

For the Year Ended
June 30, 2017

Comprehensive Annual Financial Report



Alameda County Transportation Commission
Oakland, CA

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**ALAMEDA COUNTY
TRANSPORTATION COMMISSION
OAKLAND, CALIFORNIA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017
PREPARED BY THE FINANCE DEPARTMENT**



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ALAMEDA COUNTY TRANSPORTATION COMMISSION

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INTRODUCTORY SECTION

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December XX, 2017

**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, 2017. 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, 2017.

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 24 Self-Help Counties in California that delivers 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 augments and extends 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 fund 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 4.0 percent by June 2017 from 4.5 percent in June 2016 and 4.8 percent in June 2015. During the last fiscal year, jobs were added in education and health services, construction, government, leisure and hospitality, financial activities, professional and business services, information, and other services. Alameda County's unemployment rate is better than the state unemployment rate which has decreased to 4.9 percent by June 2017 from 5.6 percent in June 2016 and 6.3 percent in June 2015. Alameda County's unemployment rate also is better than the national unemployment rate, which has decreased to only 4.4 percent by June 2017 from 4.9 percent in June 2016 and 5.3 percent in June 2015. Unemployment in Alameda County has stayed below that of the state and the nation over the last few years. This is a change for Alameda County which had an unemployment rate between that of the state and the nation since the recession of

2008. This movement in Alameda County's economic standing, as compared to California's economic standing over the last few years, indicates that Alameda County's economy is improving at a greater rate than that of the state as a whole.

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 construction, manufacturing, transportation, financial activities, professional and business services, educational and health services, research, technology, leisure and hospitality, government, farming, retail trade, and other 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 busiest container port in the United States 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 residents of Alameda County.

Sales tax revenue collections by Alameda CTC continue to grow. In fiscal year 2016-17, Measure B sales tax revenues grew to \$142.9 million for a 4.1 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. In fiscal year 2016-17, Measure BB sales tax revenues grew to \$141.9 million for a 3.3 percent increase over the prior fiscal year.

LONG-TERM FINANCIAL PLANNING

Alameda CTC delivered nearly all of the transportation sales tax projects approved by the voters in the 2000 Measure B 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 have 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 and deliver on the promises made to the voters of Alameda County in 2000.

As Alameda CTC allocates Measure BB program funds, close attention is paid to designated projects in the 2014 TEP and projects that were submitted for the 2018 Comprehensive Investment Plan (CIP) Call for Project Nominations. Alameda CTC evaluated the candidate CIP projects and programs based on the Commission-approved CIP programming guidelines and project selection criteria and matched successful candidate projects with appropriate fund sources. Projects that are considered 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 may 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 works within the guidelines of the original agencies' policies until new policies are adopted for the consolidated agency. 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 2017;

- 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 and agency related travel expenditures;
- 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 \$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 has developed policies and procedures around the administration, allocation and distribution of Measure BB funds. Measure BB revenues were \$141.9 million during fiscal year 2016-17, an increase of 3.3 percent over the prior fiscal year. 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 cities in Alameda County, Alameda County, and local transit agencies upon receipt for local streets and roads maintenance and improvements, public transit, paratransit services, and bicycle and pedestrian maintenance and improvements.

In April 2017, the Commission approved the 2018 Comprehensive Investment Plan (CIP) which consolidates the programming and allocation for fund sources under Alameda CTC’s purview into a single document. The CIP is intended to consolidate 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 subsequent funding administration. The 2018 CIP is consistent with Alameda CTC’s Countywide Transportation Plan and multi-modal plans and includes total programming recommendations of approximately \$405 million over five years of which \$260 million is recommended for allocation in fiscal years 2017-18 and 2018-19. The \$405 million total programming includes funds from the voter-approved sales tax and vehicle registration fee measures, One Bay Area Grant (OBAG) Cycle 2 discretionary and Local Streets and Roads (LSR) formula funds, Transportation Fund for Clean Air (TFCA), and other Alameda CTC-administered fund sources.

The I-580 Express Lanes were opened to traffic on February 19th and 22nd of 2016 in the eastbound and westbound directions, respectively. The lanes extend from Hacienda Drive to Greenville Road in the eastbound direction and from Greenville Road to San Ramon Road/Foothill Road in the westbound direction. Motorists using the I-580 Express Lanes facility benefit from travel time savings and travel reliability as the express lanes optimize corridor capacity by providing a new choice to drivers. Single occupancy vehicles may choose to pay a toll and travel within the express lanes, while carpools, clean-air vehicles, motorcycles, and transit vehicles enjoy the benefits of toll-free travel in the express lanes. During fiscal year 2016-17, the I-580 Express Lanes’ first full fiscal year of operations, the lanes recorded over 7.8 million total trips, and total gross revenues include \$10.2 million in toll revenues and \$3.1 million in violation fees and penalties.

AWARDS AND ACKNOWLEDGEMENTS

This is the fifth consecutive year that 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 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 also would like to express our thanks to all members of Alameda CTC departments who assisted in and contributed to the preparation of this report. In addition, credit and thanks 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, 2017

Member	Jurisdiction	Alternate
Councilmember At-Large, Rebecca Kaplan, Chair	City of Oakland	Abel Guillen
Supervisor Richard Valle, Vice Chair	Alameda County, District 2	Mike Bucci
Director Elsa Ortiz	AC Transit	H.E. Christian Peoples
Supervisor Scott Haggerty	Alameda County, District 1	None
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	Teddy King
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 Kriss Worthington	City of Berkeley	Jesse Arreguin
Mayor David Haubert	City of Dublin	Don Biddle
Vice Mayor John Bauters	City of Emeryville	Ally Medina
Mayor Lily Mei	City of Fremont	David Bonaccorsi
Mayor Barbara Halliday	City of Hayward	Marvin Peixoto
Mayor John Marchand	City of Livermore	Bob Coomber
Councilmember Luis Freitas	City of Newark	Maria Collazo
Councilmember Dan Kalb	City of Oakland	Abel Guillen
Mayor Jeffery Wieler	City of Piedmont	Bob McBain
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

Tess Lengyel	Deputy Executive Director of Planning and Policy	tlengyel@alamedactc.org	(510) 208-7428
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Patricia Reavey	Deputy Executive Director of Finance and Administration	preavey@alamedactc.org	(510) 208-7422
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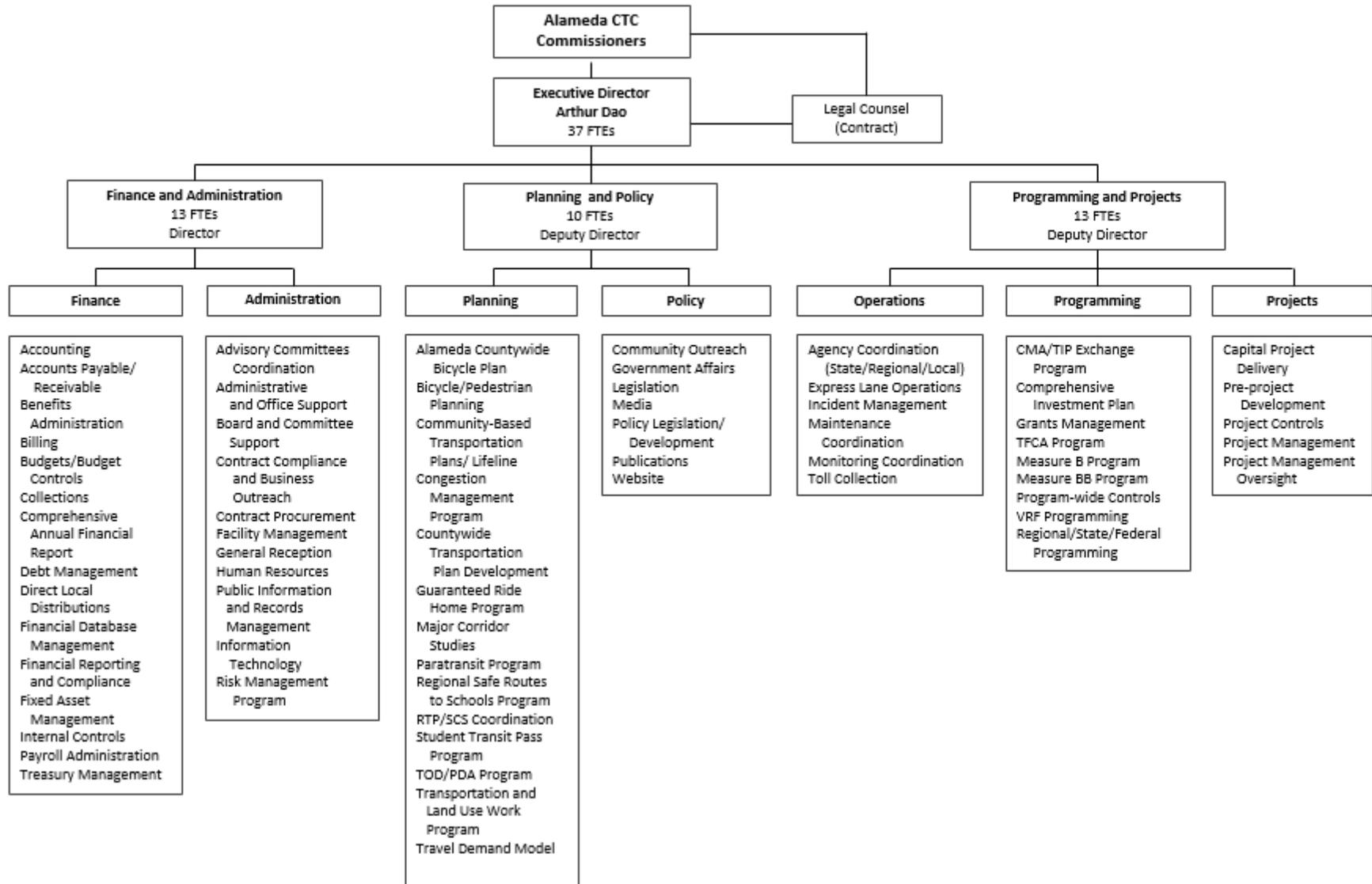
General Counsel

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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017:

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

Partner

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, 2016

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, 2017, 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, 2017, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, schedule of the proportionate share of the net pension liability and schedule of pension contributions on pages 51 through 52, budgetary comparison schedules and the related notes on pages 53 through 57, 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 introductory section, statistical section, combining and individual fund financial statements or schedules, budgetary comparison schedules, and 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*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and combining and individual fund financial statements or schedules and budgetary comparison schedules, 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 combining and individual fund financial statements or schedules and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated December XX, 2017 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.

Palo Alto, California
December XX, 2017

ALAMEDA COUNTY TRANSPORTATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2017

The following discussion and analysis of the Alameda County Transportation Commission (Alameda CTC) financial report is provided by management of Alameda CTC as a narrative overview of the financial activities for the fiscal year ended June 30, 2017. Management encourages readers to consider information presented in this section in conjunction with the transmittal letter and financial statements and related notes contained in the financial section.

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

- The assets and deferred outflows of resources of Alameda CTC exceeded its liabilities and deferred inflows of resources at the end of fiscal year 2016-17 by \$360.0 million (*net position*). Of this amount, \$50.9 million represents unrestricted net position, which may be used to meet the government's ongoing obligations.
- Alameda CTC's total net position increased \$76.8 million or 27.1 percent over the prior fiscal year-end primarily due to an increase in cash and investments related to sales tax collections and a reduction in long term liabilities as the first principal payment on the outstanding 2014 Sales Tax Revenue Bonds was made in March 2017.
- As of June 30, 2017, the Alameda CTC governmental funds reported combined fund balances of \$437.5 million, an increase of \$46.9 million compared to June 30, 2016. Of the total combined fund balances, \$48.7 million or 11.1 percent is available for spending at Alameda CTC's discretion (*unassigned fund balance*).
- Total assets and deferred outflows of resources of the Alameda CTC increased by \$43.7 million from \$534.7 million to \$578.4 million as of June 30, 2017 compared to June 30, 2016 mainly related to an increased cash and investment balance due to sales tax collections and toll and toll violation revenue collections and capital asset additions on the I-580 Express Lanes. Cash and investments comprised \$460.1 million or 79.5 percent of the total assets and deferred outflows of resources as of June 30, 2017.
- Revenues totaled \$352.5 million for the fiscal year ended June 30, 2017. This was a decrease of \$32.7 million or 8.5 percent from the fiscal year ended June 30, 2016 related to the recognition of capital assets on the I-580 Express Lanes which occurred in the prior fiscal year.
- Total liabilities and deferred inflows of resources decreased by \$33.1 million or 13.2 percent from \$251.6 million to \$218.4 million as of June 30, 2017 compared to June 30, 2016. This decrease is mostly due to the payment of debt service on the outstanding 2000 Measure B 2014 Sales Tax Revenues Bonds.
- Expenses totaled \$275.6 million for the fiscal year ended June 30, 2017. This was an increase of \$30.2 million or 12.3 percent over the fiscal year ended June 30, 2016 mostly related to a ramp up of expenditures in the 2014 Measure BB Capital Projects Fund as projects funded by Measure BB got underway.

Overview of the Financial Statements

This discussion and analysis is intended to provide an introduction to Alameda CTC's basic financial statements. Alameda CTC's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, the report includes supplementary information in order to provide additional detail to support the basic financial statements.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide the reader with a broad overview of Alameda CTC's finances, in a manner similar to private-sector businesses.

The *Statement of Net Position* includes financial information on all of Alameda CTC's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Alameda CTC is improving or deteriorating.

The *Statement of Activities* includes information which shows how Alameda CTC's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Consequently, revenues and expenses are reported for items in the Statement of Activities that may not result in cash flows until a future period.

The government-wide financial statements can be found on pages 14-15 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Alameda CTC, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of Alameda CTC's funds are considered governmental funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. This information may be useful in assessing a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. This may help readers better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison.

Alameda CTC has eight major funds for which information is presented separately in the Governmental Fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances 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, and 2014 Measure BB Capital Projects Fund. In addition there are four funds that are considered nonmajor and data for those funds are combined into a single aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules of this report.

Alameda CTC adopts an annual budget for all of its funds. A budgetary comparison statement has been provided for the General Fund and major special revenue funds in the required supplementary information section of this report. A budgetary comparison statement has been provided for all other funds in the supplementary section.

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Notes to the Financial Statements. The *notes to the financial statements* provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. These notes can be found directly following the financial statements in this financial report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning Alameda CTC's progress in funding its obligation to provide pension and Other Postemployment Benefits (OPEB) to its employees. Required supplementary information can be found beginning on page 58 of this report.

Government-wide Financial Analysis

Net Position

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of Alameda CTC, asset and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$360.0 million, at the close of the fiscal year.

As of June 30, 2017, total assets and deferred outflows of resources were \$578.4 million, an increase of \$43.7 million or 8.2 percent over June 30, 2016 mostly related to an increase in cash and investments due to sales tax revenue and toll and toll violation revenue collections and capital asset additions on the I-580 Express Lanes. Cash and investments comprised \$460.1 million or 79.5 percent of the total assets and deferred outflows of resources.

Total liabilities and deferred inflows of resources were \$218.4 million as of June 30, 2017, a decrease of \$33.1 million or 13.2 percent from June 30, 2016 related to the payment of debt service on the 2000 Measure B 2014 Sales Tax Revenue Bonds. As of June 30, 2017, Alameda CTC had commitments for \$7.9 million towards administrative services contracts, \$59.4 million towards engineering contracts to deliver Alameda CTC implemented capital projects and programs, \$8.0 million towards right of way and utility contracts, \$130.8 million towards construction contracts, \$3.5 million towards operations contracts, and \$61.5 million towards project sponsor contracts with terms ranging up to 11 years.

Net position was \$360.0 million at June 30, 2017, an increase of \$76.8 million or 27.1 percent over June 30, 2016. Of the total \$360.0 million in net position at June 30, 2017, \$50.3 million or 14.0 percent is invested in capital assets, \$50.9 million or 14.1 percent is unrestricted and the balance of \$258.8 million or 71.9 percent is restricted for use towards local programs and capital projects authorized in the Measure B 1986 and 2000 Transportation Expenditure Plans (TEP) and the Measure BB 2014 TEP, congestion management projects and debt service.

Generally, 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. More recently, Alameda CTC took on the responsibility for operating the I-580 Express Lanes which began operations 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. Expenditures for this capital project were recognized as capital assets beginning in February 2016.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2017

Condensed Statement of Net Position June 30, 2017 and 2016

	Governmental Activities	
	2017	2016
Cash and investments	\$ 460,124,540	\$ 419,050,545
Receivables		
Sales tax receivables	49,568,908	46,955,548
Interest	1,297,655	860,004
Other	15,106,831	21,542,467
Prepaid and other assets	409,207	279,552
Capital assets	50,256,187	44,850,165
Total Assets	576,763,328	533,538,281
Deferred Outflows of Resources - Pensions	1,646,348	1,157,317
Total Assets and Deferred Outflows of Resources	\$ 578,409,676	\$ 534,695,598
Accounts payable and accrued liabilities	49,243,013	49,942,881
Interest payable	1,692,750	1,900,450
Unearned revenue	33,872,645	43,605,275
Long-term obligations	133,366,802	155,681,034
Total Liabilities	218,175,210	251,129,640
Deferred Inflows of Resources - Pensions	273,194	433,158
Total Liabilities and Deferred Inflows of Resources	218,448,404	251,562,798
Net investment in capital assets	50,256,187	44,850,165
Restricted	258,765,813	197,925,780
Unrestricted	50,939,272	40,356,855
Total Net Position	359,961,272	283,132,800
Total Liabilities, Deferred Inflows and Net Position	\$ 578,409,676	\$ 534,695,598

Change in Net Position

Total revenues during fiscal year 2017 were \$352.5 million, a decrease of \$32.7 million or 8.5 percent from fiscal year 2016. This decrease can be attributed to the recognition of capital assets contributed for the I-580 Express Lanes in fiscal year 2016. Total expenses during fiscal year 2017 were \$275.6 million, an increase of \$30.2 million or 12.3 percent over fiscal year 2016. This increase is related to a ramp up of expenditures in the 2014 Measure BB Capital Projects Fund as projects funded by Measure BB got underway.

The following are changes in key activities during fiscal year 2017:

- Operating grants and contributions for fiscal year 2017 were \$50.1 million, a decrease of \$3.0 million or 5.6 percent from fiscal year 2016. This change is related to a decrease in congestion management capital projects activity as these projects wind down.

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- Sales tax revenues for fiscal year 2017 were \$285.9 million, an increase of \$11.1 million or 4.1 percent over fiscal year 2016 which reflects the positive economic condition in Alameda County.
- Administration expenses for fiscal year 2017 were \$14.6 million, a decrease of \$2.6 million or 15.1 percent from fiscal year 2016 mostly related to planning and programming activities.
- Transportation improvement costs for fiscal year 2017 were \$223.7 million, an increase of \$31.0 million or 16.1 percent over fiscal year 2016. This change is due to a ramp up of expenditures in the 2014 Measure BB Capital Projects Fund as projects funded by Measure BB got underway.
- Congestion management expenses for fiscal year 2017 were \$34.4 million, an increase of \$2.0 million or 6.2 percent over fiscal year 2016. This increase is primarily due to the costs incurred to operate and maintain the Express Lanes on interstate 580.

During fiscal year 2017, revenues exceeded expenses by \$76.8 million resulting in an increase to net position to \$360.0 million as of June 30, 2017.

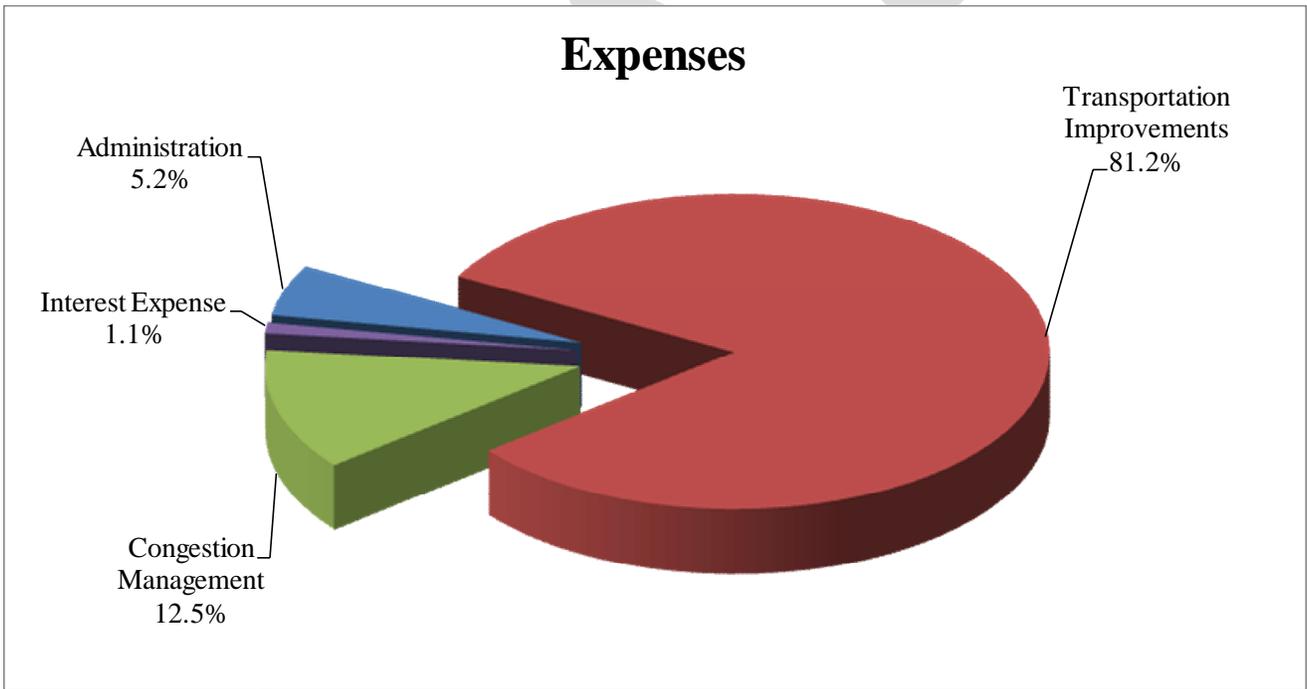
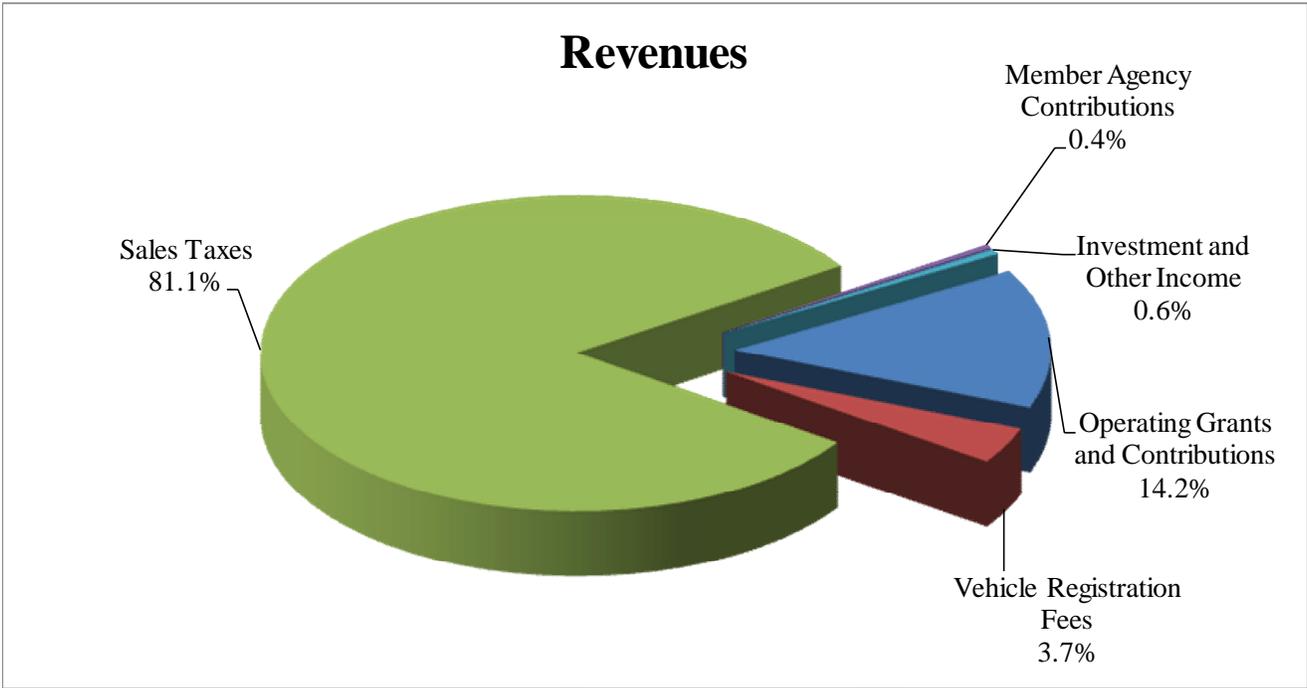
Condensed Statement of Changes in Net Position For the Years Ended June 30, 2017 and 2016

	Governmental Activities	
	2017	2016
Revenues and special items		
Program revenues:		
Operating grants and contributions	\$ 50,110,490	\$ 53,087,661
General revenues:		
Sales taxes	285,943,387	274,797,697
Vehicle registration fees	13,075,120	13,020,822
Member agency contributions	1,394,819	1,394,818
Investment income	1,929,285	1,988,371
Gain on sale of land	-	13,641,051
Other and special items	13,831	27,257,826
Total Revenues	352,466,932	385,188,246
Expenses		
Administration	14,600,744	17,189,024
Interest expense	2,951,669	3,159,367
Transportation improvements	223,711,625	192,752,798
Congestion management	34,374,422	32,360,073
Total Expenses	275,638,460	245,461,262
Change in Net Position	76,828,472	139,726,984
Net Position, Beginning of Year	283,132,800	143,405,816
Net Position, End of Year	\$ 359,961,272	\$ 283,132,800

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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, 2017, Alameda CTC had \$437.5 million of fund balance in the governmental funds: \$48.9 million in the General Fund, \$19.5 million in the 2000 Measure B Special Revenue Fund, \$36.4 million in the 2014 Measure BB Special Revenue Fund, \$5.2 million in the Exchange Fund, \$84.6 million in the 2000 Measure B Capital Projects Fund, \$134.4 million in the 1986 Measure B Capital Projects Fund, \$62.5 million in the 2014 Measure BB Capital Projects Fund and \$46.2 million in the nonmajor governmental funds. This is an increase over June 30, 2016 of \$46.9 million or 12.0 percent. This increase is mostly related to sales tax collections and toll and violation revenue collections for the I-580 Express Lanes.

For the period July 1, 2016 through June 30, 2017, Alameda CTC had \$351.1 million of revenues and other financing sources (uses) in the governmental funds: \$20.8 million in the General Fund, \$81.9 million in the 2000 Measure B Special Revenue Fund, \$92.8 million in the 2014 Measure BB Special Revenue Fund, \$1.8 million in the Exchange Fund, \$37.1 million in the 2000 Measure B Capital Projects Fund, \$0.5 million in the 1986 Measure B Capital Projects Fund, \$21.8 million in the Congestion Management Capital Projects Fund, \$44.8 million in the 2014 Measure BB Capital Projects Fund, and \$49.5 million in the nonmajor governmental funds. This is a decrease from June 30, 2016 of \$6.7 million or 1.9 percent. This decrease is mostly attributed to a gain on sale of land in fiscal year 2016 and a decrease in project revenues in fiscal year 2017 as the congestion management capital program winds down, offset by an increase in sales tax revenues and I-580 Express Lanes toll and violation revenues.

For the period July 1, 2016 through June 30, 2017, Alameda CTC had \$304.3 million of expenditures in the governmental funds: \$10.2 million in the General Fund, \$77.7 million in the 2000 Measure B Special Revenue Fund, \$75.1 million in the 2014 Measure BB Special Revenue Fund, \$1.7 million in the Exchange Fund, \$36.8 million in the 2000 Measure B Capital Projects Fund, \$3.3 million in the 1986 Measure B Capital Projects Fund, \$21.8 million in the Congestion Management Capital Projects Fund, \$33.7 million in the 2014 Measure BB Capital Projects Fund, and \$43.9 million in the nonmajor governmental funds. This is an increase over June 30, 2016 which had \$265.0 million of expenditures. This change is primarily due to an increase in 2014 Measure BB capital projects expenditures as Measure BB gets underway and began funding more capital projects as outlined in the 2014 TEP.

As of June 30, 2017, the Alameda CTC had \$555.6 million of assets in the governmental funds: \$62.2 million in the General Fund, \$32.8 million in the 2000 Measure B Special Revenue Fund, \$49.8 million in the 2014 Measure BB Special Revenue Fund, \$26.9 million in the Exchange Fund, \$109.2 million in the 2000 Measure B Capital Projects Fund, \$135.6 million in the 1986 Measure B Capital Projects Fund, \$20.3 million in the Congestion Management Capital Projects Fund, \$67.7 in the 2014 Measure BB Capital Projects Fund, and \$51.1 million in the nonmajor governmental funds. This is an increase of \$30.5 million or 5.8 percent over June 30, 2016. This increase is mostly attributed to an accumulation of cash in both the 2014 Measure BB Special Revenue and Capital Projects Funds.

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As of June 30, 2017, Alameda CTC had \$118.1 million of liabilities and deferred inflows of resources in the governmental funds: \$13.3 million in the General Fund, \$13.3 million in the 2000 Measure B Special Revenue Fund, \$13.5 million in the 2014 Measure BB Special Revenue Fund, \$21.8 million in the Exchange Fund, \$24.6 million in the 2000 Measure B Capital Projects Fund, \$1.2 million in the 1986 Measure B Capital Projects Fund, \$20.3 million in the Congestion Management Capital Projects Fund, \$5.2 million in the 2014 Measure BB Capital Projects Fund, and \$5.0 million in the nonmajor governmental funds. This is a decrease of \$16.4 million or 12.2 percent from June 30, 2016. This decrease is primarily due to a decrease in congestion management capital project expenditure accruals and unearned revenue as the congestion management projects wind down.

Capital Assets

As of June 30, 2017, Alameda CTC had \$50.3 million invested in capital assets, including furniture and equipment, leasehold improvements and a toll lane revenue system on the I-580 Express Lanes. The total increase in capital assets for the fiscal year was \$5.4 million or 12.1%.

**Capital Assets
(net of accumulated depreciation and amortization)
June 30, 2017 and 2016**

	2017	2016
Furniture and equipment and leasehold improvements, net	\$ 597,771	\$ 696,958
Toll lane revenue system, net	49,658,416	44,153,207
Total	<u>\$ 50,256,187</u>	<u>\$ 44,850,165</u>

Additional information regarding Alameda CTC’s capital assets can be found in Note 4 on page 36 of this report.

Debt

Alameda CTC issued Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2014 with a par value of \$137.1 million in March 2014 of which \$116.4 million remains outstanding as of June 30, 2017. The pledge to secure the bonds is 2000 Measure B sales tax revenues, and Alameda CTC has a trustee who maintains the bond funds. Since this was the first bond issuance for the agency, 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 the rating has been reaffirmed annually since issuance, and Alameda CTC remains AAA rated through the fiscal year ended June 30, 2017. For more information on the agency’s debt activity, please refer to Note 5 to the financial statements.

Comparison of Budget to Actual

General Fund – Alameda CTC began the fiscal year with an adopted revenue budget of \$23.7 million, an expenditures budget of \$14.6 million resulting in a projected increase in the General Fund balance of \$9.1 million. In the final adopted budget, the revenue budget was revised to \$22.1 million, the expenditure budget was revised to \$13.0 million resulting in a slight change to the projected surplus in the General Fund to \$9.2 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 project expenditures are funded on a reimbursement basis.

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Actual revenues from sales tax, project revenues, member agency contributions, investment and other income were \$20.6 million which is less than the final adopted budget by \$1.5 million or 6.8 percent and actual administrative expenditures were \$10.2 million which is less than the final adopted budget by \$2.8 million or 21.4 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

Comprehensive Investment Plan – The Commission approved the 2018 Comprehensive Investment Plan (CIP) which consolidates the programming and allocation for all fund sources under Alameda CTC's purview into a single document in April 2017. The CIP is a five-year programming document with a two year allocation plan which identifies anticipated transportation funding over a five-year period, and strategically matches these funding sources to targeted transportation priorities. The CIP is intended to consolidate 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 is designed to 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. The CIP also establishes the framework for policies, guidelines and procedures that guide Alameda CTC's programming and allocation decisions, project selection, and subsequent funding administration. The 2018 CIP is consistent with Alameda CTC's Countywide Transportation Plan (CWTP) and multi-modal plans and includes total programming recommendations of approximately \$405 million over five years of which \$260 million is recommended for allocation in fiscal years 2018 and 2019. The \$405 million total programming includes funds from the voter-approved sales tax and vehicle registration fee measures, One Bay Area Grant (OBAG) Cycle 2 discretionary and Local Streets and Roads (LSR) formula funds, Transportation Fund for Clean Air (TFCA), and other Alameda CTC-administered fund sources.

Planning Efforts – During fiscal year 2017, Alameda CTC led several planning efforts, including implementation of major planning studies adopted in 2016 that set the course for multimodal investments and priorities through 2040. Highlights include embarking on a rail strategy study, which arose from the Alameda County Goods Movement and Countywide Transit Plans as a first step to address the competing demands of freight and passenger rail in Alameda County while reducing impacts on local communities; and beginning to develop a series of corridor studies to support implementation of transit and multimodal arterial improvements identified in the Countywide Transit and Countywide Multimodal Arterial Plans. Initial corridors include San Pablo Avenue and East 14th Street/Mission Boulevard/Fremont Boulevard. Alameda CTC also coordinated with regional partners to incorporate the long-range CWTP into the regional plan for future programming actions. In May 2017, the agency updated the Priority Development Area (PDA) Investment and Growth Strategy that supports and encourages residential and commercial development in the region's PDAs in both the near- and long-term, pursuant to new guidelines developed by the Metropolitan Transportation Commission (MTC) in fall 2016.

Affordable Student Transit Pass Program – During the 2016-17 school year, Alameda CTC implemented year one of its pilot Affordable Student Transit Pass Program in middle schools and high schools in Alameda County and began preparations for year two. Under this program, free or discounted passes are delivered to schools approved by the Commission for use by students on various transit systems that provide transit

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service near their schools. The passes make it easier for students to travel to and from school and school-related programs, jobs, and other activities. Identified in the 2014 TEP and funded by Measure BB, this pilot program provides a vital opportunity to assess student transportation needs in the county and to develop an approach to meet those needs.

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 MTC 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. The Programming and Projects departments 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 \$1.1 billion. Currently, two out of the eight projects remain in progress. These two projects are in the construction phase and at the end of fiscal year 2017 were over 40 percent complete. It is anticipated that both projects will be completed and open to traffic in the fall of 2018.

Measure BB Capital Projects – In 2014, the passage of Measure BB provided an estimated \$2.8 billion for capital improvements in Alameda County. In addition to providing oversight management for projects led by external sponsors, Alameda CTC's Projects department performs direct project management and implements the delivery of regionally significant projects within the program. At the conclusion of fiscal year 2017, Alameda CTC's portfolio of directly managed projects included 22 projects at various phases of delivery from scoping through construction. A total of \$546 million of Measure BB funding is estimated to be programmed towards the delivery of these projects.

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, 2017**

	Governmental Activities
ASSETS	
Cash and investments	\$ 460,124,540
Sales tax receivable	49,568,908
Interest receivable	1,297,655
Other receivable	15,106,831
Prepays and other assets	266,763
Net OPEB asset	142,444
Capital assets, net of accumulated depreciation	50,256,187
Total Assets	576,763,328
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows from pension activities	1,646,348
LIABILITIES	
Accounts payable and accrued liabilities	49,243,013
Interest payable	1,692,750
Unearned revenues	33,872,645
Noncurrent liabilities	
Current portion of long term liabilities	24,106,611
Due in more than one year	104,358,352
Pension liability	4,901,839
Total Liabilities	218,175,210
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows from pension activities	273,194
NET POSITION	
Investment in capital assets	50,256,187
Restricted	
Local programs	56,777,932
Capital projects	157,503,964
Transportation fund for clean air	5,670,367
Vehicle registration fees	18,731,188
I-580 express lanes operations	11,052,018
Debt service	9,030,344
Unrestricted	50,939,272
Total Net Position	\$ 359,961,272

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

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**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Total Governmental Activities
Governmental activities			
Administration	\$ 14,600,744	\$ -	\$ (14,600,744)
Transportation improvements	223,711,625	4,193,684	(219,517,941)
Congestion management	34,374,422	45,916,806	11,542,384
Interest expense	2,951,669	-	(2,951,669)
Total governmental activities	\$ 275,638,460	\$ 50,110,490	(225,527,970)
General revenues			
Sales tax revenues			285,943,387
Vehicle registration fees			13,075,120
Member agency contributions			1,394,819
Interest and investment earnings			1,929,285
Other revenues			13,831
Total general revenues			302,356,442
Change in net position			76,828,472
Net position - beginning			283,132,800
Net position - ending			\$ 359,961,272

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, 2017**

	General Fund	2000 Measure B Special Revenue Fund	2014 Measure BB Special Revenue Fund	Exchange Fund
ASSETS				
Cash and investments	\$ 54,996,456	\$ 19,796,009	\$ 34,558,600	\$ 16,528,506
Sales tax receivable	2,359,945	12,915,452	14,448,781	-
Interest receivable	131,988	32,601	58,811	31,745
Other receivable	4,117,413	57,627	-	-
Due from other funds	432,034	3,079	773,947	-
Prepays and other assets	134,988	-	-	-
Advances to other funds	-	-	-	10,385,900
Total Assets	\$ 62,172,824	\$ 32,804,768	\$ 49,840,139	\$ 26,946,151
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 1,936,567	\$ 12,775,205	\$ 12,063,857	\$ 16,486
Due to other funds	43,784	253,966	773,947	285,378
Unearned revenue	13,381	-	-	21,471,627
Advances from other funds	10,824,395	-	-	-
Total Liabilities	12,818,127	13,029,171	12,837,804	21,773,491
Deferred Inflows of Resources				
Unavailable revenues	488,330	281,610	636,884	-
Fund Balances				
Nonspendable	134,988	-	-	-
Restricted				
Local programs	-	19,493,987	36,365,451	-
Capital projects	-	-	-	-
Transportation fund for clean air	-	-	-	-
Vehicle registration fees	-	-	-	-
I-580 express lanes operations	-	-	-	-
Debt service	-	-	-	-
Assigned - exchange program	-	-	-	5,172,660
Unassigned	48,731,379	-	-	-
Total Fund Balances	48,866,367	19,493,987	36,365,451	5,172,660
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 62,172,824	\$ 32,804,768	\$ 49,840,139	\$ 26,946,151

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
\$ 97,644,922	\$ 125,148,144	\$ 7,858,405	\$ 57,890,186	\$ 45,703,312	\$ 460,124,540
10,726,097	-	-	9,118,633	-	49,568,908
388,631	399,686	18,002	126,589	109,602	1,297,655
-	5,456	5,075,848	535,921	5,314,566	15,106,831
314,761	-	7,323,242	-	-	8,847,063
125,000	6,775	-	-	-	266,763
-	10,000,000	-	-	-	20,385,900
\$ 109,199,411	\$ 135,560,061	\$ 20,275,497	\$ 67,671,329	\$ 51,127,480	\$ 555,597,660
\$ 10,392,226	\$ 851,995	\$ 3,261,479	\$ 3,345,477	\$ 4,599,721	\$ 49,243,013
6,840,307	298,589	-	-	351,092	8,847,063
5,118,740	-	7,268,897	-	-	33,872,645
-	-	9,561,505	-	-	20,385,900
22,351,273	1,150,584	20,091,881	3,345,477	4,950,813	112,348,621
2,268,383	-	183,616	1,864,002	-	5,722,825
125,000	6,775	-	-	-	266,763
-	-	-	-	-	55,859,438
84,454,755	134,402,702	-	62,461,850	-	281,319,307
-	-	-	-	5,670,367	5,670,367
-	-	-	-	18,731,188	18,731,188
-	-	-	-	11,052,018	11,052,018
-	-	-	-	10,723,094	10,723,094
-	-	-	-	-	5,172,660
-	-	-	-	-	48,731,379
84,579,755	134,409,477	-	62,461,850	46,176,667	437,526,214
\$ 109,199,411	\$ 135,560,061	\$ 20,275,497	\$ 67,671,329	\$ 51,127,480	\$ 555,597,660

ALAMEDA COUNTY TRANSPORTATION COMMISSION

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017**

Total Fund Balances on Governmental Funds' Balance Sheet	\$ 437,526,214
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.	5,722,825
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	50,256,187
Bonds are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(128,263,119)
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.	(1,692,750)
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.	(3,528,685)
Compensated absences are a long term liability and, therefore, are not reported on the Governmental Funds' Balance Sheet.	(201,844)
The net OPEB asset is not recorded in the governmental funds.	142,444
Net position on the Statement of Net Position:	<u><u>\$ 359,961,272</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, 2017**

	General Fund	2000 Measure B Special Revenue Fund	2014 Measure BB Special Revenue Fund	Exchange Fund
REVENUES				
Sales tax - 2000 Measure B	\$ 6,432,187	\$ 81,766,632	\$ -	\$ -
Sales tax - 2014 Measure BB	5,674,153	-	92,651,888	-
Project revenue	6,739,391	68,059	32,110	1,697,560
Member agency contributions	1,394,819	-	-	-
Vehicle registration fees	-	-	-	-
Investment income	381,155	97,121	154,183	111,221
Toll and toll violation revenue	-	-	-	-
Other income	7	6,916	6,908	-
Total Revenues	20,621,712	81,938,728	92,845,089	1,808,781
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	3,254,707	315,376	508,903	-
Office rent	830,215	-	-	-
Professional services	2,129,407	352,959	1,212,123	-
Planning and programming	3,558,212	-	-	-
Other	636,758	(107,333)	6,908	-
Allocation of costs to other funds	(213,603)	-	-	-
Transportation improvements				
Highways and streets	-	-	-	-
Public transit	-	41,624,247	42,335,185	-
Local transportation	-	35,543,003	31,008,112	-
Congestion management	-	-	-	1,697,560
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	10,195,696	77,728,252	75,071,231	1,697,560
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	10,426,016	4,210,476	17,773,858	111,221
OTHER FINANCING SOURCES (USES)				
Transfer in	210,738	-	-	-
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	210,738	-	-	-
NET CHANGE IN FUND BALANCES	10,636,754	4,210,476	17,773,858	111,221
Fund Balances - Beginning	38,229,613	15,283,511	18,591,593	5,061,439
Fund Balances - Ending	\$ 48,866,367	\$ 19,493,987	\$ 36,365,451	\$ 5,172,660

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
\$ 54,738,597	\$ -	\$ -	\$ -	\$ -	\$ 142,937,416
-	-	-	43,527,787	-	141,853,828
3,025,153	-	22,039,790	1,068,362	1,925,004	36,595,429
-	-	-	-	-	1,394,819
-	-	-	-	13,075,120	13,075,120
269,958	463,616	(10,760)	230,584	232,207	1,929,285
-	-	-	-	13,331,445	13,331,445
-	-	-	-	-	13,831
58,033,708	463,616	22,029,030	44,826,733	28,563,776	351,131,173
120,807	177,772	89,775	95,346	306,723	4,869,409
-	92,246	-	-	-	922,461
2,200	94,072	-	-	286,646	4,077,407
-	-	-	-	-	3,558,212
3,814	34,338	-	2,094	212,800	789,379
-	-	213,603	-	-	-
20,838,010	2,921,018	-	25,200,228	-	48,959,255
15,113,133	-	-	2,165,833	-	101,238,399
692,917	-	-	6,269,939	-	73,513,971
-	-	13,531,562	-	16,667,157	31,896,279
-	-	-	-	20,770,000	20,770,000
-	-	-	-	5,701,351	5,701,351
-	-	7,983,352	-	-	7,983,352
36,770,881	3,319,446	21,818,292	33,733,440	43,944,677	304,279,475
21,262,827	(2,855,830)	210,738	11,093,293	(15,380,901)	46,851,698
-	-	-	-	20,978,333	21,189,071
(20,978,333)	-	(210,738)	-	-	(21,189,071)
(20,978,333)	-	(210,738)	-	20,978,333	-
284,494	(2,855,830)	-	11,093,293	5,597,432	46,851,698
84,295,261	137,265,307	-	51,368,557	40,579,235	390,674,516
\$ 84,579,755	\$ 134,409,477	\$ -	\$ 62,461,850	\$ 46,176,667	\$ 437,526,214

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, 2017**

Net Change in Fund Balances - Total Governmental Funds	\$ 46,851,698
Amounts reported for governmental activities in the Statement of Activities are different because:	
Payment of bond principal is an expenditure in the governmental funds but it reduces the bonds payable on the Statement of Net Position.	20,770,000
Interest on long-term obligations is recorded as an expenditure on the governmental funds when it is due. However, in the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.	207,700
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.	5,406,022
Unavailable revenues in the Statement of Activities do not provide current financial resources and are not reported as revenues in the governmental funds' statements.	1,335,759
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.	(321,411)
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).	(27,344)
Excess OPEB contributions is an expenditure in the governmental funds, but is recorded as an OPEB asset on the government-wide statements.	64,066
Change in net position of governmental activities	<u>\$ 76,828,472</u>

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

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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 Alameda 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 Transportation Expenditure Plan (TEP) 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 and administer 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. 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. ACTIA and ACCMA were dissolved and extinguished effective February 29, 2012.

Alameda CTC went before 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 which began April 1, 2015 to increase mobility, create jobs, reduce congestion and protect the environment.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

The 2014 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 legislatively mandated activities, such as the CMP and the CWTP, 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 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 the 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, 2017 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, or transfers in and out, are 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 California 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, 2017

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 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 maintenance, 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 maintenance, 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 administers funds generated through 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 and is administered by the Alameda CTC. 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, 2017

Nonmajor I-580 Express Lanes Operations Fund – The I-580 Express Lanes Operations Fund accounts for toll and violation revenues collected from express lane patrons and 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 congestion along the I-580 corridor in Alameda County.

Capital Projects Funds – Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to the development or construction of major capital improvements and the acquisition of 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 development or construction of major capital improvements and the acquisition of other capital assets 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 development or construction of major capital improvements and the acquisition of other capital assets in accordance with the 1986 Measure B 15-Year Transportation Expenditure Plan.

Congestion Management Capital Projects Fund – The Congestion Management Capital Projects Fund accounts for proceeds and expenditures incurred related to the development or 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 development or construction of major capital improvements and the acquisition of other capital assets in accordance with the Alameda County 2014 Measure BB 30-Year Transportation Expenditure Plan.

Generally, Alameda CTC does not retain ownership of assets produced in relation to capital improvements for which it provides funding through its Capital Projects Funds. The assets and responsibility for maintenance are transferred to the sponsor or managing jurisdiction upon completion. More recently, Alameda CTC took on the responsibility for operating the I-580 Express Lanes which began operations 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. Expenditures for this capital project were recognized as capital assets beginning in February 2016.

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.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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 180 days after fiscal year end, except for sales tax revenues which are considered to be available if collected within 60 days. Expenditures are generally recorded when the related fund liability is incurred.

The modified accrual basis of accounting uses the current financial resources measurement focus whereby the Balance Sheet generally presents only current assets, current liabilities, and deferred inflows of resources and the Statement of Revenues, Expenditures, and Change in Fund Balances presents sources and uses of available resources during a given period. Sales tax revenues, member agency contributions, vehicle registration fees, investment income including the change in the fair value of investments, toll and toll violation 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 180 days of year-end).

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.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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.

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 for 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, deferred outflows of resources, liabilities, deferred inflows of resources, disclosure of amounts at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses 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.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Capital Assets

Capital assets, which include furniture and equipment, leasehold improvements, and toll lane 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 lane revenue system equipment varies from 15 to 20 years.

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 is rolled to the next fiscal year. The Commission adopts increases as requested to the capital budget 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 adopted by the Commission.

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.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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, 2017 is \$201,844. 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.

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 outflows 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/fund balance that applies to a future period and therefore will not be recognized as revenue until then. Alameda CTC reports deferred inflows from pension activities, sales tax revenues, and project revenues.

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

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. This pronouncement did not have an impact on Alameda CTC's 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. This pronouncement did not have an impact on Alameda CTC's financial statements.

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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 pronouncement to its financial statements.

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. This pronouncement did not have an impact on Alameda CTC's 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. This pronouncement did not have an impact on Alameda CTC's 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, or the fiscal year 2015-16, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing which are effective for periods beginning after December 15, 2015, or the fiscal year 2016-17. This pronouncement did not have an impact on Alameda CTC's financial statements.

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. This pronouncement did not have an impact on Alameda CTC's 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. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this Statement is to establish criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for Asset Retirement Obligations (ARO). This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The Statement is effective for the periods beginning after June 15, 2018, or the fiscal year 2018-19. Alameda CTC has not yet determined the effect of this pronouncement to its financial statements.

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The Statement is effective for the periods beginning after December 15, 2018, or the fiscal year 2019-20. Alameda CTC has not yet determined the effect of this pronouncement to its financial statements.

GASB Statement No. 85 – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and pensions and other postemployment benefits. 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 pronouncement to its financial statements.

GASB Statement No. 86 – In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The Statement is effective for the periods beginning after June 15, 2017, or the fiscal year 2017-18. Implementation of this pronouncement is not anticipated to impact Alameda CTC financial statements.

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GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement is effective for the periods beginning after December 15, 2019, or the fiscal year 2020-21. Alameda CTC has not yet determined the effect of this pronouncement to its financial statements.

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 pool is not registered with the Securities and Exchange Commission. 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. LAIF transactions (combination of deposits and withdrawals) are restricted to 15 transactions per month with a minimum transaction amount of \$5,000 and increments of a thousand dollars thereafter.

Investment in the California Asset Management Program – Alameda CTC is a participant in the California Asset Management Program (CAMP) as permitted under California Government Code §53601(p). The pool is not registered with the Securities and Exchange Commission. The Alameda CTC's investment in the pool is reported in the accompanying financial statement at amounts based upon a net asset value of \$1.00 per share held by Alameda CTC. The balance available for withdrawal is based on accounting records maintained by CAMP, which is recorded on the amortized cost basis.

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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 CAMP and LAIF are not rated as of June 30, 2017. Investment ratings as determined by Standard & Poor’s are as follows:

Investment Type	AAA	AA+	AA	AA-
US Agency Securities	\$ -	\$ 100,295,190	\$ -	\$ -
US Treasury Securities	-	100,608,406	-	-
Corporate Notes	6,639,062	5,581,684	6,605,014	14,576,483
CAMP	-	-	-	-
LAIF	-	-	-	-
Total Investments	\$ 6,639,062	\$ 206,485,280	\$ 6,605,014	\$ 14,576,483

Investment Type	A+	A	A-	Not Rated	Total
US Agency Securities	\$ -	\$ -	\$ -	\$ -	\$ 100,295,190
US Treasury Securities	-	-	-	-	100,608,406
Corporate Notes	11,193,095	6,567,030	8,699,303	-	59,861,671
CAMP	-	-	-	14,014,683	14,014,683
LAIF	-	-	-	159,205,366	159,205,366
Total Investments	\$ 11,193,095	\$ 6,567,030	\$ 8,699,303	173,220,049	\$ 433,985,316
Cash in bank				26,139,224	26,139,224
Total Cash and Investments				\$ 199,359,273	\$ 460,124,540

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 governments 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, 2017, a portion of Alameda CTC’s bank balance, \$28,334,492 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.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

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 National Mortgage Association	Federal Agency Securities	\$ 46,425,296
Federal Home Loan Mortgage Corp	Federal Agency Securities	26,332,111
Federal Home Loan Bank	Federal Agency Securities	24,205,723

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	25 to 60 Months	Total
US Agency Securities	\$ 57,102,825	\$ 41,216,205	\$ 1,976,160	\$ 100,295,190
US Treasury Securities	56,962,158	43,646,248	-	100,608,406
Corporate Notes	40,290,911	19,570,760	-	59,861,671
CAMP	14,014,683	-	-	14,014,683
LAIF	159,205,366	-	-	159,205,366
Total Investments	327,575,943	104,433,213	1,976,160	433,985,316
Cash in Bank	26,139,224	-	-	26,139,224
Total	\$ 353,715,167	\$ 104,433,213	\$ 1,976,160	\$ 460,124,540

As reported by the State Treasurer, the average life of an investment in the LAIF portfolio was 194 days on June 30, 2017. As reported by CAMP, the weighted average life of an investment in CAMP was 76 days on June 30, 2017.

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 and CAMP pools are uncategorized because deposits to and from the pools 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, 2017:

Investment Type	Quoted Prices (Level I)	Observable Inputs (Level II)	Unobservable Inputs (Level III)	Total
Debt securities				
US Agency Securities	\$ -	\$ 100,295,190	\$ -	\$ 100,295,190
US Treasury Securities	99,601,154	1,007,252	-	100,608,406
Corporate Notes	-	59,861,671	-	59,861,671
	<u>\$ 99,601,154</u>	<u>\$ 161,164,113</u>	<u>\$ -</u>	<u>260,765,267</u>
CAMP				14,014,683
LAIF				159,205,366
Cash in Bank				26,139,224
Total investments by fair value type				<u>\$ 460,124,540</u>

Policies and Practices – The following table presents investments with maximum maturity and minimum credit quality permitted by California Government Code or Alameda CTC’s investment policy 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	10%	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
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NOTE 4 – CAPITAL ASSETS

Capital asset balances at June 30, 2017, and activity during the fiscal year were as follows:

	Balance at July 1, 2016	Additions	Dispositions	Balance at June 30, 2017
Capital assets being depreciated:				
Furniture, equipment, leasehold improvements	\$ 1,169,340	\$ 56,893	\$ -	\$ 1,226,233
Toll revenue system	44,977,234	7,983,352	-	52,960,586
Total capital assets being depreciated:	46,146,574	8,040,245	-	54,186,819
Less accumulated depreciation for:				
Furniture, equipment, leasehold improvements	(472,382)	(156,080)	-	(628,462)
Toll revenue system	(824,027)	(2,478,143)	-	(3,302,170)
Total accumulated depreciation	(1,296,409)	(2,634,223)	-	(3,930,632)
Capital assets, net of accumulated depreciation	<u>\$ 44,850,165</u>	<u>\$ 5,406,022</u>	<u>\$ -</u>	<u>\$ 50,256,187</u>

The \$8.0 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 \$2.6 million 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, 2016	Additions	Deductions	Balance at June 30, 2017	Current portion
Revenue bonds	\$ 137,145,000	\$ -	\$ 20,770,000	\$ 116,375,000	\$ 21,395,000
Bond premium	14,430,101	-	2,541,982	11,888,119	2,541,982
Compensated Absences	174,500	196,973	169,629	201,844	169,629
	<u>\$ 151,749,601</u>	<u>\$ 196,973</u>	<u>\$ 23,481,611</u>	<u>\$ 128,464,963</u>	<u>\$ 24,106,611</u>

Alameda CTC's 2000 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 other transportation improvements as permitted by the 2000 Measure B TEP. The bonds pay interest ranging from 3.0% to 5.0% with a final maturity of March 1, 2022.

The outstanding debt at June 30, 2017 is \$116,375,000 and \$11,888,119 of unamortized bond premiums.

Debt Service Requirements to Maturity

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 116,375,000</u>	<u>\$ 15,983,550</u>	<u>\$ 132,358,550</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.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

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The following is a list of the funds exchanged from other governments through June 30, 2017:

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 Committed to Alameda CTC	<u>104,570,990</u>
Amounts not yet collected	(3,728,000)
Total expenditures incurred, current year	(1,697,560)
Total expenditures incurred, previous years	<u>(77,673,803)</u>
Unearned revenue reported in the Exchange Fund	<u><u>\$ 21,471,627</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.

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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 on or 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, 2017, 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
Normal retirement age	55	62
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	10.069%	6.555%

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, 2017, contributions made by Alameda CTC were \$504,317.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

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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, 2016, 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, 2015 rolled forward to June 30, 2016 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, 2015 and 2016 measurement dates was as follows:

Proportion - June 30, 2016	0.0573%	\$ 3,931,433
Proportion - June 30, 2017	0.0454%	4,901,839
Change - Increase (Decrease)	<u>-0.0118%</u>	<u>\$ 970,406</u>

For the year ended June 30, 2017, Alameda CTC recognized a pension expense of \$825,728. On June 30, 2017, 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	\$ 504,317	\$ -
Contributions in excess of proportionate share	7,623	(131,008)
Changes in assumptions	-	(138,303)
Difference in expected and actual experience	14,618	(3,349)
Adjustment due to differences in proportions	399,971	(534)
Net differences between projected and actual earnings on plan investments	719,819	-
	<u>\$ 1,646,348</u>	<u>\$ (273,194)</u>

Deferred outflows of resources related to contributions subsequent to the measurement date is \$504,317, which will be recognized as a reduction of the net pension liability and a component of pension expense in the year ended June 30, 2018.

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**NOTES TO FINANCIAL STATEMENTS
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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
2018	\$ 259,572
2019	119,194
2020	303,629
2021	186,442
	<u>\$ 868,837</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
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	7.65% (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, 2015 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.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

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JUNE 30, 2017

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	20.00%	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	1.00%	-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, 2017

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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	6.65%	7.65%	8.65%
Net Pension Liability	\$7,636,936	\$4,901,839	\$2,641,417

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, Suite 800, 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:

<u>Year Ending June 30,</u>	<u>Lease Payments</u>
2018	\$ 883,055
2019	908,942
2020	934,830
2021	962,635
2022	991,399
2023	1,022,081
2024	344,209
Total	<u>\$ 6,047,151</u>

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Agreements with Private Firms and Agencies

Alameda CTC has entered into contracts with various private firms and cooperative agreements with agencies to provide scoping/planning, engineering, environmental, design, right-of-way engineering and acquisition, construction management and other related services for the delivery of Alameda CTC implemented capital projects and programs. As of June 30, 2017, the total outstanding commitments (not paid or accrued) were \$59.4 million. The terms range from June 30, 2017 up to four 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, 2017, the total outstanding commitments (not paid or accrued) were \$7.9 million. The terms range from June 30, 2017 up to six years (or acceptance of the work, whichever is earlier).

Alameda CTC has entered into agreements with cities and approved organizations within Alameda County to deliver projects or programs at various phases funded by Alameda CTC administered programs. As of June 30, 2017, the total outstanding commitments (not paid or accrued) were \$61.5 million. The terms range from June 30, 2017 up to 11 years (or acceptance of the work, whichever is earlier).

Construction

Alameda CTC has entered into contracts with various contractors and cooperative agreements with the State of California for the construction phase of capital projects. As of June 30, 2017, the total outstanding commitments (not paid or accrued) were \$130.8 million. The terms range from June 30, 2017 until acceptance of the work.

Right of Way/Utilities

Alameda CTC has entered into contracts to acquire right of way, relocate utilities, and comply with permit conditions as necessary for the construction of capital projects. As of June 30, 2017, the total outstanding commitments (not paid or accrued) were \$8.0 million. The terms range from June 30, 2017 up to acceptance of the work.

Operations

Since February 2016, Alameda CTC has entered into contracts to provide operations and maintenance support for the I-580 Express Lanes. As of June 30, 2017 the total outstanding commitments (not paid or accrued) were \$3.5 million. The terms range from June 30, 2017 through November 30, 2019.

Funding Agreements

Alameda CTC has entered into Exchange agreements in the Exchange Fund with several local governments to provide funding for transportation projects. As of June 30, 2017, the remaining project costs to be paid by Alameda CTC totaled approximately \$18.4 million.

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, 2017.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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	\$ 10,000,000 per occurrence
Employee and public officials errors and omissions	-	10,000,000 per occurrence
Public officials personal liability	500	500,000 per occurrence
Employment practices liability	-	10,000,000 per occurrence
Employee benefits liability	-	10,000,000 per occurrence
Employee & public officials dishonesty	75,000	10,000,000 per occurrence
Auto liability	1,000	10,000,000 per occurrence
Uninsured/uninsured motorists	1,000	1,000,000 per accident
Property coverage	1,000	1,000,000,000 per occurrence
Boiler & machinery coverage	1,000	100,000,000 per occurrence
Workers' compensation	-	5,000,000 per occurrence
Excess liability	-	15,000,000 per occurrence/annual aggregate

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, 2017.

NOTE 9 – INTERFUND ACTIVITY

As of June 30, 2017, 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 reimbursements are 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 in early fiscal year 2017-18. As of June 30, 2017, the Congestion Management General Subfund owed the 1986 Measure B Capital Projects Fund \$10 million.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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, 2017, the General Fund, 2000 Measure B Special Revenue Fund, 2014 Measure BB Special Revenue Fund, 2000 Measure B Capital Projects Fund, Congestion Management Capital Projects Fund, and I-580 Express Lanes Operations Fund combined had revenues receivable totaling \$8,847,062 and net revenues reported of \$14,257,710 from the various Alameda CTC managed sales 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 (HRA) Plan, 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. Each eligible retiree is entitled to reimbursement for health care costs incurred on a CalPERS health insurance plan for the retiree plus one dependent paid through the HRA Plan. The maximum monthly contribution is based on the actual cost incurred by the retiree or an amount approved by the Commission, whichever is less. Alameda CTC's contributions for health care coverage 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. These benefit provisions are adopted annually and may be amended by the Commission.

As of June 30, 2017, membership in the plan consisted of the following:

Retirees receiving benefits	13
Active plan members	<u>27</u>
Total	<u><u>40</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, 2017

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 the normal cost each year and the amortized amount of any unfunded actuarially accrued liabilities (UAAL) which may be amortized 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	\$ 129,631
Amortization of UAAL	39,604
Interest to end of fiscal year on normal cost and UAAL	12,320
Annual required contribution	<u>181,555</u>
Interest on prior year Net OPEB Obligation	(2,136)
Adjustment to ARC	2,185
Annual OPEB cost	<u>181,604</u>
Implicit subsidy benefits	(64,066)
Contributions made	<u>(181,604)</u>
Change in Net OPEB Asset	(64,066)
Net OPEB Obligation (Asset) - Beginning of Year	<u>(78,378)</u>
Net OPEB Obligation (Asset) - End of Year	<u><u>\$ (142,444)</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, 2017	\$ 181,604	\$ 245,670	135%	\$ (142,444)
June 30, 2016	178,937	257,315	144%	(78,378)
June 30, 2015	115,425	115,425	100%	-

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 UAAL is being amortized on a level dollar approach on a closed basis over 30 years which began in fiscal year 2007-08. The remaining amortization period is 20 years.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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 yet available. Alameda CTC was established in fiscal year ended June 30, 2012 and actuarial valuations are required every two years as a member of the CERBT. Alameda CTC's third valuation will be completed with a valuation date of July 1, 2017 in fiscal year 2018.

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.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

During the current reporting period, Alameda CTC expended no PTMISEA proceeds. The proceeds available for obligations at June 30, 2017 are \$391,461. The following table summarizes the activity during the year:

Available proceeds, June 30, 2016	\$ 388,492
Additional grant received	-
Interest earned	2,969
Total revenues	<u>391,461</u>
Total expenditures	-
Available proceeds, June 30, 2017	<u><u>\$ 391,461</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 as a result 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, 2017, Alameda CTC had \$116,613 of receivables from the SSCLJPA and no payables due to the SSCLJPA.

REQUIRED SUPPLEMENTARY INFORMATION

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	2015	2016 ⁽¹⁾	2017
Proportion of the Net Pension Liability	0.048309%	0.057277%	0.045434%
Proportionate Share of the Net Pension Liability	\$ 3,006,005	\$ 3,931,433	\$ 4,901,839
Covered Payroll	\$ 2,601,284	\$ 2,390,173	\$ 2,402,725
Proportionate Share of the net pension liability as a percentage of covered payroll	115.56%	164.48%	204.01%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%

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

Note: Information not available prior to the implementation of GASB 68 in 2015.

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ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF PENSION CONTRIBUTIONS

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution (actuarially determined)	\$ 381,572	\$ 409,011	\$ 504,317
Contributions in relation to the actuarially determined	<u>(381,572)</u>	<u>(409,011)</u>	<u>(504,317)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 2,390,173</u>	<u>\$ 2,402,725</u>	<u>\$ 3,194,478</u>
Contributions as a percentage of covered payroll	15.96%	17.02%	15.79%

Note: Information not available prior to the implementation of GASB 68 in 2015.

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ALAMEDA COUNTY TRANSPORTATION COMMISSION

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCES - BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 11,756,500	\$ 11,756,500	\$ 12,106,340	\$ 349,840
Project revenue	10,415,274	\$ 8,856,653	6,739,391	(2,117,262)
Member agency contributions	1,394,819	1,394,819	1,394,819	-
Investment income	115,000	115,000	381,155	266,155
Other income	13,166	-	7	7
Total Revenues	23,694,759	22,122,972	20,621,712	(1,501,260)
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	3,063,622	3,019,517	3,254,707	(235,190)
Office rent	834,416	834,416	830,215	4,201
Professional services	2,328,051	2,100,254	2,129,407	(29,153)
Planning and programming	7,517,117	6,192,527	3,558,212	2,634,315
Other	1,076,598	1,021,387	636,758	384,629
Allocation of costs to other funds	(231,811)	(196,756)	(213,603)	16,847
Total Expenditures	14,587,993	12,971,345	10,195,696	2,775,649
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	9,106,766	9,151,627	10,426,016	1,274,389
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	210,738	210,738
Total Other Financing Sources (Uses)	-	-	210,738	210,738
NET CHANGE IN FUND BALANCES	9,106,766	9,151,627	10,636,754	1,485,127
Fund Balances - Beginning	38,229,613	38,229,613	38,229,613	-
Fund Balances - Ending	\$ 47,336,379	\$ 47,381,240	\$ 48,866,367	\$ 1,485,127

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, 2017**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 78,770,596	\$ 78,770,596	\$ 81,766,632	\$ 2,996,036
Project revenue	-	8,044	68,059	60,015
Investment income	50,000	50,000	97,121	47,121
Other income	15,875	15,875	6,916	(8,959)
Total Revenues	<u>78,836,471</u>	<u>78,844,515</u>	<u>81,938,728</u>	<u>3,094,213</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	271,130	215,589	315,376	(99,787)
Professional services	755,000	225,797	352,959	(127,162)
Other	15,875	15,875	(107,333)	123,208
Transportation improvements	79,228,994	78,424,725	77,167,250	1,257,475
Total Expenditures	<u>80,270,999</u>	<u>78,881,986</u>	<u>77,728,252</u>	<u>1,153,734</u>
NET CHANGE IN FUND BALANCES	(1,434,528)	(37,471)	4,210,476	4,247,947
Fund Balances - Beginning	15,283,511	15,283,511	15,283,511	-
Fund Balances - Ending	<u>\$ 13,848,983</u>	<u>\$ 15,246,040</u>	<u>\$ 19,493,987</u>	<u>\$ 4,247,947</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, 2017**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 89,912,213	\$ 89,912,213	\$ 92,651,888	\$ 2,739,675
Project revenue	-	-	32,110	32,110
Investment income	50,000	50,000	154,183	104,183
Other income	15,375	15,375	6,908	(8,467)
Total Revenues	<u>89,977,588</u>	<u>89,977,588</u>	<u>92,845,089</u>	<u>2,867,501</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	877,492	619,911	508,903	111,008
Professional services	1,785,000	988,000	1,212,123	(224,123)
Other	15,375	15,375	6,908	8,467
Transportation improvements	<u>77,166,135</u>	<u>75,966,135</u>	<u>73,343,297</u>	<u>2,622,838</u>
Total Expenditures	<u>79,844,002</u>	<u>77,589,421</u>	<u>75,071,231</u>	<u>2,518,190</u>
NET CHANGE IN FUND BALANCES	<u>10,133,586</u>	<u>12,388,167</u>	<u>17,773,858</u>	<u>5,385,691</u>
Fund Balances - Beginning	<u>18,591,593</u>	<u>18,591,593</u>	<u>18,591,593</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 28,725,179</u>	<u>\$ 30,979,760</u>	<u>\$ 36,365,451</u>	<u>\$ 5,385,691</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, 2017**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Project revenue	\$ 7,851,791	\$ 9,797,874	\$ 1,697,560	\$ (8,100,314)
Investment income	25,000	25,000	111,221	86,221
Total Revenues	<u>7,876,791</u>	<u>9,822,874</u>	<u>1,808,781</u>	<u>(8,014,093)</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	62,643	41,569	-	41,569
Professional services	37,357	-	-	-
Congestion management	7,751,791	9,756,305	1,697,560	8,058,745
Total Expenditures	<u>7,851,791</u>	<u>9,797,874</u>	<u>1,697,560</u>	<u>8,100,314</u>
NET CHANGE IN FUND BALANCES	25,000	25,000	111,221	86,221
Fund Balances - Beginning	5,061,439	5,061,439	5,061,439	-
Fund Balances - Ending	<u>\$ 5,086,439</u>	<u>\$ 5,086,439</u>	<u>\$ 5,172,660</u>	<u>\$ 86,221</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, 2017

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). Budgeted expenditure amounts represent originally adopted appropriation amounts and adjustments for supplemental adopted appropriations during the year. The legal level of budgetary control is at the fund level. Management compares budget appropriations to actual expenditures quarterly and reports the results to the Commission. The Executive Director has the authority to transfer authorized budget amounts between expenditure line items within governmental funds. The adopted budget can be amended by the Commission to increase both appropriations and estimated revenues as unforeseen circumstances come to management's attention throughout the fiscal year.

SUPPLEMENTARY INFORMATION

ALAMEDA COUNTY TRANSPORTATION COMMISSION

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

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	20.205	Not available	
Community Based Transportation Plan			\$ 112,418
Congestion Management Program			338,494
East Bay Greenway Environmental Review			8,044
East Bay Greenway-Lake Merritt to South Hayward			1,068,364
I-580 Soundwall			27,737
I-80 Gilman Interchange Improvements			2,351
I-880 North Safety and Operational Improvements at 23rd/29th			2,140
MTC Planning			(101,114)
Programming and Monitoring			118,259
Safe Routes to School Program			1,542,472
Safe Routes to School - Bike Mobile Program			172,123
Transportation Planning			2,575,452
Travel Model Support			(42,119)
Regional Carpool Activities			2,297
Total Expenditures of Federal Awards			<u>\$ 5,826,918</u>

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

**GENERAL FUND
BALANCE SHEETS BY PROGRAM
JUNE 30, 2017**

	2000	2014	Congestion	Total
	Measure B	Measure BB	Management	General Fund
ASSETS				
Cash and investments	\$ 33,016,642	\$ 5,922,503	\$ 16,057,311	\$ 54,996,456
Sales tax receivable	1,260,395	1,099,550	-	2,359,945
Interest receivable	90,076	21,798	20,114	131,988
Other receivable	24,198	32,734	4,060,481	4,117,413
Due from other funds	12,013	-	420,021	432,034
Prepays and other assets	36,183	76,882	21,923	134,988
Total Assets	\$ 34,439,507	\$ 7,153,467	\$ 20,579,850	\$ 62,172,824
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 313,619	\$ 219,565	\$ 1,403,383	\$ 1,936,567
Due to other funds	24,026	-	19,758	43,784
Unearned revenue	-	-	13,381	13,381
Advances from other funds	-	-	10,824,395	10,824,395
Total Liabilities	337,645	219,565	12,260,917	12,818,127
Deferred Inflows of Resources				
Unavailable revenues	266,552	221,778	-	488,330
Fund Balances				
Nonspendable	36,183	76,882	21,923	134,988
Restricted				
Unassigned	33,799,127	6,635,242	8,297,010	48,731,379
Total Fund Balances	33,835,310	6,712,124	8,318,933	48,866,367
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 34,439,507	\$ 7,153,467	\$ 20,579,850	\$ 62,172,824

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND
BALANCES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2017**

	2000	2014	Congestion	Total
	Measure B	Measure BB	Management	General Fund
REVENUES				
Sales tax - 2000 Measure B	\$ 6,432,187	\$ -	\$ -	\$ 6,432,187
Sales tax - 2014 Measure BB	-	5,674,153	-	5,674,153
Project revenue	-	-	6,739,391	6,739,391
Member agency contributions	-	-	1,394,819	1,394,819
Investment income	270,731	55,565	54,859	381,155
Other income	1	2	4	7
Total Revenues	6,702,919	5,729,720	8,189,073	20,621,712
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	377,023	649,335	2,228,349	3,254,707
Office rent	276,738	553,477	-	830,215
Professional services	907,487	1,078,908	143,012	2,129,407
Planning and programming	-	-	3,558,212	3,558,212
Other	241,293	336,024	59,441	636,758
Allocation of costs to other funds	-	-	(213,603)	(213,603)
Total Expenditures	1,802,541	2,617,744	5,775,411	10,195,696
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	4,900,378	3,111,976	2,413,662	10,426,016
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	210,738	210,738
Total Other Financing Sources (Uses)	-	-	210,738	210,738
NET CHANGE IN FUND BALANCES	4,900,378	3,111,976	2,624,400	10,636,754
Fund Balances - Beginning	28,934,932	3,600,148	5,694,533	38,229,613
Fund Balances - Ending	\$ 33,835,310	\$ 6,712,124	\$ 8,318,933	\$ 48,866,367

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017**

	Special Revenue Funds				Total 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	\$ 4,842,853	\$ 19,487,288	\$ 10,695,390	\$ 10,677,781	\$ 45,703,312
Interest receivable	10,917	36,732	16,640	45,313	109,602
Other receivable	1,911,280	2,342,622	1,060,664	-	5,314,566
Total Assets	\$ 6,765,050	\$ 21,866,642	\$ 11,772,694	\$ 10,723,094	\$ 51,127,480
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued liabilities	\$ 1,000,308	\$ 2,878,737	\$ 720,676	\$ -	\$ 4,599,721
Due to other funds	94,375	256,717	-	-	351,092
Total Liabilities	1,094,683	3,135,454	720,676	-	4,950,813
Fund Balances					
Restricted					
Transportation fund for clean air	5,670,367	-	-	-	5,670,367
Vehicle registration fees	-	18,731,188	-	-	18,731,188
I-580 express lanes operations	-	-	11,052,018	-	11,052,018
Debt service	-	-	-	10,723,094	10,723,094
Total Fund Balances	5,670,367	18,731,188	11,052,018	10,723,094	46,176,667
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,765,050	\$ 21,866,642	\$ 11,772,694	10,723,094	\$ 51,127,480

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, 2017**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Transportation Fund For Clean Air	Vehicle Registration Fee Fund	I-580 Express Lanes Operations Fund	Debt Service Fund	
REVENUES					
Project revenue	\$ 1,962,805	\$ -	\$ (37,801)	\$ -	\$ 1,925,004
Vehicle registration fees	-	13,075,120	-	-	13,075,120
Investment income	28,324	105,580	30,568	67,735	232,207
Toll and toll violation revenue	-	-	13,331,445	-	13,331,445
Total Revenues	1,991,129	13,180,700	13,324,212	67,735	28,563,776
EXPENDITURES					
Current					
Administrative					
Salaries and benefits	-	128,283	178,440	-	306,723
Professional services	-	(2,561)	289,207	-	286,646
Other	-	-	212,800	-	212,800
Transportation improvements					
Congestion management	1,737,284	11,304,920	3,624,953	-	16,667,157
Debt service					
Principal	-	-	-	20,770,000	20,770,000
Interest	-	-	-	5,701,351	5,701,351
Total Expenditures	1,737,284	11,430,642	4,305,400	26,471,351	43,944,677
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	253,845	1,750,058	9,018,812	(26,403,616)	(15,380,901)
OTHER FINANCING SOURCES (USES)					
Transfer in	-	-	-	20,978,333	20,978,333
Total Other Financing Sources (Uses)	-	-	-	20,978,333	20,978,333
NET CHANGE IN FUND BALANCES	253,845	1,750,058	9,018,812	(5,425,283)	5,597,432
Fund Balances - Beginning	5,416,522	16,981,130	2,033,206	16,148,377	40,579,235
Fund Balances - Ending	\$ 5,670,367	\$ 18,731,188	\$ 11,052,018	\$ 10,723,094	\$ 46,176,667

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, 2017**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 52,732,904	\$ 52,732,904	\$ 54,738,597	\$ 2,005,693
Project revenue	4,182,202	10,888,662	3,025,153	(7,863,509)
Investment income	215,000	215,000	269,958	54,958
Total Revenues	<u>57,130,106</u>	<u>63,836,566</u>	<u>58,033,708</u>	<u>(5,802,858)</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	190,046	140,800	120,807	19,993
Professional services	54,200	54,200	2,200	52,000
Other	4,000	4,350	3,814	536
Transportation improvements	61,227,277	85,883,358	36,644,060	49,239,298
Total Expenditures	<u>61,475,523</u>	<u>86,082,708</u>	<u>36,770,881</u>	<u>49,311,827</u>
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	<u>(4,345,417)</u>	<u>(22,246,142)</u>	<u>21,262,827</u>	<u>43,508,969</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	(20,770,000)	(20,770,000)	(20,978,333)	(208,333)
Total Other Financing Sources (Uses)	<u>(20,770,000)</u>	<u>(20,770,000)</u>	<u>(20,978,333)</u>	<u>(208,333)</u>
NET CHANGE IN FUND BALANCES	<u>(25,115,417)</u>	<u>(43,016,142)</u>	<u>284,494</u>	<u>43,300,636</u>
Fund Balances - Beginning	<u>84,295,261</u>	<u>84,295,261</u>	<u>84,295,261</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 59,179,844</u>	<u>\$ 41,279,119</u>	<u>\$ 84,579,755</u>	<u>\$ 43,300,636</u>

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, 2017**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 210,000	\$ 210,000	\$ 463,616	\$ 253,616
Other income	1,463	-	-	-
Total Revenues	<u>211,463</u>	<u>210,000</u>	<u>463,616</u>	<u>253,616</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	227,571	200,823	177,772	23,051
Office rent	92,713	92,713	92,246	467
Professional services	97,253	96,253	94,072	2,181
Other	62,521	55,346	34,338	21,008
Transportation improvements	39,801,827	25,838,223	2,921,018	22,917,205
Total Expenditures	<u>40,281,885</u>	<u>26,283,358</u>	<u>3,319,446</u>	<u>22,963,912</u>
NET CHANGE IN FUND BALANCES	(40,070,422)	(26,073,358)	(2,855,830)	23,217,528
Fund Balances - Beginning	<u>137,265,307</u>	<u>137,265,307</u>	<u>137,265,307</u>	-
Fund Balances - Ending	<u>\$ 97,194,885</u>	<u>\$ 111,191,949</u>	<u>\$ 134,409,477</u>	<u>\$ 23,217,528</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, 2017**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Project revenue	\$ 65,523,166	\$ 58,705,988	22,039,790	\$ (36,666,198)
Investment income	-	-	(10,760)	(10,760)
Total Revenues	<u>65,523,166</u>	<u>58,705,988</u>	<u>22,029,030</u>	<u>(36,676,958)</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	109,229	126,275	89,775	36,500
Allocation of costs to other funds	-	-	213,603	(213,603)
Congestion management	65,413,937	58,579,713	13,531,562	45,048,151
Capital outlay	-	-	7,983,352	(7,983,352)
Total Expenditures	<u>65,523,166</u>	<u>58,705,988</u>	<u>21,818,292</u>	<u>36,887,696</u>
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	-	-	210,738	210,738
OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	(210,738)	(210,738)
Total Other Financing Sources (Uses)	-	-	(210,738)	(210,738)
NET CHANGE IN FUND BALANCES	-	-	-	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - 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, 2017**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Sales tax - 2014 Measure BB	\$ 43,527,787	\$ 43,527,787	43,527,787	\$ -
Project revenue	1,114,695	1,931,062	1,068,362	(862,700)
Investment income	160,000	160,000	230,584	70,584
Total Revenues	44,802,482	45,618,849	44,826,733	(792,116)
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	40,319	268,062	95,346	172,716
Professional services	17,000	17,000	-	17,000
Other	500	500	2,094	(1,594)
Transportation improvements	47,951,111	74,076,187	33,636,000	40,440,187
Total Expenditures	48,008,930	74,361,749	33,733,440	40,628,309
NET CHANGE IN FUND BALANCES	(3,206,448)	(28,742,900)	11,093,293	39,836,193
Fund Balances - Beginning	51,368,557	51,368,557	51,368,557	-
Fund Balances - Ending	\$ 48,162,109	\$ 22,625,657	\$ 62,461,850	\$ 39,836,193

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, 2017**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Project revenue	\$ 2,219,029	\$ 2,044,211	\$ 1,962,805	\$ (81,406)
Investment income	27,000	25,000	28,324	3,324
Total Revenues	<u>2,246,029</u>	<u>2,069,211</u>	<u>1,991,129</u>	<u>(78,082)</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	106,973	94,022	-	94,022
Professional services	3,000	429	-	429
Congestion management	3,530,538	3,169,056	1,737,284	1,431,772
Total Expenditures	<u>3,640,511</u>	<u>3,263,507</u>	<u>1,737,284</u>	<u>1,526,223</u>
NET CHANGE IN FUND BALANCES	(1,394,482)	(1,194,296)	253,845	1,448,141
Fund Balances - Beginning	<u>5,416,522</u>	<u>5,416,522</u>	<u>5,416,522</u>	-
Fund Balances - Ending	<u>\$ 4,022,040</u>	<u>\$ 4,222,226</u>	<u>\$ 5,670,367</u>	<u>\$ 1,448,141</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, 2017**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Vehicle registration fees	\$ 12,000,000	\$ 12,000,000	\$ 13,075,120	\$ 1,075,120
Investment income	48,000	50,000	105,580	55,580
Total Revenues	<u>12,048,000</u>	<u>12,050,000</u>	<u>13,180,700</u>	<u>1,130,700</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	176,077	136,827	128,283	8,544
Professional services	355,000	-	(2,561)	2,561
Congestion management	12,680,000	12,680,000	11,304,920	1,375,080
Total Expenditures	<u>13,211,077</u>	<u>12,816,827</u>	<u>11,430,642</u>	<u>1,386,185</u>
NET CHANGE IN FUND BALANCES	(1,163,077)	(766,827)	1,750,058	2,516,885
Fund Balances - Beginning	<u>16,981,130</u>	<u>16,981,130</u>	<u>16,981,130</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 15,818,053</u>	<u>\$ 16,214,303</u>	<u>\$ 18,731,188</u>	<u>\$ 2,516,885</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, 2017**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Project revenue	\$ -	\$ -	(37,801)	\$ (37,801)
Investment income	-	-	30,568	30,568
Toll and toll violation revenue	4,800,000	9,208,702	13,331,445	4,122,743
Total Revenues	<u>4,800,000</u>	<u>9,208,702</u>	<u>13,324,212</u>	<u>4,115,510</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	224,174	195,078	178,440	16,638
Professional services	315,000	276,075	289,207	(13,132)
Other	205,000	205,000	212,800	(7,800)
Congestion management	3,280,000	5,475,000	3,624,953	1,850,047
Total Expenditures	<u>4,024,174</u>	<u>6,151,153</u>	<u>4,305,400</u>	<u>1,845,753</u>
NET CHANGE IN FUND BALANCES	<u>775,826</u>	<u>3,057,549</u>	<u>9,018,812</u>	<u>5,961,263</u>
Fund Balances - Beginning	<u>2,033,206</u>	<u>2,033,206</u>	<u>2,033,206</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,809,032</u>	<u>\$ 5,090,755</u>	<u>\$ 11,052,018</u>	<u>\$ 5,961,263</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, 2017**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 75,000	\$ 75,000	\$ 67,735	\$ (7,265)
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>67,735</u>	<u>(7,265)</u>
EXPENDITURES				
Debt service				
Principal	20,770,000	20,770,000	20,770,000	-
Interest	5,701,351	5,701,351	5,701,351	-
Total Expenditures	<u>26,471,351</u>	<u>26,471,351</u>	<u>26,471,351</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(5,626,351)	(5,626,351)	(5,425,283)	201,068
Fund Balances - Beginning	16,148,377	16,148,377	16,148,377	-
Fund Balances - Ending	<u>\$ 10,522,026</u>	<u>\$ 10,522,026</u>	<u>\$ 10,723,094</u>	<u>\$ 201,068</u>

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

**2000 MEASURE B SPECIAL REVENUE FUND BALANCE SHEET BY PROGRAM
JUNE 30, 2017**

	Programming and Programs	Express Bus	Bicycle and Pedestrian
ASSETS			
Cash and investments	\$ 5,648,428	\$ 2,715,655	\$ 6,529,631
Sales tax receivable	400,557	182,558	325,995
Interest receivable	-	6,193	14,978
Other receivable	-	-	57,627
Due from other funds	-	-	3,079
Total Assets	\$ 6,048,985	\$ 2,904,406	\$ 6,931,310
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 1,652	\$ 186,000	\$ 500,467
Due to other funds	15,113	-	209,515
Total Liabilities	16,765	186,000	709,982
Deferred Inflows of Resources			
Unavailable revenues	84,711	38,608	68,942
Fund Balances			
Restricted			
Local programs	5,947,509	2,679,798	6,152,386
Total Fund Balances	5,947,509	2,679,798	6,152,386
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,048,985	\$ 2,904,406	\$ 6,931,310

See accompanying note to the supplementary information.

Direct Local Distribution	Transit Oriented Development	Paratransit	Total 2000 Measure B Special Revenue Fund
\$ 265	\$ 1,784,774	\$ 3,117,256	\$ 19,796,009
11,583,852	49,551	372,939	12,915,452
-	4,207	7,223	32,601
-	-	-	57,627
-	-	-	3,079
<u>\$ 11,584,117</u>	<u>\$ 1,838,532</u>	<u>\$ 3,497,418</u>	<u>\$ 32,804,768</u>
\$ 11,583,852	\$ -	\$ 503,234	\$ 12,775,205
-	29,158	180	253,966
<u>11,583,852</u>	<u>29,158</u>	<u>503,414</u>	<u>13,029,171</u>
-	10,479	78,870	281,610
265	1,798,895	2,915,134	19,493,987
265	1,798,895	2,915,134	19,493,987
<u>\$ 11,584,117</u>	<u>\$ 1,838,532</u>	<u>\$ 3,497,418</u>	<u>\$ 32,804,768</u>

ALAMEDA COUNTY TRANSPORTATION COMMISSION

**2000 MEASURE B SPECIAL REVENUE SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGE IN FUND BALANCES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2017**

	Programming and Programs	Express Bus	Bicycle and Pedestrian
REVENUES			
Sales tax - 2000 Measure B	\$ 2,044,165	\$ 931,648	\$ 1,663,658
Project revenue	-	-	68,059
Investment income	-	17,529	44,383
Other income	-	-	1,367
Total Revenues	2,044,165	949,177	1,777,467
EXPENDITURES			
Current			
Administrative			
Salaries and benefits	315,376	-	-
Professional services	224,936	-	-
Other	(114,248)	-	1,370
Transportation improvements			
Public transit	-	186,000	-
Local transportation	-	-	753,467
Total Expenditures	426,064	186,000	754,837
NET CHANGE IN FUND BALANCES	1,618,101	763,177	1,022,630
Fund Balances - Beginning	4,329,408	1,916,621	5,129,756
Fund Balances - Ending	\$ 5,947,509	\$ 2,679,798	\$ 6,152,386

See accompanying note to the supplementary information.

Direct Local Distribution	Transit Oriented Development	Paratransit	Total 2000 Measure B Special Revenue Fund
\$ 74,971,061	\$ 252,876	\$ 1,903,224	\$ 81,766,632
-	-	-	68,059
-	13,104	22,105	97,121
-	-	5,549	6,916
<u>74,971,061</u>	<u>265,980</u>	<u>1,930,878</u>	<u>81,938,728</u>
-	-	-	315,376
-	-	128,023	352,959
-	-	5,545	(107,333)
40,247,202	-	1,191,045	41,624,247
<u>34,723,859</u>	<u>65,677</u>	<u>-</u>	<u>35,543,003</u>
<u>74,971,061</u>	<u>65,677</u>	<u>1,324,613</u>	<u>77,728,252</u>
-	200,303	606,265	4,210,476
265	1,598,592	2,308,869	15,283,511
<u>\$ 265</u>	<u>\$ 1,798,895</u>	<u>\$ 2,915,134</u>	<u>\$ 19,493,987</u>

ALAMEDA COUNTY TRANSPORTATION COMMISSION

2014 MEASURE BB SPECIAL REVENUE FUND BALANCE SHEET BY PROGRAM
 JUNE 30, 2017

	<u>Programs and Projects Mgmt Oversight</u>	<u>Transit Ops, Maintenance and Safety</u>	<u>Bicycle and Pedestrian</u>	<u>Direct Local Distribution</u>
ASSETS				
Cash and investments	\$ 4,942,745	\$ 5,866,532	\$ 5,353,025	\$ -
Sales tax receivable	413,155	611,036	501,395	11,168,314
Interest receivable	-	11,659	10,629	-
Due from other funds	773,947	-	-	-
Total Assets	<u>\$ 6,129,847</u>	<u>\$ 6,489,227</u>	<u>\$ 5,865,049</u>	<u>\$ 11,168,314</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 84,850	\$ 758,003	\$ -	\$ 11,168,314
Due to other funds	773,947	-	-	-
Total Liabilities	<u>858,797</u>	<u>758,003</u>	<u>-</u>	<u>11,168,314</u>
Deferred Inflows of Resources				
Unavailable revenues	58,416	123,380	101,131	-
Fund Balances				
Restricted				
Local programs	5,212,634	5,607,844	5,763,918	-
Total Fund Balances	<u>5,212,634</u>	<u>5,607,844</u>	<u>5,763,918</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,129,847</u>	<u>\$ 6,489,227</u>	<u>\$ 5,865,049</u>	<u>\$ 11,168,314</u>

See accompanying note to the supplementary information.

<u>Paratransit</u>	<u>Freight and Economic Development</u>	<u>Community Development</u>	<u>Technology</u>	<u>Total 2014 Measure BB Special Revenue Fund</u>
\$ 2,423,737	\$ 2,676,508	\$ 10,619,540	\$ 2,676,513	\$ 34,558,600
250,697	250,697	1,002,790	250,697	14,448,781
4,820	5,314	21,075	5,314	58,811
-	-	-	-	773,947
<u>\$ 2,679,254</u>	<u>\$ 2,932,519</u>	<u>\$ 11,643,405</u>	<u>\$ 2,932,524</u>	<u>\$ 49,840,139</u>
\$ 52,690	\$ -	\$ -	\$ -	\$ 12,063,857
-	-	-	-	773,947
<u>52,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,837,804</u>
50,565	50,565	202,262	50,565	636,884
2,575,999	2,881,954	11,441,143	2,881,959	36,365,451
<u>2,575,999</u>	<u>2,881,954</u>	<u>11,441,143</u>	<u>2,881,959</u>	<u>36,365,451</u>
<u>\$ 2,679,254</u>	<u>\$ 2,932,519</u>	<u>\$ 11,643,405</u>	<u>\$ 2,932,524</u>	<u>\$ 49,840,139</u>

ALAMEDA COUNTY TRANSPORTATION COMMISSION

**2014 MEASURE BB SPECIAL REVENUE SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGE IN FUND BALANCES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2017**

	Programs and Projects Mgmt Oversight	Transit Ops, Maintenance and Safety	Bicycle and Pedestrian	Direct Local Distribution
REVENUES				
Sales tax - 2014 Measure BB	\$ 5,679,490	\$ 3,134,062	\$ 2,587,414	\$ 72,194,974
Project revenue	-	32,110	-	-
Investment income	-	31,459	28,309	-
Other income	-	-	1,367	-
Total Revenues	5,679,490	3,197,631	2,617,090	72,194,974
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	496,594	12,309	-	-
Professional services	1,084,100	-	-	-
Other	-	-	1,367	-
Transportation improvements				
Public transit	-	1,148,288	-	41,186,862
Local transportation	-	-	-	31,008,112
Total Expenditures	1,580,694	1,160,597	1,367	72,194,974
NET CHANGE IN FUND				
BALANCES	4,098,796	2,037,034	2,615,723	-
Fund Balances - Beginning	1,113,838	3,570,810	3,148,195	-
Fund Balances - Ending	\$ 5,212,634	\$ 5,607,844	\$ 5,763,918	\$ -

See accompanying note to the Supplementary Information.

					Total 2014 Measure BB Special Revenue Fund
Paratransit	Freight and Economic Development	Community Development	Technology		
\$ 1,293,707	\$ 1,293,706	\$ 5,174,828	\$ 1,293,707	\$	92,651,888
-	-	-	-		32,110
12,786	14,150	53,325	14,154		154,183
5,541	-	-	-		6,908
<u>1,312,034</u>	<u>1,307,856</u>	<u>5,228,153</u>	<u>1,307,861</u>		<u>92,845,089</u>
-	-	-	-		508,903
128,023	-	-	-		1,212,123
5,541	-	-	-		6,908
35	-	-	-		42,335,185
-	-	-	-		31,008,112
<u>133,599</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>75,071,231</u>
1,178,435	1,307,856	5,228,153	1,307,861		17,773,858
1,397,564	1,574,098	6,212,990	1,574,098		18,591,593
<u>\$ 2,575,999</u>	<u>\$ 2,881,954</u>	<u>\$ 11,441,143</u>	<u>\$ 2,881,959</u>	<u>\$</u>	<u>\$ 36,365,451</u>

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTE TO THE SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 – PURPOSE OF SCHEDULES

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, 2017. 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 by Program

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 programs.

Nonmajor Governmental Funds Combining Balance Sheet and Combining 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.

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 major capital project fund and all nonmajor funds included in this financial report.

2000 Measure B Combining Balance Sheet by Program and Combining Schedule of Revenues, Expenditures, and Change in Fund Balances by Program

The Combining Balance Sheet and the Schedule of Revenues, Expenditures, and Change in Fund Balances of the 2000 Measure B Special Revenue Fund by Program are included to provide information regarding the individual programs 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 THE SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017**

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

The Combining 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 programs 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

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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.	84
Revenue Capacity These schedules contain information to help the reader assess Alameda CTC's primary local revenue source, sales tax.	88
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.	91
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.	94
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.	96

ALAMEDA COUNTY TRANSPORTATION COMMISSION

FINANCIAL TRENDS – NET POSITION BY COMPONENT

	Fiscal Year Ending June 30,					
	2017	2016	2015	2014	2013	2012
Governmental Activities:						
Net investment in capital assets	\$ 50,256,187	\$ 44,850,165	\$ 516,003	\$ 621,809	\$ 50,632	\$ 110,699
Restricted						
Local programs	56,777,932	34,586,049	16,297,397	10,637,471	9,131,614	9,252,256
Capital projects	157,503,964	124,660,946	63,030,769	108,759,745	175,060,226	200,229,225
Transportation fund for clean air	5,670,367	5,416,522	5,042,326	4,273,148	3,707,742	3,387,914
Vehicle registration fee	18,731,188	16,981,130	13,802,656	11,227,612	9,721,681	5,156,748
I-580 express lanes operations	11,052,018	2,033,206	-	-	-	-
Debt service	9,030,344	14,247,927	12,943,342	18,551,776	-	-
Unrestricted	50,939,272	40,356,855	31,773,323	28,991,665	21,571,596	23,056,207
Total Governmental Activities Net Position	<u>\$ 359,961,272</u>	<u>\$ 283,132,800</u>	<u>\$ 143,405,816</u>	<u>\$ 183,063,226</u>	<u>\$ 219,243,491</u>	<u>\$ 241,193,049</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.

Source: Alameda CTC Financial Statements

ALAMEDA COUNTY TRANSPORTATION COMMISSION

FINANCIAL TRENDS – CHANGES IN NET POSITION

EXPENSES	Fiscal Year Ending June 30,					
	2017	2016	2015	2014	2013	2012
Governmental activities:						
Administration	\$ 14,600,744	\$ 17,189,024	\$ 13,869,399	\$ 12,512,161	\$ 12,113,890	\$ 11,338,750
Transportation improvement	223,711,625	192,752,798	189,982,051	178,731,827	141,467,019	135,067,898
Congestion management	34,374,422	32,360,073	55,012,153	39,072,897	41,535,414	46,950,008
Interest expense	2,951,669	3,159,367	3,184,830	1,005,686	-	-
Total Expenses	275,638,460	245,461,262	262,048,433	231,322,571	195,116,323	193,356,656
REVENUES						
Program revenues:						
Operating grants and contributions	50,110,490	53,087,661	46,144,569	52,000,104	38,222,024	43,762,091
Total Program Revenues	50,110,490	53,087,661	46,144,569	52,000,104	38,222,024	43,762,091
Net (Expense) / Revenue	(225,527,970)	(192,373,601)	(215,903,864)	(179,322,467)	(156,894,299)	(149,594,565)
GENERAL REVENUES						
Governmental activities:						
Sales tax	285,943,387	274,797,697	164,496,789	127,095,900	121,084,780	112,568,093
Vehicle registration fees	13,075,120	13,020,822	12,929,589	12,669,464	12,065,055	12,242,126
Member agency fees	1,394,819	1,394,818	1,394,818	1,394,821	1,394,818	1,315,867
Interest and investment earnings	1,929,285	1,988,371	913,416	755,915	172,499	956,225
Gain on sale of land	-	13,641,051	-	-	-	-
Other and special items	13,831	27,257,826	141,507	1,226,102	227,589	412,178
Total General Revenues	302,356,442	332,100,585	179,876,119	143,142,202	134,944,741	127,494,489
Governmental Activities						
Change in Net Position	\$ 76,828,472	\$ 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

	Fiscal Year Ending June 30,					
	2017	2016	2015	2014	2013	2012
General Fund						
Nonspendable	\$ 134,988	\$ 71,604	\$ 69,366	\$ 207,546	\$ -	\$ -
Unassigned	48,731,379	38,158,009	29,530,071	23,798,828	20,357,986	18,321,401
Total General Fund	<u>48,866,367</u>	<u>38,229,613</u>	<u>29,599,437</u>	<u>24,006,374</u>	<u>20,357,986</u>	<u>18,321,401</u>
All Other						
Governmental Funds						
Nonspendable	131,775	129,570	9,717	29,649	-	-
Restricted						
Measure B special revenue	19,493,987	15,283,511	12,546,374	10,637,471	9,131,614	9,252,256
Measure BB special revenue	36,365,451	18,591,593	3,030,050	-	-	-
Capital projects	281,319,307	272,799,555	214,029,554	265,389,161	175,060,226	200,229,225
Transportation fund for clean air	5,670,367	5,416,522	5,042,326	4,273,148	3,707,742	3,387,914
Vehicle registration fee	18,731,188	16,981,130	13,802,656	11,227,612	9,721,681	5,156,748
I-580 express lanes operations	11,052,018	2,033,206	-	-	-	-
Debt service	10,723,094	16,148,377	14,843,792	20,379,253	-	-
Assigned, reported in:	-	-	-	-	-	-
Exchange fund	5,172,660	5,061,439	4,929,549	4,985,291	1,213,610	4,762,721
Total All Other Governmental Funds	<u>\$ 388,659,847</u>	<u>\$ 352,444,903</u>	<u>\$ 268,234,018</u>	<u>\$ 316,921,585</u>	<u>\$ 198,834,873</u>	<u>\$ 222,788,864</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.

Source: Alameda CTC Financial Statements

ALAMEDA COUNTY TRANSPORTATION COMMISSION

FINANCIAL TRENDS – CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

	Fiscal Year Ending June 30,					
	2017	2016	2015	2014	2013	2012
REVENUES						
Sales tax	\$284,791,244	\$274,586,311	\$160,504,725	\$127,095,900	\$121,084,780	\$112,568,093
Project revenue	36,595,429	50,117,225	45,960,953	52,000,104	38,222,024	53,762,091
Member agency contributions	1,394,819	1,394,818	1,394,818	1,394,821	1,394,818	1,315,867
Vehicle registration fees	13,075,120	13,020,822	12,929,589	12,669,464	12,065,055	12,242,126
Investment income	1,929,285	1,988,371	913,416	755,915	172,499	956,225
Toll revenues	13,331,445	2,970,436	-	-	-	-
Other income	13,831	142,104	141,507	1,226,102	227,589	412,178
Total Revenues	351,131,173	344,220,087	221,845,008	195,142,306	173,166,765	181,256,580
EXPENDITURES						
Current						
Administrative						
Salaries and benefits	4,869,409	3,504,893	3,694,333	4,215,750	4,271,217	4,191,318
Office rent	922,461	874,728	840,414	1,067,830	903,841	912,888
Professional services	4,077,407	4,729,026	2,478,972	2,328,134	2,923,255	2,528,606
Planning and programming	3,558,212	5,995,874	4,771,585	2,603,119	1,561,829	2,484,552
Bond issuance costs	-	-	-	592,542	-	-
Other	789,379	1,226,384	2,506,165	2,275,963	2,421,596	1,184,867
Transportation improvements						
Highways and streets	48,959,255	30,452,003	25,149,896	29,986,834	29,930,950	39,801,038
Public transit	101,238,399	93,599,729	124,454,786	113,514,703	78,389,108	91,981,235
Local transportation	73,513,971	68,701,066	40,377,369	35,230,290	33,146,961	36,777,134
Congestion management	31,896,279	32,373,513	55,012,153	39,072,897	41,535,414	46,950,008
Debt Service						
Principal	20,770,000	-	-	-	-	-
Interest	5,701,351	5,701,349	5,653,839	-	-	-
Capital outlay	7,983,352	17,861,512	-	-	-	-
Total Expenditures	304,279,475	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	\$ 46,851,698	\$ 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 Year Ended June 30:	Alameda CTC Sales Tax Rate ¹	2000 Measure B Sales Tax Revenue ¹	2014 Measure BB Sales Tax Revenue ¹	Sales Tax Revenue	Annual Growth	Total Taxable Sales in Alameda County (in thousands)
2017	1.0%	\$ 142,937,416	\$ 141,853,828	\$ 284,791,244	3.72%	\$ 28,479,124 ²
2016	1.0%	137,289,997	137,296,314	274,586,311	71.35%	27,458,631 ²
2015	1.0%	132,537,037	27,708,768	160,245,805	26.08%	29,025,458 ³
2014	0.5%	127,095,900	-	127,095,900	4.96%	27,533,545 ³
2013	0.5%	121,084,780	-	121,084,780	7.57%	25,754,040 ³
2012	0.5%	112,568,093	-	112,568,093	6.81%	24,462,942 ³
2011	0.5%	105,393,813	-	105,393,813	11.58%	22,378,360 ³
2010	0.5%	94,453,574	-	94,453,574	-6.77%	20,888,336 ³
2009	0.5%	101,317,661	-	101,317,661	-12.86%	21,681,063 ³
2008	0.5%	116,267,321	-	116,267,321	2.23%	25,284,440 ³

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 Total Taxable Sales for 2016-2017 is estimated based on Alameda CTC's sales tax revenues divided by Alameda CTC's sales tax percentage.

³ Data for 2008-2015 was 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's effective rate on:	04/2017	01/2017	04/2015	10/2014	04/2013	01/2013	07/2011	04/2011	04/2009	07/2008
Alameda	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%	8.75%
Albany	9.75%	9.75%	10.00%	9.50%	9.50%	9.00%	8.75%	9.75%	9.75%	8.75%
Berkeley	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%	8.75%
Dublin	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%	8.75%
Emeryville	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%	8.75%
Fremont	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%	8.75%
Hayward	9.75%	9.75%	10.00%	9.50%	9.00%	9.00%	8.75%	9.75%	9.75%	8.75%
Livermore	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%	8.75%
Newark	9.75%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%	8.75%
Oakland	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%	8.75%
Piedmont	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%	8.75%
Pleasanton	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%	8.75%
San Leandro	9.75%	9.75%	10.00%	9.25%	9.25%	9.25%	9.00%	10.00%	9.75%	8.75%
Union City	9.75%	9.75%	10.00%	9.50%	9.50%	9.50%	9.25%	10.25%	9.75%	8.75%

Source: California State Board of Equalization

ALAMEDA COUNTY TRANSPORTATION COMMISSION

REVENUE CAPACITY– PRINCIPAL SALES TAX PAYERS BY SEGMENT FOR THE COUNTY OF ALAMEDA

Principal Revenue Payers	Rank	2015 ¹	
		Total Taxable Sales in Alameda County (in thousands)	Percentage of Taxable Sales
All Other Outlets	1	\$ 11,067,352	37.18%
Motor Vehicle and Parts Dealers	2	3,932,865	13.21%
Food Services and Drinking Places	3	3,027,990	10.17%
Other Retail Group	4	2,512,594	8.44%
Gasoline Stations	5	1,807,464	6.07%
General Merchandise Stores	6	1,787,594	6.00%
Clothing and Clothing Accessories Stores	7	1,573,419	5.29%
Building Material and Garden Equipment and Supplies Dealers	8	1,566,918	5.26%
Home Furnishings and Appliance Stores	9	1,347,605	4.53%
Food and Beverage Stores	10	1,146,357	3.85%
		<u>\$ 29,770,158</u>	

Principal Revenue Payers	Rank	2008	
		Total Taxable Sales in Alameda County (in thousands)	Percentage of Taxable Sales
All Other Outlets	1	\$ 8,355,262	35.02%
Other Retail Stores	2	2,411,035	10.10%
Automotive Group	3	2,329,408	9.76%
General Merchandise Group	4	2,126,734	8.91%
Service Stations	5	2,030,681	8.51%
Eating and Drinking Group	6	1,989,406	8.34%
Building Materials	7	1,309,455	5.49%
Business and Personal Services	8	959,945	4.02%
Home Furnishings and Appliances	9	823,075	3.45%
Food Stores Group	10	780,311	3.27%
Apparel Stores Group	11	747,645	3.13%
		<u>\$ 23,862,957</u>	

¹ 2015 is the latest information available.

Source: California State Board of Equalization

ALAMEDA COUNTY TRANSPORTATION COMMISSION

REVENUE CAPACITY- VEHICLE REGISTRATION FEE

Fiscal Year Ended	Vehicle	Total	Annual	Vehicles
June 30:	Registration Fee ¹	Revenue	Growth	Registered in
				Alameda County ²
2017	\$ 9.995	\$ 13,075,120	0.42%	1,308,166
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% administrative 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

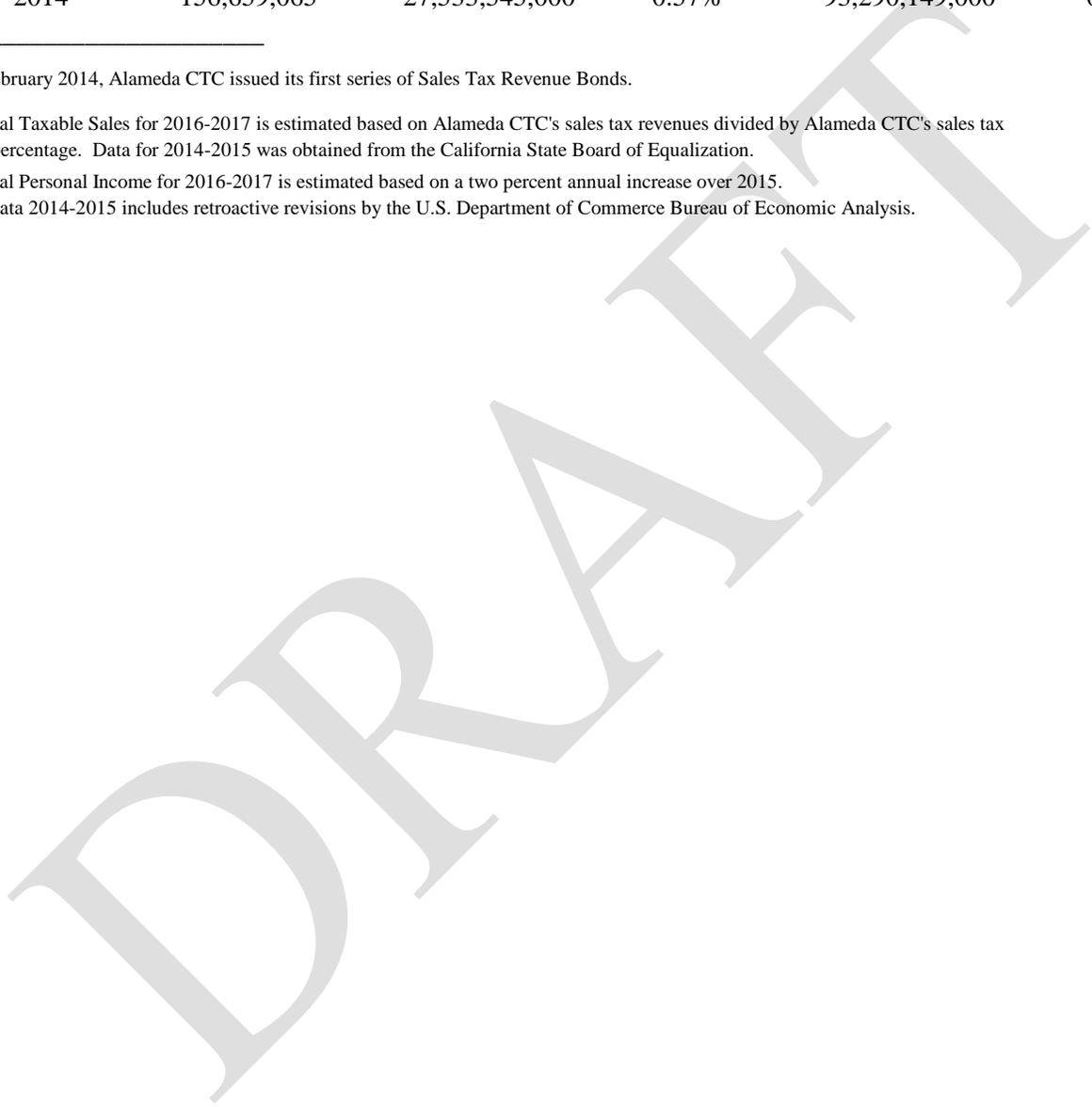
DEBT CAPACITY – RATIOS OF OUTSTANDING DEBT

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 ²	Total Debt as a % of Personal Income
2017	\$ 128,263,119	\$ 28,479,124,000	0.45%	105,465,827,000	0.12%
2016	151,575,101	27,458,631,000	0.55%	103,397,869,000	0.15%
2015	154,117,083	29,025,458,000	0.53%	101,370,460,000	0.15%
2014	156,659,065	27,533,545,000	0.57%	93,290,149,000	0.17%

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

¹ Total Taxable Sales for 2016-2017 is estimated based on Alameda CTC's sales tax revenues divided by Alameda CTC's sales tax percentage. Data for 2014-2015 was obtained from the California State Board of Equalization.

² Total Personal Income for 2016-2017 is estimated based on a two percent annual increase over 2015. Data 2014-2015 includes retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.



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
	Measure B Sales Tax Revenue	Principal	Interest	Total	
2017	\$ 142,937,416	\$ 20,770,000	\$ 5,701,350	\$ 26,471,350	5.4
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.

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ALAMEDA COUNTY TRANSPORTATION COMMISSION

DEMOGRAPHIC AND ECONOMIC INFORMATION – STATISTICS

Fiscal Year Ended		Total	Per Capita	Unemployment
June 30:	Population ¹	Personal Income (in thousands) ²	Personal Income ³	Rate ⁴
2017	1,645,359	105,465,827	64,099	4.0%
2016	1,629,233	103,397,869	63,464	4.5%
2015	1,638,215	101,370,460	61,879	4.8%
2014	1,612,850	93,290,149	57,842	5.8%
2013	1,583,845	86,610,728	54,684	7.6%
2012	1,556,952	82,149,382	52,763	9.1%
2011	1,533,052	77,852,259	50,783	10.5%
2010	1,513,754	72,193,891	47,692	11.0%
2009	1,498,539	69,511,543	46,386	10.7%
2008	1,477,208	72,312,846	48,952	6.2%

¹ Population data for 2016-2017 includes retroactive revisions by the State of California Department of Finance, Demographic Research Unit. Data for 2008-2015 includes retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.

² Total Personal Income data for 2016-2017 is based on an estimated two percent annual increase over 2015. Data for 2008-2015 includes retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.

³ Per Capita Personal Income for 2016-2017 is estimated based on Total Personal Income divided by Population. Data for 2008-2015 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

		2017		
Employer	Type of Business	Rank	Number of Employees ¹	Percentage of Employment ²
University of California, Berkeley	Education	1	10,000+	1.24% +
Western Digital Corporation	Electronic Equipment & Supplies Manufacturing	2	10,000+	1.24% +
County of Alameda	Government	3	5000-9999	0.62% - 1.24%
Lawrence Livermore National Laboratory	Laboratories	4	5000-9999	0.62% - 1.24%
Grifols Diagnostic Solutions	Pharmaceutical Research Laboratories	5	5000-9999	0.62% - 1.24%
Alta Bates Summit Medical Center	General Medical Hospital	6	5000-9999	0.62% - 1.24%
Tesla Motors	Automobile Dealers-Electric Cars	7	1000-4999	0.12% - 0.62%
Kaiser Permanente	General Medical Hospital	8	1000-4999	0.12% - 0.62%
Lawrence Berkeley National Laboratory	Laboratories	9	1000-4999	0.12% - 0.62%
California Department of Transportation	Government	10	1000-4999	0.12% - 0.62%

		2008 ³		
Employer	Type of Business	Rank	Number of Employees	Percentage of Employment
University of California, Berkeley	Education	1	15,618	2.18%
Lawrence Livermore National Laboratory	Energy Development and Conservation	2	11,550	1.62%
County of Alameda	Local Government	3	9,044	1.26%
New United Motor Manufacturing, Inc.	Industrial	4	7,000	0.98%
Oakland Unified School District	Education	5	5,607	0.78%
Lawrence Berkeley National Lab	Research	6	5,000	0.70%
World Savings & Loan Association	Savings and Loan	7	4,389	0.61%
City of Oakland	Local Government	8	4,249	0.59%
Cooper Co's Inc.	Contact Lens Development, Manufacturing, Marketing	9	4,000	0.56%
City of Berkeley	Local Government	10	3,887	0.54%
			<u>70,344</u>	

¹ List of top employers and number of employees ranges provided by the East Bay Economic Development Alliance.

² 2017 Percentage is calculated based on total employment of 803,900 as reported by the California Employment Development Department.

³ Information from the County of Alameda's FY2008 Comprehensive Annual Financial Report.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

OPERATING INFORMATION – EMPLOYEES

Function	Fiscal Year Ending June 30,					
	2017	2016	2015	2014	2013	2012
Executive	1.00	1.00	1.00	1.00	1.00	1.00
Administration	5.00	5.00	3.00	3.00	5.00	6.00
Finance	6.00	6.00	7.00	7.00	7.00	7.00
Policy, Public Affairs and Legislation	0.50	0.50	3.00	2.00	2.00	2.00
Planning and Programs	6.50	7.50	3.00	3.00	4.00	3.00
Programming and Projects	6.00	5.00	4.00	5.00	6.00	5.00
Express Lanes Operations	2.00	2.00	-	-	-	-
Total Employees	27.00	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

	Fiscal Year Ending June 30,					
	2017	2016	2015	2014	2013	2012
Federal Revenue	\$ 6,385,239	\$ 6,298,439	\$ 9,364,425	\$ 5,449,588	\$ 5,774,570	\$ 3,195,946
State Revenue	7,882,452	7,556,897	9,499,895	9,432,800	12,007,467	24,707,698
Regional Measure Revenue	1,298,380	1,004,854	4,547,696	3,593,671	3,049,072	4,356,559
Local Revenue	21,029,358	35,257,032	22,548,937	33,524,045	17,390,918	11,501,887
	<u>\$ 36,595,429</u>	<u>\$ 50,117,222</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.

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ALAMEDA COUNTY TRANSPORTATION COMMISSION

OPERATING INFORMATION – CAPITAL ASSETS

	Fiscal Year Ending June 30,					
	2017	2016	2015	2014	2013	2012
Capital assets, being depreciated						
Furniture and fixtures	\$ 360,636	\$ 360,635	\$ 317,413	\$ 311,138	\$ 103,384	\$ 103,384
Office equipment	430,639	398,601	151,049	151,049	513,121	573,437
Leasehold improvements	434,959	410,104	399,632	399,631	385,281	385,281
Toll lane revenue system	52,960,586	44,977,234	-	-	-	-
Total capital assets, being depreciated	54,186,820	46,146,574	868,094	861,818	1,001,786	1,062,102
Less accumulated depreciation						
Furniture and fixtures	(259,854)	(194,230)	(135,095)	(78,953)	(103,383)	(95,558)
Office equipment	(209,913)	(163,423)	(143,730)	(127,753)	(469,213)	(514,800)
Leasehold improvements	(158,696)	(114,729)	(73,266)	(33,303)	(378,558)	(341,045)
Toll lane revenue system	(3,302,170)	(824,027)	-	-	-	-
Total accumulated depreciation	(3,930,633)	(1,296,409)	(352,091)	(240,009)	(951,154)	(951,403)
Total capital assets, net	\$ 50,256,187	\$ 44,850,165	\$ 516,003	\$ 621,809	\$ 50,632	\$ 110,699

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.

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INDEPENDENT AUDITOR'S REPORTS

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**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, 2017, and the related notes to the financial statements, which collectively comprise Alameda CTC's basic financial statements, and have issued our report thereon dated December XX, 2017.

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
December XX, 2017

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**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, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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, 2017.

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
December XX, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

ALAMEDA COUNTY TRANSPORTATION COMMISSION

**SUMMARY OF AUDITOR’S RESULTS
FOR THE YEAR ENDED JUNE 30, 2017**

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>None</u>
Significant deficiencies identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

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

Identification of major 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:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>



ALAMEDA COUNTY TRANSPORTATION COMMISSION

**FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017**

None reported.

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ALAMEDA COUNTY TRANSPORTATION COMMISSION

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

None reported.

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ALAMEDA COUNTY TRANSPORTATION COMMISSION

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017**

None reported.

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