

**ALAMEDA COUNTY TRANSPORTATION
IMPROVEMENT
AUTHORITY**

**BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2011**

**PREPARED BY THE
FINANCE AND ADMINISTRATION
DEPARTMENT**

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ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

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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, 2011, 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 and Alameda County Transportation Authority's (ACTA's) June 30, 2010 financial statements and in our prior reports dated September 15, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 opinion.

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, 2011, and the respective changes in the financial position, and the respective budgetary comparisons included as part of the basic financial statements, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As of July 1, 2010, ACTIA adopted the provision of Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. As discussed in Note 9 to the financial statements, the provisions of this statement affect the classification of fund balances reported in the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2011, 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 assessing the results of our audit.

The required supplementary information such as the Management's Discussion and Analysis and budgetary comparison information is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the 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 supplemental section listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. This 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.

The Schedule of Direct and Indirect Expenditures as listed on the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinions on it.

Mare & Associates

October 24, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the Alameda County Transportation Improvement Authority's (ACTIA) financial position addresses ACTIA's activities for the Fiscal Year Ended June 30, 2011 with comparisons to the two prior fiscal years as restated to include financial information for the Alameda County Transportation Authority (ACTA) for which ACTIA assumed all responsibility of functions, assets and liabilities effective July 1, 2010. We encourage readers to consider the information presented here in conjunction with ACTIA's financial statements and related notes contained in the Basic Financial Statement section.

The voters of Alameda County, pursuant to the provisions of the Bay Area County Traffic and Transportation Funding Act, Public Utilities Code Section 131000, et seq., approved Measure B at the General Election held in November 1986, authorizing the collection of a one-half cent transaction and use tax over a 15 year period to address major transportation needs and congestion in Alameda County and giving ACTA the responsibility for the administration of the proceeds of the tax. Although the 1986 tax expired in 2002, a few capital projects are not expected to be completed until 2013 or later.

The voters of Alameda County, pursuant to the provisions of the Local Transportation Authority and Improvement Act, Public Utilities Code Section 180000, et seq., approved the reauthorization of Measure B at the General Election held on November 7, 2000, authorizing the collection of a one-half cent transaction and use tax that will be collected for 20 years beginning April 1, 2002 and giving ACTIA responsibility for the administration of the proceeds of the tax.

FINANCIAL HIGHLIGHTS

- Total Assets decreased by \$19.2 million or 5.8% from \$330.9 million to \$311.7 million as of June 30, 2011 compared to June 30, 2010. Cash and investments comprised \$274.2 million or 88.0% of the total FY 2011 year-end amount.
- Sales tax revenue for all funds was \$105.4 million during FY 2011, an increase of \$10.9 million or 11.6% over FY 2010.
- ACTIA's total expenses were \$168.1 million during FY 2011, an increase of \$14.6 million or 9.5% over FY 2010. This amount included \$6.4 million for administration, \$78.6 million for highways and streets, \$54.4 million for public transit and \$28.7 million for local transportation.
- Total liabilities increased \$30.2 million or 107.4% from \$28.1 million to \$58.3 million as of June 30, 2011 compared to June 30, 2010 due to a change in methodology used for capital project accruals.
- Total net asset decreased by \$49.4 million or 16.3% to \$253.3 million as of June 30, 2011 compared to June 30, 2010 mostly due to construction on ACTA capital projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial report consists of the management's discussion and analysis and the basic financial statements. Basic financial statements include the government-wide financial statements, fund financial statements and notes to the financial statements. The basic financial statements show the consolidated presentation of governmental funds along with the required adjustments and the resulting government-wide statements.

- The government-wide statements are comprised of the statement of net assets and the statement of activities that are to include all of the primary government's governmental activities, business-type activities and component units.
- The fund financial statements are comprised of a balance sheet, a statement of revenues and expenditures and changes in fund balances by governmental fund type.
- The financial statements include note disclosures in order to present a complete picture of the financial position.

Figure A-1 demonstrates the relationship of the required components of the annual financial report.

Figure A-1

**The Alameda County Transportation Improvement Authority
Required Components of the Annual Financial Report**

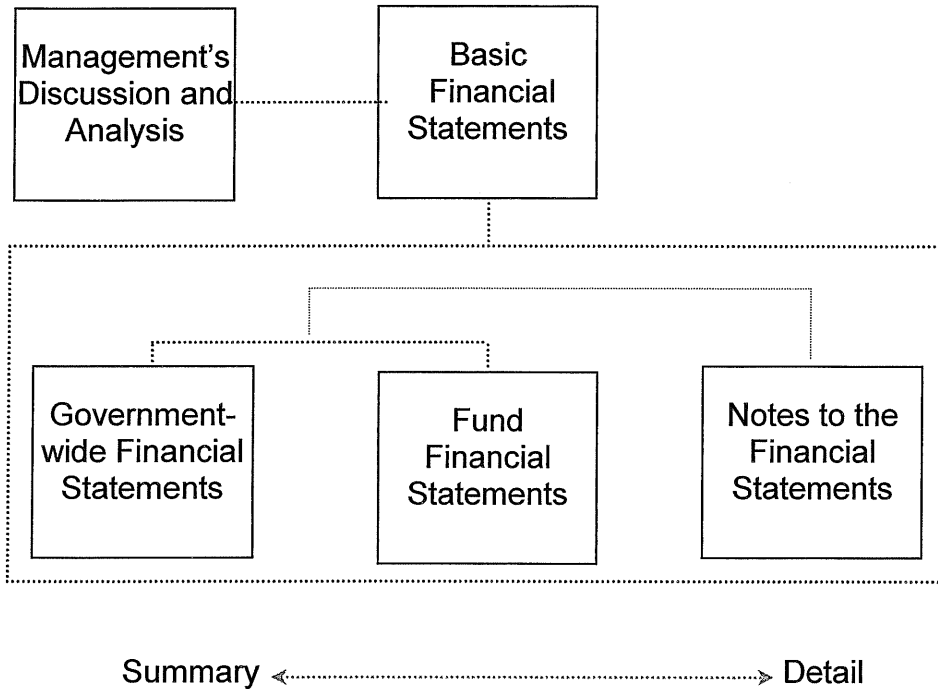


Figure A-2 summarizes the major components of ACTIA’s financial statements.

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

	Government-Wide Financial Statements	Fund Financial Statements	
		Governmental Funds Financial Statements	Fiduciary Funds Financial Statements
Scope	Includes all governmental and business-type activities and non-fiduciary component units	Includes tax supported activities	Includes assets held in a trust for others
Required Financial Statements	Statement of Net Assets and Statement of Activities	Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance	Statement of Net Assets and Statement of Changes in Fiduciary Net Assets
Accounting Basis and Measurement Focus	Accrual accounting with focus on economic resources	Modified accrual accounting with focus on current financial resources	Accrual accounting with focus on economic resources
Assets/Liabilities	All assets and liabilities, both financial and capital and long and short-term	Assets available and liabilities payable during the fiscal year or soon thereafter; does not include capital assets	All assets and liabilities, both financial and capital and long and short-term
Changes in Net Assets	Reported when underlying events occur, regardless of the timing of related cash flows	Reported as related cash flows in or out during the fiscal year or soon thereafter	Reported when underlying events occur, regardless of the timing of related cash flows

Government-Wide Statements

The *government-wide financial statements* report information using the same measurement focus and basis of accounting as private-sector business enterprises. The *Statement of Net Assets* includes total assets and total liabilities with the difference between them reported as net assets. Over time, increases or decreases in net assets can indicate whether the financial health is improving or deteriorating. Total revenues, total expenditures and changes in net assets are accounted for in the *Statement of Activities*, regardless of the timing of related cash flows.

ACTIA’s government-wide financial statements include one category, governmental activities, which includes all activities related to accomplishing the goals established in its transportation expenditure plans approved by the voters in 1986 and 2000.

Fund Financial Statements

The *fund financial statements* provide more detailed information by fund. A fund is a set of accounts used to control resources segregated for specific activities or purposes. ACTIA has established funds to ensure resources are utilized for the particular purposes defined in the transportation expenditure plans. Funds classified as major are reported individually on the financial statements and funds classified as non-major are grouped and reported in a single column.

ACTIA has five major funds, the General fund, ACTIA Capital Projects fund, ACTA Capital Projects fund, Special Revenue fund and Fiduciary fund. The Special Revenue fund is made up of several non-major funds, the Express Bus fund, Service Gap fund, Regional Bike and Pedestrian fund, Transit-oriented Development fund and Programs Distribution fund. In the supplemental section of this report, *Combining Statements* report data for each of the non-major funds. ACTIA also has a fiduciary fund which is used to accumulate funds towards retiree benefits.

Notes to the Financial Statements

The *notes to the financial statements* provide additional information that is vital to the understanding of the financial statements. These notes can be found directly following the financial statements in this annual financial report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As of June 30, 2011, total assets were \$311.7 million, a decrease of \$19.2 million or 5.8% from June 30, 2010 and a decrease of \$57.0 million or 15.5% from June 30, 2009, with cash and investments accounting for \$274.2 million or 88.0% of this amount. This might indicate a deterioration of ACTIA's financial position, however the goal and intent of ACTIA is to spend sales tax revenues down towards the purpose of improving transportation programs and infrastructure in Alameda County throughout the life of the 2000 Measure B. This also reflects the continued effort to wind down the original 1986 Measure B.

Total liabilities were \$58.3 million as of June 30, 2011, an increase of \$30.2 million or 107.4% over June 30, 2010 and an increase of \$33.9 million or 139.1% over June 30, 2009 due to a change in the methodology used for capital project accruals. The significant disparity of cash over liabilities demonstrates that ACTIA is well able to meet its obligations as they become due. At the end of the fiscal year, ACTIA had encumbered \$49.8 million towards engineering contracts and \$111.2 million towards project sponsor contracts with terms ranging up to seven years.

ACTIA does not record capital assets created by the projects it finances on its own financial statements since these assets are of value only to the local government in which they are located.

Net assets were \$253.3 million at June 30, 2011, a decrease of \$49.4 million or 16.3% from June 30, 2010 and a decrease of \$90.9 million or 26.4% from June 30, 2009. Of the total \$253.3 million in net assets at June 30, 2011, less than 0.1% is invested in capital assets, the same as in the prior year, with the balance restricted for use towards programs and projects authorized in the transportation expenditure plans.

Table A-1
The Alameda County Transportation Improvement Authority
Net Assets
June 30, 2011, 2010 and 2009

	Governmental Activities		
	2011	2010	2009
Cash and investments	\$ 274,159,657	\$ 301,110,321	\$ 331,683,686
Receivables			
Sales tax receivables	17,546,199	15,131,509	14,742,710
Interest	88,283	96,890	162,285
Other governmental		1,302,444	1,083,761
Other	10,512,765	1,960,599	1,706,058
Due from fiduciary	14,724	22,767	12,218
Capital assets			
Furniture and equipment (net of accumulated depreciation)	43,075	53,426	70,687
Land held for resale	4,243,000	4,068,000	4,068,000
Advances to other governments	5,000,000	7,040,370	15,086,398
Other assets	79,043	64,264	26,836
Total assets	\$ 311,686,746	\$ 330,850,590	\$ 368,642,639
Accounts payable	\$ 58,196,383	\$ 26,702,377	\$ 24,182,250
Due to other governments		1,302,441	106,472
Compensated absences	69,270	70,804	73,761
Net OPEB Obligation	75,863	55,204	37,351
Total current liabilities	58,341,516	28,130,826	24,399,834
Net assets:			
Invested in capital assets	43,075	53,426	70,687
Restricted for:			
Transportation Projects/Programs	253,302,155	302,666,338	344,172,118
Total net assets	253,345,230	302,719,764	344,242,805
Total liabilities and net assets	\$ 311,686,746	\$ 330,850,590	\$ 368,642,639

Total revenues in FY 2011 were \$118.7 million, an increase of \$6.7 million or 6.0% over FY 2010 and a decrease of \$8.0 million or 6.3% from FY 2009, with sales tax accounting for \$105.4 million or 88.8% of this amount. Total expenses in FY 2011 were \$168.1 million, an increase of \$14.6 million or 9.5% over FY 2010 and an increase of \$31.3 million or 22.9% over FY 2009. The following are the changes in the key activities:

- Sales tax revenues in FY 2011 were \$105.4 million, an increase of \$10.9 million or 11.6% over FY 2010 and an increase of \$4.1 million 4.0% over FY 2009. These increases reflect an improvement in the economy as we slowly return to historical sales tax levels.
- Capital grants and contributions in FY2011 were \$10.0 million, an increase of \$0.8 million or 8.7% over FY 2010 and an increase of \$3.5 million or 53.1% over FY 2009.
- Investment income in FY 2011 was \$3.2 million, a decrease of \$4.9 million or 60.6% from FY 2010 and a decrease of \$15.4 million or 82.8% from FY 2009.
- Operating grants and contributions in FY2011 were \$0.1 million, a decrease of \$0.1 million or 55.4% from FY 2010 and a decrease of \$0.2 million or 69.6% from FY 2009.
- Administration expenses in FY 2011 were \$6.4 million, a decrease of \$0.3 million or 4.3% from FY 2010 and a decrease of \$0.5 million or 7.3% from FY 2009.
- Highways and streets expenses in FY 2011 were \$78.6 million, an increase of \$21.0 million or 36.6% over FY 2010 and an increase of \$16.3 million or 26.1% over FY 2009.
- Public transit expenses in FY 2011 were \$54.4 million, a decrease of \$8.8 million or 13.9% from FY 2010 and an increase of \$14.0 million or 34.6% over FY 2009.
- Local transportation expenses in FY 2011 were \$28.7 million, an increase of \$2.6 million or 10.0% over FY 2010 and an increase of \$1.5 million or 5.7% over FY 2009.

In FY 2011, expenses exceeded revenues by \$49.4 million, resulting in a decrease to net assets which were \$253.3 million at year-end. In FY 2010, expenses exceeded revenues by \$41.5 million, resulting in a decrease to net assets which were \$302.7 million at year-end. In FY 2009, expenses exceeded revenues by \$10.1 million, resulting in a decrease to net assets which were \$344.2 million at year-end.

Table A-2
The Alameda County Transportation Improvement Authority
Changes in Net Assets
June 30, 2011, 2010 and 2009

	Governmental Activities		
	2011	2010	2009
Revenues			
Program revenues:			
Operating grants and contributions	\$ 81,012	\$ 181,784	\$ 266,608
Capital grants and contributions	10,014,870	9,212,246	6,542,499
General revenues:			
Sales taxes	105,393,804	94,453,574	101,321,423
Investment Income	3,194,050	8,102,075	18,557,728
Total revenues	<u>118,683,736</u>	<u>111,949,679</u>	<u>126,688,258</u>
Expenses			
Administration	6,375,468	6,661,460	6,877,600
Highways and Streets	78,582,322	57,533,049	62,322,910
Public Transit	54,389,098	63,176,467	40,400,461
Local Transportation	28,711,382	26,101,744	27,166,706
Total expenses	<u>168,058,270</u>	<u>153,472,720</u>	<u>136,767,677</u>
Change in net assets	(49,374,534)	(41,523,041)	(10,079,419)
Net assets, beginning of year	302,719,764	344,242,805	354,322,224
Net assets, end of year	<u>\$ 253,345,230</u>	<u>\$ 302,719,764</u>	<u>\$ 344,242,805</u>

Figure A-3
The Alameda County Transportation Improvement Authority
Sources of Revenue for Fiscal Year 2011

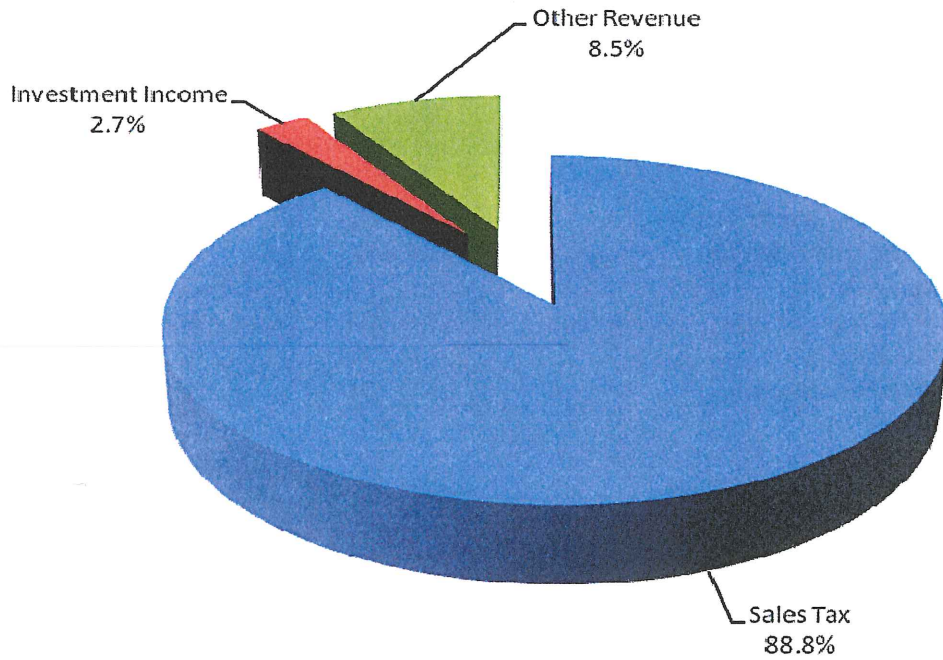
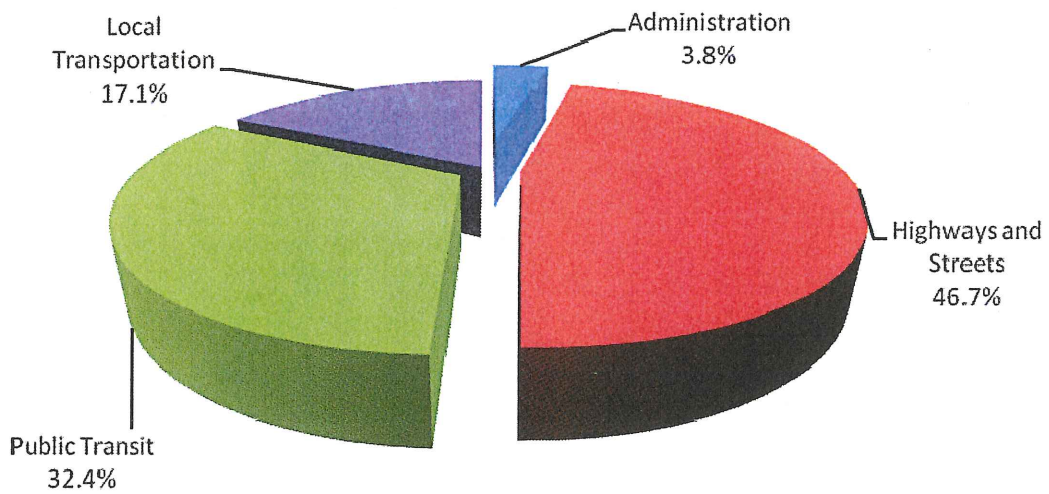


Figure A-4
The Alameda County Transportation Improvement Authority
Functional Expenses for Fiscal Year 2011



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 fund, ACTIA capital projects fund, ACTA capital projects fund and special revenue funds.

ACTIA works with project sponsors to deliver Highways and Streets projects, Public Transit and various other programs including Paratransit programs. Local Transportation sales tax funds are passed directly through to Alameda County cities and Alameda County to administer transportation related projects of their choosing. ACTIA's activities also include the administration of sales tax revenues which consists of projects and programs management, financial oversight and other administrative functions.

As of June 30, 2011, ACTIA had \$276.9 million of fund balance in the governmental funds: \$16.0 million in the general fund, \$86.5 million in the ACTIA capital projects fund, \$164.5 million in the ACTA capital projects fund and \$9.9 million in the special revenue funds. This is a decrease from June 30, 2010 of \$21.8 million or 7.3%. The decrease is mostly due to the activities of highways and streets projects in the ACTA capital projects fund. Construction on ACTA capital projects will continue until finished however as of March 31, 2002 when the 1986 Measure B expired, this fund no longer receives sales tax revenues.

As of June 30, 2011, ACTIA had \$108.7 million of revenues in the governmental funds: \$4.9 million in the general fund, \$40.8 million in the ACTIA capital projects fund, \$2.6 million in the ACTA capital projects fund and \$60.4 million in the special revenue funds. This is a decrease from June 30, 2010 of \$4.5 million or 3.9%.

As of June 30, 2011, ACTIA had \$134.5 million of expenditures in the governmental funds: \$3.6 million in the general fund, \$41.6 million in the ACTIA capital projects fund, \$27.3 million in the ACTA capital projects fund and \$62.1 million in the special revenue funds. This is a decrease from June 30, 2010 of \$20.1 million or 13.0%.

As of June 30, 2011, ACTIA had \$308.7 million of assets in the governmental funds: \$16.6 million in the general fund, \$87.2 million in the ACTIA capital projects fund, \$178.9 million in the ACTA capital projects fund and \$25.9 million in the special revenue funds. This is a decrease from June 30, 2010 of \$18.1 million or 5.5%.

As of June 30, 2011, ACTIA had \$31.7 million of liabilities in the governmental funds: \$0.6 million in the general fund, \$0.7 million in the ACTIA capital projects fund, \$14.4 million in the ACTA capital projects fund and \$16.0 million in the special revenue funds. This is an increase from June 30, 2010 of \$3.7 million or 13.3%.

Fiduciary Fund

ACTIA has a fiduciary fund which is a trust designed to accumulate assets to fund retiree benefits. These funds are excluded from the government-wide financial statements because they do not represent resources of ACTIA. As of June 30, 2011, net assets in the trust were \$0.9 million as they were at June 30, 2010 showing no material change.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2011, ACTIA had invested \$43,075 in capital assets, including furniture and equipment and leasehold improvements.

Table A-3
The Alameda County Transportation Improvement Authority
Capital Assets
(net of accumulated depreciation and amortization)
June 30, 2011, 2010 and 2009

	2011	2010	2009
Furniture and equipment (net of accumulated depreciation)	\$ 18,423	\$ 30,987	\$ 42,265
Leasehold improvements (net of accumulated amortization)	24,652	22,439	28,422
Total	<u>\$ 43,075</u>	<u>\$ 53,426</u>	<u>\$ 70,687</u>

The one capital asset addition in FY 2011 was a leasehold improvement to install audio visual equipment in the board room.

Long-Term Debt

As of June 30, 2011, 2010 and 2009, ACTIA had no outstanding debt.

COMPARISON OF BUDGETED TO ACTUAL

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

In the General Fund, ACTIA began FY 2011 with an adopted revenue budget of \$4.3 million and expenditures budget of \$4.1 million resulting in a surplus in the general fund balance of \$0.2 million. In the final adopted budget, the revenue budget was revised to \$4.8 million resulting in a surplus in the general fund of \$0.7 million. Actual revenues from the sales tax and other revenues were \$4.9 million and actual indirect administrative costs totaled \$3.5 million, resulting in a surplus in the general fund of \$1.3 million. The improvement to budgeted and actual revenues was due to a projected and actual increase in sales tax revenues.

In the Special Revenue Fund, ACTIA began FY 2011 with an adopted revenue budget of \$51.6 million and expenditure budget of \$59.1 million. In the final adopted budget, the revenue budget was revised to \$58.5 million and the expenditure budget was revised to \$65.5 million resulting in the reduction of the Special Revenue fund balance of \$7.0 million. Actual revenues were \$60.4 million and actual expenditures were \$62.1 million, with \$33.4 million for Public Transit, \$27.7 million for Local Transportation and \$0.9 million for Administration, resulting in a reduction in fund balance of \$1.7 million. Additional details of the special revenue funds are provided under supplemental information.

OTHER SIGNIFICANT MATTERS

On July 22, 2010, ACTIA officially became a part of the Alameda County Transportation Commission (Alameda CTC), a joint powers agency, along with the County of Alameda, the 14 cities of Alameda County, AC Transit, BART and the Alameda County Congestion Management Agency (ACCMA). This new JPA has all of the powers of the ACCMA and ACTIA. For the fiscal year 2012, ACTIA will operate as part of the Alameda CTC for which a consolidated budget was adopted by the Commission in June, 2011. It is expected that all steps necessary to have Alameda CTC be the operating entity will be completed in early 2012 and that prior to the end of FY 2012, ACCMA and ACTIA will be terminated and Alameda CTC will be named the successor agency for each.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of ACTIA's finances to the tax payers of Alameda County and to demonstrate accountability for sales tax revenues received. Questions concerning information provided in this report or requests for additional financial information should be addressed to Arthur Dao or Patricia Reavey of the Alameda County Transportation Improvement Authority at 1333 Broadway, Suite 220, Oakland, California 94612.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
GOVERNMENTAL FUNDS - BALANCE SHEETS / STATEMENT OF NET ASSETS
JUNE 30, 2011
(WITH SUMMARIZED COMPARATIVE AMOUNTS FOR JUNE 30, 2010)

Assets	<u>General</u>	<u>ACTIA Capital Projects</u>	<u>ACTA Capital Projects</u>
Cash and investments	\$15,461,728	\$73,040,308	\$169,760,525
Receivables			
Sales tax	789,579	6,719,413	
Accrued interest		62,222	26,061
Other governments			
Other	176,518	254,550	80,867
Advances to other governments			5,000,000
Due from other funds	79,494	6,944,618	
Due from employee benefits trust	14,724		
Land held for resale		175,000	4,068,000
Other assets	73,287		5,757
Capital assets, depreciable, net of accumulated depreciation			
Total assets	<u>\$16,595,330</u>	<u>\$87,196,111</u>	<u>\$178,941,210</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$587,591	\$719,618	\$7,394,607
Due to other funds	3,308		7,015,369
Due to other governments			
Compensated absences			
Net OPEB obligations - due in more than one year			
Total liabilities	<u>590,899</u>	<u>719,618</u>	<u>14,409,976</u>
Fund balances:			
Restricted		86,476,493	164,531,234
Unassigned	16,004,431		
Total fund balances	<u>16,004,431</u>	<u>86,476,493</u>	<u>164,531,234</u>
Total liabilities and fund balances	<u>\$16,595,330</u>	<u>\$87,196,111</u>	<u>\$178,941,210</u>

Net Assets:

Invested in capital assets
Restricted

Total net assets

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 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.
- (4) - At the fund level, expenditures are recorded when due, while at the entity wide level, expenses are recorded when incurred.
- (5) - Revenues are not currently available at the fund level and therefore not recorded in the governmental funds level.

See accompanying notes to financial statements

Special Revenue	Statement of Net Assets			
	2011 Total	Adjustments	2011 Total	2010 Total
\$15,897,097	\$274,159,658		\$274,159,658	\$301,110,321
10,037,209	17,546,201		17,546,201	15,131,509
	88,283		88,283	96,890
				1,302,444
830	512,765 (5)	\$10,000,000	10,512,765	1,960,599
	5,000,000		5,000,000	7,040,370
	7,024,112	(7,024,112)		
	14,724		14,724	22,767
	4,243,000		4,243,000	4,068,000
	79,044		79,044	64,264
		(1) 43,076	43,076	53,426
<u>\$25,935,136</u>	<u>\$308,667,787</u>	3,018,964	<u>311,686,751</u>	<u>330,850,590</u>
\$16,003,059	\$24,704,875 (4)	33,491,509	58,196,384	26,702,377
\$5,435	7,024,112	(7,024,112)		
		(2) 69,270	69,270	1,302,441
		(3) 75,863	75,863	70,804
<u>16,008,494</u>	<u>31,728,987</u>	<u>26,612,530</u>	<u>58,341,517</u>	<u>28,130,826</u>
9,926,642	260,934,369	(260,934,369)		
	16,004,431	(16,004,431)		
<u>9,926,642</u>	<u>276,938,800</u>	<u>(276,938,800)</u>		
<u>\$25,935,136</u>	<u>\$308,667,787</u>			
		43,076	43,076	53,426
		253,302,158	253,302,158	302,666,338
		<u>\$253,345,234</u>	<u>\$253,345,234</u>	<u>\$302,719,764</u>

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, 2011
(WITH SUMMARIZED COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010)

	General	ACTIA Capital Projects	ACTA Capital Projects
Revenues:			
Sales tax	\$4,742,726	\$40,361,087	
Investment income	124,287	459,946	\$2,512,048
Federal, state and local funds (Note 1 l)		(1,311,761)	80,867
Other income	81,013	1,245,764	
Total revenues	4,948,026	40,755,036	2,592,915
Expenditures\expenses:			
Current:			
Administration	3,566,133	758,402	1,138,161
Highways and streets		18,941,313	26,149,504
Public transit		20,954,332	
Local transportation		975,374	
Total expenditures\expenses	3,566,133	41,629,421	27,287,665
Excess of revenues over expenditures	1,381,893	(874,385)	(24,694,750)
Net change in fund balances \ net assets	1,381,893	(874,385)	(24,694,750)
Fund balances/ net assets:			
Beginning of year (restated fund balance), (Note 1k)	14,622,538	87,350,878	189,225,984
End of year	\$16,004,431	\$86,476,493	\$164,531,234

- (1) - Amounts reported for governmental activities in the statement of activities are different because:
- 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.
 - Changes in compensated absences.
 - Changes in post-employment benefits other than pensions.
- (2) - At the fund level, expenditures are recorded when due, while at the entity wide level, expenses are recorded when incurred.
- (3) - At the fund level, revenue that are not available currently, are not recorded when earned.

See accompanying notes to financial statements

Statement of Activities

Special Revenue	Total	Adjustments	2011 Total	2010 Total
\$60,289,998	\$105,393,811		\$105,393,811	\$94,453,574
97,766	3,194,047		3,194,047	8,102,075
	(1,230,894) (3)	\$10,000,000	8,769,106	5,154,382
	1,326,777		1,326,777	4,239,648
<u>60,387,764</u>	<u>108,683,741</u>	<u>10,000,000</u>	<u>118,683,741</u>	<u>111,949,679</u>
883,298	6,345,994 (1)	29,475	6,375,469	6,661,460
	45,090,817 (2)	33,491,509	78,582,326	57,533,049
33,434,763	54,389,095		54,389,095	63,176,467
27,736,007	28,711,381		28,711,381	26,101,744
<u>62,054,068</u>	<u>134,537,287</u>	<u>33,520,984</u>	<u>168,058,271</u>	<u>153,472,720</u>
<u>(1,666,304)</u>	<u>(25,853,546)</u>	<u>(23,520,984)</u>	<u>(49,374,530)</u>	<u>(41,523,041)</u>
(1,666,304)	(25,853,546)	(23,520,984)	(49,374,530)	(41,523,041)
<u>11,592,946</u>	<u>302,792,346</u>	<u>(72,582)</u>	<u>302,719,764</u>	<u>344,242,805</u>
<u>\$9,926,642</u>	<u>\$276,938,800</u>	<u>(\$23,593,566)</u>	<u>\$253,345,234</u>	<u>\$302,719,764</u>

(10,350)

1,534

(20,659)

(33,491,509)

10,000,000

(\$23,520,984)

**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
 FIDUCIARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2011**

	Retiree Benefits Trust Fund
	<u> </u>
ASSETS	
Deposits and investments	\$909,507
Total Assets	<u>909,507</u>
 LIABILITIES	
Due to ACTIA General Fund	14,724
Total Liabilities	<u>14,724</u>
 NET ASSETS	
Held in trust for OPEB benefits	894,783
Total Net Assets	<u><u>\$894,783</u></u>

See accompanying notes to financial statements

**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2011**

	Retiree Benefits Trust Fund
ADDITIONS:	
Investment earnings	\$1,065
Total Additions	<u>1,065</u>
DEDUCTIONS:	
Benefits	14,724
Penalty for early withdrawal	<u>919</u>
Total Deductions	<u>15,643</u>
Change in Net Assets	(14,578)
Net Assets - Beginning	<u>909,361</u>
Net Assets - Ending	<u><u>\$894,783</u></u>

See accompanying notes to financial statements

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ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

(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 was governed by an eleven-member board of elected officials from the County and local cities.

On March 25, 2010, ACTIA, the Alameda County Congestion Management Agency (ACCMA), the County of Alameda, the fourteen cities within Alameda County, the Bay Area Rapid Transit District and the Alameda-Contra Costa Transit District entered into a Joint Powers Agreement (JPA). On June 24, 2010, the Boards of ACTIA and ACCMA gave the final approval which created a joint powers agency, pursuant to the California Joint Exercise of Powers Act, known as the Alameda County Transportation Commission (Alameda CTC).

The Alameda CTC is the successor agency of ACCMA, ACTIA and ACTA, and has all the functions and responsibilities of such agencies along with certain additional powers as described in the JPA. On June 24, 2010, the Alameda County Transportation Authority (ACTA) Board adopted the resolution to transfer all of ACTA's assets, responsibilities, functions and liabilities to ACTIA, effective on July 1, 2010. The ACTA Board also adopted the resolution that ACTA be dissolved, terminated and extinguished effective July 1, 2010, following the transfer. Effective on July 1, 2010, ACTA transferred to ACTIA net assets in the amount of \$189,243,754.

The Alameda County Transportation Authority (ACTA) was created by the approval of Measure B by Alameda County, California (the County) voters in November 1986. Measure B authorized the imposition of a one-half of one percent sales and use tax (the sales tax) in the County, the proceeds of which are principally reserved for highway improvements, local transportation improvements, and transit funding (collectively, the programs) in the County. The sales tax commenced April 1, 1987 and expired on March 31, 2002. ACTA was responsible for completing all of the projects in the expenditure plan adopted by voters, or to delegate this responsibility. Revenues from interest on the fund balance are estimated to cover all future administrative costs. ACTA was the sole independent Authority responsible for receiving and allocating funds from the 1986 Measure B necessary to complete the program.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

(1) Summary of Significant Accounting Policies (Continued)

The prior year summarized comparative information presented in the *Balance Sheets / Statement Of Net Assets* and *Statement Of Governmental Fund Revenues, Expenditures, And Changes In Fund Balance / Statement Of Activities* included Alameda County Transportation Authority's (ACTA's) June 30, 2010 financial statements.

(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. ACTIA 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.

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 ACTIA.

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.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

(1) Summary of Significant Accounting Policies (Continued)

The *ACTIA 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 *ACTA capital projects fund* accounts for the construction of major capital improvements in accordance with the November 1986 Measure B program. ACTIA does not retain ownership of these capital improvements. They are transferred to the sponsor or managing jurisdiction after completion.

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

The *special revenue fund* accounts for resources accumulated as required by Measure B for restricted 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. Trust funds are used to account for the assets held by ACTIA under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support ACTIA's own programs. ACTIA'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 balances has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is ACTIA'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. ACTIA approves all transfers between expenditure objects and overall budget modifications during the year as needed. 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 the California State Treasurers. ACTIA generally holds investments until maturity. All cash and investments of ACTIA are restricted as to the investment options as specified in the State government code and investment policy.

ACTIA's investments are stated at fair value. Fair value has been obtained by using market quotes as of June 30, 2011 and reflects the values as if ACTIA were to liquidate the securities on that date. Money market investments are valued at amortized cost, which approximates market value.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

(1) Summary of Significant Accounting Policies (Continued)

(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:

	<u>Years</u>
Office Furniture and Equipment	5
Computer Equipment	3
Leasehold Improvements	7

(g) Land Held for Resale

Land held for resale is stated at the lower of historical cost or net realizable value.

(h) 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.

Compensated absences activity was as follows for the year ended June 30, 2011:

Beginning Balance	\$70,804
Additions	60,465
Payments	<u>(61,999)</u>
Ending Balance	<u>\$69,270</u>

(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.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

(1) Summary of Significant Accounting Policies (Continued)

(j) *Estimates and Assumptions*

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(k) *Restatement of Beginning Fund Balance*

During the current fiscal year, ACTIA determined that a land parcel in the amount of \$4,068,000 that was previously recorded as a capital asset should have been recorded as a land held for resale in the ACTA Capital Projects Fund. As required by generally accepted accounting principles, ACTIA increased ACTA Capital Projects Fund beginning fund balance by \$4,068,000; and reduced beginning capital assets by the same amount. This restatement had no beginning net assets effect.

(l) *ACTIA Capital Projects Fund Revenue*

The ACTIA Capital Projects Fund negative Federal, State and Local funds revenue amount of \$1.3 million is the result of adjustments in the amount of \$0.9 million for fiscal 2009 and \$1.0 million for fiscal 2010. These amounts were originally booked as federal and state revenues in the respective fiscal years, however they were received in relation to an exchange agreement with the Alameda County Congestion Management Agency's (ACCMA) Exchange Program and the equivalent amount in Local funds was intended to be returned to the ACCMA. These funds were paid to the ACCMA per the agreement in FY 2011.

(2) Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2011, are classified in the accompanying financial statements as follows:

Governmental Activities	\$274,159,658
Fiduciary Funds	<u>909,507</u>
Total Deposits	<u><u>\$275,069,165</u></u>

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

(2) Deposits and Investments (Continued)

Deposits and investments as of June 30, 2011, consist of the following:

Cash on hand and in banks	\$6,798,784
Cash in bank - Fiduciary Fund	909,507
Investments	<u>267,360,874</u>
Total Deposits and Investments	<u><u>\$275,069,165</u></u>

Policies and Practices

ACTIA is authorized under California Government Code or the Entity's investment policy, when more restrictive, 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	Minimum Credit Quality
Local Agency Bonds, Notes, Warrants	5 years	10%	5%	Aa
Registered State Bonds, Notes, Warrants	5 years	10%	5%	Aa
U.S. Treasury Obligations	5 years	None	None	None
U.S Agency Securities	5 years	None	35%	Aaa
Banker's Acceptance	180 days	40%	5%	A1
Commercial Paper	270 days	25%	5%	A1
Negotiable Certificates of Deposit	3 years	30%	5%	Aa
Repurchase Agreements	90 days	20%	None	None
Medium-Term Notes	5 years	30%	5%	Aa
Money Markets	N/A	20%	5%	Aaa
County Pooled Investment Funds	N/A	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None	None

Policy also dictates that a maximum of 5% of total portfolio can be deposited with the California Asset Management Program (CAMP)

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

(2) Deposits and Investments (Continued)

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.

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	12 Months or less	13 to 24 Months	25 to 60 Months	Total
U.S. Agency Securities:				
Non-Callable	\$49,033,163	\$54,289,324	\$13,662,609	\$116,985,096
Callable	1,759,073			1,759,073
U.S. Treasury Bonds	31,365,163	2,802,468		34,167,631
Corporate Notes	28,476,535	8,924,059		37,400,594
Money Market Mutual Funds	4,327,008			4,327,008
California Local Agency Investment Fund	72,721,472			72,721,472
Total Investments	187,682,414	66,015,851	13,662,609	267,360,874
Cash in Bank	7,708,291			7,708,291
Total Cash and Investments	\$195,390,705	\$66,015,851	\$13,662,609	\$275,069,165

ACTIA is a 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. ACTIA reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2011, these investments matured in an average of 237 days.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

(2) Deposits and Investment (Continued)

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 measured 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 and the actual S & P rating as of the year-end for each investment type.

Investment Type	AAA	AA+	AA-	A+	Not Rated	Total
U.S. Agency Securities:						
Non-Callable	\$103,155,581			\$13,829,515		\$116,985,096
Callable	1,759,073					1,759,073
U.S. Treasury Bonds	\$34,167,631					34,167,631
Corporate Notes	32,454,744	\$2,276,166	\$2,669,684			37,400,594
Money Market Mutual Funds	4,327,008					4,327,008
California Local Agency Investment					\$72,721,472	72,721,472
Totals Investments	175,864,037	2,276,166	2,669,684	13,829,515	72,721,472	267,360,874
Cash in Bank					7,708,291	7,708,291
Total Cash and Investments					\$80,429,763	\$275,069,165

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	Investment Type	Reported Amount
Federal Home Loan Bank	Federal Agency Securities	\$41,655,301
Federal Home Loan Mortgage Corp	Federal Agency Securities	33,420,264
Federal National Mortgage Assoc	Federal Agency Securities	18,917,023
Federal Farm Credit Bank	Federal Agency Securities	13,641,740

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

(2) Deposits and Investment (Continued)

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, ACTIA may not be able to recover its deposits. 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 agency. 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, 2011, ACTIA's bank balance of \$1,614,846 with a reported balance of \$6,798,534 is collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of 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 may not be able to recover its deposits. 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 \$909,508 with a financial institution.

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 the possession of an outside party. It is ACTIA's policy that all securities held, be secured through third-party custody and safekeeping.

Local Agency Investment Fund

ACTIA is a voluntary participant in the Local Agency Investment Fund (LAIF) which 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 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.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

(2) Deposits and Investment (Continued)

S&P Downgrade

On August 5, 2011, Standard & Poor's Ratings Services (S&P) lowered its long-term credit rating on the United States of America from AAA to AA+. At the same time, S&P affirmed its A-1+ short-term rating on the United States of America.

On August 8, 2011, S&P lowered its issuer credit ratings and related issue ratings on ten of twelve Federal Home Loan Banks (FHLBs) and the senior debt issued by the FHLB System from AAA to AA+. S&P also lowered the ratings on the senior debt issued by the Federal Farm Credit Banks (FFCB) from AAA to AA+, and lowered the senior issue ratings on Fannie Mae (FNMA) and Freddie Mac (FHLMC) from AAA to AA+. The A subordinated debt rating and the C rating on the preferred stock of these entities remained unchanged. Finally, S&P affirmed the short-term issue ratings for these entities at A-1+. As of June 30, 2011, ACTIA investments in these agencies that were subject to the downgrade were as follows:

	<u>Amount</u>
FFCB	\$13,641,740
FHLB	41,655,301
FHLMC	33,420,264
FNMA	18,917,023

On August 8, 2011, S&P also lowered the ratings on 126 Federal Deposit Insurance Corporation-guaranteed debt issues from thirty financial institutions that are under the Temporary Liquidity Guarantee Program (TLGP), and four National Credit Union Association-guaranteed debt issues from two corporate credit unions under the Temporary Corporate Credit Union Guarantee Program (TCCUGP) from AAA to AA+. As of June 30, 2011, ACTIA investments in these institutions that were subject to the downgrade were as follows:

	<u>Amount</u>
American Express Bank	\$735,648
Bank of America Corp	4,012,050
GE Capital Corporation	5,244,614
Goldman Sachs	2,882,621
HSBC Bank	735,697
JP Morgan Chase	4,347,874
Morgan Stanley	1,010,713
US Bank Corporation	4,528,117
Wells Fargo & Company	2,669,685
Citibank NA	3,017,915
Sovereign Bank	1,025,713
John Deere	2,104,067
PNC Funding Corporation	2,398,690

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

(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 was 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. The loan was due on or before December 31, 2010. The balance of \$7,026,908.74 was paid in full on August 8, 2010.

(4) Capital Assets

(a) Capital Assets – Governmental Activities

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

	June 30, 2010 (as restated)	Additions	June 30, 2011
Capital assets being depreciated:			
Furniture, equipment and leasehold improvement	\$189,007	\$10,000	\$199,007
Less accumulated depreciation for:			
Furniture, equipment and leasehold improvement	<u>(135,581)</u>	<u>(20,350)</u>	<u>(155,931)</u>
Governmental activities capital assets, net	<u>\$53,426</u>	<u>(\$10,350)</u>	<u>\$43,076</u>

(b) Depreciation Expense

Depreciation expense of \$20,350 was charged to the Administrative function of ACTIA during the year ended June 30, 2011.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

(5) 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, 2011, the total outstanding commitments (not paid or accrued) are \$49.794 million. The terms range from June 30, 2011 to up to five 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, 2011, the total outstanding commitments (not paid or accrued) are \$111.189 million. The terms range from June 30, 2011 to seven (or acceptance of the phase of work, whichever is earlier).

(c) *Operating Lease Commitments*

ACTIA has entered into an operating lease agreement with CIM/Oakland 1333 Broadway LP for rental of facilities with commitments through November 2013. Future minimum rental payments are as follows:

Year Ending June 30	Lease Payments
2012	\$371,325
2013	382,593
2014	161,370
Total	<u>\$915,288</u>

ACTIA has entered into sublease agreements for rental of facilities with Acumen Building Enterprise, Inc. (\$1,070.00 per month), Nelson\Nygaard Consulting Associates (\$745.00 per month), Rochelle Wheeler (\$417.00 per month), and L. Luster and Associates (\$274.00 per month) effective from July 1, 2011. Under a new sublease agreement with Moffatt & Nichol, entered into on July 1, 2011, ACTIA will receive a monthly rent of \$3,500.00. These sublease agreements are month-to-month tenancy and are terminable for any reason whatsoever on 30 days written notice given at any time by either party.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

(5) Commitments and Contingent Liabilities (Continued)

(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 has purchased commercial insurance coverage for general liability, worker’s compensation, directors and officers liability, automobile liability, and property coverage. The amounts of settlements for the past three fiscal years have not exceeded insurance coverage.

<u>Type of Claim</u>	<u>Coverage Limits</u>	<u>Deductible</u>
General Liability - Aggregate	\$2,000,000	\$1,000
Workers' Compensation	1,000,000	0
Directors & Officers	2,000,000	25,000
Automobile	1,000,000	1,000
Business Personal Property	200,000	1,000
Excess Liability	4,000,000	10,000
Commercial Crime	10,000,000	75,000

(6) 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 benefit 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.

Funding Policy – The total payroll for ACTIA for the fiscal year ended June 30, 2011 was \$968,105 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 contribute 1%, which represent the employee’s required contribution. ACTIA is required to contribute at an actuarially determined rate. The average rate for the year ended June 30, 2011 was 10.263% of covered payroll.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

(6) Retirement Plan (Continued)

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, 2009, 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.

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

Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributions	Net Pension Obligation
06/30/09	\$178,821	100%	\$0
06/30/10	176,843	100%	0
06/30/11	163,942	100%	0

As required by new State law, effective July 1, 2005, ACTIA’s Miscellaneous Plan was terminated, and the employees in the plan were required by CALPERs to join a new State-wide pool. One of the conditions of entry to these pools was that ACTIA true-up any unfunded liability in the former Plan, either by paying cash or by increasing its future contribution rates through a Side Fund offered by CALPERs.

Three-year historical trend information is presented below:

State-wide Pool Miscellaneous Plan:

Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2007	1,315,454,361	1,149,247,298	166,207,063	87.4%	289,090,187	57.5%
2008	1,537,909,933	1,337,707,835	200,202,098	87.0%	333,307,600	60.1%
2009	1,834,424,640	1,493,430,831	340,993,809	81.4%	355,150,151	96.0%

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

(7) Other Postemployment Benefits (OPEB)

Plan Description

Employees hired prior to November 1, 2004 - Employees who retire from ACTIA and are eligible to immediately receive a pension from CalPERS are eligible to receive a portion of the cost of the monthly premium for health coverage through the CalPERS medical program. The benefit provided by ACTIA is for the retiree only. It continues until the retiree dies. ACTIA will contribute the lesser of the premium rate for the plan selected by the retiree and the Kaiser Employee only/Early Retiree premium rate. Retirees must contribute the entire cost of spousal and dependent child coverage.

Employees hired November 1, 2004 and later - Eligibility for postretirement health coverage through ACTIA will be determined by a vesting schedule. An employee will vest 50% after five years of service with ACTIA. After five years of service with ACTIA, credit will be given for any prior years of PERS service that the employee may have earned with another employer. The employee will vest an additional 5% for each year of service thereafter, up to a maximum of 100%. The benefit provided by ACTIA is for the retiree only. It continues until the retiree dies. ACTIA will contribute the lesser of the premium rate for the plan selected by the retiree and the vested percentage of the weighted average Employee only premium rate based on the enrollment of all active employees.

Employees will be considered 100% vested after 15 years of service with ACTIA, regardless of the number of days after separation from employment.

Retirees must contribute the entire cost of spousal and dependent child coverage.

The plan is authorized under the Board Resolution 04-0054. ACTIA 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:

Retirees receiving benefits	5
Active plan members	6
Total	<u>11</u>

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, 2011, ACTIA contributed \$0. ACTIA's Retiree Benefit Trust Fund is overfunded as of June 30, 2011, based on the last actuarial valuation.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

(7) 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 (ARC) of the employer, 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.

Normal Cost at Year End	\$37,762
Amortization of UAAL	<u>(16,093)</u>
Annual required contribution (ARC)	21,669
Interest on Prior Year Net OPEB Obligation	2,760
Adjustment to ARC	<u>(3,770)</u>
Annual OPEB Cost	20,659
Contributions made	<u>0</u>
Increase (Decrease) in Net OPEB Obligation	20,659
Net OPEB Obligation - Beginning of Year	<u>55,204</u>
Net OPEB Obligation - End of Year	<u><u>\$75,863</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2011 were as follows:

Fiscal Year	Annual OPEB Cost	Actual Contribution	Percentage of ARC Contributed	Net OPEB Obligation (Asset)
6/30/09	\$19,572	\$0	0%	\$37,351
6/30/10	17,853	\$0	0%	55,204
6/30/11	20,659	\$0	0%	75,863

Funded Status and Funding Progress

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 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.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

(7) Other Postemployment Benefits (OPEB) (Continued)

Funded Status and Funding Progress (Continued)

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 and 5% investment rate of return. The retirement, mortality and termination rates used in this valuation are used 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.

<u>Calendar Year</u> <u>Beginning January</u>	<u>Estimated</u> <u>Increase</u>
2011	7.9%
2012	7.6%
2013	7.3%
2014	7.0%
2015	6.7%
2016	6.4%
2017	6.1%
2018	5.8%
2019 & thereafter	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.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

(7) Other Postemployment Benefits (OPEB) (Continued)

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.

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)
6/30/2008	\$610,469	\$921,678	(\$311,209)	151.0%	\$1,037,158	-30%
6/30/2009	665,583	923,339	(257,756)	138.7%	1,036,286	-25%
6/30/2010	718,209	953,857	(235,648)	132.8%	968,105	-24%

(8) Related Party Loan Receivable

On March 24, 2011, the Alameda County Transportation Commission (CTC) Board agreed to loan \$5 million of ACTA funds to address Alameda County Congestion Management Agency's (ACCMA) current funding needs. The Alameda CTC Board further authorized ACCMA to borrow up to an additional \$20 million of ACTA funds, on an as needed basis, pursuant to the terms and conditions stated in the loan agreement. No interest is due on the loan amounts.

(9) Net Assets and Fund Balances

Net Assets

Net Assets is the excess of all ACTIA's assets over all its liabilities, regardless of fund. Net Assets are divided into three captions. These captions apply only to Net Assets, which is determined only at the Government-wide level, and are described below:

Invested in Capital Assets describes the portion of Net Assets which is represented by the current net book value of ACTIA's capital assets.

Restricted describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which ACTIA cannot unilaterally alter.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

(9) Net Assets and Fund Balances (Continued)

Unrestricted describes the portion of Net Assets which is not restricted as to use.

Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

ACTIA's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires ACTIA to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, ACTIA prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action of the ACTIA Board which may be altered only by formal action of ACTIA's Board. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by ACTIA's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the ACTIA Board or its designee and may be changed at the discretion of the ACTIA Board or its designee. This category includes encumbrances; Nonspendables, when it is ACTIA's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue and Capital Projects Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

(9) Net Assets and Fund Balances (Continued)

Detailed classifications of ACTIA's Fund Balances, as of June 30, 2011, are below:

	General Fund	ACTIA Capital Projects Fund	ACTA Capital Projects Fund	Special Revenue Fund	Total
Fund balances:					
Restricted for:					
ACTIA Capital Projects		\$86,476,493			\$86,476,493
ACTA Capital Projects			\$164,531,234		164,531,234
Express Bus				\$1,960,829	1,960,829
Service Gap				2,342,131	2,342,131
Regional Bike and Pedestrian				4,389,966	4,389,966
Transit-Oriented Development				1,233,451	1,233,451
Program Distributions				265	265
Unassigned	\$16,004,431				16,004,431
 Total fund balances	<u>\$16,004,431</u>	<u>\$86,476,493</u>	<u>\$164,531,234</u>	<u>\$9,926,642</u>	<u>\$276,938,800</u>

REQUIRED SUPPLEMENTARY INFORMATION

**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Sales tax	\$4,050,000	\$4,590,000	\$4,742,726	\$152,726
Investment income	125,196	125,196	124,287	(909)
Other	112,253	112,253	81,013	(31,240)
Total revenues	<u>4,287,449</u>	<u>4,827,449</u>	<u>4,948,026</u>	<u>120,577</u>
Expenditures:				
Current:				
Administration	<u>4,124,602</u>	<u>4,144,602</u>	<u>3,566,133</u>	<u>578,469</u>
Total expenditures	<u>4,124,602</u>	<u>4,144,602</u>	<u>3,566,133</u>	<u>578,469</u>
Excess of revenues over expenditures	<u>162,847</u>	<u>682,847</u>	<u>1,381,893</u>	<u>699,046</u>
Net change in fund balances	<u>\$162,847</u>	<u>\$682,847</u>	<u>1,381,893</u>	<u>\$699,046</u>
Beginning Fund balance			<u>14,622,538</u>	
Ending Fund balance			<u>\$16,004,431</u>	

**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual amounts</u>	
Revenues:				
Sales tax	\$51,484,050	\$58,348,584	\$60,289,998	\$1,941,414
Investment income	154,092	154,092	97,766	(56,326)
Other				
Total revenues	<u>51,638,142</u>	<u>58,502,676</u>	<u>60,387,764</u>	<u>1,885,088</u>
Expenditures:				
Current:				
Administration	2,241,911	2,241,911	883,298	1,358,613
Public transit	30,388,937	33,854,128	33,434,763	419,365
Local Transportation	26,424,331	29,414,242	27,736,007	1,678,235
Total expenditures	<u>59,055,179</u>	<u>65,510,281</u>	<u>62,054,068</u>	<u>3,456,213</u>
Net change in fund balances	<u>(\$7,417,037)</u>	<u>(\$7,007,605)</u>	(1,666,304)	<u>\$5,341,301</u>
Beginning Fund balance			<u>11,592,946</u>	
Ending Fund balance			<u>\$9,926,642</u>	

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OTHER SUPPLEMENTARY INFORMATION

**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
SCHEDULE OF SPECIAL REVENUE FUND PROJECTS AND PROGRAMS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2011
(WITH SUMMARIZED COMPARATIVE AMOUNTS FOR JUNE 30, 2010)**

Assets	Regional Bike and Pedestrian			Transit-Oriented Development	Program Distributions	Total	
	Express Bus	Service Gap	Pedestrian			2011	2010
Cash and investments	\$2,208,229	\$2,403,004	\$4,949,245	\$1,222,575	\$5,114,044	\$15,897,097	\$13,069,299
Receivables							
Sales tax	117,758	239,620	209,458	31,838	9,438,535	10,037,209	8,655,898
Other receivables		830				830	1,400
Due from other governments							6,489
Total assets	2,325,987	2,643,454	5,158,703	1,254,413	14,552,579	25,935,136	21,733,086

Liabilities and Fund Balances

Liabilities:							
Accounts payable	\$364,832	\$299,364	\$765,804	\$20,745	\$14,552,314	\$16,003,059	\$10,123,113
Due to other governments							17,027
Due to other funds	326	1,959	2,933	217		5,435	
Total liabilities	365,158	301,323	768,737	20,962	14,552,314	16,008,494	10,140,140
Fund balances:							
Restricted for:							
Transportation projects	1,960,829	2,342,131	4,389,966	1,233,451	265	9,926,642	11,592,946
Total fund balances	1,960,829	2,342,131	4,389,966	1,233,451	265	9,926,642	11,592,946
Total liabilities and fund balances	\$2,325,987	\$2,643,454	\$5,158,703	\$1,254,413	\$14,552,579	\$25,935,136	\$21,733,086

**ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE BY SPECIAL REVENUE FUND PROJECTS AND PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 2011**

	Express Bus	Service Gap	Regional Bike and Pedestrian	Transit- Oriented Development	Program Distributions	Total
	2011	2011	2011	2011	2011	2010
Revenues:						
Sales tax	\$707,331	\$1,439,311	\$1,258,139	\$191,237	\$56,693,980	54,031,694
Investment income	20,301	23,725	42,965	10,775	97,766	249,554
Other governments						2,030
Total revenues	<u>727,632</u>	<u>1,463,036</u>	<u>1,301,104</u>	<u>202,012</u>	<u>56,693,980</u>	<u>54,283,278</u>
Expenditures:						
Administration	21,059	433,866	420,376	7,997	883,298	850,048
Public transit	1,449,441	1,315,853		235,351	30,434,118	32,356,795
Local transportation			1,476,188		26,259,819	24,576,408
Total expenditures	<u>1,470,500</u>	<u>1,749,719</u>	<u>1,896,564</u>	<u>243,348</u>	<u>56,693,937</u>	<u>57,783,251</u>
Excess of revenues over expenditures	<u>(742,868)</u>	<u>(286,683)</u>	<u>(595,460)</u>	<u>(41,336)</u>	<u>43</u>	<u>(3,499,973)</u>
Net change in fund balances	(742,868)	(286,683)	(595,460)	(41,336)	43	(3,499,973)
Fund balances, beginning of year	2,703,697	2,628,814	4,985,426	1,274,787	222	15,092,919
Fund balances, end of year	<u>\$1,960,829</u>	<u>\$2,342,131</u>	<u>\$4,389,966</u>	<u>\$1,233,451</u>	<u>\$265</u>	<u>\$11,592,946</u>

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