Description –ACTIA is part of the miscellaneous 2.5% at 55 risk pool, a cost-sharing multiple–employer defined benefit plan. All employees are eligible to participate in the Public Employees' Retirement Fund (the Fund) of the California Public Employees' Retirement System (CalPERS). The Fund is an agent multiple-employer defined benefit retirement plan that acts as a common investment and administrative agent for various local and state governmental agencies within the State of California. The Fund provides retirement, disability, and death benefits based on the employee's years of service, age and final compensation. Employees vest after five years of service and may receive retirement benefits at age 50. These benefits provisions and all other requirements are established by State statute. CalPERS issues a publicly available financial statement report. The CalPERS Comprehensive Annual Financial Report may be obtained by writing the State of California's Public Employees' Retirement System at P.O, Box 942709, Sacramento, California 94229-2709 or by calling 916-326-3420.

Funding Policy – The total combined payroll for ACTA and ACTIA for the fiscal year ended June 30, 2009 was $1,037,158, which approximates covered payroll for employees participating in the Fund. ACTIA, due to a benefits resolution, has an obligation to contribute 7% for covered employees and employees will contribute 1%, which represent the members' portion. ACTIA is required to contribute at an actuarially determined rate. The average rate for the year ended June 30, 2009 was 10.325% of covered payroll.

Annual Pension Cost – ACTIA's annual pension costs was equal to the required contribution, which was determined as part of an actuarial valuation performed as of June 30, 2007, using the entry age normal cost method. The significant actuarial assumptions used in the valuation were an assumed rate of return on investment assets of 7.75%, projected salary increases ranging from 3.25% to 14.45% annual payroll growth of 3.25% and inflation of 3.0%. The actuarial value of assets was determined using techniques that smooth the effects of short-term market value fluctuations over a fifteen-year period. The amortization method is a level percent of payroll over a closed 20-year period.

(7) Retirement Plan (Continued)

Three Year Trend Information **-** The following table shows the ACTIA's required contributions and percentage contributed, for the current year and each of the preceding two years.

(Dollar amounts in Thousands)

Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributions	Net Pension Obligation
6/30/2007 [1]	$ 529,478	100%	$ -
6/30/2008	171,690	100%	-
6/30/2009	178,821	100%	-

[1] In 2006 ACTIA prepaid $353,036 in "side fund"

(8) Other Postemployment Benefits (OPEB)

Plan Description **–** The Authority administers a single-employer defined benefit post retirement plan (The Plan) which provides lifetime postretirement medical insurance coverage to employees hired prior to October 2004. For employees hired after October 2004, the Authority's contribution will be limited to 50% of the single party Kaiser basic or supplemental premium per month, after a vesting period of 5 years of service. For each additional year of service, the benefit increases by 5% up to a maximum of 100% after 15 years of service. This vesting schedule was approved by the State Legislature under AB468 in 2009.

CalPERS Bay Area Kaiser rates for basic retiree were $471 and $508 for the years 2008 and 2009, respectively. The rates for supplemental retiree were $273 and 280 for the years 2008 and 2009, respectively. The medical coverage is provided through the California Public Employees' Retirement System's medical program**.** The plan is authorized under the Board Resolution 04-0054. Retirees are required to pay the entire premium of dependent coverage. The Authority reports the financial activity of the Plan as a trust/ agency fund, and no separate financial report is prepared. Membership of the Plan consisted of the following at July 1, 2007, the date of the latest actuarial valuation.

Retirees receiving benefits	3
Active Plan Members	9
Total	12

Funding Policy **-** The contribution requirements of ACTIA and the plan members are established and may be amended by the Governing Board. The required contribution is based on the single party Kaiser premium available through the California PERS medical program. During the year ended June 30, 2009, ACTIA contributed $0. The premiums were funded from the interest earnings of Retiree Benefit Trust.

(8) Other Postemployment Benefits (OPEB) (Continued)

Annual Post Retirement Benefit Costs and Net Post Retirement Benefit Obligations **-** ACTIA's annual other post retirement benefit (OPEB) obligation cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following tables show the ARC of ACTIA, the components of ACTIA's annual OPEB costs for the year, the amount actually contributed to the Plan, and the changes in ACTIA's net post retirement benefit cost obligation to the Plan.

	June 30, 2009
Normal Cost at Year End	$ 40,411
Amortization of UAAL	(20,554)
Annual Required Contribution	19,857
Interest on Prior Year Net OPEB Obligation	889
Adjustment to ARC	(1,174)
Annual OPEB Cost	19,572
Contributions Made	-
Increase (Decrease) in Net OPEB Obligation	19,572
Net OPEB Obligation- Beginning of Year	17,779
Net OPEB Obligation- End of Year	$ 37,351

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2009 and 2008 were as follows:

Year Ended June 30	Annual OPEB Cost	Actual Contributions	Percentage Contributed	Net OPEB Obligation
2007	N/A	N/A	N/A	NA
2008	$17,779	$ -	0%	$17,779
2009	19,572	-	0%	37,351

Funded Status and Funding Progress – Based on the actuarial calculations as of July 1, 2007, the most recent actuarial valuation date, and the plan was 151 % funded. The actuarial accrued liability for benefits was $610,469 and the actuarial value of assets was $921,678 resulting in an excess funded actuarial accrued liability (UAAL) of $311,209. During the FY 2008-09, the covered payroll was $1,037,158, and the ratio of UAAL to the covered payroll was (30%).

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the profitability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimated are made about the future. The schedules of funding progress

(8) Other Postemployment Benefits (OPEB) (Continued)

Funded Status and Funding Progress (Continued)

and employer's contributions are presented as required supplementary information following the notes to the financial statements. The schedule of funding progress presents information on the actuarial value of plan assets relative to the actuarial accrued liabilities for benefits. The schedule provides multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Actuarial Method and Assumptions **-** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Projected Unit Credit Actuarial Cost Method. Under the PUC cost method the actuarial present value of projected benefits is allocated ratably over the service of individuals between entry age and the assumed exit age(s). In this valuation each individual's attribution period extends from hire date to estimated retirement date. The actuarial assumptions included a 5% discount rate, 5% investment rate of return, and ACTIA contributing full ARC to the trust. The retirement, mortality and termination rates used in this valuation were recently adopted for use in California PERS pension valuations. The actuarial valuation assumed that the annual health care cost trend rates will decrease gradually from the relatively high rate of annual increase in the past, depending on the age of the employee and the year being projected. See table below for medical trend rates assumptions. The health care cost long-term annual expected rate of increase is in the 5% to 6% range, leading to 5.5% long term rate.

Plan Year Beginning	Pre-65 Rate	Age 65+ Rate
July 1, 2009	8.5%	8.5%
July 1, 2010	7.5%	7.5%
July 1, 2011	6.5%	6.5%
July 1, 2012	5.7%	5.7%
July 1, 2013+	5.5%	5.5%

The UAAL is being amortized as a level dollar method on a closed basis over 30 years. Any administrative fees other than those included in the monthly premium rates are not included in the actuarial valuation. The actuarial valuation also does not include any liability estimates for future hires.

(9) Related Party Transactions

Under an administrative cost-sharing agreement, ACTA and ACTIA share costs as follows:

Type of Expense	ACTA's Share	ACTIA's Share
Office expenses, office rental, and parking	1/4	3/4
Office equipment and improvements	1/4	3/4
Legislative advocacy	1/2	1/2

During the year ended June 30, 2009, ACTIA paid $1,632,525 for the administrative costs on behalf of ACTA and ACTA approved the transfer of $56 in the Paratransit funds to ACTIA. As of June 30, 2009, $116,472 is receivable from ACTA. This is included in the receivable from other governments total on the statement of net assets and balance sheet.

(10) New Accounting Pronouncements

The GASB has issued Statement No. 49, “Accounting and Financial Reporting for pollution remediation obligations,” which provides guidance on how to calculate and report the costs and obligations associated with pollution clean up efforts. The requirements of the new statement become effective in the current fiscal year. The implementation of this statement did not have any impact on the Authority’s financial statements.

The GASB has issued Statement No. 51, “Accounting and Financial Reporting for Intangible Assets.” This statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. This Statement also provides authoritative guidance that specifically addresses the nature of these intangible assets. Such guidance should be applied in addition to the existing authoritative guidance for capital assets. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2009. The Authority does not expect that the implementation of this statement will have a significant impact on its financial statements.

In June 2008, GASB issued GASBS No. 53, “Accounting and Financial Reporting for Derivative Instruments.” This Statement is intended to improve how State and local governments report information about derivative instruments- financial arrangements used by governments to manage specific risks or make investments- in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements and is effective for financial statements for reporting periods beginning after June 15, 2009, with earlier application encouraged. The Authority does not expect that the implementation of this Statement will have a significant impact on its financial statements.

In March 2009, the GASB issued GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements of this Statement are effective for the financial statements for periods beginning after June 15, 2010. Early implementation is encouraged. The Authority is currently evaluating the impact of adopting Statement No. 54.

(10) New Accounting Pronouncements (Continued)

In April 2009, the GASB issued GASB Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The objective of this Statement is to incorporate the hierarchy of generally accepted accounting principles (GAAP) for State and local governments into the GASB authoritative literature. The "GAAP hierarchy" consists of the sources of accounting principles used in the preparation of financial statements of State and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. GASB Statement No. 55 is effective immediately and did not have any impact on the financial statements.

In April 2009, the GASB issued GASB Statement No. 56, Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes accounting principles – related party transactions, going concern considerations, and subsequent events. The presentation of principles used in the preparation of financial statements is more appropriately included in accounting and financial reporting standards rather than in the auditing literature. GASB Statement No. 56 is effective immediately and did not have any impact on the financial statements.

(11) Stewardship, compliance and accountability

Excess of expenditures over appropriations- For the year ended on June 30, 2009, expenditures exceeded appropriations for $2,049,480 in Special revenue funds. The excess of actual over budgeted expenditures are due to the timing differences on Board Approved grant expenditures.

REQUIRED SUPPLEMENTARY INFORMATION

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues:				
Sales tax	$ 6,615,100	$ 5,737,600	$ 5,773,395	$ 35,795
Investment income	-	-	779,632	779,632
Other	-	-	266,552	266,552
Total revenues	6,615,100	5,737,600	6,819,579	1,081,979
Expenditures:				
Current:				
Administration	5,661,620	5,485,220	5,431,978	53,242
Total expenditures	5,661,620	5,485,220	5,431,978	53,242
Excess of revenues over expenditures	953,480	252,380	1,387,601	1,135,221
Net change in fund balances	$ 953,480	$ 252,380	$ 1,387,601	$ 1,135,221

See notes to required supplementary information.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			
	Original	Final	Actual amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Sales tax	$ 68,359,378	$ 57,204,499	$ 57,958,263	$ 753,764
Investment income	-	-	728,178	728,178
Other	-	-	56	56
Total revenues	68,359,378	57,204,499	58,686,497	1,481,998
Expenditures:				
Current:				
Administration	505,800	505,800	492,849	12,951
Public transit	40,198,366	30,224,259	31,414,738	(1,190,479)
Highways/Streets	34,243,053	25,746,591	26,618,543	(871,952)
Total expenditures	74,947,219	56,476,650	58,526,130	(2,049,480)
Excess of revenues over expenditures	(6,587,841)	727,849	160,367	(567,482)
Net change in fund balances	$ (6,587,841)	$ 727,849	$ 160,367	$ (567,482)

REQUIRED SUPPLEMENTARY INFORMATION
OPEB SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2009

OPEB Schedule of Funding Progress

The table below presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Currently only two years information is being presented as the requirements of GASB Statement No. 45 were implemented during the fiscal year 2007-08. Three-year funding progress will be shown when data becomes available.

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Assets (b)	Unfunded AAL (UAAL) (a) - (b)	Funded Status (b)/(a)	Annual Covered Payroll (c)	UAAL As a Percentage of Covered Payroll [(a)-(b)]/(c)
6/30/2006	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2007	$ 557,513	$ 873,021	$ (315,508)	156.6%	$ 989,408	-31.9%
6/30/2008	610,469	921,678	(311,209)	151.0%	1,037,158	-30.0%

OTHER SUPPLEMENTARY INFORMATION

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

COMBINING BALANCE SHEET SCHEDULE BY SPECIAL REVENUE FUND PROJECT AND PROGRAM
JUNE 30, 2009
(WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2008)

Assets	Express Bus	Service Gap	Regional Bike and Pedestrian	Transit-Oriented Development	Program Distributions	Total	2008 Total
Cash and investments	$ 4,616,112	$ 4,893,301	$ 5,335,763	$ 1,437,981	$ 118	$ 16,283,275	$ 19,045,331
Receivables							
Sales tax	98,943	201,334	175,991	26,751	7,930,470	8,433,489	10,633,287
Total assets	$ 4,715,055	$ 5,094,635	$ 5,511,754	$ 1,464,732	$ 7,930,588	$ 24,716,764	$ 29,678,618
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	$ 659,919	$ 617,824	$ 330,565	85,087	$ 7,930,450	$ 9,623,845	$ 14,746,066
Total liabilities	659,919	617,824	330,565	85,087	7,930,450	9,623,845	14,746,066
Fund balances:							
Reserved for:							
Transportation projects	4,055,136	4,476,811	5,181,189	1,379,645	138	15,092,919	14,932,552
Total fund balances	4,055,136	4,476,811	5,181,189	1,379,645	138	15,092,919	14,932,552
Total liabilities and fund balances	$ 4,715,055	$ 5,094,635	$ 5,511,754	$ 1,464,732	$ 7,930,588	$ 24,716,764	$ 29,678,618

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BY SPECIAL REVENUE FUND PROJECT AND PROGRAM
FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2008)

	Express Bus	Service Gap	Regional Bike and Pedestrian	Transit-Oriented Development	Program Distributions	Total	2008 Total
Revenues:							
Sales tax	$ 679,975	$ 1,383,645	$ 1,209,480	$ 183,841	$ 54,501,322	$ 57,958,263	$ 66,510,142
Investment income	182,637	217,900	257,705	58,138	11,798	728,178	754,218
Other governments	-	56	-	-	-	56	40,656
Total revenues	862,612	1,601,601	1,467,185	241,979	54,513,120	58,686,497	67,305,016
Expenditures:							
Administration	-	238,544	242,208	299	11,798	492,849	441,632
Public transit	659,919	1,412,666	-	85,087	29,257,066	31,414,738	35,415,581
Local transportation	-	-	1,374,424	-	25,244,119	26,618,543	29,897,735
Total expenditures	659,919	1,651,210	1,616,632	85,386	54,512,983	58,526,130	65,754,948
Excess of revenues over expenditures	202,693	(49,609)	(149,447)	156,593	137	160,367	1,550,068
Net change in fund balances	202,693	(49,609)	(149,447)	156,593	137	160,367	1,550,068
Fund balances, beginning of year	3,852,443	4,526,420	5,330,636	1,223,052	1	14,932,552	13,382,484
Fund balances, end of year	$ 4,055,136	$ 4,476,811	$ 5,181,189	$ 1,379,645	$ 138	$ 15,092,919	$ 14,932,552