



Comprehensive Annual Financial Report

for the Year Ended June 30, 2016

DRAFT



**ALAMEDA COUNTY
TRANSPORTATION COMMISSION
OAKLAND, CALIFORNIA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016
PREPARED BY THE FINANCE DEPARTMENT**



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ALAMEDA COUNTY TRANSPORTATION COMMISSION

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INTRODUCTORY SECTION

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December **X**, 2016

**To the Alameda County Transportation Commission Board
and the Citizens of Alameda County, CA**

We are pleased to present this Comprehensive Annual Financial Report (CAFR) of Alameda County Transportation Commission (Alameda CTC) for the fiscal year ended June 30, 2016. Per the Alameda CTC Joint Powers Agreement, the California Government Code section 6505 and the Public Utilities Code section 180105(c), Alameda CTC is required to contract for an annual audit of its accounts and records in accordance with Generally Accepted Auditing Standards (GAAS). The financial statements included in this CAFR have been audited by Vavrinek, Trine, Day and Co., LLP, Certified Public Accountants. Therefore, this CAFR is published to fulfill this requirement for the fiscal year ended June 30, 2016.

Management of Alameda CTC is responsible for the accuracy, completeness and reliability of the information contained in this report. A comprehensive system of internal controls has been implemented which is designed to protect Alameda CTC's assets from loss, theft or misuse, to identify and record transactions accurately and to compile the necessary information to report financial statements in accordance with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not exceed anticipated benefits, the objective of Alameda CTC's internal control system is to provide reasonable, but not absolute, assurance that the financial statements are free from material misstatement.

Alameda CTC is also required to undergo an annual federal compliance audit in conformity with the provision of the Single Audit Act of 1984, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The results of this audit can be found in the federal compliance information section.

Authoritative accounting and financial reporting standards require that the financial statements of a local government be preceded by Management's Discussion and Analysis (MD&A) intended to furnish an objective and easily readable analysis of the financial activities. The MD&A section of this CAFR can be found immediately following the Independent Auditor's Report. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

PROFILE OF THE ORGANIZATION

Alameda County encompasses 813 square miles and is located east of the San Francisco Bay, extends to Livermore in the East and from Albany in the North to Fremont in the South. The population in Alameda County is over 1.6 million which makes it the second most populated county in the Bay Area and the seventh most populated county in California. Alameda County is one of 20 Self-Help Counties in California that deliver voter approved transportation sales tax measures to fund transit, highway, freight, bicycle, pedestrian and other mobility programs.

In June 2010, the governing boards of both the Alameda County Transportation Improvement Authority (ACTIA) and the Alameda County Congestion Management Agency (ACCMA) created a joint powers agency known as Alameda County Transportation Commission pursuant to the California Joint Exercise of Powers Act in which ACTIA and ACCMA delegated all of their assets, liabilities, powers, functions and responsibilities to Alameda CTC effective July 1, 2010. This action followed a March 2010 action in which ACTIA, ACCMA, the County of Alameda, the 14 incorporated cities within Alameda County, the Bay Area Rapid Transit District and the Alameda-Contra Costa Transit District entered into a Joint Powers Agreement with the purpose of creating a joint powers agency to take over the responsibilities of both ACTIA and ACCMA. Alameda CTC held its first joint meeting on July 22, 2010 and approved its first consolidated budget for fiscal year ended June 30, 2012 at its June 2011 meeting. For various reasons, including issues related to contracting with CalPERS and other required administrative tasks, the former agencies continued to exist through February 29, 2012 when they were legally dissolved and Alameda CTC became the successor agency.

Alameda CTC is governed by a twenty-two member Commission made up of five members of the Alameda County Board of Supervisors, two members representing the City of Oakland, 13 members each representing one of the other 13 incorporated cities in Alameda County, one member representing the Bay Area Rapid Transit District and one member representing Alameda-Contra Costa Transit District.

The mission of Alameda CTC is to plan, fund and deliver a broad spectrum of transportation programs and projects that expand access and improve mobility to foster a vibrant and livable Alameda County. This is accomplished through administration of the transportation sales taxes in Alameda County which was authorized in 2000 when the voters approved Measure B by 81.5 percent of the vote and again in 2014 when the voters approved Measure BB, which augmented and extended the original Measure B, by 70.76 percent of the vote and by serving as the Alameda County's congestion management agency. Alameda CTC delivers over \$200 million in transportation improvements and congestion management projects each year which create jobs, enhance mobility and enrich communities.

Alameda CTC is a legally separate and financially independent entity that is not a component unit of Alameda County or any other organization. While Alameda CTC is the managing agency for the Sunol Smart Carpool Lane Joint Powers Authority (SSCLJPA) which operates the Sunol Smart Carpool Lane on Interstate 680, the SSCLJPA has its own separate legal identity and governance and is not a component unit of Alameda CTC.

California Government Code requires Alameda CTC to adopt an annual budget. Before the beginning of each fiscal year, staff proposes an annual budget based on agency goals and objectives to the Commission for adoption. The Commission monitors budget versus actual performance through quarterly staff reports. The legal level of budgetary control is at the entity level. The Commission has the authority to adjust the budget throughout the fiscal year, and the Executive Director has the authority to transfer authorized budget amounts between expenditure line items within governmental funds. The Required Supplementary Information section of this report includes schedules for the General Fund and the major Special Revenue Funds and the Supplementary Information section includes schedules for all other funds that compare actual results to the final adopted budgets.

ECONOMIC CONDITION

LOCAL ECONOMY

Unemployment in Alameda County has decreased to 4.7 percent by June 2016 from 4.8 percent in June 2015 and 5.8 percent in June 2014. This is better than the state unemployment rate which has decreased to 5.7 percent by June 2016 from 6.2 percent in June 2015 and 7.4 percent in June 2014. The decrease in the unemployment rate is also better than the national unemployment rate, which has decreased to only 4.9 percent by June 2016 from 5.3 percent in June 2015 and 6.1 percent in June 2014. Unemployment in Alameda County has stayed below that of the state and the nation over the last several years, whereas historically it had hovered between that of the state and the nation since the recession of 2008 which indicates that Alameda County's economic standing within the greater California economy also has improved.

There are many contributing factors which account for the economic improvements in Alameda County. Alameda County supports employment in a wide array of industries including law enforcement, shipping/goods movement, medical/health, research, technology, pharmaceuticals, education, manufacturing, farming, finance, sanitation, fuel, retail, automobile sales, transportation, government, and other professional services. This diverse employment base helps to ensure stability for Alameda County as it is not reliant on any one employment sector for its prosperity. In addition, Alameda County is home to the Port of Oakland and Oakland International Airport. The Port of Oakland is the fifth largest container port in the nation which handles 99 percent of all containerized goods in Northern California. The Oakland International Airport is the fourth largest airport in California and the second largest in the Bay Area serving more than 11 million passengers each year. It is conveniently located near many tourist destinations and is a choice which is close to home for over 1.6 million people living in Alameda County.

Sales tax revenue collections by Alameda CTC continue to grow. In fiscal year 2015-16, Measure B sales tax revenues grew to \$137.3 million for a 3.6 percent increase over the prior fiscal year; however, total Measure B collections to date are still below original projections developed when the voters approved Measure B. In April 2015, Alameda CTC began collections of the new Measure BB transportation sales tax which was approved by voters of Alameda County in November 2014 by an overwhelming majority of 70.76 percent. In fiscal year 2015-16, Measure BB sales tax revenues collected also totaled \$137.3 million, up from the \$27.7 million collected in the partial tax year in fiscal year 2014-15.

LONG-TERM FINANCIAL PLANNING

Alameda CTC delivered nearly all of the transportation sales tax projects approved by the voters in the 2000 Transportation Expenditure Plan (TEP) in half the time anticipated. Faster delivery allowed for lower construction costs, but as a result, Alameda CTC's Measure B sales tax capital projects fund incurred project costs long before all of the sales tax funds had been collected. Measure B operated on a pay-as-you-go basis through fiscal year 2012-13; however, cash flow projections reflected that a pay-as-you-go approach would not suffice throughout fiscal year 2013-14. In March 2014, Alameda CTC issued \$137.1 million of Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014 to bridge the short-term funding gap that existed over the following years while many large projects in the TEP were closed out and finalized. Current cash flow projections indicate that Alameda CTC will continue to be solvent throughout the life of Measure B, which expires in 2022, as there will be sufficient sales tax revenues to pay the debt service on the bonds.

As Alameda CTC kick starts the Measure BB program, close attention is being paid to the designated projects in the 2014 TEP and those projects that were submitted in the spring of 2015 to be included in the Regional Transportation Plan and the 2016 Countywide Transportation Plan (CTP). Alameda CTC will develop its next Comprehensive Investment Plan (CIP) around the 2016 CTP which is expected to be approved by the Commission in 2017. Projects that are shovel ready may require more Measure BB funding in the near-term than has been collected to date, thus requiring Alameda CTC to implement an external financing mechanism to ensure that these projects can move forward as expeditiously as possible. Staff continues to monitor Measure BB cash flow needs and resources closely to determine if and when external financing would be appropriate.

RELEVANT FINANCIAL POLICIES

The Board of Directors of the former agencies, ACCMA and ACTIA, adopted a comprehensive set of financial policies. Alameda CTC is working within the guidelines of these policies until new policies are adopted for the new consolidated agency. However, the Commission has adopted the following updated and consolidated financial policies to govern the operations of Alameda CTC:

- Investment policy - which defines the parameters within which funds are to be managed. This policy was most recently reviewed and adopted by the Commission in May 2016;

- Debt policy - which establishes guidelines for the issuance and management of Alameda CTC debt and confirms the commitment of the Commission, management, and staff to adhere to sound financial management practices. This policy was most recently updated and adopted by the Commission in July 2016;
- Travel and Expenditure Policy – to establish guidelines for expenditures authorized as business expenditures and business travel expenditures. This policy was most recently updated and adopted by the Commission in March 2016;
- General fund balance reserve policy - to mitigate risk and ensure sufficient liquidity in all funds;
- Contracting and procurement policy - which aims to streamline contracting efforts and expand local business participation; and
- Loan policy – which restricts loans to member agencies only.

MAJOR INITIATIVES

Alameda CTC went before the voters of Alameda County in November 2014 with Measure BB, a new \$7.8 billion transportation measure designed to help increase mobility, create jobs, reduce congestion, protect the environment, restore and expand transit services, fix potholes, reduce highway congestion, expand bicycle and pedestrian access and connect transit with housing and jobs over the next 30 years. Measure BB passed by a clear majority with 70.76 percent of the vote. Alameda CTC continues to work on the development of many policies and procedures around the administration, allocation and distribution of Measure BB funds. The 2014 TEP, which supported Measure BB, designated approximately 54 percent of Measure BB revenues as direct local distribution funds, which requires the funds to be directly distributed to the member agencies upon receipt for local streets and roads maintenance and improvements, public transit, paratransit services, and bicycle and pedestrian maintenance and improvements. Alameda CTC distributed the first funds designated as direct local distribution funds in the 2014 TEP via automatic clearing house on June 30, 2015 for receipt by the member agencies on July 1, 2015.

The Commission approved a two year allocation plan which began in fiscal year 2014-15 and included initial allocations of Measure BB funds for capital projects to implementing agencies incurring costs for projects specifically named in the 2014 TEP and for program allocations to implementing agencies incurring costs for projects or programs included in the programmatic line items in the 2014 TEP. These preliminary allocations of Measure BB funds were intended to provide resources to implementing agencies for preparing the deliverables required to bolster the competitiveness of individual projects by developing more detailed project delivery plans and descriptions of intended project benefits. Many of the projects that received these initial Measure BB allocations are eligible to receive funding for future project phases through the 2018 CIP process. The CIP consolidates multiple planning and programming efforts, at both the local and countywide level, to create a strategic near-term transportation planning and programming tool that local agencies and Alameda CTC can use to direct staffing and financial resources to further the delivery of significant countywide transportation projects. The CIP also establishes the framework for policies, guidelines and procedures that guide Alameda CTC's programming and allocations decisions, project selection, and the subsequent funding administration.

In February 2016, Alameda CTC opened the I-580 Corridor High Occupancy Vehicle (HOV)/Express Lanes to traffic for operations. As the project sponsor, Alameda CTC worked closely with the California Department of Transportation, California Highway Patrol, Metropolitan Transportation Commission, Alameda County, and the cities of Livermore, Dublin, and Pleasanton to deliver the project. The lanes run from Hacienda Drive to Greenville Road in the eastbound direction and from Greenville Road to San Ramon Road/Foothill Road in the westbound direction. Patrons enjoy travel time savings and reliability as the express lanes optimize capacity in the corridor by providing a choice to single occupancy vehicles in addition to two new toll-free HOV lanes for carpools, clean-air vehicles, motorcycles and transit vehicles. Public outreach and education activities took place during fiscal year 2015-16 throughout the I-580 corridor commute shed. These efforts emphasized proper use of the facility and encouraged the public to obtain FasTrak® and FasTrak flex toll tags. Usage of the express lanes continues to grow as the public realizes the travel time benefits.

AWARDS AND ACKNOWLEDGEMENTS

This is the fourth year Alameda CTC has produced a Comprehensive Annual Financial Report (CAFR) which includes additional, complementary information, in addition to the basic financial statements, to help the reader better understand the financial condition of Alameda CTC. We believe our current CAFR meets the requirements of the Government Finance Officers Association's (GFOA) Certificate of Achievement Program, and we plan to submit it to the GFOA to determine its eligibility for the award. To be awarded the certificate, a CAFR must be easy to read and efficiently organized while satisfying both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

We would like to extend our appreciation to the entire Finance Department staff who made the production of this CAFR possible through their support and dedicated service. We would also like to express our thanks to all members of Alameda CTC departments who assisted in and contributed to the preparation of this report. Credit and thanks also goes to the Commission for their support in maintaining the highest standards of professionalism in the management of Alameda CTC.

Respectfully submitted,



Rebecca Kaplan
Chair, Alameda County
Transportation Commission



Arthur L. Dao
Executive Director



Patricia Reavey
Deputy Executive Director of
Finance and Administration

COMMISSIONERS

As of June 30, 2016

Member	Jurisdiction	Alternate
Councilmember At-Large Rebecca Kaplan, Chair	City of Oakland	Abel Guillen
Mayor Bill Harrison, Vice Chair	City of Fremont	Suzanne Chan
Director Elsa Ortiz	AC Transit	H.E. Christian Peeples
Supervisor Scott Haggerty	Alameda County, District 1	None
Supervisor Richard Valle	Alameda County, District 2	Mike Bucci
Supervisor Wilma Chan	Alameda County, District 3	Annie Campbell Washington
Supervisor Nate Miley	Alameda County, District 4	None
Supervisor Keith Carson	Alameda County, District 5	Kriss Worthington
Director Rebecca Saltzman	Bay Area Rapid Transit	Thomas Blalock
Mayor Trish Spencer	City of Alameda	Jim Oddie
Mayor Peter Maass	City of Albany	Michael Barnes
Councilmember Laurie Capitelli	City of Berkeley	Kriss Worthington
Mayor David Haubert	City of Dublin	Don Biddle
Councilmember Ruth Atkin	City of Emeryville	Scott Donohue
Mayor Barbara Halliday	City of Hayward	Marvin Peixoto
Mayor John Marchand	City of Livermore	Stewart Gary
Councilmember Luis Freitas	City of Newark	Maria Collazo
Councilmember Dan Kalb	City of Oakland	Abel Guillen
Acting Mayor Jeff Wieler	City of Piedmont	None
Mayor Jerry Thorne	City of Pleasanton	Kathy Narum
Mayor Pauline Cutter	City of San Leandro	Deborah Cox
Mayor Carol Dutra-Vernaci	City of Union City	Emily Duncan

EXECUTIVE MANAGEMENT

Executive Director

Arthur L. Dao	Executive Director	adao@alamedactc.org	(510) 208-7402
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Executive Team

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Patricia Reavey	Deputy Executive Director of Finance and Administration	preavey@alamedactc.org	(510) 208-7422
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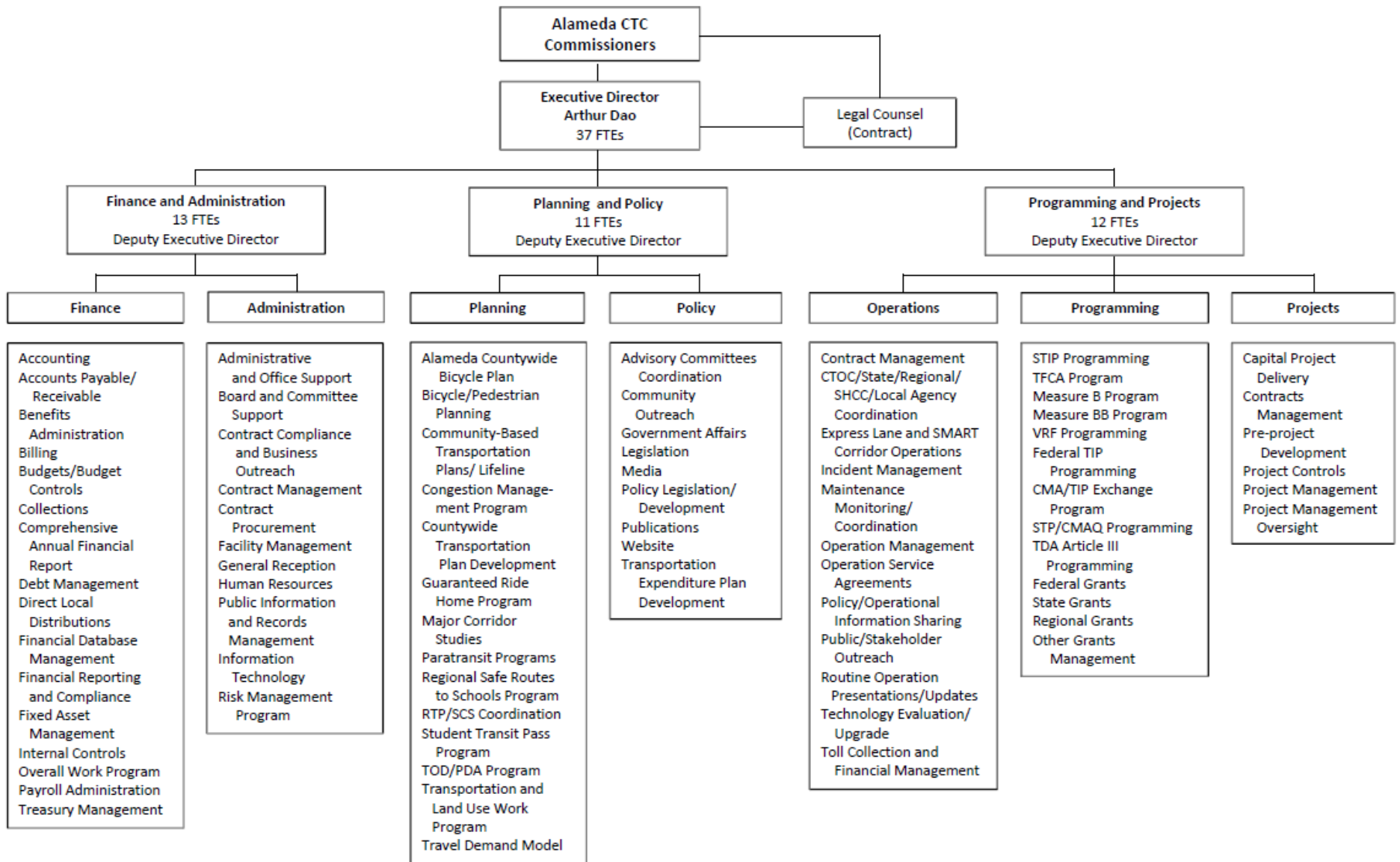
General Counsel

Wendel, Rosen, Black, & Dean LLP

Zachary R. Wasserman, Esq.

Neal Parish, Esq.

Alameda County Transportation Commission Functional Organizational Chart



Map Alameda County, California



TABLE OF CREDITS

The following people contributed to the production of the Fiscal Year 2016 Comprehensive Annual Financial Report:

Finance:

Deputy Executive Director of
Finance and Administration

Patricia Reavey, CPA

Director of Finance

Lily Balinton

Accounting Manager

Yoana Navarro, CPA

Audit Firm - Vavrinek, Trine, Day & Co., LLP:

Partner

Ahmad Gharaibeh, CPA

Manager

Nathan Edelman, CPA

Supervisor

Sheila Porter, CPA



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Alameda County
Transportation Commission
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015



Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Alameda County Transportation Commission
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Alameda County Transportation Commission (Alameda CTC), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Alameda CTC's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities each major fund and the aggregate remaining fund information of Alameda CTC, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, Alameda CTC adopted the following new accounting pronouncements: GASB Statement No. 72, Fair Value Measurement and Application; GASB Statement No. 76, *The hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No.73*. Our opinion is not modified with respect to this matter

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedule of the proportionate share of the net pension liability and schedule of pension contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Alameda CTC's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards and other supplementary information, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and other supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated November XX, 2016 on our consideration of Alameda CTC'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alameda CTC's internal control over financial reporting and compliance.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

The following discussion and analysis of Alameda County Transportation Commission (Alameda CTC) financial report addresses the financial position, activities and performance of the agency for the fiscal year ended June 30, 2016. Management encourages readers to consider information presented in this section in conjunction with the financial statements and related notes contained in the financial section.

In June 2010, the Boards of the Alameda County Transportation Improvement Authority (ACTIA) and the Alameda County Congestion Management Agency (ACCMA) created a joint powers agency known as the Alameda County Transportation Commission pursuant to the California Joint Exercise of Powers Act in which ACTIA and ACCMA delegated all of their assets, liabilities, powers, functions and responsibilities to Alameda CTC effective July 1, 2010. Alameda CTC held its first joint meeting on July 22, 2010 and approved its first consolidated budget for fiscal year ended June 30, 2012 at its June 2011 meeting. For various reasons, including issues related to contracting with CalPERS and other required administrative tasks, the former agencies continued to exist through February 29, 2012 when they were legally dissolved and Alameda CTC became the successor agency. The financial report prepared for the fiscal year ended June 30, 2012 for Alameda CTC was the first financial report since Alameda CTC was established. Alameda CTC established the reporting of its financial statements in the form of a Comprehensive Annual Financial Report (CAFR), which includes all of the additional information required of a CAFR, for the first time for the fiscal year ended June 30, 2013 and has continued this practice through and for the fiscal year ended June 30, 2016.

Alameda CTC strives to plan, fund and deliver transportation programs and projects that expand access and improve mobility to foster a vibrant and livable Alameda County.

Financial Highlights

- Total net position was \$283.1 million at June 30, 2016, an increase of \$139.7 million or 97.4 percent over the prior fiscal year end primarily due to fiscal year 2015-16 being the first full year of revenue collections of the new Measure BB sales tax and the first fiscal year the I-580 Express Lanes were put into service requiring the capitalization of assets.
- Total assets and deferred outflows increased by \$98.1 million from \$436.6 million to \$534.7 million as of June 30, 2016 compared to June 30, 2015 mainly related to increased sales tax revenues from Measure BB and the capitalization of assets for the I-580 Express Lanes which began operations in February 2016. Cash and investments comprised \$419.1 million or 78.4 percent of the total assets and deferred outflows as of June 30, 2016.
- Revenues totaled \$385.2 million for the fiscal year ended June 30, 2016. This was an increase of \$159.2 million or 70.4 percent over the fiscal year ended June 30, 2015 which is closely correlated to the increase in sales tax revenues from the new Measure BB.
- Total liabilities and deferred inflows decreased by \$41.6 million or 14.2 percent from \$293.2 million to \$251.6 million as of June 30, 2016 compared to June 30, 2015. This decrease is largely due to the Bay Area Rapid Transit (BART) to Warm Springs project nearing completion. The BART to Warm Springs project is funded by Measure B and had significant accruals for expenditures as of June 30, 2015.
- Expenses totaled \$245.5 million for the fiscal year ended June 30, 2016. This was a decrease of \$16.6 million or 6.3 percent from the fiscal year ended June 30, 2015 mostly related to the wind down of Measure B capital projects, specifically the BART to Warm Springs project.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

Overview of the Financial Statements

As required by the Governmental Accounting Standards Board, the basic financial statements present the following statements:

- A Statement of Net Position (presenting government-wide assets and liabilities).
- A Statement of Activities (presenting government-wide revenues and expenses).
- A Balance Sheet (presenting assets and liabilities for the governmental funds including the General Fund, 2000 Measure B Special Revenue Fund, 2014 Measure BB Special Revenue Fund, Exchange Fund, 2000 Measure B Capital Projects Fund, 1986 Measure B Capital Projects Fund, Congestion Management Capital Projects Fund, 2014 Measure BB Capital Projects Fund and Nonmajor Governmental Funds).
- A Statement of Revenues, Expenditures and Change in Fund Balances - Governmental Funds (presenting revenues and expenditures by fund).
- Notes to the financial statements (providing additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements).

In addition, the following required schedules are presented:

- A Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual for the General Fund (presenting budget versus actual revenues and expenditures).
- A Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual for the 2000 Measure B Special Revenue Fund (presenting budget versus actual revenues and expenditures).
- A Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual for the 2014 Measure BB Special Revenue Fund (presenting budget versus actual revenues and expenditures).
- A Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual for the Exchange Fund (presenting budget versus actual revenues and expenditures).
- Pension Schedules of Proportionate Share of the Net Pension Liability and Pension Contributions

The Statement of Net Position and the Statement of Activities, together, make up the *government-wide financial statements*. The Balance Sheet and the Statement of Revenues, Expenditures and Change in Fund Balances constitute the *fund financial statements*.

The *government-wide financial statements* report information using the economic resources measurement focus and the accrual basis of accounting. The *Statement of Net Position* includes total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources with the difference between them reported as net position. Total revenues, total expenses, and changes in net position are accounted for in the *Statement of Activities*, regardless of the timing of related cash flows.

The *fund financial statements* provide additional information detailed by fund. A fund is a set of accounts used to control resources segregated for a specific activity or purpose. Alameda CTC has established funds to ensure resources are utilized for the purposes intended. Funds classified as major are required to be reported individually on the financial statements and funds classified as nonmajor can be grouped and reported in a single column.

Alameda CTC has eight major funds: the General Fund, 2000 Measure B Special Revenue Fund, 2014 Measure BB Special Revenue Fund, Exchange Fund, 2000 Measure B Capital Projects Fund, 1986 Measure B Capital Projects Fund, Congestion Management Capital Projects Fund, and 2014 Measure BB Capital Projects Fund.

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General Fund – The General Fund is the chief operating fund. The General Fund receives 4.5 percent of all Measure B sales tax revenues and 4.0 percent of all Measure BB sales tax revenues to fund the administration of the sales tax funds and member agency contributions to fund congestion management activities. Pursuant to the 2000 Transportation Expenditure Plan (TEP), administrative costs are limited to 4.5 percent of revenues collected by the 2000 Measure B sales tax, and pursuant to the 2014 TEP, administrative costs are limited to 4.0 percent of revenues collected by the 2014 Measure BB sales tax. Pursuant to both the 2000 TEP and the 2014 TEP, administrative salaries and benefits are limited to 1.0 percent of revenues collected by the Measure B and Measure BB sales taxes, and pursuant to the Public Utilities Code (PUC) administrative salaries and benefits are limited to 1.0 percent of total funds generated by each measure. This fund is also used to administer and prepare the Congestion Management Plan and to program federal, state, and local funds to implement the Congestion Management Plan.

2000 Measure B Special Revenue Fund – The 2000 Measure B Special Revenue Fund is made up of six subfunds designed to account for sales tax revenues and expenditures related to the implementation of all programs authorized in the 2000 TEP. These subfunds include the following:

- Programming and Programs Subfund – Alameda CTC uses the Programming and Programs Subfund to support programming and programs in the 2000 TEP and other core functions.
- Express Bus Subfund – Alameda CTC uses the Express Bus Subfund to provide funding to transit operators in Alameda County for maintenance of transit services, restoration of service cuts, expansion of transit services, and passenger safety and security.
- Bicycle and Pedestrian Subfund – Alameda CTC uses the Bicycle and Pedestrian Subfund to provide funding to the incorporated cities and County of Alameda to be spent on planning and construction of bicycle and pedestrian projects.
- Direct Local Distribution Subfund – Alameda CTC uses the Direct Local Distribution Subfund to account for sales tax revenues that are immediately disbursed to the cities and County of Alameda to fund local streets and roads, bicycle and pedestrian, paratransit, and other transportation needs based on local priorities.
- Transit-Oriented Development Subfund – Alameda CTC uses the Transit-Oriented Development Subfund to provide funding to the cities and County of Alameda to encourage development near transit centers.
- Paratransit Subfund – Alameda CTC uses the Paratransit (Service Gap) Subfund to provide funding in Alameda County for special transportation for seniors and people with disabilities.

2014 Measure BB Special Revenue Fund – The 2014 Measure BB Special Revenue Fund is made up of eight subfunds designed to account for sales tax revenues and expenditures related to the implementation of all programs authorized in the 2014 TEP. These subfunds include the following:

- Programs and Projects Management Oversight Subfund – Alameda CTC uses the Programs and Projects Management Oversight Subfund to provide funding for the management and oversight of programs and projects in the 2014 TEP.
- Transit Operations, Maintenance and Safety Subfund – Alameda CTC uses the Transit Operations, Maintenance and Safety Subfund to provide funding for innovative and emerging projects which increase the number of people that can be served by public transit, including student transportation programs.
- Bicycle and Pedestrian Subfund – Alameda CTC uses the Bicycle and Pedestrian Subfund to provide funding for maintenance of regional bicycle and pedestrian facilities and increasing safe bicycling.
- Direct Local Distribution Subfund – Alameda CTC uses the Direct Local Distribution Subfund to account for sales tax revenues that are immediately disbursed to the incorporated cities and County of Alameda through direct local distributions to fund transportation needs based on local priorities including improvements to local infrastructure or any other local transportation need, such as street maintenance, bicycle and pedestrian projects, bus stops, or traffic calming, which support a “complete streets” philosophy.

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- Paratransit Subfund – Alameda CTC uses the Paratransit Subfund to provide funding for coordination and service across jurisdictional lines or filling gaps in the system to meet mobility needs of seniors and people with disabilities.
- Freight and Economic Development Subfund – Alameda CTC uses the Freight and Economic Development Subfund to provide funding for projects that develop innovative approaches to moving goods in a safe and healthy environment in support of a robust economy.
- Community Development Subfund – Alameda CTC uses the Community Development Subfund to provide funding for community investments that improve transit and connections to jobs and schools.
- Technology Subfund – Alameda CTC uses the Technology Subfund to provide funding to develop innovative approaches to new and emerging technologies that better manage the transportation system.

Exchange Fund – The Exchange Fund is used to account for all activity related to the Exchange Program. Under the Exchange Program, Alameda CTC entered into agreements with several local agencies to exchange state or federal funds with local funding from other governments for various transportation projects. This program was developed to expedite projects by giving project sponsors the flexibility of using local funds rather than more restrictive state or federal funds. Alameda CTC programs federal or state funds to “exchange” projects, which are able to use these funds, and in return receives local funds into the Exchange Fund from the “exchange” projects sponsors. These local funds are more flexible and can be used for projects that either do not have the ability to make use of state or federal funds, projects that would face unacceptable delays if state or federal funds were used or other transportation related commitments.

Alameda CTC has entered into the following exchange agreements as of June 30, 2016 since inception in 2000:

Alameda County Public Works Agency	\$ 8,684,000
Alameda County Transportation Commission Measure B	20,986,143
Alameda County Transportation Improvement Authority	2,316,148
Alameda-Contra Costa Transit District	36,093,603
Bay Area Rapid Transit	8,100,000
City of Berkeley	259,560
City of Dublin	4,230,000
City of Fremont	6,191,156
City of Livermore	4,580,000
City of San Leandro	1,000,000
City of Union City	9,314,000
Metropolitan Transportation Commission	675,000
San Joaquin Regional Rail Commission	1,583,380
Santa Clara Valley Transportation Authority	558,000
Total Exchanged Funds	<u>\$ 104,570,990</u>

These exchanges are recognized as revenue when qualifying expenses are incurred. Of the total exchange agreements, \$100.8 million has been collected and \$77.7 million has been expended as of June 30, 2016.

2000 Measure B Capital Projects Fund – The 2000 Measure B Capital Projects Fund is used to account for sales tax and other revenues and expenditures related to the implementation of capital projects designated to be funded in the 2000 TEP approved by the voters in November 2000.

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1986 Measure B Capital Projects Fund – The 1986 Measure B Capital Projects Fund is used to account for sales tax and other revenues and expenditures related to the implementation of capital projects designated to be funded in the 1986 TEP approved by the voters in November 1986.

Congestion Management Capital Projects Fund – The Congestion Management Capital Projects Fund is used to account for capital projects designed to implement the Congestion Management Plan in Alameda County. The amount of capital project revenues and expenditures for the fiscal year ended June 30, 2016 were \$35.0 million and \$34.5 million, respectively, with the difference transferred to the General Fund to help cover costs incurred to administer the congestion management program.

2014 Measure BB Capital Projects Fund – The 2014 Measure BB Capital Projects Fund is used to account for sales tax and other revenues and expenditures related to the implementation of capital projects designated to be funded in the 2014 TEP approved by the voters in November 2014.

Alameda CTC has four nonmajor funds: the Transportation Fund for Clean Air, the Vehicle Registration Fee Fund, the I-580 Express Lanes Operations Fund, and the Debt Service Fund.

Special Revenue Funds – Alameda CTC has three nonmajor Special Revenue Funds. The *Vehicle Registration Fee (VRF) Fund* and the *Transportation Fund for Clean Air (TFCA)* are related to fees imposed on vehicle registrations in Alameda County of which Alameda CTC is required to administer. The *I-580 Express Lanes Operations Fund* accounts for toll revenue generated and operations and maintenance expenditures of the I-580 Express Lanes in the Tri-Valley corridor. These three special revenue funds have been established to administer and account for these funding sources separately from other funding sources of Alameda CTC to ensure that they are spent on the specific purpose intended.

The VRF funds are required to be used to implement transportation related programs and projects. Sixty percent of net VRF collections are designated for local road improvements and repairs and are allocated to the cities and County of Alameda automatically as direct local distributions by planning area based on a formula which was approved by the voters of Alameda County in Measure F on the November 2010 ballot. The remaining forty percent designated for transit congestion relief, local transportation technology, pedestrian and bicyclist access, and safety programs are distributed by planning area, seventy-five percent of the forty percent on a discretionary basis and twenty-five percent, the portion designated for local transportation technology, are allocated to Alameda CTC to support ongoing operational requirements for technology related capital investments that benefit traffic corridors within Alameda County. Master Program Funding Agreements have been executed with the incorporated cities and County of Alameda to govern the flow of VRF funds. Direct local distribution funding for local road improvements and repairs began flowing to the cities and County of Alameda in June 2012.

TFCA funding is generated by a four dollar regional vehicle registration fee collected by the Bay Area Air Quality Management District (BAAQMD). TFCA funds are required to be used to implement projects and programs aimed at reducing air pollution through the reduction of motor vehicle emissions. Sixty percent of net TFCA funds are administered by the BAAQMD. Of the funds generated within Alameda County, forty percent are administered by Alameda CTC and are allocated on a discretionary basis to projects and programs that meet the BAAQMD's TFCA program requirements, including project cost-effectiveness. During the fiscal year ended June 30, 2016, Alameda CTC provided TFCA funding to various sponsors for projects including, but not limited to, the City of Oakland for its ongoing CityRacks bicycle parking program, California State University East Bay for its second campus shuttle to the Hayward BART station, Livermore Amador Valley Transit Authority for Route 30R operations, the City of Dublin for traffic signal coordination and upgrades on San Ramon Road, the City of Pleasanton for its commuter- and school-based trip reduction programs, Alameda County for bike lanes on East Castro Valley Blvd., and to BART for bike lockers at the West Oakland BART station. Alameda CTC

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implemented Countywide Transportation Demand Management (TDM) programs which also received TFCA funding.

The I-580 express lanes began toll revenue collections on February 19, 2016 with the funds received and operations and maintenance expenditures being managed within the I-580 Express Lanes Operations Fund. The express lanes span approximately 14 miles through the cities of Dublin, Pleasanton and Livermore and are free for carpools, vanpools, motorcycles and other toll-exempt vehicles, but offer solo drivers the option to pay for a more reliable trip through the corridor. A FasTrak or FasTrak Flex toll tag is required for all express lane users, and drivers choose the appropriate setting on their toll tags prior to entering an express lane to indicate the number of occupants in the vehicle.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources that are restricted to pay for debt service on outstanding bonds as the principal and interest become due.

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 financial report.

Government-wide Financial Analysis

Net Position

As of June 30, 2016, total assets and deferred outflows were \$534.7 million, an increase of \$98.1 million or 22.5 percent over June 30, 2015 mostly due to an increase in sales tax revenues received from the new Measure BB and the addition of assets for the I-580 Express Lanes which began operations in February 2016. Cash and investments comprised \$419.1 million or 78.4 percent of total assets and deferred outflows.

Total liabilities and deferred inflows were \$251.6 million as of June 30, 2016, a decrease of \$41.6 million or 14.2 percent from June 30, 2015 related to a decrease in Measure B capital project expenditures as the BART to Warm Springs project winds down which had a significant impact on prior year's liabilities. As of June 30, 2016, Alameda CTC had commitments for \$5.4 million towards administrative service contracts, \$23.4 million towards engineering contracts, \$1.1 million towards construction contracts and \$102.8 million towards project sponsor contracts with terms ranging up to eight years.

Net position was \$283.1 million at June 30, 2016, an increase of \$139.7 million or 97.4 percent over June 30, 2015. Of the total \$283.1 million in net position at June 30, 2016, \$44.8 million or 15.8 percent is invested in capital assets, \$40.4 million or 14.3 percent is unrestricted and the balance of \$197.9 million or 69.9 percent is restricted for use towards local programs and capital projects authorized in the Measure B 1986 and 2000 TEPs and the Measure BB 2014 TEP, congestion management projects and debt service.

In general, Alameda CTC 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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2016

Condensed Statement of Net Position June 30, 2016 and 2015

	Governmental Activities	
	2016	2015
Cash and investments	\$ 419,050,545	\$ 359,074,773
Receivables		
Sales tax receivables	46,955,548	44,721,464
Interest	860,004	657,738
Other	21,542,467	26,634,693
Land held for resale	-	4,068,000
Prepaid and other assets	279,552	79,083
Capital assets		
Furniture and equipment (net of accumulated depreciation)	44,850,165	516,003
Deferred outflows from pension activities	1,157,317	821,820
Total Assets and Deferred Outflows	\$ 534,695,598	\$ 436,573,574
Accounts payable and accrued liabilities	49,942,881	100,270,121
Interest payable	1,900,450	1,900,450
Unearned revenue	43,605,275	32,956,495
Long-term obligations	155,681,034	157,123,088
Deferred inflows from pension activities	433,158	917,604
Total Liabilities and Deferred Inflows	251,562,798	293,167,758
Net Position:		
Net investment in capital assets	44,850,165	516,003
Restricted for:		
Transportation projects/programs/debt service	197,925,780	111,116,490
Unrestricted	40,356,855	31,773,323
Total Net Position	\$ 283,132,800	\$ 143,405,816
Total Liabilities, Deferred Inflows and Net Position	\$ 534,695,598	\$ 436,573,574

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Change in Net Position

Total revenues during fiscal year 2016 were \$385.2 million, an increase of \$159.2 million or 70.4 percent over fiscal year 2015. This increase can be attributed to an increase in sales tax revenues related to a full year of Measure BB collections. Total expenses during fiscal year 2016 were \$245.5 million, a decrease of \$16.6 million or 6.3 percent from fiscal year 2015. This decrease is related to Measure B capital project expenditures as projects in the 2000 TEP wind down.

The following are changes in key activities during fiscal year 2016:

- Operating grants and contributions for fiscal year 2016 were \$53.1 million, an increase of \$6.9 million or 15.0 percent over fiscal year 2015. This change is related to increases in congestion management capital project activities.
- Sales tax revenues for fiscal year 2016 were \$274.8 million, an increase of \$110.3 million or 67.1 percent over fiscal year 2015 due to the collection of a full fiscal year of Measure BB revenues as compared to the Measure BB sales tax collections of only three months received in fiscal year 2015.
- Other and special items were \$27.3 million, an increase of \$27.1 million over fiscal year 2015 related to the recognition of revenues associated with the capitalization of assets on the I-580 Express Lanes.
- Administration expenses for fiscal year 2016 were \$17.2 million, an increase of \$3.3 million or 23.9 percent over fiscal year 2015 mostly related to administrative activities associated with the implementation of Measure BB programs and projects and congestion management planning and programming activities.
- Transportation improvement costs for fiscal year 2016 were \$192.8 million, an increase of \$2.8 million or 1.5 percent over fiscal year 2015. This change is largely due to an increase in direct local distributions of Measure BB funds for local transportation improvement needs which is directly correlated to the increase in Measure BB revenues as these distributions are formula based, calculated on net revenues.
- Congestion management expenses for fiscal year 2016 were \$32.4 million, a decrease of \$22.7 million or 41.2 percent from fiscal year 2015. This decrease is primarily due to the reclassification of congestion management capital project expenditures to capital outlay for the purchase and implementation of the I-580 express lanes revenue system when the toll lanes became operational in February 2016.

During fiscal year 2016, revenues exceeded expenses by \$139.7 million resulting in an increase to net position to \$283.1 million as of June 30, 2016.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2016

Condensed Statement of Changes in Net Position June 30, 2016 and 2015

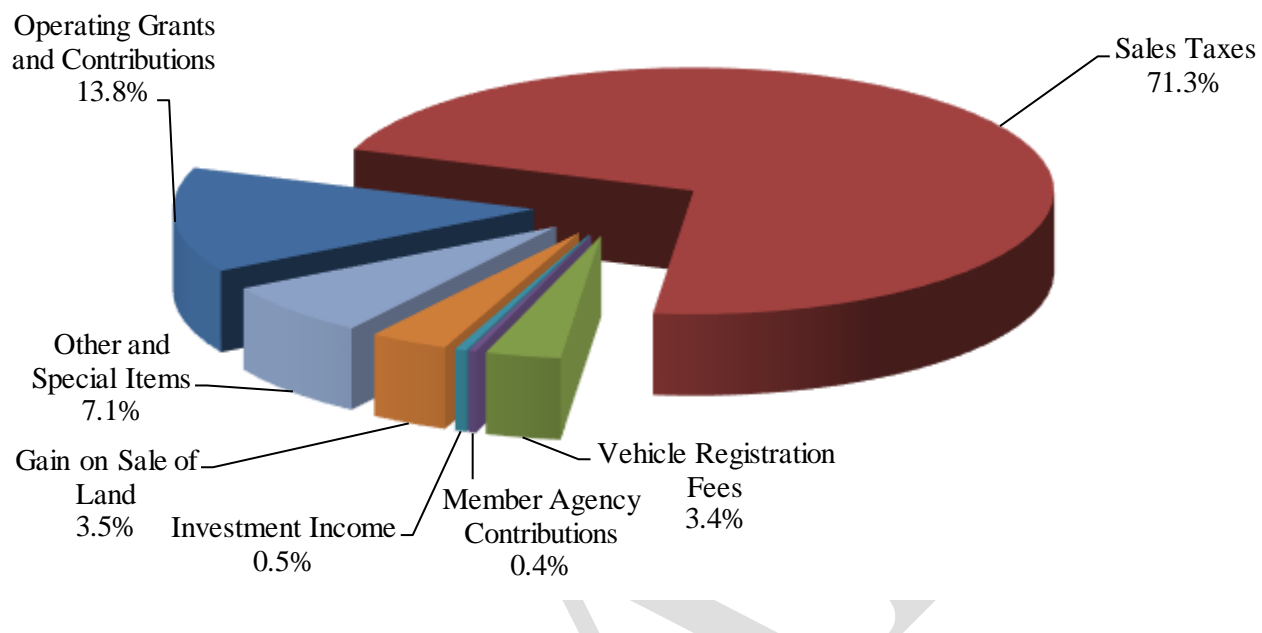
	Governmental Activities	
	2016	2015
Revenues and special items		
Program revenues:		
Operating grants and contributions	\$ 53,087,661	\$ 46,144,569
General revenues:		
Sales taxes	274,797,697	164,496,789
Vehicle registration fees	13,020,822	12,929,589
Member agency contributions	1,394,818	1,394,818
Investment income	1,988,371	913,416
Gain on sale of land	13,641,051	-
Other and special items	27,257,826	141,507
Total Revenues	385,188,246	226,020,688
Expenses		
Administration	17,189,024	13,869,399
Interest expense	3,159,367	3,184,830
Transportation improvements	192,752,798	189,982,051
Congestion management	32,360,073	55,012,153
Total Expenses	245,461,262	262,048,433
Change in Net Position	139,726,984	(36,027,745)
Net Position, Beginning of Year	143,405,816	179,433,561
Net Position, End of Year	\$ 283,132,800	\$ 143,405,816

ALAMEDA COUNTY TRANSPORTATION COMMISSION

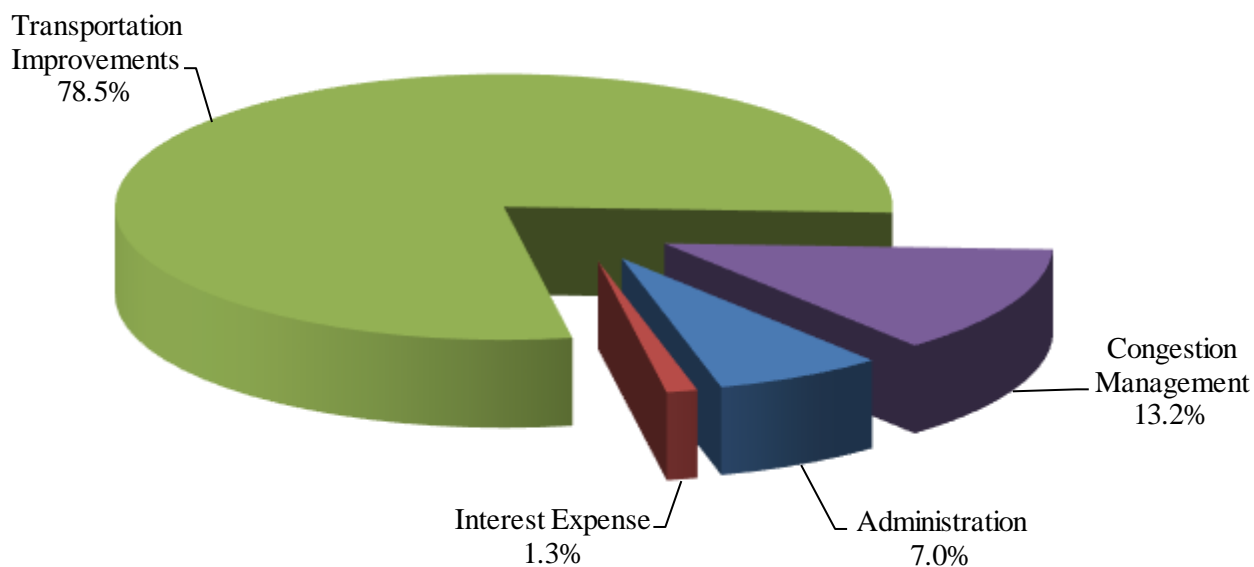
MANAGEMENT'S DISCUSSION AND ANALYSIS

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Revenues



Expenses



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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Governmental Funds Financial Analysis

Alameda CTC uses fund accounting to ensure compliance with finance-related legal requirements. Governmental funds include the General Fund, 2000 Measure B Special Revenue Fund, 2014 Measure BB Special Revenue Fund, Exchange Fund, 2000 Measure B Capital Projects Fund, 1986 Measure B Capital Projects Fund, Congestion Management Capital Projects Fund, 2014 Measure BB Capital Projects Fund, and the nonmajor funds including the Transportation Fund for Clean Air, Vehicle Registration Fee Fund, I-580 Express Lanes Operations Fund, and Debt Service Fund.

As of June 30, 2016, Alameda CTC had \$390.7 million of fund balance in the governmental funds: \$38.2 million in the General Fund, \$15.3 million in the 2000 Measure B Special Revenue Fund, \$18.6 million in the 2014 Measure BB Special Revenue Fund, \$5.1 million in the Exchange Fund, \$84.3 million in the 2000 Measure B Capital Projects Fund, \$137.3 million in the 1986 Measure B Capital Projects Fund, \$51.4 million in the 2014 Measure BB Capital Projects Fund and \$40.6 million in the nonmajor governmental funds. This is an increase over June 30, 2015 of \$92.8 million or 31.2 percent. This increase is mostly related to sales tax collections for the new Measure BB which covered an entire fiscal year as compared to the partial fiscal year of collections for fiscal year 2014-15.

For the period July 1, 2015 through June 30, 2016, Alameda CTC had \$357.9 million of revenues and other financing sources in the governmental funds: \$21.5 million in the General Fund, \$78.8 million in the 2000 Measure B Special Revenue Fund, \$87.1 million in the 2014 Measure BB Special Revenue Fund, \$3.6 million in the Exchange Fund, \$47.4 million in the 2000 Measure B Capital Projects Fund, \$14.5 million in the 1986 Measure B Capital Projects Fund, \$34.5 million in the Congestion Management Capital Projects Fund, \$45.2 million in the 2014 Measure BB Capital Projects Fund, and \$25.2 million in the nonmajor governmental funds. This is an increase over June 30, 2015 of \$136.0 million or 61.3 percent. This increase is mostly attributed to an increase in sales tax revenues from Measure BB. In addition, the 1986 Measure B Capital Projects Fund recognized a gain from the sale of real property in October, 2015.

For the period July 1, 2015 through June 30, 2016, Alameda CTC had \$265.0 million of expenditures in the governmental funds: \$12.9 million in the General Fund, \$76.1 million in the 2000 Measure B Special Revenue Fund, \$71.5 million in the 2014 Measure BB Special Revenue Fund, \$3.5 million in the Exchange Fund, \$42.2 million in the 2000 Measure B Capital Projects Fund, \$3.3 million in the 1986 Measure B Capital Projects Fund, \$34.5 million in the Congestion Management Capital Projects Fund, \$2.7 million in the 2014 Measure BB Capital Projects Fund, and \$18.3 million in the nonmajor governmental funds. This is a slight increase over June 30, 2015 which had \$264.9 million of expenditures. This change is primarily due to an increase in 2014 Measure BB capital project expenditures as Measure BB gets underway and began funding more projects as outlined in the 2014 TEP while Measure B capital projects began to wind down.

As of June 30, 2016, the Alameda CTC had \$525.1 million of assets in the governmental funds: \$52.5 million in the General Fund, \$28.5 million in the 2000 Measure B Special Revenue Fund, \$30.4 million in the 2014 Measure BB Special Revenue Fund, \$30.6 million in the Exchange Fund, \$113.6 million in the 2000 Measure B Capital Projects Fund, \$139.6 million in the 1986 Measure B Capital Projects Fund, \$30.3 million in the Congestion Management Capital Projects Fund, \$55.1 in the 2014 Measure BB Capital Projects Fund, and \$44.6 million in the nonmajor governmental funds. This is an increase of \$53.8 million or 11.4 percent over June 30, 2015. This increase is mostly attributed to the full year of sales tax collections for Measure BB.

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As of June 30, 2016, Alameda CTC had \$134.5 million of liabilities and deferred inflows in the governmental funds: \$14.3 million in the General Fund, \$13.2 million in the 2000 Measure B Special Revenue Fund, \$11.8 in the 2014 Measure BB Special Revenue Fund, \$25.6 million in the Exchange Fund, \$29.3 million in the 2000 Measure B Capital Projects Fund, \$2.3 million in the 1986 Measure B Capital Projects Fund, \$30.3 million in the Congestion Management Capital Projects Fund, \$3.7 million in the 2014 Measure BB Capital Projects Fund, and \$4.0 million in the nonmajor governmental funds. This is a decrease of \$39.0 million or 22.5 percent from June 30, 2015. This decrease is primarily due to a decrease in 2000 Measure B capital project expenditure accruals of some major projects that are winding down, including the BART to Warm Springs project.

Capital Assets

As of June 30, 2016, Alameda CTC had \$44,850,165 invested in capital assets, including furniture and equipment, leasehold improvements and a toll lane revenue system on the I-580 Express Lanes.

Capital Assets
(net of accumulated depreciation and amortization)
As of June 30, 2016 and 2015

	2016	2015
Furniture and equipment (net of accumulated depreciation)	\$ 401,583	\$ 189,637
Leasehold improvements (net of accumulated amortization)	295,375	326,366
Toll lane revenue system (net of accumulated amortization)	44,153,207	-
Total	<u>\$ 44,850,165</u>	<u>\$ 516,003</u>

Debt

Alameda CTC issued Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014 in March 2014 of which a par value of \$137.1 million remains outstanding as of June 30, 2016. The pledge to secure the bonds is sales tax revenues, and Alameda CTC has a trustee who maintains the bond funds. This was the first bond issuance for the agency therefore Alameda CTC also received its ratings from Standard & Poor's Rating Services and Fitch Ratings for the first time in fiscal year 2014. Alameda CTC received a AAA rating from both rating agencies and remains AAA rated through fiscal year ended 2016. The AAA rating was affirmed by Fitch Ratings in December 2015. For more information on the agencies debt activity, please refer to note #5 to the financial statements.

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Comparison of Budget to Actual

General Fund – Alameda CTC began the fiscal year with an adopted revenue budget of \$26.1 million, an expenditures budget of \$19.1 million and a budgeted transfer in the amount of \$0.3 million resulting in an increase in the General Fund balance of \$7.3 million. In the final adopted budget, the revenue budget was revised to \$23.8 million, the expenditure budget was revised to \$16.7 million and the transfer in was revised slightly, but remained at \$0.3 million resulting in no change to the projected surplus in the General Fund of \$7.3 million. The decrease in revenues was mostly related to project revenues which directly correlates to the decrease in planning and programming expenditures since many planning and programming expenditures are funded on a reimbursement basis.

Actual revenues from sales tax, project revenues, member agency contributions, investment income and other were \$20.9 million which is less than the final adopted budget by \$2.8 million or 12.0 percent and actual administrative expenditures were \$12.9 million which is less than final adopted budget by \$3.8 million or 23.0 percent. These variances are mostly related to planning and programming activities in the General Fund which are billed to funding agencies on a reimbursement basis. Since expenditures were below budget, consequently so were revenues.

Other Significant Matters

Measure BB – In November 2014, Alameda CTC placed Measure BB on the ballot for Alameda County. Measure BB, a sales tax measure that would augment and extend the county's existing half-cent transportation sales tax, was supported by the 2014 TEP. Because it was a special tax, Measure BB required two-thirds or 66.67 percent voter approval to pass. Alameda County voters supported Measure BB overwhelmingly with 70.76 percent of their votes. Measure BB passed by a significant majority and will provide Alameda County with \$7.8 billion in funding over the next 30 years to increase mobility, create jobs, reduce congestion and protect the environment. The 2014 TEP responds to the many transportation needs in Alameda County by providing details of how the funds will be used to restore and expand transit services, fix potholes and manage highway congestion, expand bicycle and pedestrian access and connect transit with housing and jobs.

Comprehensive Investment Plan – Alameda CTC developed a new strategic planning document, the Comprehensive Investment Plan (CIP), in fiscal year 2014-15. The CIP is a five-year programming document with a two year allocation plan that integrates existing planning and programming practices performed by Alameda CTC into a single streamlined strategic planning and programming document that identifies short and long-term transportation solutions. The CIP translates long-range plans into short-range implementation by establishing a list of short-range priority transportation improvements to enhance and maintain Alameda County's transportation system. In addition, the CIP identifies anticipated transportation funding over a five-year period, and strategically matches these funding sources to targeted transportation priorities. The CIP is a dynamic document that will be periodically updated to address changing transportation needs, revenue projections, available funding sources, and policy changes. The CIP will ensure that public funds are strategically invested in projects and programs that provide public benefits, advance the development of projects and programs to construction and implementation, and support leveraging of regional, state and federal dollars for Alameda County's priority transportation projects and programs. With the passage of Measure BB in fiscal year 2014-15, Alameda CTC was swift to integrate new Measure BB funding into the first CIP so that project sponsors of projects supported in the 2014 TEP could begin the required scoping work in order to get their projects shovel ready and create jobs in Alameda County more quickly. Many of the projects that were provided initial Measure BB scoping funds are now eligible to receive funding for future project phases through the 2018 CIP process.

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Planning Efforts – During fiscal year 2015-16, Alameda CTC completed several significant planning efforts resulting in the adoption of four major planning studies that set the course for multi-modal investments and priorities through 2040. These include the first-ever Goods Movement Plan in Alameda County that raised the level of planning in the region for goods movement; a countywide transit plan that identified a market based approach to new investments in transit throughout the county; the first-ever in the nation county multi-modal arterials plan that specifically links land use and transportation and identifies improvements on arterials to support complete streets (investments for walking, biking, vehicles, transit and goods movement deliveries); and the long-range countywide transportation plan that is being incorporated into the regional plan for future fund programming actions.

Assembly Bill 1919 – In fiscal year 2015-16, Alameda CTC was the sponsor agency for AB1919 in California which was signed by the Governor in September 2016 and becomes law in January 2017. AB1919 changed language in enabling legislation for transportation authorities in California to allow the proceeds from premiums received from the sale of debt to be used for the purpose for which the debt is incurred. The changes support more effective use of public funds at an overall lower cost when California sales tax authorities seek financing for transportation infrastructure projects.

Affordable Student Transit Pass Program – During fiscal year 2015-16, Alameda CTC developed and implemented an Affordable Student Transit Pass Program which started this 2016-17 school year and is being piloted in middle schools and high schools in Alameda County. This pilot program provides a vital opportunity to assess student transportation needs in the county and develop an approach to meet those needs through implementation of a pass program. Under this program, passes are delivered to schools approved by the Commission for use by students on various transit systems that provide transit services near their schools. Passes are distributed to students for a discounted price or at no charge. Students can use the pass for any trip, including afterschool activities, school fieldtrips, and to access job locations in Alameda County. This pilot program is identified in the 2014 TEP and is funded by Measure BB.

Proposition 1B I-Bond Projects – In 2006, Alameda CTC aggressively pursued additional funding from the Proposition 1B Program for vital highway projects throughout Alameda County. Alameda CTC worked with the Metropolitan Transportation Commission to submit recommendations for various Alameda County projects to the California Transportation Commission (CTC). As a result of these efforts, eight Alameda CTC highway projects received Proposition 1B funding. Since the merger of the agencies, the Projects and Programming staff have worked diligently to ensure that each of these projects were shovel ready in order to receive CTC approval for the I-Bond funds before the funding timeframe expired. Alameda CTC has successfully secured a total of \$447.2 million in Proposition 1B Bond funding for eight projects with a total program value of \$1.14 billion. In fiscal year 2015-16, five additional projects were opened to traffic. Of particular significance is the I-580 HOV/Express Lanes which, with its completion, fully delivers all work in the I-580 Corridor. Two projects remain and are anticipated to be open to traffic in fiscal year 2016-17.

Requests for Information

This financial report is designed to provide a general overview of Alameda CTC's finances and to demonstrate accountability for the public funds that Alameda CTC oversees. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department at 1111 Broadway, Suite 800, Oakland, CA 94607.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

STATEMENT OF NET POSITION JUNE 30, 2016

	Governmental Activities
ASSETS	
Cash and investments	\$ 419,050,545
Sales tax receivable	46,955,548
Interest receivable	860,004
Other receivable	21,542,467
Prepays and other assets	201,174
Net OPEB asset	78,378
Capital assets, net of accumulated depreciation	44,850,165
Total Assets	533,538,281
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows from pension activities	1,157,317
LIABILITIES	
Accounts payable and accrued liabilities	49,942,881
Interest payable	1,900,450
Unearned revenues	43,605,275
Noncurrent liabilities	
Current portion of long term liabilities	23,311,982
Due within more than one year	128,437,619
Pension liability	3,931,433
Total Liabilities	251,129,640
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows from pension activities	433,158
NET POSITION	
Investment in capital assets	44,850,165
Restricted	
Local programs	34,586,049
Capital projects	124,660,946
Transportation fund for clean air	5,416,522
Vehicle registration fees	16,981,130
Debt service	14,247,927
I-580 express lanes operations	2,033,206
Unrestricted	40,356,855
Total Net Position	\$ 283,132,800

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

ALAMEDA COUNTY TRANSPORTATION COMMISSION

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position
			Total Governmental Activities
Governmental Activities			
Administration	\$ 17,189,024	\$ -	\$ (17,189,024)
Transportation improvement	192,752,798	1,812,833	(190,939,965)
Congestion management	32,360,073	51,274,828	18,914,755
Interest expense	3,159,367	-	(3,159,367)
Total Governmental Activities	245,461,262	53,087,661	(192,373,601)
General revenues			
Sales tax revenues			274,797,697
Vehicle registration fees			13,020,822
Member agency contributions			1,394,818
Interest and investment earnings			1,988,371
Gain on sale of land			13,641,051
Other revenues			142,104
<i>Special item - I-580 express lanes asset transfer</i>			27,115,722
Total, general revenues and special items			332,100,585
Change in Net Position			139,726,984
Net Position - Beginning			143,405,816
Net Position - Ending			\$ 283,132,800

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

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ALAMEDA COUNTY TRANSPORTATION COMMISSION

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2016

	General Fund	2000 Measure B Special Revenue Fund	2014 Measure BB Special Revenue Fund	Exchange Fund
ASSETS				
Cash and investments	\$ 43,473,905	\$ 15,699,869	\$ 16,739,064	\$ 20,229,500
Sales tax receivable	2,187,220	12,552,200	13,639,649	-
Interest receivable	51,444	15,400	15,559	19,600
Other receivable	5,332,076	235,163	-	-
Due from other funds	1,387,077	16,437	-	-
Prepays and other assets	71,604	-	-	-
Advances to other funds	-	-	-	10,385,900
Total Assets	\$ 52,503,326	\$ 28,519,069	\$ 30,394,272	\$ 30,635,000
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 3,041,572	\$ 12,653,276	\$ 11,295,027	\$ 60,062
Due to other funds	12,013	378,989	-	2,344,312
Unearned revenue	26,534	-	-	23,169,187
Advances from other funds	10,824,395	-	-	-
Total Liabilities	13,904,514	13,032,265	11,295,027	25,573,561
Deferred Inflows of Resources				
Unavailable revenue	369,199	203,293	507,652	-
Fund Balances				
Nonspendable	71,604	-	-	-
Restricted				
Local programs	-	15,283,511	18,591,593	-
Capital projects	-	-	-	-
Transportation fund for clean air	-	-	-	-
Vehicle registration fees	-	-	-	-
I-580 express lanes operations	-	-	-	-
Debt service	-	-	-	-
Assigned - exchange program	-	-	-	5,061,439
Unassigned	38,158,009	-	-	-
Total Fund Balances	38,229,613	15,283,511	18,591,593	5,061,439
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 52,503,326	\$ 28,519,069	\$ 30,394,272	\$ 30,635,000

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

2000 Measure B Capital Projects Fund	1986 Measure B Capital Projects Fund	Congestion Management Capital Projects Fund	2014 Measure BB Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 102,790,397	\$ 129,292,913	\$ 10,861,625	\$ 46,026,360	\$ 33,936,912	\$ 419,050,545
9,904,496	-	-	8,671,983	-	46,955,548
340,925	273,827	20,380	56,516	66,353	860,004
157,524	15,754	11,933,284	295,496	3,573,170	21,542,467
308,012	-	7,435,136	-	6,997,517	16,144,179
125,000	4,570	-	-	-	201,174
-	10,000,000	-	-	-	20,385,900
<u>\$ 113,626,354</u>	<u>\$ 139,587,064</u>	<u>\$ 30,250,425</u>	<u>\$ 55,050,355</u>	<u>\$ 44,573,952</u>	<u>\$ 525,139,817</u>
\$ 8,232,771	\$ 1,228,756	\$ 7,678,953	\$ 2,196,024	\$ 3,556,440	\$ 49,942,881
11,877,587	1,093,001	-	-	438,277	16,144,179
7,583,203	-	12,826,351	-	-	43,605,275
-	-	9,561,505	-	-	20,385,900
<u>27,693,561</u>	<u>2,321,757</u>	<u>30,066,809</u>	<u>2,196,024</u>	<u>3,994,717</u>	<u>130,078,235</u>
1,637,532	-	183,616	1,485,774	-	4,387,066
125,000	4,570	-	-	-	201,174
-	-	-	-	-	33,875,104
84,170,261	137,260,737	-	51,368,557	-	272,799,555
-	-	-	-	5,416,522	5,416,522
-	-	-	-	16,981,130	16,981,130
-	-	-	-	2,033,206	2,033,206
-	-	-	-	16,148,377	16,148,377
-	-	-	-	-	5,061,439
-	-	-	-	-	38,158,009
<u>84,295,261</u>	<u>137,265,307</u>	<u>-</u>	<u>51,368,557</u>	<u>40,579,235</u>	<u>390,674,516</u>
<u>\$ 113,626,354</u>	<u>\$ 139,587,064</u>	<u>\$ 30,250,425</u>	<u>\$ 55,050,355</u>	<u>\$ 44,573,952</u>	<u>\$ 525,139,817</u>

ALAMEDA COUNTY TRANSPORTATION COMMISSION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2016

Total Fund Balances on Governmental Funds' Balance Sheet	\$ 390,674,516
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Long-term receivables are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in governmental funds.	4,387,066
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	44,850,165
Bonds are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(151,575,101)
The interest due on long-term obligations is not reported as a liability in the governmental funds but is reported on the Statement of Net Position.	(1,900,450)
Net pension liability and related deferred inflows and outflows are not due and payable in the current period and, therefore, are not reported as a liability in the governmental funds.	(3,207,274)
Compensated absences are a long term liability and, therefore, are not reported on the Governmental Funds' Balance Sheet.	(174,500)
The net OPEB asset is not recorded in the governmental funds.	78,378
Net position on Statement of Net Position:	<u><u>\$ 283,132,800</u></u>

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

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ALAMEDA COUNTY TRANSPORTATION COMMISSION

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	2000 Measure B Special Revenue Fund	2014 Measure BB Special Revenue Fund	Exchange Fund
REVENUES				
Sales tax - 2000 Measure B	\$ 6,178,050	\$ 78,536,056	\$ -	\$ -
Sales tax - 2014 Measure BB	5,491,853	-	87,038,442	-
Project revenue	7,608,451	250,405	-	3,579,439
Member agency contributions	1,394,818	-	-	-
Vehicle registration fees	-	-	-	-
Investment income	152,244	46,221	30,847	69,323
Toll revenue	-	-	-	-
Other income	121,096	9,823	9,423	-
Total Revenues	20,946,512	78,842,505	87,078,712	3,648,762
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	2,804,105	110,768	275,545	-
Office rent	769,761	-	-	-
Professional services	2,358,971	1,113,060	1,056,947	-
Operations and maintenance	-	-	-	-
Planning and programming	5,995,874	-	-	-
Other	939,806	(10,621)	9,422	-
Transportation improvements				
Highways and streets	-	-	-	-
Public transit	-	39,794,660	40,079,979	-
Local transportation	-	35,097,501	30,095,276	-
Congestion management	-	-	-	3,516,872
Debt service				
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	12,868,517	76,105,368	71,517,169	3,516,872
EXCESS OF REVENUES OVER EXPENDITURES	8,077,995	2,737,137	15,561,543	131,890
OTHER FINANCING SOURCES (USES)				
Gain on sale of land	-	-	-	-
Transfer in	552,181	-	-	-
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	552,181	-	-	-
NET CHANGE IN FUND BALANCES	8,630,176	2,737,137	15,561,543	131,890
Fund Balances - Beginning	29,599,437	12,546,374	3,030,050	4,929,549
Fund Balances - Ending	\$ 38,229,613	\$ 15,283,511	\$ 18,591,593	\$ 5,061,439

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

2000 Measure B Capital Projects Fund	1986 Measure B Capital Projects Fund	Congestion Management Capital Projects Fund	2014 Measure BB Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 52,575,891	\$ -	\$ -	\$ -	\$ -	\$ 137,289,997
-	-	-	44,766,019	-	137,296,314
1,268,364	-	35,022,745	294,064	2,093,757	50,117,225
-	-	-	-	-	1,394,818
-	-	-	-	13,020,822	13,020,822
502,309	884,531	9,370	125,992	167,534	1,988,371
-	-	-	-	2,970,436	2,970,436
-	1,762	-	-	-	142,104
54,346,564	886,293	35,032,115	45,186,075	18,252,549	344,220,087
87,169	128,030	77,924	-	21,352	3,504,893
-	104,967	-	-	-	874,728
-	125,630	-	-	74,418	4,729,026
-	-	-	-	837,467	837,467
-	-	-	-	-	5,995,874
20,967	94,651	-	-	172,159	1,226,384
25,820,834	2,870,958	-	1,760,211	-	30,452,003
13,438,319	-	-	286,771	-	93,599,729
2,866,590	-	-	641,699	-	68,701,066
-	-	16,555,528	-	11,463,646	31,536,046
-	-	-	-	5,701,349	5,701,349
-	-	17,861,512	-	-	17,861,512
42,233,879	3,324,236	34,494,964	2,688,681	18,270,391	265,020,077
12,112,685	(2,437,943)	537,151	42,497,394	(17,842)	79,200,010
-	13,641,051	-	-	-	13,641,051
-	-	-	-	6,923,333	(7,475,514)
(6,923,333)	-	(537,151)	-	(15,030)	7,475,514
(6,923,333)	13,641,051	(537,151)	-	6,908,303	13,641,051
5,189,352	11,203,108	-	42,497,394	6,890,461	92,841,061
79,105,909	126,062,199	-	8,871,163	33,688,774	297,833,455
\$ 84,295,261	\$ 137,265,307	\$ -	\$ 51,368,557	\$ 40,579,235	\$ 390,674,516

ALAMEDA COUNTY TRANSPORTATION COMMISSION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ 92,841,061
Amounts reported for governmental activities in the Statement of Activities are different because:	
Amortization of bond premiums is recorded on the Statement of Activities, but does not impact the Governmental Funds Statement of Revenues, Expenditures, and Change in Fund Balances.	2,541,982
Capital outlays are reported in the governmental funds as expenditures. However, they are capitalized on the Statement of Net Position and allocated over the estimated useful life of the asset as depreciation. This is the amount by which capital outlays exceeded depreciation expense in the period.	44,334,162
Unavailable revenues in the Statement of Activities do not provide current financial resources and are not reported as revenues in the governmental funds' statements.	211,386
In the governmental funds, pension costs are based on employer contributions made to the pension plan during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.	(105,485)
In the Statement of Activities, certain operating expenses, such as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(174,500)
The excess contribution to the OPEB trust is an expense on the governmental funds, but is an asset on the entity-wide statements.	78,378
Change in net position of governmental activities	<u><u>\$ 139,726,984</u></u>

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

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1 – REPORTING ENTITY

The Alameda County Transportation Authority (ACTA) was created by the approval of Measure B in November 1986. Measure B authorized the imposition of a one-half of one percent sales and use tax in the County. The proceeds are principally reserved for highway improvements, local transportation improvements, and transit funding 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 to a project sponsor. Revenues from interest on the fund balance are estimated to be substantial enough 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.

The Alameda County Board of Supervisors created the Alameda County Transportation Improvement Authority (ACTIA) in 1998, to place a ballot measure which would 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 the required two-thirds voter support to pass. Subsequently 2000 Measure B was placed on the November 2000 ballot, and was approved by 81.5 percent of voters. The proceeds from the sales tax are principally reserved for highway infrastructure, mass transit, and local transportation in the County, and administrative costs. The sales tax commenced April 1, 2002 and will expire on March 31, 2022.

In June 1990, California voters approved a fuel tax increase as part of Propositions 111 and 108. To receive a share of the fuel tax revenues, local governments must conform to a Congestion Management Program (CMP). A Joint Powers Agreement dated February 20, 1991 between Alameda County, all fourteen incorporated cities in the County, and four transit operators (the Member Agencies) created the Alameda County Congestion Management Agency (ACCMA). The ACCMA was responsible for preparing, adopting, revising, amending, administering, and implementing the CMP and the Countywide Transportation Plan (CWTP) for Alameda County pursuant to §65088 at seq. of the Government Code, and providing other transportation planning and programming functions.

On March 25, 2010, ACTIA, ACCMA, the County of Alameda, the fourteen incorporated cities within Alameda County, the Bay Area Rapid Transit District, and the Alameda-Contra Costa Transit District entered into a Joint Powers Agreement. On June 24, 2010, the Boards of ACTIA and ACCMA created a joint powers agency, pursuant to the California Joint Exercise of Powers Act, known as Alameda County Transportation Commission (Alameda CTC). Alameda CTC is the successor agency of ACCMA and ACTIA. On June 24, 2010, the ACTA Board adopted a resolution to transfer all of ACTA's assets, responsibilities, functions, and liabilities to ACTIA, effective on July 1, 2010. ACTA was dissolved and extinguished effective July 1, 2010, following the transfer.

On February 23, 2012, at a joint meeting, the ACTIA and the ACCMA Boards of Directors adopted a resolution to transfer all of ACTIA's and ACCMA's assets, responsibilities, functions, and liabilities to Alameda CTC effective March 1, 2012.

In November 2012, Alameda CTC placed Measure B1 on the ballot for Alameda County which would augment and extend the current Measure B by one-half of one percent and in perpetuity. This measure was just short of passing having received 66.53 percent voter approval when two-thirds was required to pass. Alameda CTC returned to the voters in November 2014 with Measure BB which would augment and extend the current Measure B by one-half of one percent for 30 years. Alameda County voters supported Measure BB overwhelmingly with 70.76 percent of their votes. Measure BB passed by a significant majority and will provide Alameda County with \$7.8 billion in funding over 30 years beginning April 1, 2015 to increase mobility, create jobs, reduce congestion and protect the environment.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

The 2014 Transportation Expenditure Plan (TEP) supports Measure BB and responds to the many transportation needs in Alameda County by providing details of how the funds will be used to restore and expand transit services, fix potholes and reduce highway congestion, expand bicycle and pedestrian access and connect transit with housing and jobs.

Alameda CTC's mission is to plan, fund and deliver a broad spectrum of transportation projects and programs to enhance mobility throughout Alameda County. Each of the projects and programs sponsored by Alameda CTC is funded through one or more federal, state, regional or local sources. Alameda CTC is reimbursed from grants as eligible program or project implementation costs are incurred. Administrative and staff costs associated with implementing the legislatively mandated activities, such as the Congestion Management Program and the Countywide Transportation Plan, as well as the programming of federal and state transportation funds through the California Department of Transportation (Caltrans) and the California Transportation Commission are met through planning and programming grants from the Metropolitan Transportation Commission and Caltrans, member agency annual contributions and other local funding sources.

Alameda CTC is governed by a twenty-two member Commission made up of five members of the Alameda County Board of Supervisors, two members representing the City of Oakland, 13 members each representing one of the other 13 incorporated cities in Alameda County, one member representing the Bay Area Rapid Transit District and one member representing Alameda-Contra Costa Transit District. Two community advisory committees including the Bicycle and Pedestrian Advisory Committee and the Paratransit Advisory and Planning Committee extend Alameda CTC's work. Alameda CTC also has an Independent Watchdog Committee (formerly the Citizen's Watchdog Committee) which reports directly to the public regarding spending of Measure B and Measure BB funds, and the Alameda County Technical Advisory Committee continues to provide technical feedback to Alameda CTC.

These financial statements present the results of financial operations of Alameda CTC as of June 30, 2016 and for the fiscal year then ended.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Government-wide and Fund Financial Statements

The government-wide financial statements report information on all activities of Alameda CTC. The effect of inter-fund receivables and payables is eliminated from these statements.

The Statement of Net Position and the Statement of Activities are prepared using the economic 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 taxes are due from the State Board of Equalization. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Statement of Activities demonstrates the degree to which direct expenses are offset by program revenues. Direct expenses are those that are clearly identifiable with Alameda CTC's primary functions. Program revenues consist of grants and contributions that are restricted to meeting operational requirements. Interest and other revenues not included in program revenues are reported as general revenues.

Governmental funds in the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures and Change in Fund Balances, are reported in separate columns in the fund financial statements. Nonmajor funds are summarized and presented in one column of the fund financial statements.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Fund Financial Statements

Alameda CTC uses the following funds:

General Fund – The General Fund is the general operating fund of Alameda CTC. Its purpose is to account for all financial resources and transactions not accounted for in another fund. Included in the General Fund are three subfunds, one that accounts for administration costs related to the 2000 Measure B Sales Tax Program (Measure B), which is limited to 4.5 percent of Measure B net revenues, one that accounts for administration costs related to the 2014 Measure BB Sales Tax Program (Measure BB), which is limited to 4.0 percent of Measure BB net revenues, and one that accounts for congestion management related administration costs. Administration costs include salaries, benefits, professional fees, rent expense, office supplies and equipment, utilities, and other costs that cannot be specifically identified with another fund. Administrative salaries and benefits in support of Measure B and Measure BB are limited by the TEPs to one percent of sales tax revenues and by the Public Utilities Code (PUC) to one percent of funds generated. Revenues in excess of administrative expenditures in any one year are reserved for future administrative costs.

Special Revenue Funds – Special Revenue Funds are established to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities and that compose a substantial portion of the inflows of the fund. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

2000 Measure B Special Revenue Fund – The 2000 Measure B Special Revenue Fund accounts for sales tax revenues accumulated as required by Measure B for restricted allocation to local cities and the County for local transportation improvements, streets and roads, and transit agencies for operations and maintenance and for the implementation of other programs and projects authorized in the Measure B TEP. The major source of revenue for this fund is Measure B sales tax.

2014 Measure BB Special Revenue Fund – The 2014 Measure BB Special Revenue Fund accounts for sales tax revenues accumulated as required by Measure BB for restricted allocation to local cities and the County for local transportation improvements, streets and roads, and transit agencies for operations and maintenance and for the implementation of other programs and projects authorized in the Measure BB TEP. The major source of revenue for this fund is Measure BB sales tax.

Exchange Fund – The Exchange Fund accounts for the proceeds and expenditures of Alameda CTC's Exchange Program, which is described in more detail in Note 6.

Nonmajor Transportation Fund for Clean Air – Alameda County has a four-dollar per vehicle registration fee to support projects of the Bay Area Air Quality Management District (BAAQMD). Of the total collections, BAAQMD passes 40 percent of the proceeds to Alameda CTC, which is tasked with programming the revenues to various pollution reducing projects within Alameda County. The Transportation Fund for Clean Air (TFCA) accounts for this activity.

Nonmajor Vehicle Registration Fee Fund – The Vehicle Registration Fee Fund accounts for the Measure F Vehicle Registration Fee (VRF) Program which was approved by the voters of Alameda County in November 2010. Collection of the \$10 per year vehicle registration fee started in the first week of May 2011. The goal of the VRF program is to sustain the County's transportation network and reduce traffic congestion and vehicle related pollution.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Nonmajor I-580 Express Lanes Operations Fund – The I-580 Express Lanes Operations Fund accounts for toll revenues collected from patrons for use of the express lanes as well as expenditures incurred to operate and maintain the express lanes. Operations of the express lanes began in February 2016 as the outcome of a series of Alameda CTC capital projects which planned, designed, and constructed the lanes to alleviate traffic in the I-580 corridor in Alameda County.

Capital Project Funds – Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to the acquisition, or construction of major capital construction and other capital assets. Alameda CTC uses the following capital projects funds:

2000 Measure B Capital Projects Fund – The 2000 Measure B Capital Projects Fund accounts for resources accumulated and expenditures incurred for the acquisition or construction of major capital improvements in accordance with the Alameda County 2000 Measure B 20-Year Transportation Expenditure Plan.

1986 Measure B Capital Projects Fund – The 1986 Measure B Capital Projects Fund accounts for expenditures incurred for the construction of major capital improvements in accordance with the 1986 Measure B Transportation Expenditure Plan.

Congestion Management Capital Projects Fund – The Congestion Management Capital Projects Fund accounts for proceeds and expenditures incurred related to the construction of capital improvement projects. These projects are implemented to reduce congestion or improve mobility in Alameda County.

2014 Measure BB Capital Projects Fund – The 2014 Measure BB Capital Projects Fund accounts for resources accumulated and expenditures incurred for the acquisition or construction of major capital improvements in accordance with the Alameda County 2014 Measure BB 30-Year Transportation Expenditure Plan.

Alameda CTC does not retain ownership of most assets produced in relation to capital improvements for which it provides funding through its Capital Project Funds. The assets and responsibility for maintenance are transferred to the sponsor or managing jurisdiction upon completion.

Nonmajor Debt Service Fund – The Debt Service fund is used to account for the accumulation of restricted, committed, or assigned resources for the payment of principal and interest on long-term debt.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are presented on a modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when they are both measurable and available. Measurable means the amount can be determined. Available means that they are collectible within the current period or soon thereafter to pay current liabilities. Alameda CTC considers revenues available if they are collected within six months after fiscal year end, except for sales tax revenues which are considered to be available if collected within 60 days. Expenditures are recorded when the related fund liability is incurred.

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The modified accrual basis of accounting uses the current financial resources measurement focus whereby the Balance Sheet generally presents only current assets and current liabilities and the Statement of Revenues, Expenditures, and Change in Fund Balances presents sources and uses of available resources during a given period. Sales tax revenue, grant revenues, member agency contributions, vehicle registration fees, investment income including the change in the fair value of investments, toll revenue, and other income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues in the current reporting period using the modified accrual basis of accounting.

Net Position

Net position is reported on the government-wide Statement of Net Position in the following categories:

Investment in capital assets – This category includes all capital assets net of accumulated depreciation. Alameda CTC has no capital related debt.

Restricted net position – This category represents assets with external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This category represents the net position of Alameda CTC that is not restricted for any project or other purpose.

When both restricted and unrestricted net positions are available, unrestricted resources are used only after the restricted resources are depleted.

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.

Governmental fund balances are classified in accordance with spending constraints imposed on the use of resources. For programs with multiple funding sources, Alameda CTC prioritizes and expends funds in the following order: Restricted, Assigned then Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint. The four classifications are discussed in more detail below:

Nonspendable – The nonspendable fund balance classification reflects amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

Assigned – The assigned fund balance classification reflects amounts that Alameda CTC intends to be used for specific purposes. Assignments may be established by the governing body by taking a formal action, and are not subject to the restricted or committed levels of constraint.

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Unassigned – The unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. The general fund is the only fund that reports a positive unassigned fund balance amount.

Restricted and assigned fund balances are required or earmarked to be used for transportation related projects and programs designed to reduce congestion or improve mobility in Alameda County.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, Alameda CTC considers restricted funds to have been spent first. When an expenditure is incurred for which assigned or unassigned fund balances are available, Alameda CTC considers amounts to have been spent first out of assigned funds and then unassigned funds, as needed, unless the governing board has directed otherwise in its commitment or assignment actions.

Use of Estimates

The preparation of basic 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 expenditures during the reporting period. Actual results could differ from those estimates.

Investments

Investments are stated at fair value. Included in investment income is the net change in the fair value of investments that consists of the realized gains or losses and the unrealized appreciation or depreciation of those investments. Measurement of the fair value of investments is based upon quoted market prices, if available. The estimated fair value of investments that have no quoted market price is determined based on equivalent yields for such securities or for securities of comparable maturity, quality, and type as obtained from market makers.

Alameda CTC recognizes the fair value measurement of its investments based on the hierarchy established by GAAP. The fair value hierarchy has three levels and is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Capital Assets

Capital assets, which include furniture and equipment, leasehold improvements, and toll revenue system equipment, are reported on the government-wide financial statements. Capital assets are recorded at cost where historical records are available and estimated historical costs where no historical costs exist. Assets purchased in excess of \$5,000 are capitalized if they have an expected life of one year or more. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' life are not capitalized.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the governmental-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the Statement of Net Position. The estimated life of office furniture and equipment is five years, leasehold improvements is the remaining term of the lease agreement and toll revenue system equipment varies from 15 to 20 years.

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Budget

Annual budgets are adopted on a basis consistent with GAAP. The Commission annually adopts a budget for all of its governmental funds using the modified accrual basis of accounting for the following fiscal year. The Commission may approve budget modifications during the year as needed. Expenditures that exceed the total approved budget by fund are not permitted without Commission approval.

The Executive Director is authorized to approve expenditures in excess of budgeted line items as long as the total expenditure budget within each of the governmental funds is not overspent. Appropriation authority lapses at the end of the fiscal year on the General, Special Revenue, Exchange and Debt Service Funds.

The Commission adopts a rolling Capital Projects Fund budget. Any unutilized capital project budget authority on a specific project is rolled to the next fiscal year. The Commission adopts increases as requested to the capital budget by individual project with the annual budget and may approve modifications during the year as needed. The Executive Director or his designee approves reimbursements to project sponsors, and reimbursements are not to exceed contract limits or fund amounts programmed in the Comprehensive Investment Plan.

Program Revenues

Amounts reported as program revenues include grants and contributions that are restricted to meeting the operational requirements of a particular function or segment and charges to customers who use services provided by a given function or segment. All sales tax revenues, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Alameda CTC's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences

Alameda CTC's policy permits employees to accumulate up to 10 weeks of accrued vacation from year to year depending on the number of years they have been employed by Alameda CTC or its predecessor agencies. The accrual for compensated absences as of June 30, 2016 is \$174,500. Alameda CTC is not obligated to pay for unused sick leave if an employee terminates employment prior to retirement or prior to when Alameda CTC ceases operations.

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Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate element represents a consumption of net position that applies to a future period and therefore will not be recognized as an expense until then. Alameda CTC reports deferred outflow from pension activities.

In addition to liabilities, the Statement of Net Position and Governmental Funds Balance Sheet report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and therefore will not be recognized as revenue until then. Alameda CTC reports deferred inflow from pension activities, sales tax revenues, and project revenues.

New Accounting Principles from the Governmental Accounting Standards Board (GASB)

GASB Statement No. 72 – In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. The primary objective of this statement is to define fair value and describe how fair value should be measured, define what assets and liabilities should be measured at fair value, and determine what information about fair value should be disclosed in the notes to the financial statements. The Statement is effective for periods beginning after June 15, 2015, or the fiscal year 2015-16. Alameda CTC has implemented the provisions of this statement as of June 30, 2016.

GASB Statement No. 73 – In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. The objective of this statement is to establish requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria. The requirements of the Statement that address accounting and financial reporting by employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements with periods beginning after June 15, 2016, or fiscal year 2016-17. Implementation of this pronouncement is not anticipated to impact Alameda CTC financial statements.

GASB Statement No. 74 – In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of the Statement is to address the financial reports of defined benefit Other Postemployment Benefit (OPEB) plans that are administered through trusts that meet specified criteria. The Statement requires more extensive note disclosures and required supplementary information related to the measurement of the OPEB liabilities for which assets have been accumulated. The Statement is effective for periods beginning after June 15, 2016, or the fiscal year 2016-17. Implementation of this pronouncement is not anticipated to impact Alameda CTC financial statements.

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The objective of the Statement is to replace the requirements of GASB Statement No. 45. In addition, the Statement requires governments to report a liability on the face of the financial statements for the OPEB provided and requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. The Statement is effective for the periods beginning after June 15, 2017, or the fiscal year 2017-18. Alameda CTC has not yet determined the effect of this Statement to its financial statements.

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GASB Statement No. 76 – In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of GAAP. The GAAP hierarchy consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Alameda CTC has implemented the provisions of this Statement as of June 30, 2016.

GASB Statement No. 77 – In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. The Statement requires state and local governments to disclose information about tax abatement agreements. The Statement is effective for the periods beginning after December 15, 2015, or the fiscal year 2016-17. Implementation of this pronouncement is not anticipated to impact Alameda CTC financial statements.

GASB Statement No. 78 – In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to provide guidance for reporting on pensions provided through certain multiple-employer defined benefit pension plans and for the state or local governmental employers whose employees are provided with such pensions. The Statement is effective for the periods beginning after December 15, 2015, or the fiscal year 2016-17. Implementation of this pronouncement is not anticipated to impact Alameda CTC financial statements.

GASB Statement No. 79 – In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. The Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The Statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The Statement establishes additional note disclosure requirements for qualifying external investment pools that require measurement of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Both the qualifying external investment pools and their participants are required to disclose information about any limitations or restrictions on participant withdrawals. The Statement is effective for the periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing which are effective for periods beginning after December 15, 2015. Alameda CTC has implemented the provisions of this Statement as of June 30, 2016, as applicable.

GASB Statement No. 80 – In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of the Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The Statement is effective for the reporting periods beginning after June 15, 2016, or the fiscal year 2016-17. Implementation of this pronouncement is not anticipated to impact Alameda CTC financial statements.

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GASB Statement No. 81 – In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of the Statement is to improve financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, the Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. The Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The Statement is effective for the reporting periods beginning after December 15, 2016, or the fiscal year 2017-2018. Implementation of this pronouncement is not anticipated to impact Alameda CTC financial statements.

GASB Statement No. 82 – In March 2016, GASB issued Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Alameda CTC has implemented the provisions of this Statement as of June 30, 2016.

NOTE 3 – CASH AND INVESTMENTS

Investment in the State Investment Pool – Alameda CTC is a participant in the Local Agency Investment Fund (LAIF) which is regulated by California government code §16429 under the oversight of the Treasurer of the State of California. The fair value of Alameda CTC's investments in the pool is reported in the accompanying financial statement at amounts based upon Alameda CTC's pro-rata share of the fair value provided by LAIF for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by LAIF, which is recorded on the amortized cost basis.

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

Alameda CTC mitigates the risk of investment loss as follows:

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. Alameda CTC's investments in the LAIF are not rated as of June 30, 2016. Investment ratings as determined by Standard & Poor's are as follows:

Investment Type	AAA	AA+	AA-	AA
US Agency Securities	\$ -	\$ 98,582,175	\$ -	\$ -
US Treasury Securities	-	67,720,235	-	-
Corporate Notes	4,509,968	2,003,680	11,859,830	7,019,865
LAIF	-	-	-	-
Total Investments	<u>\$ 4,509,968</u>	<u>\$ 168,306,090</u>	<u>\$ 11,859,830</u>	<u>\$ 7,019,865</u>

Investment Type	A+	A-	A	Not Rated	Total
US Agency Securities	\$ -	\$ -	\$ -	\$ -	\$ 98,582,175
US Treasury Securities	-	-	-	-	67,720,235
Corporate Notes	12,995,988	7,723,257	13,886,750	-	59,999,338
LAIF	-	-	-	150,354,082	150,354,082
Total Investments	<u>\$ 12,995,988</u>	<u>\$ 7,723,257</u>	<u>\$ 13,886,750</u>	<u>150,354,082</u>	<u>\$ 376,655,830</u>
Cash in bank				42,394,715	42,394,715
Total Cash and Investments				<u>\$ 192,748,797</u>	<u>\$ 419,050,545</u>

Custodial Credit Risk, Deposits – Custodial credit risk for deposits is the risk that, in the event of a bank failure, deposits may not be returned to Alameda CTC. Alameda CTC did not adopt a formal policy regarding custodial credit risk. 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 percent 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 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2016, a portion of Alameda CTC's bank balance, \$45,786,477 was exposed to custodial credit risk because it was uninsured. However, it was collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of Alameda CTC.

Custodial Credit Risk, Investments – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, Alameda CTC will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Alameda CTC investments are not exposed to custodial credit risk.

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

Concentration of Credit Risk – Concentration of credit risk is the risk attributable to the magnitude of investments with any single issuer. The investment policy of Alameda CTC, along with the California Government Code, contains no limitations on the amount that can be invested in Federal agency securities. Investments explicitly guaranteed by the US government are exempt from the concentration disclosure. Alameda CTC has the following investments exceeding five percent of the total investments in each single issuer:

Issuer	Investment Type	Reported Amount
Federal Home Loan Bank	Federal Agency Securities	\$ 36,656,547
Federal National Mortgage Association	Federal Agency Securities	30,040,678
Federal Home Loan Mortgage Corp	Federal Agency Securities	21,543,880

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. Alameda CTC generally 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 consistently over time as necessary to provide the cash flow and liquidity needed for operations.

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

Investment Type	12 Months or less	13 to 24 Months	Total
US Agency Securities	\$ 87,027,980	\$ 11,554,195	\$ 98,582,175
US Treasury Securities	49,281,466	18,438,769	67,720,235
Corporate Notes	39,223,008	20,776,330	59,999,338
LAIF	150,354,082	-	150,354,082
Total Investments	325,886,536	50,769,294	376,655,830
Cash in Bank	42,394,715	-	42,394,715
Total	\$ 368,281,251	\$ 50,769,294	\$ 419,050,545

As reported by the State Treasurer, the average life of an investment in the LAIF portfolio was 167 days on June 30, 2016.

Fair Value Measurements –Alameda CTC categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments in the LAIF Pool are uncategorized because deposits to and from the pool are made on the basis of \$1 and not at fair value.

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Alameda CTC has the following fair value measurements as of June 30, 2016:

Investment Type	Quoted Prices (Level I)	Observable Inputs (Level II)	Unobservable Inputs (Level III)	Total
Debt securities				
US Treasury Securities	\$ 66,477,048	\$ 1,243,187	\$ -	\$ 67,720,235
US Agency Securities	-	98,582,175	-	98,582,175
Corporate Bonds	-	59,999,338	-	59,999,338
	<u>\$ 66,477,048</u>	<u>\$ 159,824,700</u>	<u>\$ -</u>	<u>226,301,748</u>
LAIF				150,354,082
Cash				42,394,715
Total investments by fair value type				<u>\$ 419,050,545</u>

Policies and Practices – The following table presents investments with maximum maturity and minimum credit quality permitted by Alameda CTC’s investment policy, or California Government Code when more restrictive:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer	S&P Minimum Credit Quality
U.S Agency Securities	5 years	None	35%	None
U.S. Treasury Obligations	5 years	None	None	None
Commercial Paper	270 days	25%	5%	A1
Medium Term Corporate Notes of U.S. Corporations	5 years	30%	5%	A
Negotiable Certificates of Deposit	3 years	30%	5%	A
Money Market Mutual Funds	N/A	20%	5%	AAA
Government Money Market Mutual Funds	N/A	20%	10%	AAA
Local Agency Investment Fund	N/A	None	None	None
Banker's Acceptance	180 days	40%	5%	A1
Registered State Bonds, Notes, Warrants	5 years	10%	5%	A
Bonds of any of the other 49 states in addition to California	5 years	10%	5%	A
California Asset Management Program	N/A	5%	None	None
California Collateralized Time Deposits	1 year	10%	5%	None
Local Agency Bonds, Notes, Warrants	5 years	10%	5%	A
Repurchase Agreements	90 days	20%	None	None
Supranationals	5 years	10%	None	AA

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

NOTE 4 – CAPITAL ASSETS

Capital asset balances at June 30, 2016, and activity during the fiscal year were as follows:

	Balance at July 1, 2015	Additions	Dispositions	Balance at June 30, 2016
Capital assets being depreciated:				
Furniture, equipment, leasehold improvements	\$ 868,094	\$ 301,246	\$ -	\$ 1,169,340
Toll revenue system	-	44,977,234	-	44,977,234
Total capital assets being depreciated:	868,094	45,278,480	-	46,146,574
Less accumulated depreciation for:				
Furniture, equipment, leasehold improvements	(352,091)	(120,291)	-	(472,382)
Toll revenue system	-	(824,027)	-	(824,027)
Total accumulated depreciation	(352,091)	(944,318)	-	(1,296,409)
Capital assets, net of accumulated depreciation	\$ 516,003	\$ 44,334,162	\$ -	\$ 44,850,165

The \$45.3 million of capital asset additions consists primarily of capital costs in support of tolling equipment and construction related to the I-580 corridor express lanes. Depreciation expense of \$944 thousand was allocated to the administration and congestion management functions on the Statement of Activities.

NOTE 5 – LONG-TERM OBLIGATIONS

Summary

Changes in Alameda CTC's long-term obligations during the year consist of the following items:

	Balance at July 1, 2015	Additions	Deductions	Balance at June 30, 2016	Current portion
Revenue bonds	\$ 137,145,000	\$ -	\$ -	\$ 137,145,000	\$ 20,770,000
Bond premium	16,972,083	-	2,541,982	14,430,101	2,541,982
Vacation	-	174,500	-	174,500	-
	\$ 154,117,083	\$ 174,500	\$ 2,541,982	\$ 151,749,601	\$ 23,311,982

Alameda CTC's Measure B sales tax revenues are 100% pledged to pay the scheduled principal and interest payments until fully paid which is scheduled for March 1, 2022. The Debt Service Fund accounts for bond premium funds designated to make payments of principal and interest during the first few years of the revenue bonds as they become due. Subsequently, the Debt Service Fund will account for the portion of the pledged sales tax revenues designated to make payments of principal and interest on the outstanding bonds.

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Outstanding Bonded Debt

On March 4, 2014 Alameda CTC issued Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014 for total proceeds of \$157,480,856. The bonds were issued with a par value of \$137,145,000 and \$20,335,856 of bond premiums to fund various capital projects throughout the county including the Bay Area Rapid Transit (BART) Warm Springs Extension, BART Oakland Airport Connector, Route 84 Expressway, I-580 Corridor Improvements, Downtown Oakland Streetscape Improvement, Iron Horse Bicycle, Pedestrian and Transit Route, I-880/State Route 92 Reliever-Clawiter/Whitesell Interchange, I-880 Corridor Improvements and I-680 Express Lane Projects or such other transportation improvements as permitted by the TEP. The bonds pay interest ranging from 3.0% to 5.0% and mature March 1, 2022.

The outstanding debt at June 30, 2016 is \$137,145,000 and \$14,430,101 of unamortized bond premiums.

Debt Service Requirements to Maturity

Fiscal Year	Principal	Interest	Total
2017	\$ 20,770,000	\$ 5,701,350	\$ 26,471,350
2018	21,395,000	5,078,250	26,473,250
2019	22,200,000	4,272,450	26,472,450
2020	23,085,000	3,384,450	26,469,450
2021	24,240,000	2,230,200	26,470,200
2022	25,455,000	1,018,200	26,473,200
	<u>\$ 137,145,000</u>	<u>\$ 21,684,900</u>	<u>\$ 158,829,900</u>

NOTE 6 – EXCHANGE PROGRAM

Alameda CTC participates in a Local Funds Exchange Program for providing local funds to agencies for use in projects that either do not have the ability to make use of state or federal funds or would face unacceptable delays, cost increases, or undue hardships if state or federal funds were utilized.

Alameda CTC has entered into agreements with several local agencies to exchange State Transportation Improvement Program funds with the other government's local funding for various transportation projects. The revenues received as a result of the exchange are treated for financial reporting purposes as unearned revenues. These revenues are recognized at the time qualifying expenditures are incurred.

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The following is a list of the funds exchanged from other governments through June 30, 2016:

Alameda County Public Works Agency	\$ 8,684,000
Alameda County Transportation Commission Measure B	20,986,143
Alameda County Transportation Improvement Authority	2,316,148
Alameda-Contra Costa Transit District	36,093,603
Bay Area Rapid Transit	8,100,000
City of Berkeley	259,560
City of Dublin	4,230,000
City of Fremont	6,191,156
City of Livermore	4,580,000
City of San Leandro	1,000,000
City of Union City	9,314,000
Metropolitan Transportation Commission	675,000
San Joaquin Regional Rail Commission	1,583,380
Santa Clara Valley Transportation Authority	558,000
Total Exchanged Funds	<u>104,570,990</u>
Amounts not yet collected	(3,728,000)
Total expenditures incurred, current year	(5,465,584)
Total expenditures incurred, previous years	<u>(72,208,219)</u>
Deferred revenue reported in the Exchange Fund	<u><u>\$ 23,169,187</u></u>

NOTE 7 – PENSION PLANS

General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Miscellaneous Plan, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Alameda CTC resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Audited annual financial statements are available from CalPERS at P.O. Box 942709, Sacramento, CA, 94229-2709.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members, members who were hired prior to January 1, 2013, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits, and new members, members who were hired after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. Members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, the 1959 Survivor Benefit or the Pre-Retirement Option 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% at 55	2% at 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a percent of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.00%	6.25%
Required employer contribution rates	9.671%	6.237%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions for both Classic and New members are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Alameda CTC is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2016, contributions made by Alameda CTC were \$409,011.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

Alameda CTC's net pension liability is measured as the proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. Alameda CTC's proportion of the net pension liability was based on Alameda CTC's share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. Alameda CTC's proportionate share of the net pension liability as of June 30, 2014 and 2015 measurement dates was as follows:

Proportion - June 30, 2015	0.0483%	\$ 3,006,005
Proportion - June 30, 2016	0.0573%	3,931,433
Change - Increase (Decrease)	0.0090%	\$ 925,428

For the year ended June 30, 2016, Alameda CTC recognized a pension expense of \$514,496. On June 30, 2016, Alameda CTC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 409,011	\$ -
Contributions in excess of proportionate share	17,153	(85,792)
Changes in assumptions	-	(231,375)
Difference in expected and actual experience	24,456	-
Adjustment due to differences in proportions	706,697	-
Net differences between projected and actual earnings on plan investments	-	(115,991)
	<u>\$ 1,157,317</u>	<u>\$ (433,158)</u>

Deferred outflows of resources related to contributions subsequent to the measurement date is \$409,011, which will be recognized as a reduction of the net pension liability and a component of pension expense in the year ended June 30, 2017.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Due Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2017	\$ 123,637
2018	91,288
2019	(48,041)
2020	148,264
	<u>\$ 315,148</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry-Age and Service
Investment Rate of Return	7.50% (1)
Mortality	(2)

- (1) Net of pension plan investment and administrative expenses, includes inflation.
(2) The probabilities of mortality are based on the CalPERS experience study for the period from 1997 to 2011.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website.

There was a change in the discount rate assumption from the June 30, 2014 measurement date. GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expenses. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expenses.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Discount Rate

The discount rate used to measure the total pension liability was 7.65%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11 - 60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents Alameda CTC's proportionate share of the net pension liability, as well as what Alameda CTC's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	6.65%	7.65%	8.65%
Net Pension Liability	\$6,419,289	\$3,931,433	\$1,885,442

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Operating Lease

Alameda CTC entered into an operating lease agreement with OCC Venture LLC dated February 21, 2013 for the office space located at 1111 Broadway in Oakland, CA through October 2023. On November 18, 2014, this property, along with all interest under that lease, was sold to Broadway Franklin LLC. This agreement does not contain a purchase option.

Future minimum lease payments under this agreement are as follows:

Year Ending June 30,	Lease Payments
2017	\$ 857,167
2018	883,055
2019	908,942
2020	934,830
2021	962,635
2022	991,399
2023	1,022,081
2024	344,209
Total	<u>\$ 6,904,318</u>

Alameda CTC entered into a sublease agreement for rental of facilities with Nelson\Nygaard Consulting Associates effective September 1, 2013. This sublease agreement is for month-to-month tenancy at \$1,219.09 per month and is terminable for any reason whatsoever with 30 days' written notice given at any time by either party.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Agreements with Private Firms

Alameda CTC has entered into contracts with various private firms to provide scoping/planning, engineering, environmental, design, right-of-way engineering and acquisition, construction management and other related miscellaneous services. As of June 30, 2016, the total outstanding commitments (not paid or accrued) were \$23.4 million. The terms range from June 30, 2016 up to three years (or acceptance of the work, whichever is earlier).

Alameda CTC has entered into contracts with various private firms to provide administrative support services. As of June 30, 2016, the total outstanding commitments (not paid or accrued) were \$5.4 million. The terms range from June 30, 2016 up to three years (or acceptance of the work, whichever is earlier).

Agreements with Agencies

Alameda CTC has entered into agreements with various agencies to provide scoping/planning, engineering, environmental, design, right-of-way engineering and acquisition, construction management, equipment purchase services and operations. As of June 30, 2016, the total outstanding commitments (not paid or accrued) were \$102.8 million. The terms range from June 30, 2016 up to eight years (or acceptance of the work, whichever is earlier).

Grants

Alameda CTC receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position at June 30, 2016.

Construction

Alameda CTC has entered into contracts with various contractors for the construction phase of capital projects. As of June 30, 2016, the total outstanding commitments (not paid or accrued) were \$1.1 million. The terms range from June 30, 2016 until acceptance of the work.

Right of Way/Utilities

Alameda CTC has entered into contracts to acquire right of way and relocate utilities as necessary for the construction of capital projects. As of June 30, 2016, the total outstanding commitments (not paid or accrued) were \$11.7 million. The terms range from June 30, 2016 up to acceptance of the work.

Funding Agreements

Exchange Fund – Alameda CTC has entered into Exchange agreements with several local governments to provide funding for transportation projects. As of June 30, 2016, the remaining project costs to be paid by Alameda CTC totaled approximately \$23.4 million.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Insurance

Alameda CTC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

The following is a summary of Alameda CTC's insurance coverage:

Type of Coverage	Deductible	Coverage up to
General Liability	\$ 500	\$ 5,000,000 per occurrence
Public Officials & Employees Errors	-	5,000,000 per occurrence/general aggregate
Personal Liability Coverage for Board Members	-	500,000 per occurrence/general aggregate
Employment Practices	-	5,000,000 per occurrence/general aggregate
Employee Benefits	-	5,000,000 per occurrence/general aggregate
Employee and Public Officials Dishonesty Coverage	75,000	10,000,000 per occurrence
Auto Liability	1,000	5,000,000 per occurrence
Uninsured/Underinsured Motorists	1,000	1,000,000 each accident
Property Coverage	1,000	1,000,000,000 per occurrence
Boiler and Machinery Coverage	varies	100,000,000 per occurrence
Workers' Compensation	-	5,000,000 per occurrence

There were no claims in excess of insured amounts during the past three years.

Litigation

Alameda CTC is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of Alameda CTC at June 30, 2016.

NOTE 9 – INTERFUND ACTIVITY

As of June 30, 2016, the General Fund's inter-fund liability due to the Exchange Fund of \$824,395 and the Congestion Management Capital Projects Fund inter-fund liability due to the Exchange Fund of \$9,561,505 were the result of cash advances for capital and planning project expenditures. This arrangement is necessary because Congestion Management capital and planning project funding is received on a reimbursement basis. These amounts will be repaid from revenue received from funding agencies as reimbursement is received for capital and planning project expenditures.

In March 2011, the 1986 Measure B Capital Projects Fund agreed to loan the Congestion Management General Subfund up to \$25 million, if needed. The loan carries no interest and is repayable when the Congestion Management General Subfund is in a position to do so, which is expected to be during the fiscal year 2016-17. As of June 30, 2016, the Congestion Management General Subfund owed the 1986 Measure B Capital Projects Fund \$10 million.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

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Alameda CTC also records inter-fund activity when one of the tax measures or congestion management fee programs managed by Alameda CTC provides funding for an Alameda CTC sponsored project or program in another fund. As of June 30, 2016, the Congestion Management General Fund, 2014 Measure BB Capital Projects Fund, 2000 Measure B Special Revenue Fund, 2000 Measure B Capital Projects Fund, Congestion Management Capital Projects Fund, Debt Service Fund and I-580 Express Lanes Operations Fund combined had revenues receivable totaling \$16,144,179 and net revenues reported of \$20,962,793 from the various Alameda CTC managed tax measures or congestion management fee programs. The various Funds providing the funding have recorded all receipts as revenues, and receivables if not yet received, and all funding requirements as expenditures, and payables if not yet paid. All inter-fund receivables and payables are expected to be eradicated within 180 days.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

Alameda CTC offers retiree health benefits under a Retiree Health Reimbursement Arrangement, a defined benefit plan. Retirees are eligible for benefits if they retire from Alameda CTC under CalPERS within 120 days of employment and have 10 years of credited service with CalPERS including at least five years with Alameda CTC or its predecessor agencies. Alameda CTC's contributions are based on years of public service and the following formula: 50 percent after 10 years with an additional five percent for each additional year of service reaching a maximum of 100 percent after 20 years of service. The contribution maximum is based on the Kaiser Bay Area Two-Party Basic Premium rate available through the CalPERS medical program. These benefit provisions were established and may be amended by the Commission. Contributions for retirees will never exceed the amount contributed on behalf of active employees.

As of June 30, 2016, membership in the plan consisted of the following:

Retirees receiving benefits	12
Active plan members	<u>27</u>
Total	<u><u>39</u></u>

Alameda CTC participates in the California Employers' Retirement Benefit Trust (CERBT), an irrevocable trust established to fund postemployment healthcare benefits. The CERBT fund is an agent multiple employer plan that is established by CalPERS, and is managed by an appointed board not under the control of Alameda CTC. This trust is not considered a component unit of Alameda CTC and has been excluded from these financial statements. The CERBT issues a publicly available annual financial report, which may be obtained from CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Annual OPEB Costs

The annual OPEB cost (expense) 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 accrued liabilities (UAAL) over a period not to exceed 30 years. The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan and changes in Alameda CTC's net OPEB obligation or asset:

Normal cost at year end	\$ 125,855
Amortization of UAAL	40,939
Interest to end of fiscal year on normal cost and UAAL	12,143
Annual required contribution (ARC)	<u>178,937</u>
Interest on prior year Net OPEB Obligation	-
Adjustment to ARC	-
Annual OPEB cost	<u>178,937</u>
Implicit subsidy benefits	(78,378)
Contributions made	<u>(178,937)</u>
Change in Net OPEB Asset	<u>(78,378)</u>
Net OPEB Obligation (Asset) - Beginning of Year	-
Net OPEB Obligation (Asset) - End of Year	<u><u>\$ (78,378)</u></u>

Trend information for the annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation is as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Obligation (Asset)
June 30, 2016	\$ 178,937	\$ 257,315	144%	\$ (78,378)
June 30, 2015	115,425	115,425	100%	-
June 30, 2014	114,443	114,443	100%	-

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Actuarial Methods 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 benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015 actuarial valuation, the entry age normal cost method is used. The actuarial assumptions included a 7.28 percent investment rate of return; an annual healthcare cost trend rate varying from 8.25 percent in 2016 to 5.30 percent in 2052 and thereafter; and a 3.00 percent annual increase in projected payroll. The Unfunded Actuarially Accrued Liability (UAAL) is being amortized on a level dollar approach on a closed basis over 30 years beginning in fiscal year 2007-08. The remaining amortization period is 21 years.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities (AAL) for benefits.

Funding Policy

The funding policy of Alameda CTC is to contribute the entire ARC on an annual basis.

Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Accrued Liability (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
July 1, 2015	\$ 3,208,121	\$ 2,600,972	\$ 607,149	81%	\$ 2,673,125	23%
June 30, 2013	2,140,174	2,065,334	74,840	97%	2,665,027	3%

Information for a three-year presentation is not available because Alameda CTC was established in fiscal year ended June 30, 2012 and actuarial valuations are only required every two years as a member of the CERBT.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

NOTE 11 – PUBLIC TRANSPORTATION MODERNIZATION IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. Of the \$19.9 billion of state general obligation bonds authorized, \$3.6 billion was set aside by the state as instructed by the statute as the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation, or replacement.

During the current reporting period, Alameda CTC expended no PTMISEA proceeds. The proceeds available for obligations at June 30, 2016 are \$388,492. The following table summarizes the activity during the year:

Available proceeds, June 30, 2015	\$ 386,789
Additional grant received	-
Interest earned	1,703
Total revenues	<u>388,492</u>
Total expenditures	-
Available proceeds, June 30, 2016	<u><u>\$ 388,492</u></u>

NOTE 12 – RELATED PARTY TRANSACTIONS

The Sunol Smart Carpool Lane Joint Powers Authority (SSCLJPA) is a joint powers authority, organized in February 2006 pursuant to a Joint Powers Agreement (Agreement) between Alameda CTC (formerly the ACCMA and ACTIA) and the Santa Clara Valley Transportation Authority. The Agreement was entered into pursuant to the Government Code of the State of California, commencing with Section 6500. The SSCLJPA was formed to operate value pricing high-occupancy vehicle express lanes on the Sunol Grade segment of Interstate-680 in Alameda and Santa Clara Counties.

The SSCLJPA was formed because of a planning study completed by Alameda CTC which evolved into a capital project that designed and constructed the southbound express lane. The lane went into operations in September 2010. Alameda CTC was designated the managing agency for the SSCLJPA, but the SSCLJPA is a separate legal entity with its own governance and is not a component unit of Alameda CTC.

As of June 30, 2016, Alameda CTC had \$19,861 of payables to the SSCLJPA and \$383,682 of receivables from the SSCLJPA.

REQUIRED SUPPLEMENTARY INFORMATION

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30, 2016

	2015	2016 ⁽¹⁾
Proportion of the Net Pension Liability	0.048310%	0.057277%
Proportionate Share of the Net Pension Liability	\$ 3,006,005	\$ 3,931,433
Covered Payroll	\$ 2,768,787	\$ 2,390,173
Proportionate Share of the net pension liability as a percentage of covered payroll	108.57%	164.48%
Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	81.63%	78.40%

(1) Discount rate changed from 7.5 percent to 7.65 percent

Note: Information not available prior to the implementation of GASB 68.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF PENSION CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30, 2016

	2014	2015	2016
Contractually required contribution (actuarially determined)	\$ 397,457	\$ 381,572	\$ 409,011
Contributions in relation to the actuarially determined contributions	(397,457)	(381,572)	(409,011)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,768,787	\$ 2,390,173	\$ 2,402,725
Contributions as a percentage of covered payroll	14.35%	15.96%	17.02%

Note: Information not available prior to the implementation of GASB 68.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - BUDGET AND ACTUAL – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 11,475,000	\$ 11,475,000	\$ 11,669,903	\$ 194,903
Project revenue	13,035,837	10,767,743	7,608,451	(3,159,292)
Member agency contributions	1,394,819	1,394,819	1,394,818	(1)
Investment income	33,000	33,000	152,244	119,244
Other	120,982	120,982	121,096	114
Total Revenues	<u>26,059,638</u>	<u>23,791,544</u>	<u>20,946,512</u>	<u>(2,845,032)</u>
EXPENDITURES				
Administrative				
Salaries and benefits	2,918,055	2,738,457	2,804,105	(65,648)
Office rent	740,386	752,400	769,761	(17,361)
Professional services	2,648,733	2,685,622	2,358,971	326,651
Planning and programming	11,517,468	9,153,191	5,995,874	3,157,317
Other	1,240,940	1,384,147	939,806	444,341
Total Expenditures	<u>19,065,582</u>	<u>16,713,817</u>	<u>12,868,517</u>	<u>3,845,300</u>
OTHER FINANCING SOURCES				
Transfers in	282,682	256,859	552,181	295,322
Net change in fund balance	<u>7,276,738</u>	<u>7,334,586</u>	<u>8,630,176</u>	<u>1,295,590</u>
Fund Balance - Beginning	<u>29,599,437</u>	<u>29,599,437</u>	<u>29,599,437</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 36,876,175</u>	<u>\$ 36,934,023</u>	<u>\$ 38,229,613</u>	<u>\$ 1,295,590</u>

See accompanying note to the required supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - BUDGET AND ACTUAL – 2000 MEASURE B SPECIAL REVENUE FUND FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 77,226,075	\$ 77,226,075	\$ 78,536,056	\$ 1,309,981
Project revenue	300,000	300,000	250,405	(49,595)
Investment income	4,000	4,000	46,221	42,221
Other income	17,125	12,750	9,823	(2,927)
Total Revenues	<u>77,547,200</u>	<u>77,542,825</u>	<u>78,842,505</u>	<u>1,299,680</u>
EXPENDITURES				
Administrative				
Salaries and benefits	106,934	141,571	110,768	30,803
Professional services	306,519	317,019	1,113,060	(796,041)
Other	17,125	12,750	(10,621)	23,371
Transportation improvements	79,547,326	75,688,462	74,892,161	796,301
Total Expenditures	<u>79,977,904</u>	<u>76,159,802</u>	<u>76,105,368</u>	<u>54,434</u>
Net change in fund balance	<u>(2,430,704)</u>	<u>1,383,023</u>	<u>2,737,137</u>	<u>1,354,114</u>
Fund Balance - Beginning	<u>12,546,374</u>	<u>12,546,374</u>	<u>12,546,374</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 10,115,670</u>	<u>\$ 13,929,397</u>	<u>\$ 15,283,511</u>	<u>\$ 1,354,114</u>

See accompanying note to the required supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - BUDGET AND ACTUAL – 2014 MEASURE BB SPECIAL REVENUE FUND FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 85,607,853	\$ 85,607,853	\$ 87,038,442	\$ 1,430,589
Investment income	100,000	100,000	30,847	(69,153)
Other income	14,125	11,450	9,423	(2,027)
Total Revenues	<u>85,721,978</u>	<u>85,719,303</u>	<u>87,078,712</u>	<u>1,359,409</u>
EXPENDITURES				
Administrative				
Salaries and benefits	331,088	433,119	275,545	157,574
Professional services	1,556,341	1,516,341	1,056,947	459,394
Other	14,125	11,450	9,422	2,028
Transportation improvements	72,156,792	71,976,792	70,175,255	1,801,537
Total Expenditures	<u>74,058,346</u>	<u>73,937,702</u>	<u>71,517,169</u>	<u>2,420,533</u>
Net change in fund balance	<u>11,663,632</u>	<u>11,781,601</u>	<u>15,561,543</u>	<u>3,779,942</u>
Fund Balance - Beginning	<u>3,030,050</u>	<u>3,030,050</u>	<u>3,030,050</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 14,693,682</u>	<u>\$ 14,811,651</u>	<u>\$ 18,591,593</u>	<u>\$ 3,779,942</u>

See accompanying note to the required supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - BUDGET AND ACTUAL – EXCHANGE FUND FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Project revenue	\$ 10,935,179	\$ 14,687,118	\$ 3,579,439	\$ (11,107,679)
Investment income	-	-	69,323	69,323
Total Revenues	<u>10,935,179</u>	<u>14,687,118</u>	<u>3,648,762</u>	<u>(11,038,356)</u>
EXPENDITURES				
Administrative				
Salaries and benefits	40,758	44,759	-	44,759
Professional services	5,000	5,000	-	5,000
Congestion management	10,889,421	14,637,359	3,516,872	11,120,487
Total Expenditures	<u>10,935,179</u>	<u>14,687,118</u>	<u>3,516,872</u>	<u>11,170,246</u>
Net change in fund balance	-	-	131,890	131,890
Fund Balance - Beginning	4,929,549	4,929,549	4,929,549	-
Fund Balance - Ending	<u>\$ 4,929,549</u>	<u>\$ 4,929,549</u>	<u>\$ 5,061,439</u>	<u>\$ 131,890</u>

See accompanying note to the required supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of the Proportionate Share of the Net Pension Liability and Schedule of Contributions

A cost-sharing employer is required to recognize a liability for its proportionate share of the net pension liability (of the employers for benefits provided through the pension plan) - the collective net pension liability. A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. This schedule presents information to illustrate changes in Alameda CTC's proportionate share of the net pension liability over a ten year period when the information is available.

Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Alameda CTC establishes accounting control through formal adoption of an annual operating budget for all governmental funds. The operating budget is prepared in conformity with accounting principles generally accepted in the United States (GAAP). The adopted budget can be amended by the Commission to increase both appropriations and estimated revenues as unforeseen circumstances come to management's attention. Budgeted expenditure amounts represent originally adopted appropriation amounts and adjustments for supplemental adopted appropriations during the year.

SUPPLEMENTARY INFORMATION

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation			
Passed Through California Department of Transportation			
Highway Planning and Construction cluster	20.205	Not available	
Community Based Transportation Plan			\$ 213,176
Congestion Management Program			373,589
Countywide Bike Plan			(39)
East Bay Greenway Environmental Review			153,490
East Bay Greenway-Lake Merritt-Hayward			295,464
I-580 EB Express (HOT) Lanes			571,867
I-580 WB Express (HOT) Lanes			(12,120)
I-580 Soundwall Landscaping San Leandro			12,798
I-80 Gilman			478,043
I-80 Integrated Corridor Mobility (ICM)			(1,829)
MTC Planning			(22,069)
Safe Routes to School			1,546,817
SRTS/Bike Mobile Program			154,163
Transportation Planning			2,792,665
Travel Model Support			(82,577)
Webster Street SMART			18,401
Total Expenditures of Federal Awards			<u>\$ 6,491,838</u>

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

GENERAL FUND BALANCE SHEETS BY SUBFUND JUNE 30, 2016

	2000	2014		Total
	Measure B	Measure BB	ACCMA	General Fund
ASSETS				
Cash and investments	\$ 28,080,872	\$ 3,083,353	\$ 12,309,680	\$ 43,473,905
Sales tax receivable	1,163,851	1,023,369	-	2,187,220
Interest receivable	44,178	4,865	2,401	51,444
Other receivable	55,084	611	5,276,381	5,332,076
Due from other funds	-	-	1,387,077	1,387,077
Prepays and other assets	9,141	38,087	24,376	71,604
Total Assets	\$ 29,353,126	\$ 4,150,285	\$ 18,999,915	\$ 52,503,326
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND				
Liabilities				
Accounts payable and accrued liabilities	\$ 213,757	\$ 373,361	\$ 2,454,454	\$ 3,041,572
Due to other funds	12,013	-	-	12,013
Unearned revenue	-	-	26,534	26,534
Advances from other funds	-	-	10,824,395	10,824,395
Total Liabilities	225,770	373,361	13,305,383	13,904,514
Deferred Inflows of Resources				
Unavailable revenue	192,422	176,777	-	369,199
Fund Balances				
Nonspendable	9,141	38,087	24,376	71,604
Unassigned	28,925,793	3,562,060	5,670,156	38,158,009
Total Fund Balances	28,934,934	3,600,147	5,694,532	38,229,613
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 29,353,126	\$ 4,150,285	\$ 18,999,915	\$ 52,503,326

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND

BALANCES BY SUBFUND

FOR THE YEAR ENDED JUNE 30, 2016

	2000 Measure B	2014 Measure BB	ACCMA	Total General Fund
REVENUES				
Sales tax - 2000 Measure B	\$ 6,178,050	\$ -	\$ -	\$ 6,178,050
Sales tax - 2014 Measure BB	-	5,491,853	-	5,491,853
Project revenue	-	-	7,608,451	7,608,451
Member agency fees	-	-	1,394,818	1,394,818
Investment income	135,699	9,585	6,960	152,244
Other income	3,526	9,401	108,169	121,096
Total Revenues	6,317,275	5,510,839	9,118,398	20,946,512
EXPENDITURES				
Administrative				
Salaries and benefits	312,387	630,661	1,861,057	2,804,105
Office rent	209,935	559,826	-	769,761
Professional services	926,200	1,236,689	196,082	2,358,971
Planning and programming	-	-	5,995,874	5,995,874
Other	304,381	538,858	96,567	939,806
Total Expenditures	1,752,903	2,966,034	8,149,580	12,868,517
OTHER FINANCING SOURCES				
Transfer In	-	-	552,181	552,181
Total Other Financing Sources	-	-	552,181	552,181
NET CHANGE IN FUND BALANCES	4,564,372	2,544,805	1,520,999	8,630,176
Fund Balances - Beginning	24,370,562	1,055,342	4,173,533	29,599,437
Fund Balances - Ending	\$ 28,934,934	\$ 3,600,147	\$ 5,694,532	\$ 38,229,613

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2016

	Special Revenue Funds				Nonmajor Governmental Funds
	Transportation Fund for Clean Air	Vehicle Registration Fee Fund	I-580 Express Lanes Operations Fund	Debt Service Fund	
ASSETS					
Cash and investments	\$ 5,355,700	\$ 16,818,915	\$ 2,579,199	\$ 9,183,098	\$ 33,936,912
Interest receivable	6,014	18,393	-	41,946	66,353
Other receivable	900,000	2,366,639	306,531	-	3,573,170
Due from other funds	-	-	74,184	6,923,333	6,997,517
Total Assets	<u>\$ 6,261,714</u>	<u>\$ 19,203,947</u>	<u>\$ 2,959,914</u>	<u>\$ 16,148,377</u>	<u>\$ 44,573,952</u>
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued liabilities	\$ 698,150	\$ 1,931,582	\$ 926,708	\$ -	\$ 3,556,440
Due to other funds	147,042	291,235	-	-	438,277
Total Liabilities	<u>845,192</u>	<u>2,222,817</u>	<u>926,708</u>	<u>-</u>	<u>3,994,717</u>
Fund Balances					
Restricted					
Transportation Fund for Clean Air	5,416,522	-	-	-	5,416,522
Debt service	-	-	-	16,148,377	16,148,377
Vehicle Registration Fees	-	16,981,130	-	-	16,981,130
Toll Roads	-	-	2,033,206	-	2,033,206
Total Fund Balances	<u>5,416,522</u>	<u>16,981,130</u>	<u>2,033,206</u>	<u>16,148,377</u>	<u>40,579,235</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,261,714</u>	<u>\$ 19,203,947</u>	<u>\$ 2,959,914</u>	<u>\$ 16,148,377</u>	<u>\$ 44,573,952</u>

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds				Nonmajor Governmental Funds
	Transportation Fund for Clean Air	Vehicle Registration Fee Fund	I-580 Express Lanes Operations Fund	Debt Service Fund	
REVENUES					
Project revenue	\$ 2,019,573	\$ -	\$ 74,184	\$ -	\$ 2,093,757
Vehicle registration fees	-	13,020,822	-	-	13,020,822
Toll revenue	-	-	2,970,436	-	2,970,436
Investment income	20,436	63,593	904	82,601	167,534
Total Revenues	<u>2,040,009</u>	<u>13,084,415</u>	<u>3,045,524</u>	<u>82,601</u>	<u>18,252,549</u>
EXPENDITURES					
Administrative					
Salaries and benefits	-	-	21,352	-	21,352
Professional services	-	-	74,418	-	74,418
Operations and maintenance	-	-	837,467	-	837,467
Other	-	108,108	64,051	-	172,159
Congestion management	1,665,813	9,797,833	-	-	11,463,646
Debt Service					
Interest Expense	-	-	-	5,701,349	5,701,349
Total Expenditures	<u>1,665,813</u>	<u>9,905,941</u>	<u>997,288</u>	<u>5,701,349</u>	<u>18,270,391</u>
OTHER FINANCING SOURCES					
Transfer in	-	-	-	6,923,333	6,923,333
Transfer out	-	-	(15,030)	-	(15,030)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>(15,030)</u>	<u>6,923,333</u>	<u>6,908,303</u>
Net change in fund balance	<u>374,196</u>	<u>3,178,474</u>	<u>2,033,206</u>	<u>1,304,585</u>	<u>6,890,461</u>
Fund Balances - Beginning	<u>5,042,326</u>	<u>13,802,656</u>	<u>-</u>	<u>14,843,792</u>	<u>33,688,774</u>
Fund Balances - Ending	<u>\$ 5,416,522</u>	<u>\$ 16,981,130</u>	<u>\$ 2,033,206</u>	<u>\$ 16,148,377</u>	<u>\$ 40,579,235</u>

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES – BUDGET AND ACTUAL – 2000 MEASURE B CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 51,698,925	\$ 51,698,925	\$ 52,575,891	\$ 876,966
Project revenue	4,750,000	27,617,138	1,268,364	(26,348,774)
Investment income	185,000	185,000	502,309	317,309
Total Revenues	56,633,925	79,501,063	54,346,564	(25,154,499)
EXPENDITURES				
Administrative				
Salaries and benefits	52,586	118,149	87,169	30,980
Professional services	30,000	30,000	-	30,000
Other	3,900	3,900	20,967	(17,067)
Transportation improvements	42,281,843	104,590,777	42,125,743	62,465,034
Total Expenditures	42,368,329	104,742,826	42,233,879	62,508,947
OTHER FINANCING SOURCES				
Transfers out	-	-	(6,923,333)	(6,923,333)
Net change in fund balance	14,265,596	(25,241,763)	5,189,352	37,354,448
Fund Balance - Beginning	79,105,909	79,105,909	79,105,909	-
Fund Balance - Ending	\$ 93,371,505	\$ 53,864,146	\$ 84,295,261	\$ 30,431,115

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES – BUDGET AND ACTUAL – 1986 MEASURE B CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 300,000	\$ 300,000	\$ 884,531	\$ 584,531
Gain on sale of land	-	-	13,641,051	13,641,051
Other income	1,755	1,755	1,762	7
Total Revenues	<u>301,755</u>	<u>301,755</u>	<u>14,527,344</u>	<u>14,225,589</u>
EXPENDITURES				
Administrative				
Salaries and benefits	199,971	144,620	128,030	16,590
Office rent	100,962	102,600	104,967	(2,367)
Professional services	146,877	153,339	125,630	27,709
Other	93,201	93,339	94,651	(1,312)
Transportation improvements	(7,146,764)	39,590,105	2,870,958	36,719,147
Total Expenditures	<u>(6,605,753)</u>	<u>40,084,003</u>	<u>3,324,236</u>	<u>36,759,767</u>
Net change in fund balance	6,907,508	(39,782,248)	11,203,108	50,985,356
Fund Balance - Beginning	126,062,199	126,062,199	126,062,199	-
Fund Balance - Ending	<u>\$ 132,969,707</u>	<u>\$ 86,279,951</u>	<u>\$ 137,265,307</u>	<u>\$ 50,985,356</u>

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES –BUDGET AND ACTUAL – CONGESTION MANAGEMENT CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Project revenue	\$ 22,614,470	\$ 85,347,544	\$ 35,022,745	\$ (50,324,799)
Investment income	-	-	9,370	9,370
Total Revenues	<u>22,614,470</u>	<u>85,347,544</u>	<u>35,032,115</u>	<u>(50,315,429)</u>
EXPENDITURES				
Administrative				
Salaries and benefits	192,651	180,848	77,924	102,924
Congestion management	22,421,819	85,166,696	34,417,040	50,749,656
Total Expenditures	<u>22,614,470</u>	<u>85,347,544</u>	<u>34,494,964</u>	<u>50,852,580</u>
Transfers out	-	-	(537,151)	537,151
Net change in fund balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES –BUDGET AND ACTUAL – 2014 MEASURE BB CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 43,992,147	\$ 43,992,147	\$ 44,766,019	\$ 773,872
Project revenue	1,500,500	1,327,925	294,064	(1,033,861)
Investment income	40,000	40,000	125,992	85,992
Total Revenues	<u>45,532,647</u>	<u>45,360,072</u>	<u>45,186,075</u>	<u>(173,997)</u>
EXPENDITURES				
Administrative				
Salaries and benefits	82,621	30,109	-	30,109
Professional services	50,000	50,000	-	50,000
Other	1,000	1,000	-	1,000
Transportation improvements	14,267,879	17,396,416	2,688,681	14,707,735
Total Expenditures	<u>14,401,500</u>	<u>17,477,525</u>	<u>2,688,681</u>	<u>14,788,844</u>
Net change in fund balance	<u>31,131,147</u>	<u>27,882,547</u>	<u>42,497,394</u>	<u>14,614,847</u>
Fund Balance - Beginning	<u>8,871,163</u>	<u>8,871,163</u>	<u>8,871,163</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 40,002,310</u>	<u>\$ 36,753,710</u>	<u>\$ 51,368,557</u>	<u>\$ 14,614,847</u>

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES – BUDGET AND ACTUAL – TRANSPORTATION FUND FOR CLEAN AIR FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Project revenue	\$ 1,985,707	\$ 1,985,707	\$ 2,019,573	\$ 33,866
Investment income	-	-	20,436	20,436
Other income	10,259	15,084	-	(15,084)
Total Revenues	<u>1,995,966</u>	<u>2,000,791</u>	<u>2,040,009</u>	<u>39,218</u>
EXPENDITURES				
Administrative				
Salaries and benefits	106,045	110,869	-	110,869
Professional services	3,500	3,500	-	3,500
Congestion management	5,594,974	3,410,416	1,665,813	1,744,603
Total Expenditures	<u>5,704,519</u>	<u>3,524,785</u>	<u>1,665,813</u>	<u>1,858,972</u>
Net change in fund balance	<u>(3,708,553)</u>	<u>(1,523,994)</u>	<u>374,196</u>	<u>1,898,190</u>
Fund Balance - Beginning	<u>5,042,326</u>	<u>5,042,326</u>	<u>5,042,326</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,333,773</u>	<u>\$ 3,518,332</u>	<u>\$ 5,416,522</u>	<u>\$ 1,898,190</u>

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES – BUDGET AND ACTUAL – VEHICLE REGISTRATION FEE FUND FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Vehicle registration fees	\$ 12,000,000	\$ 12,000,000	\$ 13,020,822	\$ 1,020,822
Investment income	-	-	63,593	63,593
Total Revenues	<u>12,000,000</u>	<u>12,000,000</u>	<u>13,084,415</u>	<u>1,084,415</u>
EXPENDITURES				
Administrative				
Salaries and benefits	197,560	167,602	-	167,602
Professional services	10,000	10,000	-	10,000
Other	108,108	108,108	108,108	-
Congestion management	16,246,000	10,701,000	9,797,833	903,167
Total Expenditures	<u>16,561,668</u>	<u>10,986,710</u>	<u>9,905,941</u>	<u>1,080,769</u>
Net change in fund balance	<u>(4,561,668)</u>	<u>1,013,290</u>	<u>3,178,474</u>	<u>2,165,184</u>
Fund Balance - Beginning	<u>13,802,656</u>	<u>13,802,656</u>	<u>13,802,656</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 9,240,988</u>	<u>\$ 14,815,946</u>	<u>\$ 16,981,130</u>	<u>\$ 2,165,184</u>

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES – BUDGET AND ACTUAL – I-580 EXPRESS LANES OPERATIONS FUND FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Project revenue	\$ 557,250	\$ 351,250	\$ 74,184	\$ (277,066)
Toll revenue	1,425,000	1,425,000	2,970,436	1,545,436
Investment income	-	-	904	904
Other income	1,100,507	1,376,576	-	(1,376,576)
Total Revenues	<u>3,082,757</u>	<u>3,152,826</u>	<u>3,045,524</u>	<u>(107,302)</u>
EXPENDITURES				
Administrative				
Salaries and benefits	33,168	46,326	21,352	24,974
Professional services	246,250	115,000	74,418	40,582
Operations and maintenance	2,305,464	2,010,250	837,467	1,172,783
Other	-	-	64,051	(64,051)
Total Expenditures	<u>2,584,882</u>	<u>2,171,576</u>	<u>997,288</u>	<u>1,174,288</u>
OTHER FINANCING SOURCES				
Transfers out	-	-	(15,030)	(15,030)
Net change in fund balance	<u>497,875</u>	<u>981,250</u>	<u>2,033,206</u>	<u>1,051,956</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 497,875</u>	<u>\$ 981,250</u>	<u>\$ 2,033,206</u>	<u>\$ 1,051,956</u>

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES – BUDGET AND ACTUAL – DEBT SERVICE FUND FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 23,000	\$ 23,000	\$ 82,601	\$ 59,601
Expenditures				
Debt service- interest	5,701,349	5,701,349	5,701,349	-
Total Expenditures	5,701,349	5,701,349	5,701,349	-
OTHER FINANCING SOURCES				
Transfers in	-	-	6,923,333	6,923,333
Net change in fund balance	(5,678,349)	(5,678,349)	1,304,585	6,982,934
Fund Balance - Beginning	14,843,792	14,843,792	14,843,792	-
Fund Balance - Ending	\$ 9,165,443	\$ 9,165,443	\$ 16,148,377	\$ 6,982,934

See accompanying note to the supplementary information.

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ALAMEDA COUNTY TRANSPORTATION COMMISSION

2000 MEASURE B SPECIAL REVENUE FUND BALANCE SHEET BY PROGRAM JUNE 30, 2016

	Programming and Programs	Express Bus	Bicycle and Pedestrian
ASSETS			
Cash and investments	\$ 4,450,786	\$ 1,773,604	\$ 5,238,461
Sales tax receivable	369,875	168,574	301,025
Interest receivable	-	2,314	7,093
Other receivable	-	-	233,113
Due from other funds	-	-	16,437
Total Assets	\$ 4,820,661	\$ 1,944,492	\$ 5,796,129
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 344,076	\$ -	\$ 402,719
Due to other funds	86,026	-	213,884
Total Liabilities	430,102	-	616,603
Deferred Inflows of Resources			
Unavailable revenue	61,152	27,871	49,769
Fund Balances			
Restricted	4,329,407	1,916,621	5,129,757
Total Fund Balances	4,329,407	1,916,621	5,129,757
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,820,661	\$ 1,944,492	\$ 5,796,129

See accompanying note to the supplementary information.

Direct Local Distribution	Transit Oriented Development	Paratransit	Total 2000 Measure B Special Revenue Subfunds
\$ 265	\$ 1,636,990	\$ 2,599,763	\$ 15,699,869
11,322,597	45,756	344,373	12,552,200
-	2,310	3,683	15,400
-	-	2,050	235,163
-	-	-	16,437
<u>\$ 11,322,862</u>	<u>\$ 1,685,056</u>	<u>\$ 2,949,869</u>	<u>\$ 28,519,069</u>
\$ 11,322,597	\$ -	\$ 583,884	\$ 12,653,276
-	78,899	180	378,989
<u>11,322,597</u>	<u>78,899</u>	<u>584,064</u>	<u>13,032,265</u>
<u>-</u>	<u>7,565</u>	<u>56,936</u>	<u>203,293</u>
265	1,598,592	2,308,869	15,283,511
<u>265</u>	<u>1,598,592</u>	<u>2,308,869</u>	<u>15,283,511</u>
<u>\$ 11,322,862</u>	<u>\$ 1,685,056</u>	<u>\$ 2,949,869</u>	<u>\$ 28,519,069</u>

ALAMEDA COUNTY TRANSPORTATION COMMISSION

2000 MEASURE B SPECIAL REVENUE COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES BY PROGRAM FOR THE YEAR ENDED JUNE 30, 2016

	Programming and Programs	Express Bus	Bicycle and Pedestrian
REVENUES			
Sales tax	\$ 1,963,401	\$ 894,839	\$ 1,597,927
Project revenue	-	-	270,748
Investment income	-	6,647	20,476
Other income	-	-	1,774
Total Revenues	<u>1,963,401</u>	<u>901,486</u>	<u>1,890,925</u>
EXPENDITURES			
Administrative:			
Salaries and benefits	92,523	-	18,245
Professional services	931,751	-	4,222
Other	(20,555)	113	1,772
Transportation improvements:			
Public transit	-	-	-
Local transportation	-	-	1,439,536
Total Expenditures	<u>1,003,719</u>	<u>113</u>	<u>1,463,775</u>
NET CHANGE IN FUND BALANCES	959,682	901,373	427,150
Fund Balances - Beginning	3,369,725	1,015,248	4,702,607
Fund Balances - Ending	<u>\$ 4,329,407</u>	<u>\$ 1,916,621</u>	<u>\$ 5,129,757</u>

See accompanying note to the supplementary information.

Direct Local Distribution	Transit Oriented Development	Paratransit	Total 2000 Measure B Special Revenue Subfunds
\$ 72,008,976	\$ 242,885	\$ 1,828,028	\$ 78,536,056
-	-	(20,343)	250,405
-	7,530	11,568	46,221
-	-	8,049	9,823
<u>72,008,976</u>	<u>250,415</u>	<u>1,827,302</u>	<u>78,842,505</u>
-	-	-	110,768
-	-	177,087	1,113,060
-	-	8,049	(10,621)
38,657,047	-	1,137,613	39,794,660
33,351,929	306,036	-	35,097,501
<u>72,008,976</u>	<u>306,036</u>	<u>1,322,749</u>	<u>76,105,368</u>
-	(55,621)	504,553	2,737,137
265	1,654,213	1,804,316	12,546,374
<u>\$ 265</u>	<u>\$ 1,598,592</u>	<u>\$ 2,308,869</u>	<u>\$ 15,283,511</u>

ALAMEDA COUNTY TRANSPORTATION COMMISSION

2014 MEASURE BB SPECIAL REVENUE FUND BALANCE SHEET BY PROGRAM JUNE 30, 2016

	Programs and Projects Mgmt Oversight Subfund	Transit Ops, Maintenance and Safety Subfund	Bicycle and Pedestrian Subfund	Direct Local Distribution Subfund
ASSETS				
Cash and investments	\$ 1,383,310	\$ 3,154,192	\$ 2,739,060	\$ -
Sales tax receivable	60,366	597,212	491,217	10,771,596
Interest receivable	-	3,211	2,771	
Total Assets	\$ 1,443,676	\$ 3,754,615	\$ 3,233,048	\$ 10,771,596
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 307,119	\$ 80,709	\$ -	\$ 10,771,596
Total Liabilities	307,119	80,709	-	10,771,596
Deferred Inflows of Resources				
Unavailable revenue	22,719	103,096	84,853	-
Fund Balances				
Restricted				
Transportation Projects	1,113,838	3,570,810	3,148,195	-
Total Fund Balances	1,113,838	3,570,810	3,148,195	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,443,676	\$ 3,754,615	\$ 3,233,048	\$ 10,771,596

See accompanying note to the supplementary information.

Paratransit Subfund	Freight and Economic Development Subfund	Community Development Subfund	Technology Subfund	Total 2014 Measure BB Special Revenue Subfunds
\$ 1,245,322	\$ 1,369,530	\$ 5,478,120	\$ 1,369,530	\$ 16,739,064
245,608	245,608	982,434	245,608	13,639,649
1,262	1,386	5,543	1,386	15,559
<u>\$ 1,492,192</u>	<u>\$ 1,616,524</u>	<u>\$ 6,466,097</u>	<u>\$ 1,616,524</u>	<u>\$ 30,394,272</u>

\$ 52,202	\$ -	\$ 83,401	\$ -	\$ 11,295,027
<u>52,202</u>	<u>-</u>	<u>83,401</u>	<u>-</u>	<u>11,295,027</u>

<u>42,426</u>	<u>42,426</u>	<u>169,706</u>	<u>42,426</u>	<u>507,652</u>
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<u>1,397,564</u>	<u>1,574,098</u>	<u>6,212,990</u>	<u>1,574,098</u>	<u>18,591,593</u>
<u>1,397,564</u>	<u>1,574,098</u>	<u>6,212,990</u>	<u>1,574,098</u>	<u>18,591,593</u>

<u>\$ 1,492,192</u>	<u>\$ 1,616,524</u>	<u>\$ 6,466,097</u>	<u>\$ 1,616,524</u>	<u>\$ 30,394,272</u>
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ALAMEDA COUNTY TRANSPORTATION COMMISSION

2014 MEASURE BB SPECIAL REVENUE COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES BY PROGRAM FOR THE YEAR ENDED JUNE 30, 2016

	Programs and Projects Mgmt Oversight Subfund	Transit Ops, Maintenance and Safety Subfund	Bicycle and Pedestrian Subfund	Direct Local Distribution Subfund
REVENUES				
Sales tax	\$ 2,105,268	\$ 3,195,297	\$ 2,636,089	\$ 69,875,475
Investment income	-	6,428	5,477	-
Other income	-	-	1,558	-
Total Revenues	<u>2,105,268</u>	<u>3,201,725</u>	<u>2,643,124</u>	<u>69,875,475</u>
EXPENDITURES				
Administrative:				
Salaries and benefits	245,656	29,889	-	-
Professional services	881,424	-	-	-
Other	-	-	1,557	-
Transportation improvements:				
Public transit	-	216,223	-	39,863,600
Local transportation	-	-	-	30,011,875
Total Expenditures	<u>1,127,080</u>	<u>246,112</u>	<u>1,557</u>	<u>69,875,475</u>
NET CHANGE IN FUND BALANCES	978,188	2,955,613	2,641,567	-
Fund Balances - Beginning	135,650	615,197	506,628	-
Fund Balances - Ending	<u>\$ 1,113,838</u>	<u>\$ 3,570,810</u>	<u>\$ 3,148,195</u>	<u>\$ -</u>

See accompanying note to the Supplementary Information.

Paratransit Subfund	Freight and Economic Development Subfund	Community Development Subfund	Technology Subfund	Total 2014 Measure BB Special Revenue Subfunds
\$ 1,318,045	\$ 1,318,045	\$ 5,272,178	\$ 1,318,045	\$ 87,038,442
2,508	2,739	10,956	2,739	30,847
7,865	-	-	-	9,423
1,328,418	1,320,784	5,283,134	1,320,784	87,078,712
-	-	-	-	275,545
175,523	-	-	-	1,056,947
7,865	-	-	-	9,422
156	-	-	-	40,079,979
-	-	83,401	-	30,095,276
183,544	-	83,401	-	71,517,169
1,144,874	1,320,784	5,199,733	1,320,784	15,561,543
252,690	253,314	1,013,257	253,314	3,030,050
\$ 1,397,564	\$ 1,574,098	\$ 6,212,990	\$ 1,574,098	\$ 18,591,593

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2016

NOTE 1 – PURPOSE OF SCHEDULES

Schedules of Revenues, Expenditures and Change in Fund Balances - Budget and Actual

A Schedule of Revenues, Expenditures and Change in Fund Balances comparing budgeted and actual results is presented for each capital project major fund and all nonmajor funds included in this financial report.

Schedule of Expenditures of Federal Awards

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Alameda CTC, under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Alameda CTC, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Alameda CTC.

Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Alameda CTC has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Schedule of the General Fund Balance Sheets by Program and Schedule of Revenues, Expenditures, and Change in Fund Balances

The schedule of the General Fund by program Balance Sheets and Schedule of Revenues, Expenditures, and Change in Fund Balances are included to provide information regarding the breakout of activity between the Measure B, Measure BB and Congestion Management general subfunds.

Nonmajor Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Change in Fund Balances

The Nonmajor Funds Combining Balance Sheet and the Nonmajor Funds Combining Statement of Revenues, Expenditures and Change in Fund Balances are included to provide information regarding the individual funds that have been included in the Nonmajor Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Change in Fund Balances which include the Transportation Fund for Clean Air, Vehicle Registration Fee Fund, I-580 Express Lanes Operations Fund, and the Debt Service Fund.

2000 Measure B Balance Sheets by Program and the Schedule of Revenues, Expenditures, and Change in Fund Balances of the Special Revenue Fund by Program

The schedule of the Balance Sheet and the Schedule of Revenues, Expenditures, and Change in Fund Balances of the 2000 Measure B Special Revenue Fund by Program, is included to provide information regarding the individual subfunds that have been included in the 2000 Measure B Special Revenue Fund column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Change in Fund Balances.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2016

2014 Measure BB Schedule of the Balance Sheet by Program and the Schedule of Revenues, Expenditures, and Change in Fund Balances of the Special Revenue Fund by Program

The schedule of the Balance Sheet and the Schedule of Revenues, Expenditures, and Change in Fund Balances of the 2014 Measure BB Special Revenue Fund by Program, are included to provide information regarding the individual subfunds that have been included in the 2014 Measure BB Special Revenue Fund column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Change in Fund Balances.

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STATISTICAL SECTION

Statistical Section

This section of the Comprehensive Annual Financial Report presents detailed information about Alameda CTC's financial results, major revenues sources, demographic statistics, and operating activities and will help the reader understand how Alameda CTC's financial performance and financial condition have changed over time.

<u>CONTENT</u>	<u>PAGE</u>
Financial Trends These schedules contain trend information to help the reader understand how Alameda CTC's financial performance changed over time.	87
Revenue Capacity These schedules contain information to help the reader assess Alameda CTC's primary local revenue source, sales tax.	91
Debt Capacity These schedules present information to help the reader assess the affordability of Alameda CTC's current level of outstanding debt and its ability to issue additional debt in the future.	94
Demographic and Economic Information These schedules contain demographic and economic indicators to assist the reader in understanding the environment within which Alameda CTC's financial activities take place.	97
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in Alameda CTC's financial report relates to the services it provides and the activities it performs.	99

ALAMEDA COUNTY TRANSPORTATION COMMISSION

FINANCIAL TRENDS – NET POSITION BY COMPONENT LAST FIVE FISCAL YEARS

	Fiscal Year Ending June 30,				
	2016	2015	2014	2013	2012
Governmental Activities:					
Net investment in capital assets	\$ 44,850,165	\$ 516,003	\$ 621,809	\$ 50,632	\$ 110,699
Restricted					
Local programs	34,586,049	16,297,397	10,637,471	9,131,614	9,252,256
Capital projects	124,660,946	63,030,769	108,759,745	175,060,226	200,229,225
Transportation fund for clean air	5,416,522	5,042,326	4,273,148	3,707,742	3,387,914
Vehicle registration fee	16,981,130	13,802,656	11,227,612	9,721,681	5,156,748
I-580 express lanes operations	2,033,206	-	-	-	-
Debt service	14,247,927	12,943,342	18,551,776	-	-
Unrestricted	40,356,855	31,773,323	28,991,665	21,571,596	23,056,207
Total Governmental Activities Net Position	\$ 283,132,800	\$ 143,405,816	\$ 183,063,226	\$ 219,243,491	\$ 241,193,049

Note: Alameda CTC is a Joint Powers Agency established in July 2010, effectively merging the Alameda County Transportation Improvement Authority and the Alameda County Congestion Management Agency, who delegated all of their assets, liabilities, powers, functions, and responsibilities to Alameda CTC. Alameda CTC produced their first financial report for fiscal year ended June 30, 2012. Due to the recent formation of Alameda CTC a 10 year trend analysis is not available.

Source: Alameda CTC Financial Statements

ALAMEDA COUNTY TRANSPORTATION COMMISSION

FINANCIAL TRENDS – CHANGES IN NET POSITION

LAST FIVE FISCAL YEARS

EXPENSES	Fiscal Year Ending June 30,				
	2016	2015	2014	2013	2012
Governmental activities:					
Administration	\$ 17,189,024	\$ 13,869,399	\$ 12,512,161	\$ 12,113,890	\$ 11,338,750
Transportation improvement	192,752,798	189,982,051	178,731,827	141,467,019	135,067,898
Congestion management	32,360,073	55,012,153	39,072,897	41,535,414	46,950,008
Interest expense	3,159,367	3,184,830	1,005,686	-	-
Total Expenses	245,461,262	262,048,433	231,322,571	195,116,323	193,356,656
REVENUES					
Program revenues:					
Operating grants and contributions	53,087,661	46,144,569	52,000,104	38,222,024	43,762,091
Total Revenues	53,087,661	46,144,569	52,000,104	38,222,024	43,762,091
Net (Expense) / Revenue	(192,373,601)	(215,903,864)	(179,322,467)	(156,894,299)	(149,594,565)
GENERAL REVENUES					
Governmental activities:					
Sales tax	274,797,697	164,496,789	127,095,900	121,084,780	112,568,093
Vehicle registration fees	13,020,822	12,929,589	12,669,464	12,065,055	12,242,126
Member agency fees	1,394,818	1,394,818	1,394,821	1,394,818	1,315,867
Interest and investment earnings	1,988,371	913,416	755,915	172,499	956,225
Gain on sale of land	13,641,051	-	-	-	-
Other and special items	27,257,826	141,507	1,226,102	227,589	412,178
Total General Revenues	332,100,585	179,876,119	143,142,202	134,944,741	127,494,489
Governmental Activities Change in Net Position	\$ 139,726,984	\$ (36,027,745)	\$ (36,180,265)	\$ (21,949,558)	\$ (22,100,076)

Note: Alameda CTC is a Joint Powers Agency established in July 2010, effectively merging the Alameda County Transportation Improvement Authority and the Alameda County Congestion Management Agency, who delegated all of their assets, liabilities, powers, functions, and responsibilities to Alameda CTC. Alameda CTC produced their first financial report for fiscal year ended June 30, 2012. Due to the recent formation of Alameda CTC a 10 year trend analysis is not available.

Source: Alameda CTC Financial Statements

ALAMEDA COUNTY TRANSPORTATION COMMISSION

FINANCIAL TRENDS – FUND BALANCES, GOVERNMENTAL FUNDS LAST FIVE FISCAL YEARS

	Fiscal Year Ending June 30,				
	2016	2015	2014	2013	2012
General Fund					
Nonspendable	\$ 71,604	\$ 69,366	\$ 207,546	\$ -	\$ -
Unassigned	38,158,009	29,530,071	23,798,828	20,357,986	18,321,401
Total General Fund	38,229,613	29,599,437	24,006,374	20,357,986	18,321,401
All Other Governmental Funds					
Nonspendable	129,570	9,717	29,649	-	-
Restricted					
Measure B special revenue	15,283,511	12,546,374	10,637,471	9,131,614	9,252,256
Measure BB special revenue	18,591,593	3,030,050	-	-	-
Capital projects	272,799,555	214,029,554	265,389,161	175,060,226	200,229,225
Transportation fund for clean air	5,416,522	5,042,326	4,273,148	3,707,742	3,387,914
Vehicle registration fee	16,981,130	13,802,656	11,227,612	9,721,681	5,156,748
I-580 express lanes operations	2,033,206	-	-	-	-
Debt service	16,148,377	14,843,792	20,379,253	-	-
Assigned, reported in:					
Exchange fund	5,061,439	4,929,549	4,985,291	1,213,610	4,762,721
Total All Other Governmental Funds	\$ 352,444,903	\$ 268,234,018	\$ 316,921,585	\$ 198,834,873	\$ 222,788,864

Note: Alameda CTC is a Joint Powers Agency established in July 2010, effectively merging the Alameda County Transportation Improvement Authority and the Alameda County Congestion Management Agency, who delegated all of their assets, liabilities, powers, functions, and responsibilities to Alameda CTC. Alameda CTC produced their first financial report for fiscal year ended June 30, 2012. Due to the recent formation of Alameda CTC a 10 year trend analysis is not available.

Source: Alameda CTC Financial Statements

ALAMEDA COUNTY TRANSPORTATION COMMISSION

FINANCIAL TRENDS – CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST FIVE FISCAL YEARS

	Fiscal Year Ending June 30,				
	2016	2015	2014	2013	2012
REVENUES					
Sales tax	\$ 274,586,311	\$ 160,504,725	\$ 127,095,900	\$ 121,084,780	\$ 112,568,093
Project revenue	50,117,225	45,960,953	52,000,104	38,222,024	53,762,091
Member agency contributions	1,394,818	1,394,818	1,394,821	1,394,818	1,315,867
Vehicle registration fees	13,020,822	12,929,589	12,669,464	12,065,055	12,242,126
Investment income	1,988,371	913,416	755,915	172,499	956,225
Toll revenue	2,970,436	-	-	-	-
Other income	142,104	141,507	1,226,102	227,589	412,178
Total Revenues	344,220,087	221,845,008	195,142,306	173,166,765	181,256,580
EXPENDITURES					
Administrative					
Salaries and benefits	3,504,893	3,694,333	4,215,750	4,271,217	4,191,318
Office rent	874,728	840,414	1,067,830	903,841	912,888
Professional services	4,729,026	2,478,972	2,328,134	2,923,255	2,528,606
Operations and maintenance	837,467	-	-	-	-
Planning and programming	5,995,874	4,771,585	2,603,119	1,561,829	2,484,552
Bond issuance costs	-	-	592,542	-	-
Other	1,226,384	2,506,165	2,275,963	2,421,596	1,184,867
Transportation improvements					
Highways and streets	30,452,003	25,149,896	29,986,834	29,930,950	39,801,038
Public transit	93,599,729	124,454,786	113,514,703	78,389,108	91,981,235
Local transportation	68,701,066	40,377,369	35,230,290	33,146,961	36,777,134
Congestion management	31,536,046	55,012,153	39,072,897	41,535,414	46,950,008
Debt Service					
Interest	5,701,349	5,653,839	-	-	-
Capital outlay	17,861,512	-	-	-	-
Total Expenditures	265,020,077	264,939,512	230,888,062	195,084,171	226,811,646
OTHER FINANCING SOURCES					
Other sources	13,641,051	-	157,480,856	-	-
Total Other Financing Sources	13,641,051	-	157,480,856	-	-
NET CHANGE IN FUND BALANCES	\$ 92,841,061	\$ (43,094,504)	\$ 121,735,100	\$ (21,917,406)	\$ (45,555,066)

Note: Alameda CTC is a Joint Powers Agency established in July 2010, effectively merging the Alameda County Transportation Improvement Authority and the Alameda County Congestion Management Agency, who delegated all of their assets, liabilities, powers, functions, and responsibilities to Alameda CTC. Alameda CTC produced their first financial report for fiscal year ended June 30, 2012. Due to the recent formation of Alameda CTC a 10 year trend analysis is not available.

Source: Alameda CTC Financial Statements

ALAMEDA COUNTY TRANSPORTATION COMMISSION

REVENUE CAPACITY– SALES TAX FOR THE COUNTY OF ALAMEDA FISCAL YEARS 2014 AND 2007

Fiscal Year Ended June 30:	Alameda CTC Sales Tax Rate ¹	2000 Measure B Sales Tax Revenue ^{1,2,3}	2014 Measure BB Sales Tax Revenue ^{1,2,3}	Sales Tax Revenue	Annual Growth	Total Taxable Sales in Alameda County (in thousands) ^{1,2,3}
2016	1.0%	\$ 137,289,997	\$ 137,296,314	\$ 274,586,311	71.35%	\$ 27,458,631
2015	1.0%	132,537,037	27,708,768	160,245,805	26.08%	27,892,846
2014	0.5%	127,095,900	-	127,095,900	4.96%	27,533,545
2013	0.5%	121,084,780	-	121,084,780	7.57%	25,754,040
2012	0.5%	112,568,093	-	112,568,093	6.81%	24,462,942
2011	0.5%	105,393,813	-	105,393,813	11.58%	22,378,360
2010	0.5%	94,453,574	-	94,453,574	-6.77%	20,888,336
2009	0.5%	101,317,661	-	101,317,661	-12.86%	21,681,063
2008	0.5%	116,267,321	-	116,267,321	2.23%	25,284,440
2007	0.5%	113,726,121	-	113,726,121	3.07%	25,592,761

¹ In 2000, Alameda County voters approved Measure B, a half-cent transportation sales tax. In 2014, Alameda County voters approved Measure BB, an augmentation and extension of the sales tax by an additional half-cent and an extension through 2045. Collections of 2014 Measure BB half-cent sales tax began April 2015.

² For fiscal years 2015 and 2016, total taxable sales were calculated based on the Alameda CTC's sales tax revenues divided by Alameda CTC sales tax percentage (MBB's percentage was pro-rated as collections began April 2015).

³ For fiscal years 2007-2014, taxable sales were obtained from the California State Board of Equalization website.

Source: These amounts were derived from the prior years financial statements of Alameda CTC or its predecessors

Sales Tax Rates by Incorporated City in Alameda County

City	Effective April 1, 2016	Effective April 1, 2015	Effective October 1, 2014	Effective April 1, 2014
Alameda	9.50%	9.50%	9.00%	9.00%
Albany	10.00%	10.00%	9.50%	9.50%
Berkeley	9.50%	9.50%	9.00%	9.00%
Dublin	9.50%	9.50%	9.00%	9.00%
Emeryville	9.50%	9.50%	9.00%	9.00%
Fremont	9.50%	9.50%	9.00%	9.00%
Hayward	10.00%	10.00%	9.50%	9.00%
Livermore	9.50%	9.50%	9.00%	9.00%
Newark	9.50%	9.50%	9.00%	9.00%
Oakland	9.50%	9.50%	9.00%	9.00%
Piedmont	9.50%	9.50%	9.00%	9.00%
Pleasanton	9.50%	9.50%	9.00%	9.00%
San Leandro	10.00%	10.00%	9.25%	9.25%
Union City	10.00%	10.00%	9.50%	9.50%

Source: California State Board of Equalization

ALAMEDA COUNTY TRANSPORTATION COMMISSION

REVENUE CAPACITY– PRINCIPAL SALES TAX PAYERS BY SEGMENT FOR THE COUNTY OF ALAMEDA FISCAL YEARS 2014 AND 2007

		2014 ¹	
		Total	Percentage
		Taxable Sales in	of Taxable
		Alameda County	Sales
Principal Revenue Payers	Rank	(in thousands)	
All Other Outlets	1	\$ 10,556,857	37.20%
Motor Vehicle and Parts Dealers	2	3,536,623	12.46%
Food Services and Drinking Places	3	2,717,833	9.58%
Gasoline Stations	4	2,153,400	7.59%
General Merchandise Stores	5	1,976,243	6.96%
Clothing and Clothing Accessories Stores	6	1,434,990	5.06%
Building Material, Garden Equipment and Supplies	7	1,428,426	5.03%
Food and Beverage Stores	8	1,079,266	3.80%
Miscellaneous Store Retailers	9	976,020	3.44%
Electronics and Appliance Stores	10	644,141	2.27%
Furniture and Home Furnishing Stores	11	539,459	1.90%
Sporting Goods, Hobby, Musical Instru., Book Stores	12	504,081	1.78%
Health and Personal Care Stores	13	490,876	1.73%
Nonstore Retailers	14	339,500	1.20%
		<u>\$ 28,377,715</u>	
		2007	
		Total	Percentage
		Taxable Sales in	of Taxable
		Alameda County	Sales
Principal Revenue Payers	Rank	(in thousands)	
All Other Outlets	1	\$ 9,097,215	35.22%
Automotive Group	2	2,912,074	11.27%
Other Retail Stores	3	2,891,710	11.19%
General Merchandise Group	4	2,292,279	8.87%
Eating and Drinking Group	5	1,953,544	7.56%
Service Stations	6	1,831,042	7.09%
Building Material	7	1,504,738	5.83%
Business and Personal Services	8	1,068,985	4.14%
Home Furnishings and Appliances	9	811,390	3.14%
Food Stores Group	10	801,916	3.10%
Apparel Stores Group	11	666,247	2.58%
		<u>\$ 25,831,140</u>	

¹ 2014 is the latest information available.

Source: California State Board of Equalization.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

REVENUE CAPACITY– VEHICLE REGISTRATION FEE LAST SIX FISCAL YEARS

Fiscal Year Ended	Vehicle	Total	Annual	Vehicles
June 30:	Registration Fee	Revenue	Growth ¹	Registered in Alameda County ²
2016	\$ 9.995	\$ 13,020,822	0.71%	1,302,734
2015	9.995	12,929,589	2.05%	1,293,606
2014	9.995	12,669,464	5.01%	1,267,580
2013	9.995	12,065,055	-1.45%	1,207,109
2012	9.995	12,242,126	582.26%	1,224,825
2011	9.995	1,794,343	n/a ³	n/a ³

¹ Measure F Alameda County Vehicle Registration Fee (VRF) Program was approved by the voters in November 2010. The collection of the \$10 per year vehicle registration fee began in May 2011. The California Department of Motor Vehicles collects a 0.05% administration fee.

² Vehicles registered in Alameda County were calculated based on Alameda CTC's VRF revenue divided by Vehicle Registration Fee.

³ Information is unavailable that corresponds to the collections for May 2011 - June 2011.

Source: These amounts were derived from the prior years financial statements of Alameda CTC or its predecessors.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

DEBT CAPACITY – RATIOS OF OUTSTANDING DEBT

Fiscal Year Ended June 30:	Total Outstanding Debt	Total Taxable Sales in Alameda County ¹	Total Debt as a % of Taxable Sales	Total Personal Income (in thousands) ²	Total Debt as a % of Personal Income
2016	\$ 151,575,101	\$ 27,458,631,000	0.55%	\$ 94,292,900	0.16%
2015	154,117,083	27,892,846,000	0.55%	92,444,020	0.17%
2014	156,659,065	27,533,545,000	0.57%	90,631,392	0.17%

In February 2014, Alameda CTC issued its first series of Sales Tax Revenue Bonds.

¹ 2014 data from the California State Board of Equalization. For fiscal year 2015 and 2016 data is a calculation based on Alameda CTC sales tax received.

² Data for 2014 includes retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis. Estimates for fiscal year 2015 and 2016 are based on a two percent annual increase over 2014.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

DEBT CAPACITY – DEBT LIMITATIONS

Alameda County Transportation Commission does not have overlapping debt with other governments.

Alameda County Transportation Commission does not have a legal debt limit.

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ALAMEDA COUNTY TRANSPORTATION COMMISSION

DEBT CAPACITY – PLEDGED REVENUE COVERAGE

Fiscal Year Ended June 30:	Available Revenue	Annual Debt Service			Coverage
	Sales Tax Revenue	Principal	Interest	Total	
2016	\$ 137,289,997	\$ -	\$ 5,701,350	\$ 5,701,350	24.1
2015	132,537,037	-	5,653,839	5,653,839	23.4
2014	127,095,900	-	-	-	n/a ¹

¹ Debt Service payments began September 1, 2014.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

DEMOGRAPHIC AND ECONOMIC INFORMATION – STATISTICS LAST TEN FISCAL YEARS

Fiscal Year Ended June 30:	Population ¹	Total Personal Income (in thousands) ²	Per Capita Personal Income ³	Unemployment Rate ⁴
2016	1,627,865	\$ 94,292,900	\$ 57,924	4.7%
2015	1,610,765	92,444,020	57,391	4.8%
2014	1,610,921	90,631,392	56,261	5.8%
2013	1,583,226	85,173,987	53,798	7.5%
2012	1,556,249	80,530,232	51,746	9.1%
2011	1,532,518	75,973,983	49,575	10.5%
2010	1,513,625	70,374,092	46,494	11.0%
2009	1,498,539	68,214,624	45,521	10.7%
2008	1,477,208	71,401,307	48,335	6.2%
2007	1,455,715	70,067,569	48,133	4.8%

¹ Data for 2007-2014 includes retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.
2015-2016 data includes retroactive revisions by the State of California Department of Finance, Demographic Research Unit.

² Total Personal Income data for 2015 and 2016 is based on an estimated two percent annual increase over 2014.

Data for 2007-2014 includes retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.

³ Per Capita Income data for 2015 and 2016 is based on an estimated two percent annual increase over 2014.

Data for 2007-2014 includes retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.

⁴ Data includes retroactive revisions by the State of California Employment Development Department.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

DEMOGRAPHIC AND ECONOMIC INFORMATION – TOP TEN PRINCIPAL EMPLOYERS IN ALAMEDA COUNTY CURRENT YEAR AND TEN PRIOR YEARS

Fiscal Year Ending June 30:				
2016 ¹				
Employer	Type of Business	Rank	Number of Employees	Percentage of Employment
University of California, Berkeley	Education	1	10,000+	1.26%+
Western Digital Corp	Electronic Equipment & Supplies Manufacturing	1	10,000+	1.26%+
Lawrence Livermore Lab	Laboratories	2	5,000-9,999	1.26%
Grifols Diagnostic Solutions	Pharmaceutical Research Laboratories	2	5,000-9,999	1.26%
Merritt Pavilion Lab	Laboratories-Medical	2	5,000-9,999	1.26%
County of Alameda	Government	2	5,000-9,999	1.26%
Tesla Motors	Automobile Dealers-Electric Cars	3	1,000-4,999	0.63%
Safeway Inc	Grocers-Retail	3	1,000-4,999	0.63%
Kaiser Permanente Medical Group	General Medical Hospital	3	1,000-4,999	0.63%
California Department of Transportation	Government	3	1,000-4,999	0.63%
Fiscal Year Ending June 30:				
2007 ²				
Employer	Type of Business	Rank	Number of Employees	Percentage of Employment
University of California, Berkeley	Education	1	15,618	2.20%
Lawrence Livermore National Laboratory	R&D Biotechnology	2	11,550	1.63%
County of Alameda	Government	3	11,441	1.61%
New United Motor Manufacturing	Automobile Manufacturing	4	7,000	0.99%
Oakland Unified School District	Education	5	5,607	0.79%
Lawrence Berkeley National Laboratory	Testing Laboratories	6	5,000	0.70%
World Savings & Loan Association	Commercial Bank	7	4,389	0.62%
City of Oakland	Government	8	4,249	0.60%
Cooper Companies Inc.	Ophthalmic Goods Manufacturing	9	4,000	0.56%
Kaiser Permanente Medical Group	General Medical Hospital	10	4,315	0.61%
			<u>73,169</u>	

¹ Number of Employees listed as a range as provided by source, Employment Development Department and East Bay EDA.

² Employment Development Department and County of Alameda.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

OPERATING INFORMATION – EMPLOYEES LAST FIVE FISCAL YEARS

Function	Fiscal Year Ending June 30,				
	2016	2015	2014	2013	2012
Executive	1.00	1.00	1.00	1.00	1.00
Administration	5.00	3.00	3.00	5.00	6.00
Finance	6.00	7.00	7.00	7.00	7.00
Policy, Public Affairs and Legislation	0.50	3.00	2.00	2.00	2.00
Planning and Programs	7.50	3.00	3.00	4.00	3.00
Program and Projects	5.00	4.00	5.00	6.00	5.00
Express Lanes Operations	2.00	-	-	-	-
Total Employees	27.00	21.00	21.00	25.00	24.00

Note: Alameda CTC is a Joint Powers Agency established in July 2010, effectively merging the Alameda County Transportation Improvement Authority and the Alameda County Congestion Management Agency, who delegated all of their assets, liabilities, powers, functions, and responsibilities to Alameda CTC. Alameda CTC produced their first financial report for fiscal year ended June 30, 2012. Due to the recent formation of Alameda CTC a 10 year trend analysis is not available.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

OPERATING INFORMATION – PROGRAM REVENUES LAST FIVE FISCAL YEARS

	Fiscal Year Ending June 30,				
	2016	2015	2014	2013	2012
Federal Revenue	\$ 6,298,442	\$ 9,364,425	\$ 5,449,588	\$ 5,774,570	\$ 3,195,946
State Revenue	7,556,897	9,499,895	9,432,800	12,007,467	24,707,698
Regional Measure Revenue	1,004,854	4,547,696	3,593,671	3,049,072	4,356,559
Local Revenue	35,257,032	22,548,937	33,524,045	17,390,918	11,501,887
	<u>\$ 50,117,225</u>	<u>\$ 45,960,953</u>	<u>\$ 52,000,104</u>	<u>\$ 38,222,027</u>	<u>\$ 43,762,090</u>

Note: Alameda CTC is a Joint Powers Agency established in July 2010, effectively merging the Alameda County Transportation Improvement Authority and the Alameda County Congestion Management Agency, who delegated all of their assets, liabilities, powers, functions, and responsibilities to Alameda CTC. Alameda CTC produced their first financial report for fiscal year ended June 30, 2012. Due to the recent formation of Alameda CTC a 10 year trend analysis is not available.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

OPERATING INFORMATION – CAPITAL ASSETS LAST FIVE FISCAL YEARS

	Fiscal Year Ending June 30,				
	2016	2015	2014	2013	2012
Capital assets, being depreciated					
Furniture and Fixtures	\$ 360,635	\$ 317,413	\$ 311,138	\$ 103,384	\$ 103,384
Office Equipment	398,601	151,049	151,049	513,121	573,437
Leasehold Improvements	410,104	399,632	399,631	385,281	385,281
Toll lane revenue system	44,977,234	-	-	-	-
Total capital assets, being depreciated	46,146,574	868,094	861,818	1,001,786	1,062,102
Less accumulated depreciation					
Furniture and Fixtures	(194,230)	(135,095)	(78,953)	(103,383)	(95,558)
Office Equipment	(163,423)	(143,730)	(127,753)	(469,213)	(514,800)
Leasehold Improvements	(114,729)	(73,266)	(33,303)	(378,558)	(341,045)
Toll lane revenue system	(824,027)	-	-	-	-
Total accumulated depreciation	(1,296,409)	(352,091)	(240,009)	(951,154)	(951,403)
Total Capital Assets, Net	<u>\$ 44,850,165</u>	<u>\$ 516,003</u>	<u>\$ 621,809</u>	<u>\$ 50,632</u>	<u>\$ 110,699</u>

Note: Alameda CTC is a Joint Powers Agency established in July 2010, effectively merging the Alameda County Transportation Improvement Authority and the Alameda County Congestion Management Agency, who delegated all of their assets, liabilities, powers, functions, and responsibilities to Alameda CTC. Alameda CTC produced their first financial report for fiscal year ended June 30, 2012. Due to the recent formation of Alameda CTC a 10 year trend analysis is not available.

INDEPENDENT AUDITOR'S REPORTS



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Governing Board
Alameda County Transportation Commission
Oakland, California

We have audited, 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, the financial statements of the governmental activities and each major fund of Alameda County Transportation Commission (Alameda CTC), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Alameda CTC's basic financial statements, and have issued our report thereon dated **November XX, 2016**. Our report included an emphasis of matter regarding Alameda CTC's adoption of GASB Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 76, *The hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Alameda CTC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alameda CTC's internal control. Accordingly, we do not express an opinion on the effectiveness of Alameda CTC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alameda CTC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alameda CTC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Palo Alto, California
November XX, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

Governing Board
Alameda County Transportation Commission
Oakland, California

Report on Compliance for Each Major Federal Program

We have audited Alameda County Transportation Commission's (Alameda CTC), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Alameda CTC's major federal program for the year ended June 30, 2016. Alameda CTC's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of Alameda CTC's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Alameda CTC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Alameda CTC's compliance.

Opinion on the Major Federal Program

In our opinion, Alameda CTC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Alameda CTC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Alameda CTC's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Alameda CTC's internal control over compliance.

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Palo Alto, California

October 22, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SUMMARY OF AUDITOR'S RESULTS FOR THE YEAR ENDED JUNE 30, 2016

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	None
Significant deficiency identified?	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major Federal programs:	
Material weakness identified?	None
Significant deficiency identified?	None reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	None

Identification of major Federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

ALAMEDA COUNTY TRANSPORTATION COMMISSION

**FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016**

None reported.

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ALAMEDA COUNTY TRANSPORTATION COMMISSION

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

None reported.

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ALAMEDA COUNTY TRANSPORTATION COMMISSION

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016**

None reported.

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