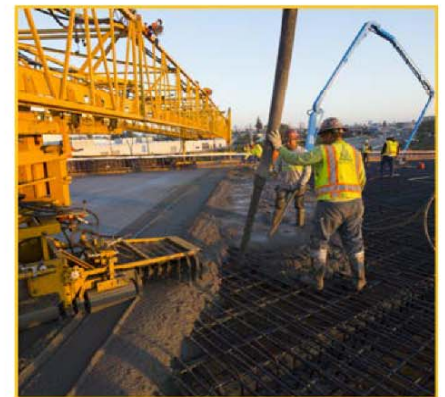




Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED
JUNE 30, 2018



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, 2018
PREPARED BY THE FINANCE DEPARTMENT**



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ALAMEDA COUNTY TRANSPORTATION COMMISSION

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INTRODUCTORY SECTION

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December 14, 2018

**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, 2018. 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, 2018.

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 well over 1.6 million making 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.

Alameda CTC is a joint powers agency which was formed in June 2010 pursuant to the California Joint Exercise of Powers Act. The Joint Powers Agreement includes the County of Alameda, the 14 incorporated cities within Alameda County, the Bay Area Rapid Transit District and the Alameda-Contra Costa Transit District. The agency is responsible for the administration of transportation sales tax funds in Alameda County in accordance with the voter approved transportation expenditure plans, including the 1986 Measure B sales tax, which sunsetted on March 31, 2002, and the 2000 Measure B and the 2014 Measure BB sales taxes. The agency is also responsible for implementing the congestion management program and the countywide transportation plan for Alameda County.

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 the 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 were 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 \$250 million in transportation improvements and congestion management projects annually 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 to the Commission for adoption which is based on agency goals and objectives. 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 decreased to 3.3 percent by June 2018 from 3.8 percent in June 2017 and 4.5 percent in June 2016. During the last fiscal year, jobs were added in various types of industries including construction, manufacturing, trade, retail, transportation and warehousing, professional and business services, administrative and support services, health care and social assistance, government and other services. Alameda County's unemployment rate is better than the state unemployment rate which has decreased to 4.5 percent by June 2018 from 4.8 percent in June 2017 and 5.6 percent in June 2016. Alameda County's unemployment rate also is better than the national unemployment rate, which has decreased to only 4.0 percent by June 2018 from 4.3 percent in June 2017 and 4.9 percent in June 2016. Unemployment in Alameda County has consistently remained lower than that of the state and the nation over the last several years.

There are many factors that contribute to the continued economic improvement of 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 seventh busiest container port in the United States which loads and discharges more than 99 percent of all containerized goods moving through Northern California. The Oakland International Airport is the fourth largest airport in California and the second busiest domestic air freight airport in the state. The Oakland International Airport ships and receives more cargo than any other airport in the region, handles more exports than imports, and is home to a major FedEx hub which feeds the growing e-commerce industry. It is conveniently located near many tourist destinations and is a convenient choice close to home for over 1.6 million residents in Alameda County.

Sales tax revenue showed significant growth in Alameda County over the last year. In fiscal year 2017-18, Alameda CTC collected \$154.5 million in 2000 Measure B sales tax revenues, an 8.1 percent increase over the prior fiscal year; however, total Measure B collections to date are still lower than original projections developed when the voters approved Measure B due to a couple of recessions experienced since the inception of Measure B in 2002. Measure BB sales tax revenues grew to \$153.5 million in fiscal year 2017-18, an 8.21 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 well 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 is sufficient cash and projected 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 implements the Measure BB program, close attention is being paid to designated projects in the 2014 TEP and project allocations included in the 2018 Comprehensive Investment Plan (CIP). Alameda CTC evaluated the CIP projects and programs applications based on Commission-approved CIP programming guidelines and project selection criteria and matched selected projects and programs with appropriate fund sources. Projects that are considered shovel ready, and therefore moving to the construction phase soon, may require more Measure BB funding in the near-term than has been collected to date. This may require Alameda CTC to implement an external financing mechanism to ensure that these projects can move forward as expeditiously as possible. Staff continues to closely monitor Measure BB cash flow needs and resources to determine if and when external financing may be appropriate.

RELEVANT FINANCIAL POLICIES

Alameda CTC has a comprehensive set of financial policies. Alameda CTC works within the guidelines of the original adopted policies until new policies are adopted. The Commission has adopted the following updated policies to govern the operations of Alameda CTC:

- Investment policy - which defines the parameters within which cash and investments are to be managed. This policy was most recently reviewed and adopted by the Commission in May 2018;
- 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;

- 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 the purpose for loans and eligibility for Alameda CTC member agencies only.

MAJOR INITIATIVES

On April 27, 2017, the Commission approved the 2018 CIP which included approximately \$405 million programmed from fiscal year 2017-18 through 2021-22, with \$260 million allocated over the first two years. The CIP is intended to consolidate multiple planning and programming efforts, at 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 delivery significant transportation projects in Alameda County. Since the approval of the 2018 CIP, the Commission has approved a number of off-cycle allocation requests which included funding and project delivery related allocations and programming adjustments that required updates based on program and project delivery needs. In order to document the various additional Commission actions and record the programming and allocation changes to the 2018 CIP, the Commission approved a 2018 CIP Update document in July 2018. The 2018 CIP Update includes an updated five-year programming total of \$511 million, with \$362 million allocated over the first two fiscal years.

During fiscal year 2017-18, Alameda CTC led several planning efforts, including the implementation of major planning studies adopted in 2016 that set the course for multimodal investments and priorities through 2040. This includes finalization of a rail strategy study to address the competing demands of freight and passenger rail in Alameda County while reducing impacts on local communities; development of additional focused rail planning as a multi-agency effort; and advancement of corridor studies on San Pablo Avenue and East 14th Street/Mission Boulevard/Fremont Boulevard to identify and develop short, medium and long-term transportation projects that will improve multimodal mobility and support local development planned along the corridors. Alameda CTC also performed a legislatively mandated after-study of the I-580 Express Lanes which opened in 2016 to evaluate its performance against established goals. In addition, Alameda CTC successfully advocated for projects in a new regional bridge toll, known as Regional Measure 3, for over \$1 billion in anticipated investments in Alameda County and strategically brought partnerships together around a rail strategy which culminated in significant state funding for goods movement projects.

In addition to providing oversight management for projects led by external sponsors, Alameda CTC performs direct project management and implements the delivery of regionally significant projects within Alameda County. As of June 30, 2018, Alameda CTC's new Measure BB portfolio of directly managed projects included 19 projects at various phases of delivery from scoping through construction. Alameda CTC leveraged \$65 million of Measure BB funding to secure nearly \$210 million in external funds from various federal, state, and regional sources to support the delivery of its Capital Program. Measure BB funding also contributed to construction funding awards of four projects in Alameda County not directly managed by Alameda CTC totaling \$182 million.

In 2018, Alameda CTC aggressively pursued additional funding from the Senate Bill 1 Program for regionally significant projects throughout Alameda County. Alameda CTC worked with the Metropolitan Transportation Commission (MTC) to submit recommendations for various Alameda County projects to the California Transportation Commission (CTC). As a result of these efforts, Alameda CTC was awarded \$199.6 million in funding towards the construction of three Alameda County transportation projects.

AWARDS AND ACKNOWLEDGEMENTS

This is the sixth 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,



Richard Valle
Chair, Alameda County
Transportation Commission



Arthur L. Dao
Executive Director



Patricia Reavey
Deputy Executive Director of
Finance and Administration

COMMISSIONERS

As of June 30, 2018

Member	Jurisdiction	Alternate
Supervisor Richard Valle, Chair	Alameda County, District 2	Mike Bucci
Mayor Pauline Cutter, Vice Chair	City of San Leandro	Deborah Cox
Board President 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	Peggy McQuaid
Director Rebecca Saltzman	Bay Area Rapid Transit	Robert Raburn
Mayor Trish Spencer	City of Alameda	Jim Oddie
Councilmember Peter Maass	City of Albany	Nick Pilch
Mayor Jesse Arreguin	City of Berkeley	Kriss Worthington
Mayor David Haubert	City of Dublin	Arun Goel
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
Councilmember At-Large, Rebecca Kaplan	City of Oakland	Abel Guillen
Vice Mayor Teddy King	City of Piedmont	Bob McBain
Mayor Jerry Thorne	City of Pleasanton	Kathy Narum
Mayor Carol Dutra-Vernaci	City of Union City	Emily Duncan

EXECUTIVE MANAGEMENT

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Executive Director

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Deputy Executive Director of Finance and Administration preavey@alamedactc.org

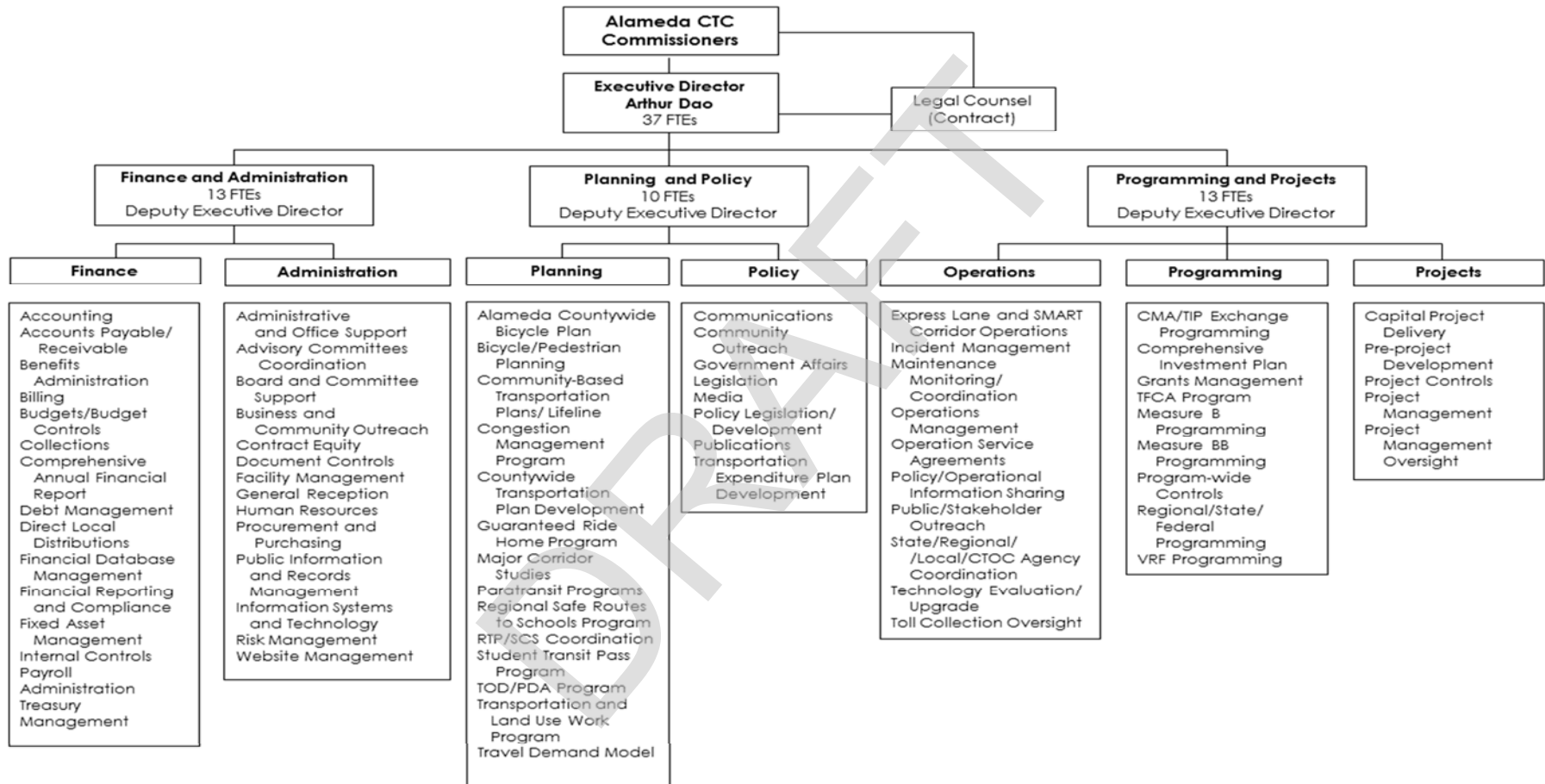
General Counsel

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, 2018:

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



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, 2017

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

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, 2018, 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, 2018, 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 15, schedule of the proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in the net other postemployment benefits liability and related ratios and schedule of postemployment benefits contributions, budgetary comparison schedules and the related notes on pages 53 through 62, 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 and 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 14, 2018 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
Date

ALAMEDA COUNTY TRANSPORTATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

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, 2018. 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's mission is 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 2017-18 by \$448.2 million (*net position*). Of this amount, \$60.1 million represents unrestricted net position, which may be used to meet ongoing obligations.
- Alameda CTC's total net position increased \$88.2 million or 24.5 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, 2018, Alameda CTC governmental funds reported combined fund balances of \$510.7 million, an increase of \$73.1 million compared to June 30, 2017. Of the total combined fund balances, \$58.8 million or 11.5 percent is available for spending at Alameda CTC's discretion (*unassigned fund balance*).
- Total assets and deferred outflows of resources of Alameda CTC increased by \$96.5 million from \$578.4 million to \$675.0 million as of June 30, 2018 compared to June 30, 2017 mainly related to an increased cash and investment balance due to sales tax revenue collections. Cash and investments comprised \$560.0 million or 83.0 percent of the total assets and deferred outflows of resources as of June 30, 2018.
- Revenues totaled \$365.9 million for the fiscal year ended June 30, 2018. This was an increase of \$13.4 million or 3.8 percent over the fiscal year ended June 30, 2017 mostly related to an increase in sales tax revenue collections.
- Total liabilities and deferred inflows of resources increased by \$8.4 million or 3.8 percent from \$218.4 million to \$226.8 million as of June 30, 2018 compared to June 30, 2017. This increase is mostly due to an increase in accrued liabilities related to 2000 Measure B and 2014 Measure BB capital projects.
- Expenses totaled \$277.7 million for the fiscal year ended June 30, 2018. This was an increase of \$2.0 million or 0.7 percent over the fiscal year ended June 30, 2017 mostly due to disbursements for discretionary grants from the 2000 Measure B and 2014 Measure BB Special Revenue Funds for projects and programs in the related transportation expenditure plans.

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, 2018

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 16-17 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 Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Change in Fund Balances provide a reconciliation to facilitate this comparison.

Alameda CTC has seven major funds for which information is presented separately in the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Change 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, and 2014 Measure BB Capital Projects Fund. In addition there are five funds that are considered nonmajor, one of which is presented separately in the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Change in Fund Balances and four for which data is combined in a single aggregate presentation. Individual fund data for the nonmajor governmental funds combined in the single aggregate presentation is provided in the Supplementary Information section of this report within the Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Change in Fund Balances. Separate fund statements for each of the combined nonmajor government funds may also be found in the Supplementary Information section.

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.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

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 pension, other postemployment benefit (OPEB) liabilities, and General Fund and major special revenue funds budgetary comparison schedules. Required supplementary information can be found beginning on page 53 of this report. In addition to the required supplementary information, additional information is presented for the combined nonmajor governmental funds in the combining statements and schedules.

Government-wide Financial Analysis

Net Position

As previously noted, the change in 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 \$448.2 million, at the end of the fiscal year.

As of June 30, 2018, total assets and deferred outflows of resources were \$675.0 million, an increase of \$96.5 million or 16.7 percent over June 30, 2017 mostly related to an increase in cash and investments due to sales tax revenue collections. Cash and investments comprised \$560.0 million or 83.0 percent of the total assets and deferred outflows of resources.

Total liabilities and deferred inflows of resources were \$226.8 million as of June 30, 2018, an increase of \$8.4 million or 3.8 percent over June 30, 2017 due to an increase in accrued liabilities related to 2000 Measure B and 2014 Measure BB capital projects. As of June 30, 2018, Alameda CTC had commitments for \$8.6 million towards administrative services contracts, \$71.9 million towards engineering contracts to deliver Alameda CTC implemented capital projects and programs, \$10.3 million -towards right of way and utility contracts, \$111.5 million towards construction contracts, \$10.5 million towards operations contracts, and \$155.1 million towards project sponsor contracts with terms ranging up to seven years.

Net position was \$448.2 million at June 30, 2018, an increase of \$88.2 million or 24.5 percent over June 30, 2017. Of the total \$448.2 million in net position at June 30, 2018, \$47.5 million or 10.6 percent is invested in capital assets, \$60.1 million or 13.4 percent is unrestricted and the balance of \$340.6 million or 76.0 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 programs, 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. However, 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, 2018

Condensed Statement of Net Position June 30, 2018 and 2017

	Governmental Activities	
	2018	2017
Cash and investments	\$ 559,954,347	\$ 460,124,540
Receivables		
Sales tax receivables	48,764,702	49,568,908
Interest	2,225,741	1,297,655
Other	14,027,227	15,106,831
Prepaid and other assets	485,961	409,207
Capital assets	47,459,876	50,256,187
Total Assets	672,917,854	576,763,328
Deferred Outflows of Resources	2,041,257	1,646,348
Total Assets and Deferred Outflows of Resources	\$ 674,959,111	\$ 578,409,676
Accounts payable and accrued liabilities	80,446,039	49,243,013
Interest payable	1,424,150	1,692,750
Unearned revenue	34,175,295	33,872,645
Long-term obligations including pension and OPEB	110,402,350	133,366,802
Total Liabilities	226,447,834	218,175,210
Deferred Inflows of Resources	353,171	273,194
Total Liabilities and Deferred Inflows of Resources	226,801,005	218,448,404
Net investment in capital assets	47,459,876	50,256,187
Restricted for transportation project, programs, and debt service	340,616,782	258,765,813
Unrestricted	60,081,448	50,939,272
Total Net Position	448,158,106	359,961,272
Total Liabilities, Deferred Inflows and Net Position	\$ 674,959,111	\$ 578,409,676

ALAMEDA COUNTY TRANSPORTATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

Change in Net Position

Total revenues during fiscal year 2018 were \$365.9 million, an increase of \$13.4 million or 3.8 percent over fiscal year 2017. This increase can be attributed to the increase in sales tax revenues. Total expenses during fiscal year 2018 were \$277.7 million, an increase of \$2.0 million or 0.7 percent over fiscal year 2017. This increase is mostly due to an increase in discretionary grant expenditures in the 2000 Measure B and 2014 Measure BB Special Revenue Funds related to capital projects that were allocated funding in the 2012 programming cycle and entered the construction and close out phases of the projects during fiscal year 2017-18.

The following are changes in key activities during fiscal year 2018:

- Operating grants and contributions for fiscal year 2018 were \$43.5 million, a decrease of \$6.7 million or 13.3 percent from fiscal year 2017. This change is related to a decrease in congestion management capital projects activity as these projects wind down.
- Sales tax revenues for fiscal year 2018 were \$302.6 million, an increase of \$16.7 million or 5.8 percent over fiscal year 2017 which reflects the positive economic condition in Alameda County.
- Administration expenses for fiscal year 2018 were \$13.0 million, a decrease of \$1.6 million or 11.1 percent from fiscal year 2017 mostly related to planning and programming activities.
- Transportation improvement costs for fiscal year 2018 were \$238.3 million, an increase of \$14.6 million or 6.5 percent over fiscal year 2017. This change is due to an increase in discretionary grant expenditures in the 2000 Measure B and 2014 Measure BB Special Revenue Funds related to capital projects that were allocated funding in the 2012 programming cycle and entered the construction and close out phases of the projects during fiscal year 2017-18.
- Congestion management expenses for fiscal year 2018 were \$24.1 million, a decrease of \$10.2 million or 29.8 percent from fiscal year 2017. This decrease is due to the wind down of the congestion management capital program.

During fiscal year 2018, revenues exceeded expenses by \$88.2 million resulting in an increase to net position to \$448.2 million as of June 30, 2018.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

Condensed Statement of Changes in Net Position For the Years Ended June 30, 2018 and 2017

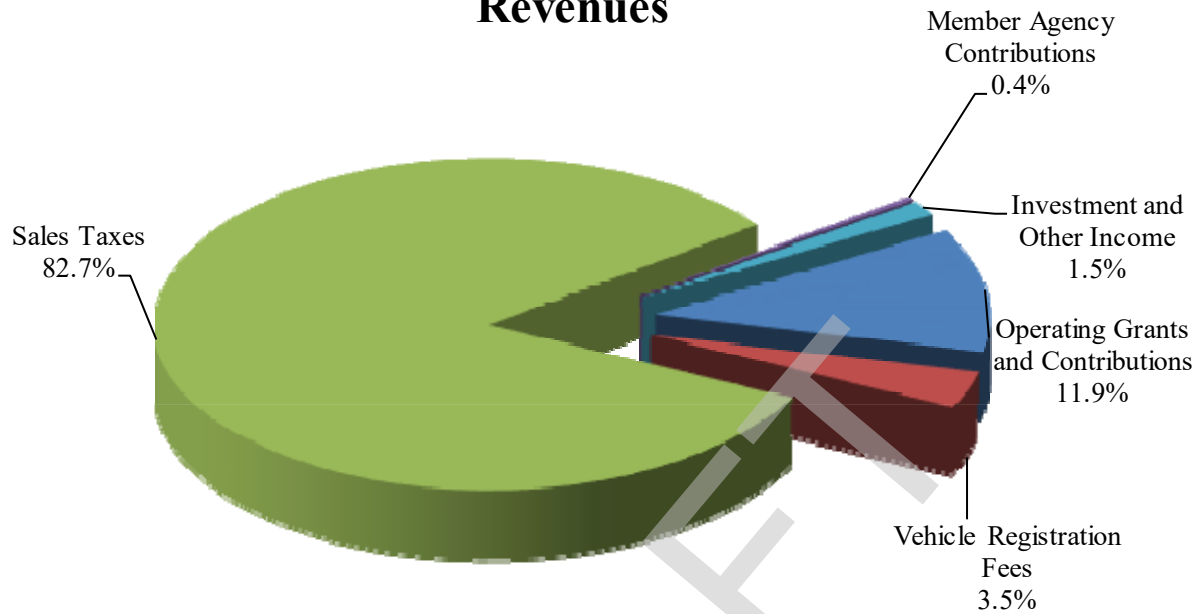
	Governmental Activities	
	2018	2017
Revenues and special items		
Program revenues:		
Operating grants and contributions	\$ 43,459,879	\$ 50,110,490
General revenues:		
Sales taxes	302,627,128	285,943,387
Vehicle registration tax	13,033,527	13,075,120
Member agency contributions	1,394,819	1,394,819
Investment income	5,349,932	1,929,285
Other general revenues	12,943	13,831
Total Revenues	365,878,228	352,466,932
Expenses		
Administration	12,981,142	14,600,744
Interest expense	2,267,668	2,951,669
Transportation improvements	238,306,717	223,711,625
Congestion management	24,125,867	34,374,422
Total Expenses	277,681,394	275,638,460
Change in Net Position	88,196,834	76,828,472
Net Position, Beginning of Year	359,961,272	283,132,800
Net Position, End of Year	\$ 448,158,106	\$ 359,961,272

ALAMEDA COUNTY TRANSPORTATION COMMISSION

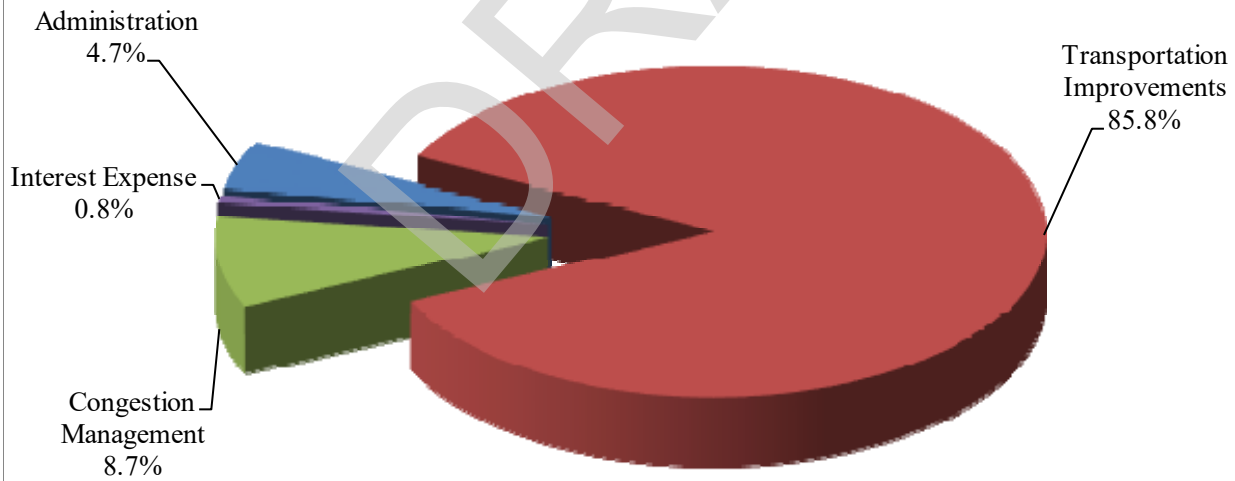
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

Revenues



Expenses



ALAMEDA COUNTY TRANSPORTATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

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 funds displayed in aggregate in the nonmajor fund category including the Transportation Fund for Clean Air Fund, Vehicle Registration Fee Fund, I-580 Express Lanes Operations Fund, and Debt Service Fund.

As of June 30, 2018, Alameda CTC had \$510 million of fund balance in the governmental funds: \$59.0 million in the General Fund, \$25.6 million in the 2000 Measure B Special Revenue Fund, \$56.9 million in the 2014 Measure BB Special Revenue Fund, \$5.5 million in the Exchange Fund, \$87.9 million in the 2000 Measure B Capital Projects Fund, \$135.1 million in the 1986 Measure B Capital Projects Fund, \$6.2 million in the Congestion Management Capital Projects Fund, \$75.9 million in the 2014 Measure BB Capital Projects Fund, and \$58.5 million in the funds displayed in aggregate as nonmajor governmental funds. This is an increase over June 30, 2017 of \$73.1 million or 16.7 percent. This increase is mostly related to sales tax collections and toll and violation revenue collections for the I-580 Express Lanes coming in higher than related expenditures.

For the period July 1, 2017 through June 30, 2018, Alameda CTC had \$371.4 million of revenues in the governmental funds: \$18.0 million in the General Fund, \$90.3 million in the 2000 Measure B Special Revenue Fund, \$103.8 million in the 2014 Measure BB Special Revenue Fund, \$2.6 million in the Exchange Fund, \$64.9 million in the 2000 Measure B Capital Projects Fund, \$1.2 million in the 1986 Measure B Capital Projects Fund, \$9.4 million in the Congestion Management Capital Projects Fund, \$49.9 million in the 2014 Measure BB Capital Projects Fund, and \$31.3 million in the funds displayed in aggregate as nonmajor governmental funds. This is an increase from June 30, 2017 of \$20.3 million or 5.8 percent. This increase is mostly attributed to an increase in sales tax revenues.

For the period July 1, 2017 through June 30, 2018, Alameda CTC had \$298.3 million of expenditures in the governmental funds: \$8.0 million in the General Fund, \$84.2 million in the 2000 Measure B Special Revenue Fund, \$83.2 million in the 2014 Measure BB Special Revenue Fund, \$2.2 million in the Exchange Fund, \$36.7 million in the 2000 Measure B Capital Projects Fund, \$0.5 million in the 1986 Measure B Capital Projects Fund, \$3.0 million in the Congestion Management Capital Projects Fund, \$36.5 million in the 2014 Measure BB Capital Projects Fund, and \$43.9 million in the funds displayed in aggregate as nonmajor governmental funds. This is a decrease from June 30, 2018 of \$6.0 million or 2.0 percent. This decrease is primarily due to a decrease in capital expenditures in the Congestion Management Capital Projects Fund as these projects wind down.

As of June 30, 2018, the Alameda CTC had \$625.8 million of assets in the governmental funds: \$59.9 million in the General Fund, \$40.5 million in the 2000 Measure B Special Revenue Fund, \$71.3 million in the 2014 Measure BB Special Revenue Fund, \$25.7 million in the Exchange Fund, \$112.6 million in the 2000 Measure B Capital Projects Fund, \$135.4 million in the 1986 Measure B Capital Projects Fund, \$10.3 million in the Congestion Management Capital Projects Fund, \$105.6 in the 2014 Measure BB Capital Projects Fund, and \$64.5 million in the funds displayed in aggregate as nonmajor governmental funds. This is an increase of \$70.2 million or 12.6 percent over June 30, 2017. This increase is mostly attributed to an accumulation of cash in both the 2014 Measure BB Special Revenue and Capital Projects Funds.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

As of June 30, 2018, Alameda CTC had \$115.2 million of liabilities and deferred inflows of resources in the governmental funds: \$0.9 million in the General Fund, \$14.9 million in the 2000 Measure B Special Revenue Fund, \$14.3 million in the 2014 Measure BB Special Revenue Fund, \$20.2 million in the Exchange Fund, \$24.7 million in the 2000 Measure B Capital Projects Fund, \$0.3 million in the 1986 Measure B Capital Projects Fund, \$4.1 million in the Congestion Management Capital Projects Fund, \$29.7 million in the 2014 Measure BB Capital Projects Fund, and \$6.0 million in the funds displayed in aggregate as nonmajor governmental funds. This is a decrease of \$2.9 million or 2.4 percent from June 30, 2017. This decrease is primarily due to a decrease in accrued liabilities and unearned revenues for project related expenditures in the Congestion Management Capital Projects Fund as the congestion management projects wind down and the payback of an advance from another fund in the General Fund, which were offset by an increase in accruals for project expenditures in the 2014 Measure BB Capital Projects Fund.

Capital Assets

As of June 30, 2018, Alameda CTC had \$47.5 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 change in capital assets for the fiscal year was a reduction of \$2.8 million or 5.6 percent.

Capital Assets
(net of accumulated depreciation and amortization)
June 30, 2018 and 2017

	2018	2017
Furniture and equipment and leasehold improvements, net	\$ 479,187	\$ 597,771
Toll lane revenue system, net	46,980,689	49,658,416
Total	<u>\$ 47,459,876</u>	<u>\$ 50,256,187</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 \$95.0 million remains outstanding as of June 30, 2018. 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 2000 Measure B sales tax and 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. Alameda CTC remains AAA rated through the fiscal year ended June 30, 2018. For more information on the agency's debt activity, please refer to Note 5 to the financial statements on page 36.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

Comparison of Budget to Actual

General Fund – Alameda CTC began the fiscal year with an adopted revenue budget of \$17.7 million and an expenditures budget of \$9.9 million resulting in a projected increase in the General Fund balance of \$7.8 million. In the final adopted budget, the revenue budget was revised to \$18.3 million and the expenditure budget was revised to \$10.7 million resulting in a slight decrease to the projected change in fund balance in the General Fund to \$7.6 million. The increase in revenues was related to an increase in project sales tax revenues and investment income.

Actual revenues from sales tax, project revenues, member agency contributions, investment and other income were \$18.0 million which is less than the final adopted budget by \$0.3 million or 1.7 percent and actual administrative expenditures were \$8.0 million which is less than the final adopted budget by \$2.7 million or 25.5 percent. These variances are mostly related to lower than projected planning and programming activities expenditures.

Other Significant Matters

Comprehensive Investment Plan – The Comprehensive Investment Plan (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 levels, 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.

On April 27, 2017, the Commission approved the 2018 CIP which included approximately \$405 million programmed from fiscal year 2017-18 through 2021-22, and \$260 million allocated over the first two years. Since the approval of the 2018 CIP, there have been a number of off-cycle allocation approvals, funding and project delivery related allocation and programming adjustments that required updates to the 2018 CIP. The changes amounted to approximately \$106 million in additional programming which included \$102 million in additional allocations. To memorialize the prior Commission actions and record the programming and allocation changes to the 2018 CIP, the Commission approved the 2018 CIP Update in July 2018.

The 2018 CIP Update includes an updated five year programming total of \$511 million, with \$362 million allocated over the first two fiscal years. The \$511 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), State Transportation Improvement Program and other Alameda CTC-administered fund sources.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

Planning Efforts – During fiscal year 2018, 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 finalizing 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 the impact on local communities; developing additional focused rail planning in response to new rail transit services in Southern Alameda County in a multi-agency development effort; and advancing corridor studies on San Pablo Avenue and East 14th Street/Mission Boulevard/Fremont Boulevard to identify and develop short, medium and long-term transportation projects that will improve multimodal mobility and support local development planned along the corridors. Alameda CTC also performed a legislatively mandated after-study of the I-580 Express Lanes which opened in 2016 to evaluate its performance against established goals. Alameda CTC expanded its effectiveness in monitoring Alameda County's transportation system through performance reporting; successfully advocated for projects in a new regional bridge toll, known as Regional Measure 3 for over \$1 billion in anticipated investments in Alameda County; and strategically brought partnerships together around a rail strategy that helped result in significant state funding for specific goods movement projects.

Affordable Student Transit Pass Program – During the 2017-18 school year, Alameda CTC implemented year two of its pilot Affordable Student Transit Pass Program in middle schools and high schools in Alameda County and began preparations for year three. 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 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 the Metropolitan Transportation Commission (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 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, only two out of the eight projects are still in progress. These two projects are in the construction phase and at the end of fiscal year 2017-18, were over 75 percent complete. It is anticipated that both projects will be open to traffic in fiscal year 2018-19.

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 performs direct project management and implements the delivery of regionally significant projects within the Measure BB program. At the conclusion of fiscal year 2017-18, Alameda CTC's portfolio of directly managed projects included 19 projects at various phases of delivery from scoping through construction. Alameda CTC leveraged \$65 million of Measure BB funds to secure nearly \$210 million in external funding from various federal, state, and regional sources to support the delivery of its Capital Program. Measure BB funding also contributed to the construction awards of four Alameda County projects not directly managed by Alameda CTC totaling \$182 million.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

Senate Bill 1 Projects – In 2018, Alameda CTC aggressively pursued additional funding from the Senate Bill 1 Program for regionally significant projects throughout Alameda County. Alameda CTC worked with MTC to submit recommendations for various Alameda County projects to the CTC. As a result of these efforts, Alameda CTC was awarded \$199.6 million in funding towards the construction of three Alameda County transportation 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.

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ALAMEDA COUNTY TRANSPORTATION COMMISSION

STATEMENT OF NET POSITION JUNE 30, 2018

	Governmental Activities
ASSETS	
Cash and investments	\$ 559,954,347
Sales tax receivable	48,764,702
Interest receivable	2,225,741
Other receivable	14,027,227
Prepays and other assets	485,961
Capital assets, net of accumulated depreciation	47,459,876
Total Assets	672,917,854
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows from pension activities	1,801,306
Deferred outflows from other postemployment activities	239,951
Total Deferred Outflows of Resources	2,041,257
LIABILITIES	
Accounts payable and accrued liabilities	80,446,039
Interest payable	1,424,150
Unearned revenues	34,175,295
Noncurrent liabilities	
Current portion of long term liabilities	24,918,880
Due in more than one year	79,652,734
Pension liability	5,645,904
Other postemployment benefits liability	184,832
Total Liabilities	226,447,834
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows from pension activities	277,862
Deferred inflows from other postemployment activities	75,309
Total Deferred Inflows of Resources	353,171
NET POSITION	
Investment in capital assets	47,459,876
Restricted	
Local programs	82,529,488
Capital projects	194,791,549
Transportation fund for clean air	5,905,711
Vehicle registration fees	20,979,148
Technology projects	6,230,714
I-580 express lanes operations	22,314,181
Debt service	7,865,991
Unrestricted	60,081,448
Total Net Position	\$ 448,158,106

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

ALAMEDA COUNTY TRANSPORTATION COMMISSION

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position
			Total Governmental Activities
Governmental activities			
Administration	\$ 12,981,142	\$ -	\$ (12,981,142)
Transportation improvements	238,306,717	11,808,339	(226,498,378)
Congestion management	24,125,867	31,651,540	7,525,673
Interest expense	2,267,668	-	(2,267,668)
Total governmental activities	\$ 277,681,394	\$ 43,459,879	(234,221,515)
General revenues			
Sales tax revenues			302,627,128
Vehicle registration tax			13,033,527
Member agency contributions			1,394,819
Interest and investment earnings			5,349,932
Other general revenues			12,943
Total general revenues			322,418,349
Change in net position			88,196,834
Net position - beginning			359,961,272
Net position - ending			\$ 448,158,106

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, 2018

		2000	2014	
		Measure B	Measure BB	
	General	Special	Special	Exchange
	Fund	Revenue	Revenue	Fund
		Fund	Fund	
ASSETS				
Cash and investments	\$ 55,369,377	\$ 25,086,887	\$ 55,026,540	\$ 25,689,289
Sales tax receivable	2,072,485	13,946,157	16,068,113	-
Interest receivable	265,409	63,069	173,176	26,599
Other receivable	1,853,342	1,414,392	-	-
Due from other funds	91,075	-	-	-
Prepays and other assets	235,518	-	-	-
Total Assets	\$ 59,887,206	\$ 40,510,505	\$ 71,267,829	\$ 25,715,888
LIABILITIES, DEFERRED				
INFLOWS OF RESOURCES				
AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 864,870	\$ 14,863,231	\$ 14,324,872	\$ 919,669
Due to other funds	22,261	60,743	-	83,558
Unearned revenue	13,381	-	-	19,229,780
Total Liabilities	900,512	14,923,974	14,324,872	20,233,007
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Fund Balances				
Nonspendable	233,593	-	-	-
Restricted				
Local programs	-	25,586,531	56,942,957	-
Capital projects	-	-	-	-
Transportation fund for clean air	-	-	-	-
Vehicle registration fees	-	-	-	-
Technology projects	-	-	-	-
I-580 express lanes operations	-	-	-	-
Debt service	-	-	-	-
Assigned - exchange program	-	-	-	5,482,881
Unassigned	58,753,101	-	-	-
Total Fund Balances	58,986,694	25,586,531	56,942,957	5,482,881
Total Liabilities, Deferred Inflows				
of Resources and Fund Balances	\$ 59,887,206	\$ 40,510,505	\$ 71,267,829	\$ 25,715,888

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

2000 Measure B Capital Projects Fund	1986 Measure B Capital Projects Fund	Congestion Management Capital Projects Fund	2014 Measure BB Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 102,526,324	\$ 134,834,639	\$ 7,566,549	\$ 93,360,919	\$ 60,493,823	\$ 559,954,347
9,336,242	-	-	7,341,705	-	48,764,702
482,814	571,115	39,220	453,269	151,070	2,225,741
-	625	2,574,516	4,482,926	3,701,426	14,027,227
175,708	750	113,396	-	-	380,929
125,000	9,224	-	-	116,219	485,961
<u>\$ 112,646,088</u>	<u>\$ 135,416,353</u>	<u>\$ 10,293,681</u>	<u>\$ 105,638,819</u>	<u>\$ 64,462,538</u>	<u>\$ 625,838,907</u>
\$ 23,985,558	\$ 307,341	\$ 1,314,391	\$ 18,107,117	\$ 5,758,990	\$ 80,446,039
-	-	-	-	214,367	380,929
745,990	-	2,564,960	11,621,184	-	34,175,295
<u>24,731,548</u>	<u>307,341</u>	<u>3,879,351</u>	<u>29,728,301</u>	<u>5,973,357</u>	<u>115,002,263</u>
		183,616	-	-	183,616
-	-	-	-	-	233,593
-	-	-	-	-	82,529,488
87,914,540	135,109,012	-	75,910,518	-	298,934,070
-	-	-	-	5,905,711	5,905,711
-	-	-	-	20,979,148	20,979,148
-	-	6,230,714	-	-	6,230,714
-	-	-	-	22,314,181	22,314,181
-	-	-	-	9,290,141	9,290,141
-	-	-	-	-	5,482,881
-	-	-	-	-	58,753,101
<u>87,914,540</u>	<u>135,109,012</u>	<u>6,230,714</u>	<u>75,910,518</u>	<u>58,489,181</u>	<u>510,653,028</u>
<u>\$ 112,646,088</u>	<u>\$ 135,416,353</u>	<u>\$ 10,293,681</u>	<u>\$ 105,638,819</u>	<u>\$ 64,462,538</u>	<u>\$ 625,838,907</u>

ALAMEDA COUNTY TRANSPORTATION COMMISSION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2018

Total Fund Balances on Governmental Funds' Balance Sheet	\$ 510,653,028
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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.	183,616
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	47,459,876
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Bonds are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(104,326,137)
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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.	(1,424,150)
--	-------------

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.	(4,122,460)
--	-------------

Compensated absences are a long term liabilities and, therefore, are not reported on the governmental funds' Balance Sheet.	(245,477)
---	-----------

Net OPEB 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.	(20,190)
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Net position on the Statement of Net Position:	<u><u>\$ 448,158,106</u></u>
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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, 2018

		2000 Measure B Special Revenue Fund	2014 Measure BB Special Revenue Fund	Exchange Fund
REVENUES				
Sales tax - 2000 Measure B	\$ 6,952,012	\$ 88,374,773	\$ -	\$ -
Sales tax - 2014 Measure BB	6,139,742	-	103,303,552	-
Project revenue	2,631,899	1,722,245	3,115	2,241,847
Member agency contributions	1,394,819	-	-	-
Toll and toll violation revenue	-	-	-	-
Vehicle registration fees	-	-	-	-
Investment income	874,490	190,682	495,138	310,220
Other income	3,295	4,812	4,811	-
Total Revenues	17,996,257	90,292,512	103,806,616	2,552,067
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	3,239,045	402,940	611,369	1,339
Office rent	899,342	-	-	-
Professional services	2,578,217	148,418	761,726	-
Planning and programming	1,129,989	-	-	-
Other	608,952	4,810	4,810	-
Allocation of costs to other funds	(465,246)	-	-	2,832
Transportation improvements				
Highways and streets	-	-	-	-
Public transit	-	44,034,233	47,286,653	-
Local transportation	-	39,609,567	33,582,456	-
Freight and economic development			4,813	-
Community development investments			975,604	-
Technology			1,679	-
Congestion management	-	-	-	2,237,675
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	7,990,299	84,199,968	83,229,110	2,241,846
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	10,005,958	6,092,544	20,577,506	310,221
OTHER FINANCING SOURCES (USES)				
Transfer in	114,369	-	-	-
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	114,369	-	-	-
NET CHANGE IN FUND BALANCES	10,120,327	6,092,544	20,577,506	310,221
Fund Balances - Beginning	48,866,367	19,493,987	36,365,451	5,172,660
Fund Balances - Ending	\$ 58,986,694	\$ 25,586,531	\$ 56,942,957	\$ 5,482,881

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
\$ 59,162,414	\$ -	\$ -	\$ -	\$ -	\$ 154,489,199
-	-	-	44,050,228	-	153,493,522
4,866,529	-	9,374,206	5,216,450	1,982,802	28,039,093
-	-	-	-	-	1,394,819
-	-	-	-	15,604,402	15,604,402
-	-	-	-	13,033,527	13,033,527
857,187	1,240,995	16,214	641,204	723,802	5,349,932
-	25	-	-	-	12,943
<u>64,886,130</u>	<u>1,241,020</u>	<u>9,390,420</u>	<u>49,907,882</u>	<u>31,344,533</u>	<u>371,417,437</u>
132,792	151,335	100,447	484,916	369,065	5,493,248
-	57,405	-	-	-	956,747
-	3,020	-	-	216,913	3,708,294
-	-	-	-	-	1,129,989
(8,574)	29,271	-	2,943	132,026	774,238
-	-	212,415	-	249,999	-
32,057,955	300,454	-	15,756,404	-	48,114,813
4,393,552	-	-	9,335,223	-	105,049,661
88,396	-	-	10,879,728	-	84,160,147
-	-	-	-	-	4,813
-	-	-	-	-	975,604
-	-	-	-	-	1,679
-	-	2,732,475	-	16,477,990	21,448,140
-	-	-	-	21,395,000	21,395,000
-	-	-	-	5,078,250	5,078,250
<u>36,664,121</u>	<u>541,485</u>	<u>3,045,337</u>	<u>36,459,214</u>	<u>43,919,243</u>	<u>298,290,623</u>
<u>28,222,009</u>	<u>699,535</u>	<u>6,345,083</u>	<u>13,448,668</u>	<u>(12,574,710)</u>	<u>73,126,814</u>
-	-	-	-	24,887,224	25,001,593
(24,887,224)	-	(114,369)	-	-	(25,001,593)
(24,887,224)	-	(114,369)	-	24,887,224	-
3,334,785	699,535	6,230,714	13,448,668	12,312,514	73,126,814
84,579,755	134,409,477	-	62,461,850	46,176,667	437,526,214
<u>\$ 87,914,540</u>	<u>\$ 135,109,012</u>	<u>\$ 6,230,714</u>	<u>\$ 75,910,518</u>	<u>\$ 58,489,181</u>	<u>\$ 510,653,028</u>

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, 2018

Net Change in Fund Balances - Total Governmental Funds **\$ 73,126,814**

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. 21,395,000

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. 268,600

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 depreciation exceeded capital outlays expense in the period. (2,796,311)

Unavailable revenues in the Statement of Activities do not provide current financial resources and are not reported as revenues in the governmental funds' statements. (5,539,209)

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. (593,775)

In the governmental funds, OPEB costs are based on employer contributions made to the pension plan during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year. (162,634)

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). (43,633)

Change in net position of governmental activities \$ 88,196,834

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

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

NOTE 1 – REPORTING ENTITY

In March 2010, the Alameda County Transportation Improvement Authority (ACTIA), the Alameda County Congestion Management Agency (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. In June 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, which was responsible for preparing, adopting, revising, amending, administering, and implementing the Congestion Management Program (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, and ACTIA, which was responsible for administering funds from the 1986 Measure B and 2000 Measure B sales tax programs necessary to complete the programs. In February 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 2012. ACTIA and ACCMA were dissolved and extinguished effective the last day of February 2012.

Alameda CTC went before the voters in November 2014 with Measure BB which would augment and extend the current Measure B sales tax 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 collections began April 1, 2015. Measure BB will provide Alameda County with \$7.8 billion in funding over 30 years to increase mobility, create jobs, reduce congestion and protect the environment. The 2014 Transportation Expenditure Plan (TEP) supports Measure BB and responds to the many transportation needs in Alameda County by providing details of how the funds will be used to restore and expand transit services, fix potholes and reduce highway congestion, expand bicycle and pedestrian access, and connect transit with housing and jobs.

It is Alameda CTC's mission 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 granting agencies 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 (MTC) 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 which reports directly to the public regarding the spending of 2000 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, 2018 and for the fiscal year then ended.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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 Department of Tax and Fee Administration. 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. Most nonmajor funds are summarized and presented in one column of the fund financial statements.

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 funded with 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 funded with 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.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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. The \$10 fee is a tax charged to Alameda County residents when registering their vehicles with the California Department of Motor Vehicles (DMV). The full \$10 tax, less a small fee, is transferred from the California DMV to the Alameda CTC monthly for administration. 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.

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.

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.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Nonmajor 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.

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. However, 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.

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.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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 resources of net position are available, unrestricted resources are used only after the restricted resources are depleted.

Fund Balances

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

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

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

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

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

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.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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.

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 rolling budgets for the Capital Projects Funds. 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.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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 in the usage period rather than when purchased.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position of the Alameda CTC other postemployment benefits plan (OPEB Plan), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

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. 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 and other post-employment benefit activities and project revenues.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75 – *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). This Statement is effective for fiscal years (FY) beginning after June 15, 2017, or the fiscal year 2017-18. Alameda CTC has implemented this Statement as of July 1, 2017.

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 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. The implementation of this Statement did not have a material effect on the 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 Statement 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 Statement 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 post-employment benefits (pensions and OPEB). The Statement is effective for the reporting periods beginning after June 15, 2017, or fiscal year 2017-18 fiscal year. The implementation of this Statement did not have a material effect on the financial statements.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

GASB Statement No. 86 – In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary 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 (resources other than the proceeds of refunding debt) 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 reporting periods beginning after June 15, 2017, or fiscal year 2017-18. The implementation of this Statement did not have a material effect on the financial statements

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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement is effective for the reporting periods beginning after December 15, 2019, or fiscal year 2020-21. Alameda CTC has not yet determined the effect of this Statement to its financial statements.

GASB Statement No. 88 – GASB Statement No. 88 – In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve note disclosures related to debt. This Statement requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt. This Statement is effective for reporting periods beginning after June 15, 2018, or fiscal year 2018-19. Alameda CTC has not yet determined the effect of this Statement to its financial statements.

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for certain interest costs. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in the financial statements. The Statement is effective for reporting periods beginning after December 15, 2019, or fiscal year 2020-21. Alameda CTC has not yet determined the effect of this Statement to its financial statements.

GASB Statement No. 90 – In August 2018, GASB issued Statement No. 90, *Majority Equity Interest, an amendment of GASB statement No. 14 and No. 61*. The objective of this Statement is to improve how majority equity interest is reported. The Statement specifies that a majority equity interest in a legally separate organization should be reported as an investment using the equity method if a government's holding of the equity interest meets the definition of an investment and for all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit. This Statement is effective for reporting periods beginning after December 15, 2018, or fiscal year 2019-20. Alameda CTC has not yet determined the effect of this Statement to its financial statements.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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.

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, 2018. Investment ratings as determined by Standard & Poor's are as follows:

Investment Type	AAA	AA+	AA	AA-
US Agency Securities	\$ -	\$ 134,646,421	\$ -	\$ -
US Treasury Securities	-	164,650,698	-	-
Corporate Notes	9,438,970	4,936,850	6,965,250	10,917,610
CAMP	-	-	-	-
LAIF	-	-	-	-
Total Investments	\$ 9,438,970	\$ 304,233,969	\$ 6,965,250	\$ 10,917,610

Investment Type	A+	A	Not Rated	Total
US Agency Securities	\$ -	\$ -	\$ -	\$ 134,646,421
US Treasury Securities	-	-	-	164,650,698
Corporate Notes	17,504,510	17,662,987	-	67,426,177
CAMP	-	-	49,614,995	49,614,995
LAIF	-	-	129,873,627	129,873,627
Total Investments	\$ 17,504,510	\$ 17,662,987	179,488,622	\$ 546,211,918
Cash in bank			13,742,429	13,742,429
Total Cash and Investments			\$ 193,231,051	\$ 559,954,347

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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. Alameda CTC had minimal exposure to custodial credit risk at June 30, 2018, because its bank balances were collateralized with securities held by the pledging financial institution as described above.

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.

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	\$ 51,262,592
Federal Home Loan Bank	Federal Agency Securities	49,860,456

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	\$ 74,066,758	\$ 56,280,493	\$ 4,299,170	\$ 134,646,421
US Treasury Securities	105,327,895	47,901,318	11,421,485	164,650,698
Corporate Notes	35,558,247	23,889,400	7,978,530	67,426,177
CAMP	49,614,995	-	-	49,614,995
LAIF	129,873,627	-	-	129,873,627
Total Investments	394,441,522	128,071,211	23,699,185	546,211,918
Cash in Bank	13,742,429	-	-	13,742,429
Total	\$ 408,183,951	\$ 128,071,211	\$ 23,699,185	\$ 559,954,347

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

As reported by the State Treasurer, the average life of an investment in the LAIF portfolio was 193 days on June 30, 2018. As reported by CAMP, the weighted average life of an investment in CAMP was 35 days on June 30, 2018.

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.

Alameda CTC has the following fair value measurements as of June 30, 2018:

Investment Type	Quoted Prices (Level I)	Observable Inputs (Level II)	Unobservable Inputs (Level III)	Total
Debt securities				
US Agency Securities	\$ -	\$ 134,646,421	\$ -	\$ 134,646,421
US Treasury Securities	164,650,698	-	-	164,650,698
Corporate Notes	-	67,426,177	-	67,426,177
	<u>\$ 164,650,698</u>	<u>\$ 202,072,598</u>	<u>\$ -</u>	<u>366,723,296</u>
CAMP				49,614,995
LAIF				129,873,627
Cash in Bank				13,742,429
Total investments by fair value type				<u>\$ 559,954,347</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 JUNE 30, 2018

NOTE 4 – CAPITAL ASSETS

Capital asset balances at June 30, 2018, and activity during the fiscal year were as follows:

	Balance at June 30, 2017	Additions	Dispositions	Balance at June 30, 2018
Capital assets being depreciated:				
Furniture, equipment, leasehold improvements	\$ 1,226,233	\$ 46,933	\$ -	\$ 1,273,166
Toll revenue system	52,960,586	-	-	52,960,586
Total capital assets being depreciated:	54,186,819	46,933	-	54,233,752
Less accumulated depreciation for:				
Furniture, equipment, leasehold improvements	(628,462)	(165,517)	-	(793,979)
Toll revenue system	(3,302,170)	(2,677,727)	-	(5,979,897)
Total accumulated depreciation	(3,930,632)	(2,843,244)	-	(6,773,876)
Capital assets, net of accumulated depreciation	\$ 50,256,187	\$ (2,796,311)	\$ -	\$ 47,459,876

Depreciation expense was allocated to the administration and congestion management functions on the Statement of Activities in the amounts of \$165,517 and \$2,677,727, respectively.

NOTE 5 – LONG-TERM OBLIGATIONS

Summary

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

	Balance at June 30, 2017	Additions	Deductions	Balance at June 30, 2018	Current Portion
Revenue bonds	\$ 116,375,000	\$ -	\$ 21,395,000	\$ 94,980,000	\$ 22,200,000
Bond premium	11,888,119	-	2,541,982	9,346,137	2,541,982
Compensated Absences	201,844	43,633	-	245,477	176,898
	\$ 128,464,963	\$ 43,633	\$ 23,936,982	\$ 104,571,614	\$ 24,918,880

Alameda CTC's 2000 Measure B sales tax revenues are 100 percent 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 the balance of bond premium funds designated to make payments of interest, and for the portion of the pledged sales tax revenues designated to make payments of principal and interest on the outstanding bonds. Measure B sales tax revenues amounted to \$154,489,199 and the debt service requirements were \$26,473,250 in 2018. Therefore, the coverage ratio was 583.6 percent.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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 percent to 5.0 percent with a final maturity of March 1, 2022.

Debt Service Requirements to Maturity

The outstanding debt at June 30, 2018 is \$94,980,000 and will be paid as follows:

Fiscal Year	Principal	Interest	Total
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>\$ 94,980,000</u>	<u>\$ 10,905,300</u>	<u>\$ 105,885,300</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

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

The following is a list of the funds exchanged from other governments through June 30, 2018:

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	(2,241,846)
Total expenditures incurred, previous years	<u>(79,371,364)</u>
Unearned revenue reported in the Exchange Fund	<u><u>\$ 19,229,780</u></u>

NOTE 7 – PENSION PLANS

General Information about the Pension Plan

Plan Description

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

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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, 2018, 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	10.110%	6.533%

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, 2018 contributions made by Alameda CTC were \$583,095.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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, 2017, 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, 2016 rolled forward to June 30, 2017 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, 2016 and 2017 measurement dates was as follows:

Proportion - June 30, 2017	0.0566%	\$ 4,901,839
Proportion - June 30, 2018	0.0569%	5,645,904
Change - Increase (Decrease)	0.0003%	\$ 744,065

For the year ended June 30, 2018, Alameda CTC recognized a pension expense of \$1,176,870. On June 30, 2018, 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	\$ 583,095	\$ -
Contributions in excess of proportionate share	-	(113,218)
Changes in assumptions	856,976	(65,345)
Difference in expected and actual experience	6,907	(98,953)
Adjustment due to differences in proportions	160,515	(346)
Net differences between projected and actual earnings on plan investments	193,813	-
	<u>\$ 1,801,306</u>	<u>\$ (277,862)</u>

Deferred outflows of resources related to contributions subsequent to the measurement date is \$583,095, which will be recognized as a reduction of the net pension liability and a component of pension expense in the year ended June 30, 2019.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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	Deferred Outflows/(Inflows) of Resources
June 30,	
2019	\$ 278,905
2020	478,080
2021	298,431
2022	(115,067)
	<u>\$ 940,349</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry-Age and Service
Investment Rate of Return	7.15% (1)
Mortality	(2)

- (1) Net of pension plan investment and administrative expenses, includes inflation.
- (2) The probabilities of mortality are based on the CalPERS 2014 experience study for the period from 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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. 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 7.15 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	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
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, 2018

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

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

	1% Decrease	Current Discount Rate	1% Increase
	6.15%	7.15%	8.15%
Net Pension Liability	\$8,470,742	\$5,645,904	\$3,306,323

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:

Year Ending June 30,	Lease Payments
2019	908,942
2020	934,830
2021	962,635
2022	991,399
2023	1,022,081
2024	344,209
Total	<u>\$ 5,164,096</u>

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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, 2018, the total outstanding commitments (not paid or accrued) were \$71.9 million. The terms range from June 30, 2018 up to three years (or acceptance of the work, whichever is earlier).

Alameda CTC has entered into contracts with various private firms to provide administrative support services. As of June 30, 2018, the total outstanding commitments (not paid or accrued) were \$8.6 million. The terms range from June 30, 2018 up to five 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, 2018, the total outstanding commitments (not paid or accrued) were \$155.1 million. The terms range from June 30, 2018 up to seven 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, 2018, the total outstanding commitments (not paid or accrued) were \$111.5 million. The terms range from June 30, 2018 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, 2018, the total outstanding commitments (not paid or accrued) were \$10.3 million. The terms range from June 30, 2018 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, 2018 the total outstanding commitments (not paid or accrued) were \$10.5 million. The terms range from June 30, 2018 through June 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, 2018, the remaining project costs to be paid by Alameda CTC totaled approximately \$19.0 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, 2018.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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 and 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 and 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, 2018.

NOTE 9 – INTERFUND ACTIVITY

Alameda CTC records interfund 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, 2018, the General Fund, 2000 Measure B Special Revenue Fund, 1986 Measure B Capital Projects Fund, and Congestion Management Capital Projects Fund combined had revenues receivable totaling \$380,929. Net interfund revenues for fiscal year 2017-18 totaled \$5,378,696 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 interfund receivables and payables are expected to be eradicated within 180 days.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Plan description and benefits provided

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 trust that was established by CalPERS and is managed by an appointed governing body 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.

Alameda CTC offers retiree health benefits under a Retiree Health Reimbursement Arrangement (HRA) Plan, a defined benefit plan. Retirees are eligible for lifetime benefits if they retire from Alameda CTC under CalPERS within 120 days of employment and have 10 years of credited service with CalPERS. In general, at least five years of credited service must be with Alameda CTC. Each eligible retiree is entitled to reimbursement for health care premium costs incurred on a CalPERS health insurance plan for the retiree plus one dependent paid through the HRA Plan. The maximum monthly contribution that Alameda CTC provides towards the cost of monthly premiums 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.

Employees covered by benefit terms

At June 30, 2017, the most recent valuation date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	27
Inactive plan members entitled to but not yet receiving benefit payments	3
Active plan members	13
	<u>43</u>

Contributions

The OPEB Plan and its contribution requirements are established by the Commissioners. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2018, Alameda CTC's contribution was \$239,951 of which \$54,167 was in the form of a subsidy.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

Net OPEB Liability and assumptions

The Alameda CTC's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2018.

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	7.28%
Inflation	2.75%
Salary Increases	3.0 % per annum, in aggregate
Investment Rate of return	7.28%
Healthy Mortality	The base RP-2014 headcount-weighted white collar table adjusted to 2006. Generational projection using scale MP-2017 was applied to these base rates after 2006.
Disabled Mortality	The base RP-2014 headcount-weighted disabled mortality table adjusted to 2006. Generational projection using scale MP-2017 was applied to these base rates after 2006.
Healthcare Trend Rate	6.80% for FY2018, gradually decreasing over several decades to an ultimate rate of 4.40% in FY2075 and later years. In addition, the medical trend rates above were increased to reflect the projected effect of the Affordable Care Act's Excise Tax on highcost health insurance plans. The additional trend rate adjustments vary by year, but average 0.36% beginning calendar year 2022 for plans other than Medicare Supplement plans.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
TIPS	5.00%	1.25%
Global Fixed Income	27.00%	2.25%
Global Equity	57.00%	5.25%
REITs	8.00%	4.50%
Commodities	3.00%	1.25%
Total	100.00%	

The discount rate used to measure the total OPEB liability was 7.28 percent. The projection of cash flows used to determine the discount rate assumed that Alameda CTC contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

Changed in the Net OPEB Liability

The changes in the net OPEB liability of the OPEB Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2017 (Valuation Date June 30, 2016)	\$ 3,105,290	\$ 2,687,955	\$ 417,335
Changes recognized for the measurement period:			
Service cost	87,567	-	87,567
Interest	226,136	-	226,136
Contributions - employer	-	245,670	(245,670)
Net investment income	-	302,009	(302,009)
Benefit payments	(173,179)	(173,179)	-
Administrative expense	-	(1,473)	1,473
Net Change	140,524	373,027	(232,503)
Balance at June 30, 2018 (Measurement Date June 30, 2017)	\$ 3,245,814	\$ 3,060,982	\$ 184,832

The following presents the net OPEB liability of the Alameda CTC, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.28 percent) or 1-percentage-point higher (8.28 percent) than the current discount rate:

	1% Decrease (6.28%)	Current Discount Rate (7.28%)	1% Increase (8.28%)
Net OPEB Liability (Asset)	\$ 598,376	\$ 184,832	\$ (157,920)

The following presents the net OPEB liability of the Alameda CTC, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rates that is 1-percentage-point lower (4.5 percent) or 1-percentage-point higher (6.5 percent) than the current healthcare cost trend rates:

	1% Decrease (4.50%)	Current Healthcare Cost Trend Rates (5.50%)	1% Increase (6.50%)
Net OPEB Liability (Asset)	\$ (191,418)	\$ 184,832	\$ 647,041

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERBT 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, 2018

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in the future as OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on
OPEB plan investments

5 years

All other amounts

Expected average remaining service lifetime
(EARSL) (6.0 Years at June 30, 2017)

For the fiscal year ended June 30, 2018, Alameda CTC recognized OPEB expense of \$88,476. As of fiscal year ended June 30, 2018, Alameda CTC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 239,951	\$ -
Net difference between projected and actual earnings on OPEB plan investments	-	(75,309)
Total	<u>\$ 239,951</u>	<u>\$ (75,309)</u>

The \$239,951 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2019	\$ (18,827)
2020	(18,827)
2021	(18,827)
2022	(18,828)
	<u>\$ (75,309)</u>

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 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.

During the current reporting period, Alameda CTC expended no PTMISEA proceeds. The proceeds available for obligations at June 30, 2018 are \$396,876. The following table summarizes the activity during the year:

Available proceeds, June 30, 2017	\$ 391,461
Additional grant received	-
Interest earned	5,415
Total revenues	<u>396,876</u>
Total expenditures	-
Available proceeds, June 30, 2018	<u><u>\$ 396,876</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, 2018, Alameda CTC had \$108,691 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	2018 ⁽²⁾
Proportion of the Net Pension Liability	0.048309%	0.057277%	0.056648%	0.056930%
Proportionate Share of the Net Pension Liability	\$ 3,006,005	\$ 3,931,433	\$ 4,901,839	\$ 5,645,904
Covered Payroll	\$ 2,601,284	\$ 2,390,173	\$ 2,402,725	\$ 3,194,478
Proportionate Share of the net pension liability as a percentage of covered payroll	115.56%	164.48%	204.01%	176.74%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	75.39%

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

(2) Discount rate changed from 7.65 percent to 7.15 percent.

Note: Historical information is required only for measurement periods for which GASB 68 is applicable.
Future years' information will be displayed up to 10 years as information becomes available.

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

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF PENSION CONTRIBUTIONS

	2015	2016	2017	2018
Contractually required contribution (actuarially determined)	\$ 381,572	\$ 409,011	\$ 504,317	\$ 583,095
Contributions in relation to the actuarially determined contributions	(381,572)	(409,011)	(504,317)	(583,095)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,390,173	\$ 2,402,725	\$ 3,194,478	\$ 3,705,126
Contributions as a percentage of covered payroll	15.96%	17.02%	15.79%	15.74%

Note: Historical information is required only for measurement periods for which GASB 68 is applicable.
Future years' information will be displayed up to 10 years as information becomes available.

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

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Measurement period - Year ended June 30,	2017
Total OPEB Liability	
Service cost	\$ 87,567
Interest	226,136
Benefit payments	(173,179)
Net change in total OPEB liability	140,524
Total OPEB liability - beginning	3,105,190
Total OPEB liability - ending	3,245,714
Plan fiduciary net position	
Contribution - employer	\$ 245,670
Net investment income	302,009
Benefit payments	(173,179)
Administrative expense	(1,473)
Net change in plan fiduciary net position	373,027
Plan fiduciary net position - beginning	2,687,955
Plan fiduciary net position - ending	3,060,982
Net OPEB liability - ending	\$ 184,732
Plan fiduciary net position as a percentage of the total OPEB liability	94.3%
Covered-employee payroll	3,194,478
Net OPEB liability as a percentage of covered-employee payroll	5.8%

Notes to Schedule:

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

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

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF OPEB CONTRIBUTIONS

Fiscal year ended June 30,	<u>2018</u>
Actuarially determined contribution	\$ 185,784
Contribution in relation to the actuarially determined contribution	<u>(239,951)</u>
Contribution deficiency (excess)	<u><u>\$ (54,167)</u></u>
 Covered-employee payroll	 3,705,126
 Contribution as a percentage of covered-employee payroll	 6.5%

Notes to Schedule:

Historical information is required only for measurement periods for which GASB 75 is applicable.
Future years' information will be displayed up to 10 years as information becomes available.

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

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - BUDGET AND ACTUAL – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 11,985,000	\$ 12,665,000	\$ 13,091,754	\$ 426,754
Project revenue	4,116,811	3,753,440	2,631,899	(1,121,541)
Member agency contributions	1,394,819	1,394,819	1,394,819	-
Investment income	245,000	485,000	874,490	389,490
Other income	-	-	3,295	3,295
Total Revenues	<u>17,741,630</u>	<u>18,298,259</u>	<u>17,996,257</u>	<u>(302,002)</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	2,883,238	2,891,889	3,239,045	(347,156)
Office rent	890,565	890,565	899,342	(8,777)
Professional services	2,673,350	3,254,236	2,578,217	676,019
Planning and programming	2,492,759	2,859,830	1,129,989	1,729,841
Other	1,169,798	1,144,218	608,952	535,266
Allocation of costs to other funds	(186,446)	(313,298)	(465,246)	151,948
Total Expenditures	<u>9,923,264</u>	<u>10,727,440</u>	<u>7,990,299</u>	<u>2,737,141</u>
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	<u>7,818,366</u>	<u>7,570,819</u>	<u>10,005,958</u>	<u>2,435,139</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	114,369	114,369
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>114,369</u>	<u>114,369</u>
NET CHANGE IN FUND BALANCES	<u>7,818,366</u>	<u>7,570,819</u>	<u>10,120,327</u>	<u>2,549,508</u>
Fund Balances - Beginning	<u>48,866,367</u>	<u>48,866,367</u>	<u>48,866,367</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 56,684,733</u>	<u>\$ 56,437,186</u>	<u>\$ 58,986,694</u>	<u>\$ 2,549,508</u>

See accompanying note to the required supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - BUDGET AND ACTUAL – 2000 MEASURE B SPECIAL REVENUE FUND FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 80,658,345	\$ 85,234,705	\$ 88,374,773	\$ 3,140,068
Project revenue	1,782,160	2,315,202	1,722,245	(592,957)
Investment income	110,000	225,000	190,682	(34,318)
Other income	15,875	15,875	4,812	(11,063)
Total Revenues	<u>82,566,380</u>	<u>87,790,782</u>	<u>90,292,512</u>	<u>2,501,730</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	415,208	452,663	402,940	49,723
Professional services	701,000	214,184	148,418	65,766
Other	15,875	15,875	4,810	11,065
Transportation improvements	83,266,311	83,647,485	83,643,800	3,685
Total Expenditures	<u>84,398,394</u>	<u>84,330,207</u>	<u>84,199,968</u>	<u>130,239</u>
NET CHANGE IN FUND BALANCES	(1,832,014)	3,460,575	6,092,544	2,631,969
Fund Balances - Beginning	<u>19,493,987</u>	<u>19,493,987</u>	<u>19,493,987</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 17,661,973</u>	<u>\$ 22,954,562</u>	<u>\$ 25,586,531</u>	<u>\$ 2,631,969</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 91,309,771	\$ 98,989,771	\$ 103,303,552	\$ 4,313,781
Project revenue	-	-	3,115	3,115
Investment income	190,000	190,000	495,138	305,138
Other income	15,375	15,375	4,811	(10,564)
Total Revenues	<u>91,515,146</u>	<u>99,195,146</u>	<u>103,806,616</u>	<u>4,611,470</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	740,941	633,289	611,369	21,920
Professional services	985,500	1,573,466	761,726	811,740
Other	15,375	15,375	4,810	10,565
Transportation improvements	81,861,427	86,099,941	81,851,205	4,248,736
Total Expenditures	<u>83,603,243</u>	<u>88,322,071</u>	<u>83,229,110</u>	<u>5,092,961</u>
NET CHANGE IN FUND BALANCES	7,911,903	10,873,075	20,577,506	9,704,431
Fund Balances - Beginning	<u>36,365,451</u>	<u>36,365,451</u>	<u>36,365,451</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 44,277,354</u>	<u>\$ 47,238,526</u>	<u>\$ 56,942,957</u>	<u>\$ 9,704,431</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Project revenue	\$ 6,835,413	\$ 7,548,543	\$ 2,241,847	\$ (5,306,696)
Investment income	30,000	50,000	310,220	260,220
Total Revenues	<u>6,865,413</u>	<u>7,598,543</u>	<u>2,552,067</u>	<u>(5,046,476)</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	29,016	22,618	1,339	21,279
Professional services	-	4,275	-	4,275
Allocation of costs to other funds		-	2,832	(2,832)
Congestion management	6,806,397	7,521,650	2,237,675	5,283,975
Total Expenditures	<u>6,835,413</u>	<u>7,548,543</u>	<u>2,241,846</u>	<u>5,306,697</u>
NET CHANGE IN FUND BALANCES	<u>30,000</u>	<u>50,000</u>	<u>310,221</u>	<u>260,221</u>
Fund Balances - Beginning	<u>5,172,660</u>	<u>5,172,660</u>	<u>5,172,660</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 5,202,660</u>	<u>\$ 5,222,660</u>	<u>\$ 5,482,881</u>	<u>\$ 260,221</u>

See accompanying note to the required supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 – PURPOSE OF PENSION SCHEDULES

Schedule of the Proportionate Share of the Net Pension Liability

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 which will include data for ten years when the information is available subsequent to the implementation of GASB 68 in fiscal year 2014-15.

Schedule of Pension Contributions

A cost-sharing employer is required to make contributions towards the pension liability at an actuarially determined rate. Alameda CTC makes contributions towards the pension liability in accordance with this requirement, a portion of which is made at the beginning of each fiscal year, and the balance is contributed incrementally as a percentage of payroll for each pay-period. This schedule presents information to illustrate the contributions made annually by Alameda CTC which will include data for ten years when the information is available subsequent to the implementation of GASB 68 in fiscal year 2014-15.

NOTE 2 – PURPOSE OF OPEB SCHEDULES

Schedule of Changes in the Net OPEB Liability and Related Ratios

Alameda CTC had an actuarial study dated June 30, 2018 completed with a measurement date of June 30, 2017 to determine the agency's net OPEB liability, among other things related to OPEB. This schedule presents information to illustrate changes in Alameda CTC's net OPEB liability and related ratios as actuarially determined which will include data for ten years when the information is available subsequent to the implementation of GASB 75 in fiscal year 2017-18.

Schedule of OPEB Contributions

Alameda CTC makes contributions towards the OPEB liability at an actuarially determined rate. In addition, the health insurance premium rates paid for retirees is subsidized by the premium rates paid for active employees. Alameda CTC does not request reimbursement for its' out of pocket expenditures for this subsidy from the OPEB trust and allows the subsidy amount to remain in the CERBT to prefund OPEB and offset the agency's net OPEB liability.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2018

NOTE 3 – BUDGETARY LEVEL OF CONTROLS

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

Alameda CTC establishes accounting control through formal adoption of an annual operating budget prepared on the modified accrual basis of accounting 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 are adjusted in the final budget. The legal level of budgetary control is at the total expenditure by 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 individual governmental funds, but is not authorized to exceed the total expenditure budget within any fund. The adopted budget can be amended by the Commission to increase both appropriations and estimated revenues as management brings unforeseen circumstances to the Commission's attention throughout the fiscal year.

DRAFT

SUPPLEMENTARY INFORMATION

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2018

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			\$ 13,710
Congestion Management Program			512,230
East Bay Greenway-Lake Merritt to South Hayward			1,210,226
I-580 Soundwall			(72)
I-80 Gilman Interchange Improvements			(65)
Safe Routes to School Program			1,722,247
Safe Routes to School - Bike Mobile Program			5,374
Transportation Planning			1,710,258
Regional Carpool Activities			67,703
Total Expenditures of Federal Awards			<u>\$ 5,241,611</u>

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

GENERAL FUND BALANCE SHEET BY PROGRAM JUNE 30, 2018

	2000 Measure B	2014 Measure BB	Congestion Management	Total General Fund
ASSETS				
Cash and investments	\$ 37,946,496	\$ 8,917,687	\$ 8,505,194	\$ 55,369,377
Sales tax receivable	1,097,076	975,409	-	2,072,485
Interest receivable	165,184	84,367	15,858	265,409
Other receivable	35,454	8,329	1,809,559	1,853,342
Due from other funds	-	-	91,075	91,075
Prepays and other assets	56,293	162,128	17,097	235,518
Total Assets	\$ 39,300,503	\$ 10,147,920	\$ 10,438,783	\$ 59,887,206
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 297,146	\$ 308,998	\$ 258,726	\$ 864,870
Due to other funds	19,761	2,500	-	22,261
Unearned revenue	-	-	13,381	13,381
Total Liabilities	316,907	311,498	272,107	900,512
Fund Balances				
Nonspendable	54,368	162,128	17,097	233,593
Unassigned	38,929,228	9,674,294	10,149,579	58,753,101
Total Fund Balances	38,983,596	9,836,422	10,166,676	58,986,694
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 39,300,503	\$ 10,147,920	\$ 10,438,783	\$ 59,887,206

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCES BY PROGRAM

FOR THE YEAR ENDED JUNE 30, 2018

	2000 Measure B	2014 Measure BB	Congestion Management	Total General Fund
REVENUES				
Sales tax - 2000 Measure B	\$ 6,952,012	\$ -	\$ -	\$ 6,952,012
Sales tax - 2014 Measure BB	-	6,139,742	-	6,139,742
Project revenue	-	-	2,631,899	2,631,899
Member agency contributions	-	-	1,394,819	1,394,819
Investment income	504,828	223,855	145,807	874,490
Other income	169	331	2,795	3,295
Total Revenues	<u>7,457,009</u>	<u>6,363,928</u>	<u>4,175,320</u>	<u>17,996,257</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	623,358	964,164	1,651,523	3,239,045
Office rent	287,024	612,318	-	899,342
Professional services	1,147,894	1,340,102	90,221	2,578,217
Planning and programming	-	-	1,129,989	1,129,989
Other	250,447	323,046	35,459	608,952
Allocation of costs to other funds	-	-	(465,246)	(465,246)
Total Expenditures	<u>2,308,723</u>	<u>3,239,630</u>	<u>2,441,946</u>	<u>7,990,299</u>
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	<u>5,148,286</u>	<u>3,124,298</u>	<u>1,733,374</u>	<u>10,005,958</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	114,369	114,369
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>114,369</u>	<u>114,369</u>
NET CHANGE IN FUND BALANCES	<u>5,148,286</u>	<u>3,124,298</u>	<u>1,847,743</u>	<u>10,120,327</u>
Fund Balances - Beginning	<u>33,835,310</u>	<u>6,712,124</u>	<u>8,318,933</u>	<u>48,866,367</u>
Fund Balances - Ending	<u>\$ 38,983,596</u>	<u>\$ 9,836,422</u>	<u>\$ 10,166,676</u>	<u>\$ 58,986,694</u>

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2018

	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	\$ 6,469,997	\$ 22,392,960	\$ 22,412,430	\$ 9,218,436	\$ 60,493,823
Interest receivable	20,243	37,599	21,523	71,705	151,070
Other receivable	900,000	2,256,494	544,932	-	3,701,426
Prepays and other assets	-	-	116,219	-	116,219
Total Assets	<u>\$ 7,390,240</u>	<u>\$ 24,687,053</u>	<u>\$ 23,095,104</u>	<u>\$ 9,290,141</u>	<u>\$ 64,462,538</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued liabilities	\$ 1,484,529	\$ 3,493,538	\$ 780,923	\$ -	\$ 5,758,990
Due to other funds	-	214,367	-	-	214,367
Total Liabilities	<u>1,484,529</u>	<u>3,707,905</u>	<u>780,923</u>	<u>-</u>	<u>5,973,357</u>
Fund Balances					
Restricted					
Transportation fund for clean air	5,905,711	-	-	-	5,905,711
Vehicle registration fees	-	20,979,148	-	-	20,979,148
I-580 express lanes operations	-	-	22,314,181	-	22,314,181
Debt service	-	-	-	9,290,141	9,290,141
Total Fund Balances	<u>5,905,711</u>	<u>20,979,148</u>	<u>22,314,181</u>	<u>9,290,141</u>	<u>58,489,181</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,390,240</u>	<u>\$ 24,687,053</u>	<u>\$ 23,095,104</u>	<u>9,290,141</u>	<u>64,462,538</u>

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2018

	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	\$ 1,982,802	\$ -	\$ -	\$ -	\$ 1,982,802
Toll and toll violation revenue	-	-	15,604,402	-	15,604,402
Vehicle registration fees	-	13,033,527	-	-	13,033,527
Investment income	56,749	290,906	223,074	153,073	723,802
Total Revenues	2,039,551	13,324,433	15,827,476	153,073	31,344,533
EXPENDITURES					
Current					
Administrative					
Salaries and benefits	44,238	73,982	250,845	-	369,065
Professional services	-	-	216,913	-	216,913
Other	-	-	132,026	-	132,026
Allocation of costs to other funds	93,550	156,449	-	-	249,999
Congestion management	1,666,419	10,846,042	3,965,529	-	16,477,990
Debt service					
Principal	-	-	-	21,395,000	21,395,000
Interest	-	-	-	5,078,250	5,078,250
Total Expenditures	1,804,207	11,076,473	4,565,313	26,473,250	43,919,243
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	235,344	2,247,960	11,262,163	(26,320,177)	(12,574,710)
OTHER FINANCING SOURCES (USES)					
Transfer in	-	-	-	24,887,224	24,887,224
Total Other Financing Sources (Uses)	-	-	-	24,887,224	24,887,224
NET CHANGE IN FUND BALANCES	235,344	2,247,960	11,262,163	(1,432,953)	12,312,514
Fund Balances - Beginning	5,670,367	18,731,188	11,052,018	10,723,094	46,176,667
Fund Balances - Ending	\$ 5,905,711	\$ 20,979,148	\$ 22,314,181	\$ 9,290,141	\$ 58,489,181

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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 53,996,655	\$ 57,060,295	\$ 59,162,414	\$ 2,102,119
Project revenue	-	5,800,004	4,866,529	(933,475)
Investment income	900,000	1,000,000	857,187	(142,813)
Total Revenues	<u>54,896,655</u>	<u>63,860,299</u>	<u>64,886,130</u>	<u>1,025,831</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	216,754	178,376	132,792	45,584
Professional services	48,000	48,000	-	48,000
Other	3,800	3,800	(8,574)	12,374
Transportation improvements	84,714,644	84,753,023	36,539,903	48,213,120
Total Expenditures	<u>84,983,198</u>	<u>84,983,199</u>	<u>36,664,121</u>	<u>48,319,078</u>
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	<u>(30,086,543)</u>	<u>(21,122,900)</u>	<u>28,222,009</u>	<u>49,344,909</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	(24,618,083)	(24,618,083)	(24,887,224)	(269,141)
Total Other Financing Sources (Uses)	<u>(24,618,083)</u>	<u>(24,618,083)</u>	<u>(24,887,224)</u>	<u>(269,141)</u>
NET CHANGE IN FUND BALANCES	<u>(54,704,626)</u>	<u>(45,740,983)</u>	<u>3,334,785</u>	<u>49,075,768</u>
Fund Balances - Beginning	<u>84,579,755</u>	<u>84,579,755</u>	<u>84,579,755</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 29,875,129</u>	<u>\$ 38,838,772</u>	<u>\$ 87,914,540</u>	<u>\$ 49,075,768</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 900,000	\$ 1,300,000	\$ 1,240,995	\$ (59,005)
Other income	-	-	25	25
Total Revenues	<u>900,000</u>	<u>1,300,000</u>	<u>1,241,020</u>	<u>(58,980)</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	187,530	163,308	151,335	11,973
Office rent	56,845	56,845	57,405	(560)
Professional services	70,900	81,940	3,020	78,920
Other	41,452	92,682	29,271	63,411
Transportation improvements	22,285,500	22,294,640	300,454	21,994,186
Total Expenditures	<u>22,642,227</u>	<u>22,689,415</u>	<u>541,485</u>	<u>22,147,930</u>
NET CHANGE IN FUND BALANCES	(21,742,227)	(21,389,415)	699,535	22,088,950
Fund Balances - Beginning	<u>134,409,477</u>	<u>134,409,477</u>	<u>134,409,477</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 112,667,250</u>	<u>\$ 113,020,062</u>	<u>\$ 135,109,012</u>	<u>\$ 22,088,950</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Project revenue	\$ 19,792,322	\$ 17,108,124	\$ 9,374,206	\$ (7,733,918)
Investment income	-	-	16,214	16,214
Total Revenues	<u>19,792,322</u>	<u>17,108,124</u>	<u>9,390,420</u>	<u>(7,717,704)</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	-	266,011	100,447	165,564
Allocation of costs to other funds	-	-	212,415	(212,415)
Congestion management	19,792,322	16,842,113	2,732,475	14,109,638
Total Expenditures	<u>19,792,322</u>	<u>17,108,124</u>	<u>3,045,337</u>	<u>14,062,787</u>
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>6,345,083</u>	<u>6,345,083</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	(114,369)	(114,369)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(114,369)</u>	<u>(114,369)</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>6,230,714</u>	<u>6,230,714</u>
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,230,714</u>	<u>\$ 6,230,714</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Sales tax - 2014 Measure BB	\$ 44,050,229	\$ 44,050,229	\$ 44,050,228	\$ (1)
Project revenue	-	1,599,697	5,216,450	3,616,753
Investment income	300,000	500,000	641,204	141,204
Total Revenues	<u>44,350,229</u>	<u>46,149,926</u>	<u>49,907,882</u>	<u>3,757,956</u>
EXPENDITURES				
Administrative				
Salaries and benefits	601,428	623,259	484,916	138,343
Professional services	64,000	14,000	-	14,000
Other	500	3,250	2,943	307
Transportation improvements	99,426,485	99,404,654	35,971,355	63,433,299
Total Expenditures	<u>100,092,413</u>	<u>100,045,163</u>	<u>36,459,214</u>	<u>63,585,949</u>
NET CHANGE IN FUND BALANCES	<u>(55,742,184)</u>	<u>(53,895,237)</u>	<u>13,448,668</u>	<u>67,343,905</u>
Fund Balances - Beginning	<u>62,461,850</u>	<u>62,461,850</u>	<u>62,461,850</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 6,719,666</u>	<u>\$ 8,566,613</u>	<u>\$ 75,910,518</u>	<u>\$ 67,343,905</u>

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES – BUDGET AND ACTUAL – TRANSPORTATION FUND FOR CLEAN AIR FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Project revenue	\$ 2,024,825	\$ 2,024,825	\$ 1,982,802	\$ (42,023)
Investment income	45,000	70,000	56,749	(13,251)
Total Revenues	<u>2,069,825</u>	<u>2,094,825</u>	<u>2,039,551</u>	<u>(55,274)</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	114,271	123,305	44,238	79,067
Professional services	-	36,150	-	36,150
Allocation of costs to other funds	-	-	93,550	(93,550)
Congestion management	1,687,785	4,149,584	1,666,419	2,483,165
Total Expenditures	<u>1,802,056</u>	<u>4,309,039</u>	<u>1,804,207</u>	<u>2,504,832</u>
NET CHANGE IN FUND BALANCES	<u>267,769</u>	<u>(2,214,214)</u>	<u>235,344</u>	<u>2,449,558</u>
Fund Balances - Beginning	<u>5,670,367</u>	<u>5,670,367</u>	<u>5,670,367</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 5,938,136</u>	<u>\$ 3,456,153</u>	<u>\$ 5,905,711</u>	<u>\$ 2,449,558</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Vehicle registration fees	\$ 12,000,000	\$ 12,000,000	\$ 13,033,527	\$ 1,033,527
Investment income	10,000	225,000	290,906	65,906
Total Revenues	<u>12,010,000</u>	<u>12,225,000</u>	<u>13,324,433</u>	<u>1,099,433</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	241,145	260,404	73,982	186,422
Allocation of costs to other funds	-	-	156,449	(156,449)
Congestion management	14,054,000	13,265,602	10,846,042	2,419,560
Total Expenditures	<u>14,295,145</u>	<u>13,526,006</u>	<u>11,076,473</u>	<u>2,449,533</u>
NET CHANGE IN FUND BALANCES	<u>(2,285,145)</u>	<u>(1,301,006)</u>	<u>2,247,960</u>	<u>3,548,966</u>
Fund Balances - Beginning	<u>18,731,188</u>	<u>18,731,188</u>	<u>18,731,188</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 16,446,043</u>	<u>\$ 17,430,182</u>	<u>\$ 20,979,148</u>	<u>\$ 3,548,966</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Toll and toll violation revenue	\$ 8,000,000	\$ 13,500,000	\$ 15,604,402	\$ 2,104,402
Investment income	-	200,000	223,074	23,074
Total Revenues	<u>8,000,000</u>	<u>13,700,000</u>	<u>15,827,476</u>	<u>2,127,476</u>
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	194,295	288,536	250,845	37,691
Professional services	290,000	230,000	216,913	13,087
Other	-	493,727	132,026	361,701
Congestion management	7,115,000	4,990,000	3,965,529	1,024,471
Total Expenditures	<u>7,599,295</u>	<u>6,002,263</u>	<u>4,565,313</u>	<u>1,436,950</u>
NET CHANGE IN FUND BALANCES	400,705	7,697,737	11,262,163	3,564,426
Fund Balances - Beginning	<u>11,052,018</u>	<u>11,052,018</u>	<u>11,052,018</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 11,452,723</u>	<u>\$ 18,749,755</u>	<u>\$ 22,314,181</u>	<u>\$ 3,564,426</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 153,073	\$ 153,073
Total Revenues	-	-	153,073	153,073
EXPENDITURES				
Current				
Debt service				
Principal	21,395,000	21,395,000	21,395,000	-
Interest	5,078,250	5,078,250	5,078,250	-
Total Expenditures	26,473,250	26,473,250	26,473,250	-
EXCESS OF REVENUES OVER EXPENDITURES	(26,473,250)	(26,473,250)	(26,320,177)	153,073
OTHER FINANCING SOURCES (USES)				
Transfer in	24,618,083	24,618,083	24,887,224	269,141
Total Other Financing Sources (Uses)	24,618,083	24,618,083	24,887,224	269,141
NET CHANGE IN FUND BALANCES	(1,855,167)	(1,855,167)	(1,432,953)	422,214
Fund Balances - Beginning	10,723,094	10,723,094	10,723,094	-
Fund Balances - Ending	\$ 8,867,927	\$ 8,867,927	\$ 9,290,141	\$ 422,214

See accompanying note to the supplementary information.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

2000 MEASURE B SPECIAL REVENUE FUND BALANCE SHEET BY PROGRAM JUNE 30, 2018

	Programming and Programs	Express Bus	Bicycle and Pedestrian
ASSETS			
Cash and investments	\$ 7,519,276	\$ 3,727,959	\$ 7,450,242
Sales tax receivable	348,654	158,902	283,754
Interest receivable	-	13,350	26,815
Other receivable	-	-	1,414,392
Total Assets	<u>\$ 7,867,930</u>	<u>\$ 3,900,211</u>	<u>\$ 9,175,203</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 866	\$ 150,484	\$ 1,544,172
Due to other funds	-	-	60,563
Total Liabilities	<u>866</u>	<u>150,484</u>	<u>1,604,735</u>
Fund Balances			
Restricted			
Local programs	7,867,064	3,749,727	7,570,468
Total Fund Balances	<u>7,867,064</u>	<u>3,749,727</u>	<u>7,570,468</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,867,930</u>	<u>\$ 3,900,211</u>	<u>\$ 9,175,203</u>

See accompanying note to the supplementary information.

Direct Local	Transit Oriented		Total 2000
Distribution	Development	Paratransit	Measure B Special
			Revenue Fund
\$ 265	\$ 2,031,770	\$ 4,357,375	\$ 25,086,887
12,787,101	43,131	324,615	13,946,157
-	7,406	15,498	63,069
-	-	-	1,414,392
<u>\$ 12,787,366</u>	<u>\$ 2,082,307</u>	<u>\$ 4,697,488</u>	<u>\$ 40,510,505</u>

\$ 12,787,101	\$ 17,056	\$ 363,552	\$ 14,863,231
-	-	180	60,743
<u>12,787,101</u>	<u>17,056</u>	<u>363,732</u>	<u>14,923,974</u>

265	2,065,251	4,333,756	25,586,531
265	2,065,251	4,333,756	25,586,531
<u>\$ 12,787,366</u>	<u>\$ 2,082,307</u>	<u>\$ 4,697,488</u>	<u>\$ 40,510,505</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, 2018

	Programming and Programs	Express Bus	Bicycle and Pedestrian
REVENUES			
Sales tax - 2000 Measure B	\$ 2,209,368	\$ 1,006,940	\$ 1,798,111
Project revenue	-	-	1,722,245
Investment income	-	39,090	84,416
Other income	-	-	1,236
Total Revenues	<u>2,209,368</u>	<u>1,046,030</u>	<u>3,606,008</u>
EXPENDITURES			
Current			
Administrative			
Salaries and benefits	265,840	-	128,583
Professional services	23,973	-	-
Other	-	-	1,234
Transportation improvements			
Public transit	-	(23,899)	-
Local transportation	-	-	2,058,109
Total Expenditures	<u>289,813</u>	<u>(23,899)</u>	<u>2,187,926</u>
NET CHANGE IN FUND BALANCES	<u>1,919,555</u>	<u>1,069,929</u>	<u>1,418,082</u>
Fund Balances - Beginning	<u>5,947,509</u>	<u>2,679,798</u>	<u>6,152,386</u>
Fund Balances - Ending	<u>\$ 7,867,064</u>	<u>\$ 3,749,727</u>	<u>\$ 7,570,468</u>

See accompanying note to the supplementary information.

Direct Local Distribution	Transit Oriented Development	Paratransit	Total 2000	
			Measure B Special Revenue Fund	
\$ 81,030,004	\$ 273,313	\$ 2,057,037	\$	88,374,773
-	-	-		1,722,245
-	22,878	44,298		190,682
-	-	3,576		4,812
81,030,004	296,191	2,104,911		90,292,512
-	8,517	-		402,940
-	-	124,445		148,418
-	-	3,576		4,810
43,499,864	-	558,268		44,034,233
37,530,140	21,318	-		39,609,567
81,030,004	29,835	686,289		84,199,968
-	266,356	1,418,622		6,092,544
265	1,798,895	2,915,134		19,493,987
\$ 265	\$ 2,065,251	\$ 4,333,756	\$	25,586,531

ALAMEDA COUNTY TRANSPORTATION COMMISSION

2014 MEASURE BB SPECIAL REVENUE FUND BALANCE SHEET BY PROGRAM JUNE 30, 2018

	Programs and Projects Mgmt Oversight	Transit Ops, Maintenance and Safety	Bicycle and Pedestrian	Direct Local Distribution
ASSETS				
Cash and investments	\$ 12,210,749	\$ 7,230,129	\$ 8,178,544	\$ -
Sales tax receivable	1,117,983	537,993	444,787	12,410,598
Interest receivable	-	30,631	32,718	-
Total Assets	\$ 13,328,732	\$ 7,798,753	\$ 8,656,049	\$ 12,410,598
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 122,906	\$ 956,942	\$ 30,301	\$ 12,410,598
Total Liabilities	122,906	956,942	30,301	12,410,598
Fund Balances				
Restricted				
Local programs	13,205,826	6,841,811	8,625,748	-
Total Fund Balances	13,205,826	6,841,811	8,625,748	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,328,732	\$ 7,798,753	\$ 8,656,049	\$ 12,410,598

See accompanying note to the supplementary information.

Paratransit	Freight and Economic Development	Community Development	Technology	Total 2014 Measure BB Special Revenue Fund
\$ 3,285,214	\$ 4,084,279	\$ 15,950,185	\$ 4,087,440	\$ 55,026,540
222,393	222,393	889,573	222,393	16,068,113
13,395	16,339	63,741	16,352	173,176
<u>\$ 3,521,002</u>	<u>\$ 4,323,011</u>	<u>\$ 16,903,499</u>	<u>\$ 4,326,185</u>	<u>\$ 71,267,829</u>

<u>\$ 146,593</u>	<u>\$ -</u>	<u>\$ 657,532</u>	<u>\$ -</u>	<u>\$ 14,324,872</u>
146,593	-	657,532	-	14,324,872

<u>3,374,409</u>	<u>4,323,011</u>	<u>16,245,967</u>	<u>4,326,185</u>	<u>56,942,957</u>
3,374,409	4,323,011	16,245,967	4,326,185	56,942,957
<u>\$ 3,521,002</u>	<u>\$ 4,323,011</u>	<u>\$ 16,903,499</u>	<u>\$ 4,326,185</u>	<u>\$ 71,267,829</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, 2018

	Programs and Projects Mgmt Oversight	Transit Ops, Maintenance and Safety	Bicycle and Pedestrian	Direct Local Distribution
REVENUES				
Sales tax - 2014 Measure BB	\$ 9,211,251	\$ 3,374,681	\$ 2,799,722	\$ 78,118,871
Project revenue	-	3,115	-	-
Investment income	-	90,599	92,108	-
Other income	-	-	1,234	-
Total Revenues	9,211,251	3,468,395	2,893,064	78,118,871
EXPENDITURES				
Current				
Administrative				
Salaries and benefits	580,778	30,591	-	-
Professional services	637,281	-	-	-
Other	-	-	1,234	-
Transportation improvements				
Public transit	-	2,203,837	-	44,566,415
Local transportation	-	-	30,000	33,552,456
Freight and economic development	-	-	-	-
Community development investments	-	-	-	-
Technology	-	-	-	-
Total Expenditures	1,218,059	2,234,428	31,234	78,118,871
NET CHANGE IN FUND BALANCES	7,993,192	1,233,967	2,861,830	-
Fund Balances - Beginning	5,212,634	5,607,844	5,763,918	-
Fund Balances - Ending	\$ 13,205,826	\$ 6,841,811	\$ 8,625,748	\$ -

See accompanying note to the Supplementary Information.

				Total 2014 Measure BB Special Revenue Fund	
Paratransit	Freight and Economic Development	Community Development	Technology		
\$ 1,399,861	\$ 1,399,861	\$ 5,599,444	\$ 1,399,861	\$ 103,303,552	
-	-	-	-	3,115	
39,394	46,009	180,984	46,044	495,138	
3,577	-	-	-	4,811	
1,442,832	1,445,870	5,780,428	1,445,905	103,806,616	
-	-	-	-	611,369	
124,445	-	-	-	761,726	
3,576	-	-	-	4,810	
516,401	-	-	-	47,286,653	
-	-	-	-	33,582,456	
-	4,813	-	-	4,813	
-	-	975,604	-	975,604	
-	-	-	1,679	1,679	
644,422	4,813	975,604	1,679	83,229,110	
798,410	1,441,057	4,804,824	1,444,226	20,577,506	
2,575,999	2,881,954	11,441,143	2,881,959	36,365,451	
\$ 3,374,409	\$ 4,323,011	\$ 16,245,967	\$ 4,326,185	\$ 56,942,957	

ALAMEDA COUNTY TRANSPORTATION COMMISSION

NOTE TO THE SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2018

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, 2018. 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 2000 Measure B, 2014 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, 2018

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

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.	89
Revenue Capacity These schedules contain information to help the reader assess Alameda CTC's primary local revenue source, sales tax.	93
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.	96
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.	99
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.	101

ALAMEDA COUNTY TRANSPORTATION COMMISSION

FINANCIAL TRENDS – NET POSITION BY COMPONENT

	Fiscal Year Ending June 30,						
	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:							
Net investment in capital assets	\$ 47,459,876	\$ 50,256,187	\$ 44,850,165	\$ 516,003	\$ 621,809	\$ 50,632	\$ 110,699
Restricted							
Local programs	82,529,488	56,777,932	34,586,049	16,297,397	10,637,471	9,131,614	9,252,256
Capital projects	194,791,549	157,503,964	124,660,946	63,030,769	108,759,745	175,060,226	200,229,225
Transportation fund for clean air	5,905,711	5,670,367	5,416,522	5,042,326	4,273,148	3,707,742	3,387,914
Vehicle registration fee	20,979,148	18,731,188	16,981,130	13,802,656	11,227,612	9,721,681	5,156,748
Technology projects	6,230,714	-	-	-	-	-	-
I-580 express lanes operations	22,314,181	11,052,018	2,033,206	-	-	-	-
Debt service	7,865,991	9,030,344	14,247,927	12,943,342	18,551,776	-	-
Unrestricted	60,081,448	50,939,272	40,356,855	31,773,323	28,991,665	21,571,596	23,056,207
Total Governmental Activities Net Position	<u>\$ 448,158,106</u>	<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,						
	2018	2017	2016	2015	2014	2013	2012
Governmental activities:							
Administration	\$ 12,981,142	\$ 14,600,744	\$ 17,189,024	\$ 13,869,399	\$ 12,512,161	\$ 12,113,890	\$ 11,338,750
Transportation improvement	238,306,717	223,711,625	192,752,798	189,982,051	178,731,827	141,467,019	135,067,898
Congestion management	24,125,867	34,374,422	32,360,073	55,012,153	39,072,897	41,535,414	46,950,008
Interest expense	2,267,668	2,951,669	3,159,367	3,184,830	1,005,686	-	-
Total Expenses	277,681,394	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	43,459,879	50,110,490	53,087,661	46,144,569	52,000,104	38,222,024	43,762,091
Total Program Revenues	43,459,879	50,110,490	53,087,661	46,144,569	52,000,104	38,222,024	43,762,091
Net (Expense) / Revenue	(234,221,515)	(225,527,970)	(192,373,601)	(215,903,864)	(179,322,467)	(156,894,299)	(149,594,565)
GENERAL REVENUES							
Governmental activities:							
Sales tax	302,627,128	285,943,387	274,797,697	164,496,789	127,095,900	121,084,780	112,568,093
Vehicle registration fees	13,033,527	13,075,120	13,020,822	12,929,589	12,669,464	12,065,055	12,242,126
Member agency fees	1,394,819	1,394,819	1,394,818	1,394,818	1,394,821	1,394,818	1,315,867
Interest and investment earnings	5,349,932	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	12,943	13,831	27,257,826	141,507	1,226,102	227,589	412,178
Total General Revenues	322,418,349	302,356,442	332,100,585	179,876,119	143,142,202	134,944,741	127,494,489
Governmental Activities							
Change in Net Position	\$ 88,196,834	\$ 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,						
	2018	2017	2016	2015	2014	2013	2012
General Fund							
Nonspendable	\$ 233,593	\$ 134,988	\$ 71,604	\$ 69,366	\$ 207,546	\$ -	\$ -
Unassigned	58,753,101	48,731,379	38,158,009	29,530,071	23,798,828	20,357,986	18,321,401
Total General Fund	58,986,694	48,866,367	38,229,613	29,599,437	24,006,374	20,357,986	18,321,401
All Other							
Governmental Funds							
Nonspendable	-	131,775	129,570	9,717	29,649	-	-
Restricted							
Measure B special revenue	25,586,531	19,493,987	15,283,511	12,546,374	10,637,471	9,131,614	9,252,256
Measure BB special revenue	56,942,957	36,365,451	18,591,593	3,030,050	-	-	-
Capital projects	298,934,070	281,319,307	272,799,555	214,029,554	265,389,161	175,060,226	200,229,225
Transportation fund for clean air	5,905,711	5,670,367	5,416,522	5,042,326	4,273,148	3,707,742	3,387,914
Vehicle registration fee	20,979,148	18,731,188	16,981,130	13,802,656	11,227,612	9,721,681	5,156,748
Technology projects	6,230,714	-	-	-	-	-	-
I-580 express lanes operations	22,314,181	11,052,018	2,033,206	-	-	-	-
Debt service	9,290,141	10,723,094	16,148,377	14,843,792	20,379,253	-	-
Assigned, reported in:							
Exchange fund	5,482,881	5,172,660	5,061,439	4,929,549	4,985,291	1,213,610	4,762,721
Total All Other Governmental Funds	\$ 451,666,334	\$ 388,659,847	\$ 352,444,903	\$ 268,234,018	\$ 316,921,585	\$ 198,834,873	\$ 222,788,864

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

Source: Alameda CTC Financial Statements

ALAMEDA COUNTY TRANSPORTATION COMMISSION

FINANCIAL TRENDS - CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

	Fiscal Year Ending June 30,						
	2018	2017	2016	2015	2014	2013	2012
REVENUES							
Sales tax	\$ 307,982,721	\$ 284,791,244	\$ 274,586,311	\$ 160,504,725	\$ 127,095,900	\$ 121,084,780	\$ 112,568,093
Project revenue	28,039,093	36,595,429	50,117,225	45,960,953	52,000,104	38,222,024	53,762,091
Member agency contributions	1,394,819	1,394,819	1,394,818	1,394,818	1,394,821	1,394,818	1,315,867
Vehicle registration fees	13,033,527	13,075,120	13,020,822	12,929,589	12,669,464	12,065,055	12,242,126
Investment income	5,349,932	1,929,285	1,988,371	913,416	755,915	172,499	956,225
Toll revenues	15,604,402	13,331,445	2,970,436	-	-	-	-
Other income	12,943	13,831	142,104	141,507	1,226,102	227,589	412,178
Total Revenues	371,417,437	351,131,173	344,220,087	221,845,008	195,142,306	173,166,765	181,256,580
EXPENDITURES							
Current							
Administrative							
Salaries and benefits	5,493,248	4,869,409	3,504,893	3,694,333	4,215,750	4,271,217	4,191,318
Office rent	956,747	922,461	874,728	840,414	1,067,830	903,841	912,888
Professional services	3,708,294	4,077,407	4,729,026	2,478,972	2,328,134	2,923,255	2,528,606
Planning and programming	1,129,989	3,558,212	5,995,874	4,771,585	2,603,119	1,561,829	2,484,552
Bond issuance costs	-	-	-	-	592,542	-	-
Other	774,238	789,379	1,226,384	2,506,165	2,275,963	2,421,596	1,184,867
Transportation improvements							
Highways and streets	48,114,813	48,959,255	30,452,003	25,149,896	29,986,834	29,930,950	39,801,038
Public transit	105,049,661	101,238,399	93,599,729	124,454,786	113,514,703	78,389,108	91,981,235
Local transportation	84,160,147	73,513,971	68,701,066	40,377,369	35,230,290	33,146,961	36,777,134
Freight and economic development	4,813	-	-	-	-	-	-
Community development investments	975,604	-	-	-	-	-	-
Technology	1,679	-	-	-	-	-	-
Congestion management	21,448,140	31,896,279	32,373,513	55,012,153	39,072,897	41,535,414	46,950,008
Debt Service							
Principal	21,395,000	20,770,000	-	-	-	-	-
Interest	5,078,250	5,701,351	5,701,349	5,653,839	-	-	-
Capital outlay	-	7,983,352	17,861,512	-	-	-	-
Total Expenditures	298,290,623	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	\$ 73,126,814	\$ 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)
2018	1.0%	\$ 154,489,199	\$ 153,493,522	\$ 307,982,721	8.14%	\$ 30,798,272 ²
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%	30,358,387 ³
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

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 2017-2018 is estimated based on Alameda CTC's sales tax revenues divided by Alameda CTC's sales tax percentage.

³ Data for 2009-2016 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:	04/2018	04/2017	01/2017	04/2015	10/2014	04/2013	01/2013	07/2011	04/2011	04/2009
Alameda	9.25%	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%
Albany	9.75%	9.75%	9.75%	10.00%	9.50%	9.50%	9.00%	8.75%	9.75%	9.75%
Berkeley	9.25%	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%
Dublin	9.25%	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%
Emeryville	9.25%	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%
Fremont	9.25%	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%
Hayward	9.75%	9.75%	9.75%	10.00%	9.50%	9.00%	9.00%	8.75%	9.75%	9.75%
Livermore	9.25%	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%
Newark	9.75%	9.75%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%
Oakland	9.25%	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%
Piedmont	9.25%	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%
Pleasanton	9.25%	9.25%	9.25%	9.50%	9.00%	9.00%	9.00%	8.75%	9.75%	9.75%
San Leandro	9.75%	9.75%	9.75%	10.00%	9.25%	9.25%	9.25%	9.00%	10.00%	9.75%
Union City	9.75%	9.75%	9.75%	10.00%	9.50%	9.50%	9.50%	9.25%	10.25%	9.75%

Source: California Department of Tax and Fee Administration

ALAMEDA COUNTY TRANSPORTATION COMMISSION

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

		2016 ¹	
		Total	Percentage
		Taxable Sales in	of Taxable
		Alameda County	Sales
Principal Revenue Payers	Rank	(in thousands)	
All Other Outlets	1	\$ 11,571,792	37.38%
Motor Vehicle and Parts Dealers	2	4,212,924	13.61%
Food Services and Drinking Places	3	3,212,759	10.38%
Other Retail Group	4	2,681,005	8.66%
General Merchandise Stores	5	1,747,607	5.65%
Clothing and Clothing Accessories Stores	6	1,702,836	5.50%
Building Material and Garden Equipment and Supplies Dealers	7	1,662,615	5.37%
Gasoline Stations	8	1,626,667	5.25%
Home Furnishings and Appliance Stores	9	1,341,821	4.33%
Food and Beverage Stores	10	1,198,454	3.87%
		<u>\$ 30,958,480</u>	

		2009	
		Total	Percentage
		Taxable Sales in	of Taxable
		Alameda County	Sales
Principal Revenue Payers	Rank	(in thousands)	
All Other Outlets	1	\$ 7,788,780	38.27%
Motor Vehicle and Parts Dealers	2	1,949,009	9.57%
Food Services and Drinking Places	3	1,925,171	9.46%
General Merchandise Stores	4	1,629,370	8.00%
Gasoline Stations	5	1,491,427	7.33%
Building Material and Garden Equipment and Supplies	6	1,085,191	5.33%
Clothing and Clothing Accessories Stores	7	878,290	4.31%
Food And Beverage Stores	8	866,117	4.25%
Miscellaneous Store Retailers	9	845,915	4.15%
Electronics and Appliance Stores	10	571,854	2.81%
Sporting Good, Hobby, Book, and Music Stores	11	502,870	2.47%
Health and Personal Care Store	12	415,203	2.04%
Furniture and Home Furnishings Stores	13	410,092	2.01%
		<u>\$ 20,359,289</u>	

¹ 2016 is the latest information available.

Source: California State Board of Equalization

ALAMEDA COUNTY TRANSPORTATION COMMISSION

REVENUE CAPACITY– VEHICLE REGISTRATION FEE

Fiscal Year Ended June 30:	Vehicle Registration Fee ¹	Total Revenue	Annual Growth	Vehicles Registered in Alameda County ²
2018	\$ 9.995	\$ 13,033,527	-0.32%	1,304,005
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 Number of vehicles registered in Alameda County is calculated based on Alameda CTC's VRF revenue divided by the per 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
2018	\$ 104,326,137	\$ 30,798,272,000	0.34%	\$ 112,942,279,000	0.09%
2017	128,263,119	28,479,124,000	0.45%	110,727,725,000	0.12%
2016	151,575,101	30,358,387,000	0.50%	108,556,593,000	0.15%
2015	154,117,083	29,025,458,000	0.53%	102,742,614,000	0.15%
2014	156,659,065	27,533,545,000	0.57%	93,596,597,000	0.17%

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

¹ Total Taxable Sales for 2017-2018 is estimated based on Alameda CTC's sales tax revenues divided by Alameda CTC's sales tax percentage. Data for 2014-2016 was obtained from the California State Board of Equalization.

² Total Personal Income for 2017-2018 is estimated based on a two percent annual increase over 2016.

Data for 2014-2016 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 – MEASURE B PLEDGED REVENUE COVERAGE

Fiscal Year Ended June 30:	Available Revenue	Annual Debt Service		Total	Coverage
	Measure B Sales Tax Revenue	Principal	Interest		
2018	\$ 154,489,199	\$ 21,395,000	\$ 5,078,250	\$ 26,473,250	5.8
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.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

DEMOGRAPHIC AND ECONOMIC INFORMATION – STATISTICS

Fiscal Year Ended		Total	Per Capita	
June 30:	Population ¹	Personal Income (in thousands) ²	Personal Income ³	Unemployment Rate ⁴
2018	1,660,202	\$ 112,942,279	\$ 68,029	3.3%
2017	1,646,405	110,727,725	67,254	3.8%
2016	1,647,704	108,556,593	65,884	4.5%
2015	1,632,747	102,742,614	62,926	4.9%
2014	1,608,868	93,596,597	58,175	5.9%
2013	1,581,226	86,610,728	54,774	7.6%
2012	1,555,542	82,149,382	52,811	9.1%
2011	1,532,019	77,852,259	50,817	10.5%
2010	1,513,653	72,193,891	47,695	11.0%
2009	1,498,539	69,511,543	46,386	10.7%

¹ Population data for 2017-2018 are estimates from the State of California Department of Finance, Demographic Research Unit. Data for 2009-2016 includes retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.

² Total Personal Income data for 2017-2018 is based on an estimated two percent annual increase over 2016. Data for 2009-2016 includes retroactive revisions by the U.S. Department of Commerce Bureau of Economic Analysis.

³ Per Capita Personal Income for 2017-2018 is estimated based on Total Personal Income divided by Population. Data for 2009-2016 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

2018				
Employer	Type of Business	Rank	Number of Employees ¹	Percentage of Employment ²
University of California, Berkeley	Education	1	11,503	1.40%
County of Alameda	Local Government	2	9,761	1.19%
Aryzta US Holdings I Corp.	Bakery Products	3	9,500	1.16%
Kaiser Foundation Hospitals	General Medical Hospital	4	6,087	0.74%
Lawrence Livermore National Lab	Laboratories	5	5,000	0.61%
Lawrence Berkeley National Lab	Laboratories	6	4,639	0.56%
Hyve Solutions Corporation	Supply Chain and Electronics Manufacturing	7	4,050	0.49%
Qualcomm International, Inc.	Telecommunications and Semiconductors	8	4,000	0.49%
City of Berkeley	Local Government	9	3,159	0.38%
Young Men's Christian Association	Non-Profit Organization	10	2,779	0.34%
			60,478	
2009 ³				
Employer	Type of Business	Rank	Number of Employees	Percentage of Employment
University of California, Berkeley	Education	1	13,673	2.01%
County of Alameda	Local Government	2	9,029	1.33%
Lawrence Livermore National Laboratory	Energy Development and Conservation	3	7,000	1.03%
New United Motor Manufacturing, Inc.	Industrial	4	7,000	1.03%
Kaiser Foundation Hospital	General Medical Hospital	5	5,954	0.87%
Oakland Unified School District	Education	6	5,885	0.86%
City of Oakland	Local Government	7	5,228	0.77%
Lawrence Berkeley National Lab	Research	8	5,000	0.73%
World Savings & Loan Association	Savings and Loan	9	4,389	0.64%
City of Berkeley	Local Government	10	4,082	0.60%
			67,240	

¹ List of top employers provided by East Bay Economic Development Alliance, sources used Emsi Economic Modeling; Alameda County Final Budget 2018-2019.

² 2018 percentages are calculated based on the average total employment of 821,583 during FY17-18 as reported by the California Employment Development Department.

³ Information from the County of Alameda's FY2008/2009 Annual Continuing Disclosure Information Statement, dated January 28, 2010. Percentage is calculated based on total employment of 681,400 as reported by the California Employment Development Department for May 2009.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

OPERATING INFORMATION – EMPLOYEES

Function	Fiscal Year Ending June 30,						
	2018	2017	2016	2015	2014	2013	2012
Executive	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	5.00	5.00	5.00	3.00	3.00	5.00	6.00
Finance	5.00	6.00	6.00	7.00	7.00	7.00	7.00
Policy, Public Affairs and Legislation	0.50	0.50	0.50	3.00	2.00	2.00	2.00
Planning and Programs	9.50	6.50	7.50	3.00	3.00	4.00	3.00
Programming and Projects	8.00	6.00	5.00	4.00	5.00	6.00	5.00
Express Lanes Operations	3.00	2.00	2.00	-	-	-	-
Total Employees	32.00	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,						
	2018	2017	2016	2015	2014	2013	2012
Federal Revenue	\$ 5,241,611	\$ 6,385,239	\$ 6,298,439	\$ 9,364,425	\$ 5,449,588	\$ 5,774,570	\$ 3,195,946
State Revenue	864,916	7,882,452	7,556,897	9,499,895	9,432,800	12,007,467	24,707,698
Regional Measure Revenue	491,583	1,298,380	1,004,854	4,547,696	3,593,671	3,049,072	4,356,559
Local Revenue	21,440,983	21,029,358	35,257,032	22,548,937	33,524,045	17,390,918	11,501,887
	<u>\$ 28,039,093</u>	<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.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

OPERATING INFORMATION – CAPITAL ASSETS

	Fiscal Year Ending June 30,						2012
	2018	2017	2016	2015	2014	2013	
Capital assets, being depreciated							
Furniture and fixtures	\$ 360,635	\$ 360,636	\$ 360,635	\$ 317,413	\$ 311,138	\$ 103,384	\$ 103,384
Office equipment	477,572	430,639	398,601	151,049	151,049	513,121	573,437
Leasehold improvements	434,959	434,959	410,104	399,632	399,631	385,281	385,281
Toll lane revenue system	52,960,586	52,960,586	44,977,234	-	-	-	-
Total capital assets, being depreciated	54,233,752	54,186,820	46,146,574	868,094	861,818	1,001,786	1,062,102
Less accumulated depreciation							
Furniture and fixtures	(325,478)	(259,854)	(194,230)	(135,095)	(78,953)	(103,383)	(95,558)
Office equipment	(264,795)	(209,913)	(163,423)	(143,730)	(127,753)	(469,213)	(514,800)
Leasehold improvements	(203,706)	(158,696)	(114,729)	(73,266)	(33,303)	(378,558)	(341,045)
Toll lane revenue system	(5,979,897)	(3,302,170)	(824,027)	-	-	-	-
Total accumulated depreciation	(6,773,876)	(3,930,633)	(1,296,409)	(352,091)	(240,009)	(951,154)	(951,403)
Total capital assets, net	\$ 47,459,876	\$ 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.

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, 2018, 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 14, 2018.

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
DATE

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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, 2018. 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, 2018.

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 14, 2018

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

ALAMEDA COUNTY TRANSPORTATION COMMISSION

SUMMARY OF AUDITOR'S RESULTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018**

None reported.

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ALAMEDA COUNTY TRANSPORTATION COMMISSION

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

None reported.

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ALAMEDA COUNTY TRANSPORTATION COMMISSION

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

None reported.

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