

Alameda County Transportation Commission

Audited Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2018



Required Communications

- The Auditor is required to communicate significant deficiencies or material weaknesses in internal control to the Agency.
 - We noted no significant deficiencies or material weaknesses in internal controls.
 - We had no adjustments to the financial statements.
- We encountered no difficulties in the performance of the audit.



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 second principal payment on the outstanding 2014 Sales Tax Revenue Bonds was made in March 2018.
- 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*).



Financial Highlights Continued

- 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.



Financial Highlights Continued

- 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.



Alameda CTC Statement of Net Position June 30, 2018 (in thousands of dollars)

Assets and Deferred Outflows:	
Cash and Investments	\$559,954
Receivables	65,018
Other Assets	486
Capital Assets, net	47,460
Deferred Outflow from Pension Activities	<u>2,041</u>
Total Assets and Deferred Outflows	674,959
Liabilities and Deferred Inflows:	
Payables	81,870
Unearned Revenue	34,175
Long-term Obligations	110,403
Deferred Inflow from Pension Activities	<u>353</u>
Total Liabilities and Deferred Inflows	226,801
Net Position:	
Net Investment in Capital Assets	47,460
Restricted	340,617
Unrestricted	<u>60,081</u>
Total Net Position	\$448,158



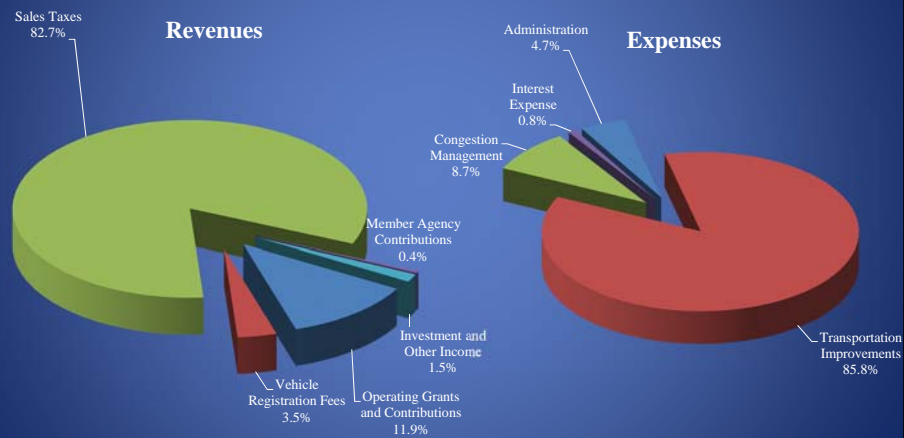
Alameda CTC Statement of Activities for the Fiscal Year Ended June 30, 2018 (in thousands of dollars)

Governmental Activities

Program Revenues	
Operating grants and contributions	<u>\$43,460</u>
Total Program Revenues	43,460
Expenses	
Administration	12,981
Transportation Improvements	238,306
Congestion Management	24,126
Interest Expense	<u>2,268</u>
Total Expenses	<u>277,681</u>
Total Governmental Activities	<u>(234,221)</u>
General Revenues	<u>322,418</u>
Change in Net Position	88,197
Net Position – Beginning	<u>359,961</u>
Net Position – Ending	<u>\$448,158</u>



Alameda CTC Revenues & Expenses



Alameda CTC Auditor Opinion

Alameda CTC received what is referred to as an unmodified or clean audit opinion for the Fiscal Year Ended June 30, 2018.

“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.”



New Accounting Pronouncements

- **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.
- **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
June 30, 2018

Questions?

