FINANCE AND ADMINISTRATION COMMITTEE
MINUTES OF OCTOBER 08, 2012
OAKLAND, CA

Mayor Chiang convened the meeting at 2:25PM.

1 Roll Call
Lee conducted a roll call. A quorum was confirmed.

2 Public Comment
There was no public comment.

3 Consent calendar
3A. Minutes of September 10, 2012
Supervisor Haggerty motioned to approve this Item. Mayor Green seconded the motion. The motion passed 6-0.

4 Regular Matters
4A. Approval of Alameda County Technical Advisory Committee (ACTAC) Bylaws
A recommendation was made to approve the Alameda County Technical Advisory Committee Bylaws. Supervisor Haggerty motioned to approve this Item. Councilmember Kaplan seconded the motion. The motion passed 6-0.

4B. Approval of Exchange Program Reimbursement Policy
A recommendation was made to approve the Exchange Program Reimbursement Policy. Mayor Green motioned to approve this Item. Director Blalock seconded the motion. The motion passed 6-0.

5. COMMITTEE MEMBER REPORTS (VERBAL)
There were no Committee or Staff Member Reports.

7. ADJOURNMENT: Next Meeting – November 19, 2012
The meeting ended at 2:30pm. The next meeting will be held on November 19, 2012**.**

Attest by:

Vanessa Lee

Vanessa Lee
Clerk of the Commission

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Memorandum

DATE: November 6, 2012

TO: Finance and Administration Committee

FROM: Patricia M. Reavey, Director of Finance
Lily Balinton, Accounting Manager

SUBJECT: **Alameda CTC Fiscal Year 2012-2013 First Quarter Consolidated Investment Report**

Recommendation

It is recommended that the Committee accept the attached Alameda CTC Fiscal Year 2012-13 first quarter Consolidated Investment Report (Attachment A).

Summary

- Alameda CTC investments are in compliance with the adopted investment policies.
- Alameda CTC has sufficient cash flow to meet expenditure requirements over the next six months.
- As of September 30, 2012, total cash and investments held by the Alameda CTC were $265.8 million. This total is a decrease of $16.5 million or 5.8% from the prior year-end balance of $282.4 million.
- The ACTA investment balance decreased $3.3 million or 2.3% due to capital project expenditures. The ACTIA investment balance decreased $10.3 million or 9.1% mostly due to capital project expenditures. The ACCMA investment balance decreased $2.9 million or 10.2% mostly related to CMA TIP project payments.
- Investment yields have declined with the return on investments for the Alameda CTC at 0.71% compared to the prior year's return of 0.99%. Return on investments were projected for the FY2012-13 budget year at varying rates ranging from 0 - 1.00% depending on investment type.
- Based on the most current cash flow projections updated in April, 2012, ACTIA will require external financing by the 2nd quarter of FY2013-14 to satisfy capital project obligations. The cash flow projection scenario assumes a short term loan from ACTA capital funds, which would be paid back as soon as financing is executed. If approved by the Commission, the loan from ACTA would allow staff an additional nine months to arrange a financing mechanism for ACTIA.

Discussion
As of September 30, 2012, the Alameda CTC portfolio managed by investment advisors consisted of approximately 25.0% US Treasury Securities, 3.1% FDIC insured Corporate Bonds, 59.2% Federal Agency Securities, 2.9% Corporate Notes, 6.8% Commercial Paper, 0.3% Negotiable CDs and 2.7% Money Market Funds (See Attachment B). The Alameda CTC portfolio is in compliance with both the adopted investment policy and the California Government Code.

The Employment Development Department reported an unemployment rate in Alameda County for September, 2012 of 8.5%, down 1.0% from the previous quarter end statement, and between that of California, at 10.2%, and the United States, at 7.8% (per the US Department of Labor). Alameda County increases in jobs were in the categories of education, construction, financial activities and leisure and hospitality. Unemployment rates are still very high when compared to historical national rates which ranged from 4.0 – 5.0% in the years 2001 – 2007.

The Federal Open Market Committee announced additional economic stimulus measures at its September meeting. The Federal Reserve plans to purchase additional agency mortgage-backed securities at a pace of $40 billion monthly, for an open-ended period of time until employment conditions improve. The Federal Reserve also expects to keep the fed funds rate at an exceptionally low level through at least mid-2015 (vs. previous guidance of through late 2014). The Fed continues to reinvest principal payments from its holdings of agency debt and agency mortgage-backed securities, and said that they will continue with this plan through the end of this year. Overall, the Federal Reserves' actions are aimed at putting downward pressure on long-term interest rates and fueling stronger economic growth.

Attachments
Attachment A: Consolidated Investment Report as of September 30, 2012
Attachment B: Detail of Investment Holdings (managed by PFM and Chandler)

Attachment A

Alameda CTC
Consolidated Investment Report
As of September 30, 2012

ACTA	Un-Audited Investment Balance	Interest Earned As of September 30, 2012: Interest earned	Approx. ROI	Budget	Difference	FY 2012 Investment Balance June 30, 2012	FY 2012 Interest earned FY 2012
Checking Account	$ 44,000	$ 3	0.02%			$ 103,510	$ 45
State Treas. Pool (LAIF)	11,230,274	11,722	0.42%			14,808,441	105,009
Investment Advisors (1)	115,722,552	361,284	1.25%			115,361,268	2,139,191
Loan to ACCMA	10,000,000					10,000,000	
ACTA Total	136,996,826	$ 373,008	1.09%	$ 256,250	$ 116,758	140,273,219	2,244,245
						Approx. ROI	*1.60%*

ACTIA	Un-Audited Investment Balance	Interest Earned As of September 30, 2012: Interest earned	Approx. ROI	Budget	Difference	FY 2012 Investment Balance June 30, 2012	FY 2012 Interest earned FY 2012
Community Bank (OPEB)(2)	$ 910,600	$ 227	0.10%			$ 910,373	$ 865
Checking Account	$ 12,731,100	$ 56	0.00%			$ 8,760,886	$ 147
State Treas. Pool (LAIF)	26,696,567	31,687	0.47%			36,040,309	208,541
Investment Advisors (1)	63,778,652	36,094	0.23%			68,742,558	218,683
ACTIA Total	103,206,319	$ 67,837	0.26%	$ 37,500	$ 30,337	113,543,752	427,371
						Approx. ROI	*0.38%*

ACCMA	Un-Audited Investment Balance	Interest Earned As of September 30, 2012: Interest earned	Approx. ROI	Budget	Difference	FY 2012 Investment Balance June 30, 2012	FY 2012 Interest earned FY 2012
Checking Account	$ 3,582,819		0.00%			$ 2,911,113	$ -
State Treas. Pool (LAIF)	13,952,326	14,177	0.41%			17,537,573	45,846
Project Deferred Revenue (3)	18,103,612	16,176	0.36%			18,088,066	66,302
Loan from ACTA	(10,000,000)					(10,000,000)	
ACCMA Total	$ 25,638,757	$ 30,352	0.47%	$ -	$ 30,352	$ 28,536,752	$ 112,148
						Approx. ROI	0.39%
ACTC TOTAL	$ 265,841,902	$ 471,198	0.71%	$ 293,750	$ 177,448	$ 282,353,723	$ 2,783,764

Notes:

(1) See attachments for detail of investment holdings managed by Investment Advisors.
(2) The OPEB/Health Retirement account and related interest income is held in a irrevocable trust and does not appear on ACTIA's balance sheet.
(3) Project funds in deferred revenue are invested in LAIF with interest accruing back to the respective project fund which include TVTC, San Leandro Marina, TCRP and PTMISEA funds.
(4) All investments are marked to market on the financial statements at the end of the fiscal year per GASB 31 requirements.
(5) Alameda CTC investments are in compliance with the currently adopted investment policies.
(6) Alameda CTC has sufficient cash flow to meet expenditure requirements over the next six months.

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Managed Account Detail of Securities Held

For the Month Ending **September 30, 2012**

ALAMEDA CNTY TRANSPORTATION AUTHORITY - 03068500

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 03/31/2011 0.750% 03/31/2013	912828QL7	1,500,000.00	AA+	Aaa	03/31/11	04/01/11	1,499,121.09	0.78	30.91	1,499,779.92	1,504,453.50
US TREASURY NOTES DTD 03/31/2011 0.750% 03/31/2013	912828QL7	3,000,000.00	AA+	Aaa	03/22/12	03/27/12	3,015,468.75	0.24	61.81	3,007,613.43	3,008,907.00
US TREASURY NOTES DTD 06/30/2008 3.375% 06/30/2013	912828JD3	17,705,000.00	AA+	Aaa	03/22/12	03/27/12	18,394,526.76	0.28	151,009.70	18,113,900.34	18,126,874.74
US TREASURY NOTES DTD 09/30/2008 3.125% 09/30/2013	912828JM3	3,900,000.00	AA+	Aaa	03/22/12	03/27/12	4,064,531.25	0.32	334.82	4,008,685.59	4,013,802.00
Security Type Sub-Total		**26,105,000.00**					**26,973,647.85**	**0.31**	**151,437.24**	**26,629,979.28**	**26,654,037.24**
Federal Agency Bond / Note											
FFCB BONDS DTD 10/15/2008 3.650% 10/15/2012	31331GDH9	4,690,000.00	AA+	Aaa	10/07/08	10/15/08	4,691,547.70	3.64	78,935.31	4,690,015.99	4,696,359.64
FANNIE MAE GLOBAL NOTES DTD 10/08/2010 0.500% 10/30/2012	31398A4T6	4,575,000.00	AA+	Aaa	10/25/10	10/26/10	4,580,124.00	0.44	9,594.79	4,575,205.92	4,576,253.55
FHLB GLOBAL BONDS DTD 10/15/2009 1.625% 11/21/2012	3133XVEM9	10,000,000.00	AA+	Aaa	05/03/11	05/06/11	10,178,600.00	0.46	58,680.56	10,016,129.30	10,020,050.00
FHLMC GLOBAL NOTES DTD 12/02/2009 1.375% 01/09/2013	3137EACG2	2,380,000.00	AA+	Aaa	02/11/11	02/14/11	2,400,634.60	0.91	7,454.03	2,382,971.86	2,387,865.90
FHLMC GLOBAL REFERENCE NOTES DTD 01/17/2003 4.500% 01/15/2013	3134A4SA3	5,625,000.00	AA+	Aaa	03/25/10	03/30/10	6,058,575.00	1.66	53,437.50	5,670,736.03	5,695,470.00
FHLB GLOBAL BONDS DTD 08/01/2008 4.000% 09/06/2013	3133XRX88	4,400,000.00	AA+	Aaa	03/22/12	03/27/12	4,629,680.00	0.37	12,222.22	4,548,387.23	4,555,667.60
FNMA NOTES DTD 11/01/2010 0.750% 12/18/2013	31398A5W8	4,725,000.00	AA+	Aaa	08/21/12	08/22/12	4,754,484.00	0.28	10,139.06	4,752,072.36	4,756,369.28
Security Type Sub-Total		**36,395,000.00**					**37,293,645.30**	**1.05**	**230,463.47**	**36,635,518.69**	**36,688,035.97**
Corporate Note											

Managed Account Detail of Securities Held

For the Month Ending **September 30, 2012**

ALAMEDA CNTY TRANSPORTATION AUTHORITY - 03068500

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
GENERAL ELEC CAP CORP GLOBAL SR MTN DTD 10/19/2007 5.250% 10/19/2012	36962G3K8	650,000.00	AA+	A1	05/03/11	05/06/11	690,235.00	0.95	15,356.25	651,391.13	651,437.80
WELLS FARGO & COMPANY GLOBAL SR NOTES DTD 01/31/2008 4.375% 01/31/2013	949746NY3	1,000,000.00	A+	A2	08/26/08	08/29/08	959,600.00	5.41	7,413.19	996,655.69	1,013,290.00
WELLS FARGO & COMPANY GLOBAL SR NOTES DTD 01/31/2008 4.375% 01/31/2013	949746NY3	1,500,000.00	A+	A2	05/03/11	05/06/11	1,582,515.00	1.16	11,119.79	1,515,852.89	1,519,935.00
Security Type Sub-Total		**3,150,000.00**					**3,232,350.00**	**2.47**	**33,889.23**	**3,163,899.71**	**3,184,662.80**
Managed Account Sub-Total		**65,650,000.00**					**67,499,643.15**	**0.82**	**415,789.94**	**66,429,397.68**	**66,526,736.01**
Securities Sub-Total		**$65,650,000.00**					**$67,499,643.15**	**0.82%**	**$415,789.94**	**$66,429,397.68**	**$66,526,736.01**
Accrued Interest											**$415,789.94**
Total Investments											**$66,942,525.95**

Holdings Report

As of 9/30/12

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
AGENCY									
3137EAAZ2	FHLMC Note 4.625% Due 10/25/2012	2,500,000.00	07/09/2008 3.99 %	2,562,070.00 2,500,950.05	100.30 0.31 %	2,507,487.50 50,104.17	5.21 % 6,537.45	Aaa AA+	0.07 0.07
3137EABE8	FHLMC Note 4.125% Due 12/21/2012	2,100,000.00	05/05/2011 0.49 %	2,223,471.60 2,116,808.74	100.87 0.24 %	2,118,345.60 24,062.50	4.36 % 1,536.86	Aaa AA+	0.22 0.22
31398A6F4	FNMA Note 0.375% Due 12/28/2012	4,200,000.00	03/31/2011 0.70 %	4,176,438.00 4,196,744.97	100.07 0.09 %	4,202,889.60 4,068.75	8.57 % 6,144.63	Aaa AA+	0.24 0.24
3133XP2W3	FHLB Note 3.375% Due 2/27/2013	2,500,000.00	07/09/2008 4.02 %	2,432,425.00 2,494,052.76	101.29 0.20 %	2,532,365.00 7,968.75	5.17 % 38,312.24	Aaa AA+	0.41 0.41
880591CW0	Tennessee Valley Authority Note 6% Due 3/15/2013	4,000,000.00	Various 3.46 %	4,407,900.00 4,042,457.98	102.62 0.28 %	4,104,760.00 10,666.67	8.38 % 62,302.02	Aaa AA+	0.45 0.46
3133XXYX9	FHLB Note 1.875% Due 6/21/2013	2,480,000.00	06/18/2012 0.25 %	2,520,324.80 2,508,897.61	101.22 0.20 %	2,510,141.92 12,916.67	5.14 % 1,244.31	Aaa AA+	0.72 0.72
31331JPK3	FFCB Note 1.375% Due 6/25/2013	2,500,000.00	06/18/2012 0.25 %	2,528,575.00 2,520,564.76	100.91 0.13 %	2,522,805.00 9,166.67	5.16 % 2,240.24	Aaa AA+	0.73 0.73
31398ASD5	FNMA Note 3.875% Due 7/12/2013	1,700,000.00	04/09/2009 2.24 %	1,811,683.20 1,720,450.05	102.90 0.17 %	1,749,242.20 14,455.90	3.59 % 28,792.15	Aaa AA+	0.78 0.77
880591DW9	Tennessee Valley Authority Note 4.75% Due 8/1/2013	4,000,000.00	Various 2.35 %	4,411,330.00 4,075,329.83	103.78 0.22 %	4,151,128.00 31,666.67	8.52 % 75,798.17	Aaa AA+	0.84 0.82
31331KZJ2	FFCB Note 0.35% Due 9/23/2013	1,500,000.00	03/22/2012 0.38 %	1,499,430.00 1,499,629.34	100.13 0.22 %	1,501,929.00 116.67	3.06 % 2,299.66	Aaa AA+	0.98 0.98
31331GCS6	FFCB Note 3.875% Due 10/7/2013	2,300,000.00	02/04/2009 2.89 %	2,397,934.00 2,321,309.98	103.71 0.23 %	2,385,265.60 43,077.08	4.94 % 63,955.62	Aaa AA+	1.02 0.99
3133XSAE8	FHLB Note 3.625% Due 10/18/2013	2,000,000.00	03/03/2009 2.69 %	2,080,600.00 2,018,229.25	103.54 0.24 %	2,070,886.00 32,826.39	4.28 % 52,656.75	Aaa AA+	1.05 1.02
3134A4UK8	FHLMC Note 4.875% Due 11/15/2013	2,500,000.00	01/08/2009 2.44 %	2,776,632.50 2,564,042.53	105.28 0.17 %	2,632,017.50 46,041.67	5.45 % 67,974.97	Aaa AA+	1.13 1.09
31398A5W8	FNMA Note 0.75% Due 12/18/2013	2,600,000.00	05/23/2012 0.34 %	2,616,822.00 2,613,005.49	100.66 0.20 %	2,617,261.40 5,579.17	5.34 % 4,255.91	Aaa AA+	1.22 1.21
Total Agency		**36,880,000.00**	**1.95 %**	**38,445,636.10** **37,192,473.34**	**0.21 %**	**37,606,524.32** **292,717.73**	**77.16 %** **414,050.98**	**Aaa** **AA+**	**0.67** **0.67**
COMMERCIAL PAPER									
89233GKB1	Toyota Motor Credit Discount CP 0.427% Due 10/11/2012	1,125,000.00	Various 0.46 %	1,122,128.75 1,122,128.75	99.83 0.46 %	1,122,128.75 2,731.32	2.29 % 0.00	P-1 A-1+	0.03 0.03
4662J0LL4	JP Morgan Discount CP 0.3% Due 11/20/2012	1,000,000.00	05/22/2012 0.30 %	998,483.33 998,483.33	99.85 0.30 %	998,483.33 1,100.00	2.04 % 0.00	P-1 A-1	0.14 0.14

Alameda CTC- Alameda Cnty Trans Authority
Account #470

Holdings Report

As of 9/30/12

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
COMMERCIAL PAPER									
36959HQB6	General Electric Capitial Corp Discount CP 0.28% Due 3/11/2013	1,000,000.00	09/12/2012 0.28 %	998,600.00 998,600.00	99.86 0.28 %	998,600.00 147.78	2.03 % 0.00	P-1 A-1+	0.44 0.44
Total Commercial Paper		**3,125,000.00**	**0.35 %**	**3,119,212.08 3,119,212.08**	**0.35 %**	**3,119,212.08 3,979.10**	**6.36 % 0.00**	**P1 A-1**	**0.20 0.20**
FDIC INSURED US CORPORATE									
36967HAV9	GE Capital Corp FDIC Guaranteed Note 2.125% Due 12/21/2012	2,180,000.00	06/03/2009 2.10 %	2,182,071.00 2,180,129.84	100.43 0.22 %	2,189,354.38 12,868.06	4.48 % 9,224.54	Aaa AA+	0.22 0.22
481247AM6	JP Morgan Chase FDIC Guaranteed Note 2.125% Due 12/26/2012	3,250,000.00	04/22/2009 2.04 %	3,260,075.00 3,250,647.09	100.49 0.09 %	3,265,788.50 18,224.83	6.69 % 15,141.41	Aaa AA+	0.24 0.24
Total FDIC Insured US Corporate		**5,430,000.00**	**2.06 %**	**5,442,146.00 5,430,776.93**	**0.14 %**	**5,455,142.88 31,092.89**	**11.17 % 24,365.95**	**Aaa AA+**	**0.23 0.23**
MONEY MARKET FUND FI									
431114701	Highmark Govt Money Market Fund	10,884.17	Various 0.04 %	10,884.17 10,884.17	1.00 0.04 %	10,884.17 0.00	0.02 % 0.00	Aaa AAA	0.00 0.00
Total Money Market Fund FI		**10,884.17**	**0.04 %**	**10,884.17 10,884.17**	**0.04 %**	**10,884.17 0.00**	**0.02 % 0.00**	**Aaa AAA**	**0.00 0.00**
US CORPORATE									
91159HGW4	US Bancorp Note 2% Due 6/14/2013	1,175,000.00	09/13/2012 0.31 %	1,189,628.75 1,188,921.78	101.16 0.35 %	1,188,685.22 6,984.72	2.43 % (236.56)	Aa3 A+	0.70 0.70
Total US Corporate		**1,175,000.00**	**0.31 %**	**1,189,628.75 1,188,921.78**	**0.35 %**	**1,188,685.22 6,984.72**	**2.43 % (236.56)**	**Aa3 A+**	**0.70 0.70**
US TREASURY									
912828HG8	US Treasury Note 3.875% Due 10/31/2012	1,225,000.00	08/27/2008 2.88 %	1,272,616.41 1,225,936.72	100.30 0.25 %	1,228,732.58 19,864.64	2.54 % 2,795.86	Aaa AA+	0.08 0.08
912828PL8	US Treasury Note 0.75% Due 12/15/2013	150,000.00	09/27/2012 0.22 %	150,955.58 150,949.11	100.64 0.22 %	150,966.75 331.97	0.31 % 17.64	Aaa AA+	1.21 1.20
Total US Treasury		**1,375,000.00**	**2.59 %**	**1,423,571.99 1,376,885.83**	**0.25 %**	**1,379,699.33 20,196.61**	**2.85 % 2,813.50**	**Aaa AA+**	**0.21 0.20**
TOTAL PORTFOLIO		**47,995,884.17**	**1.84 %**	**49,631,079.09 48,319,154.13**	**0.21 %**	**48,760,148.00 354,971.05**	**100.00 % 440,993.87**	**Aaa AA+**	**0.58 0.57**
TOTAL MARKET VALUE PLUS ACCRUED						**49,115,119.05**			

Managed Account Detail of Securities Held

ALAMEDA CNTY TRANSPORTATION IMPROV AUTH - 03068510

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 12/31/2010 0.625% 12/31/2012	912828PW4	1,985,000.00	AA+	Aaa	03/22/12	03/23/12	1,991,435.74	0.20	3,135.28	1,987,062.34	1,987,326.17
US TREASURY NOTES DTD 04/30/2008 3.125% 04/30/2013	912828HY9	9,575,000.00	AA+	Aaa	04/26/12	04/27/12	9,857,013.67	0.20	125,216.54	9,737,716.88	9,739,575.10
US TREASURY NOTES DTD 06/30/2008 3.375% 06/30/2013	912828JD3	3,245,000.00	AA+	Aaa	08/21/12	08/22/12	3,332,969.92	0.20	27,677.29	3,321,805.84	3,322,321.86
Security Type Sub-Total		**14,805,000.00**					**15,181,419.33**	**0.20**	**156,029.11**	**15,046,585.06**	**15,049,223.13**
Federal Agency Bond / Note											
FHLMC NOTES DTD 02/04/2011 0.750% 03/28/2013	3137EACS6	3,500,000.00	AA+	Aaa	08/21/12	08/22/12	3,511,725.00	0.19	218.75	3,509,609.74	3,509,817.50
FANNIE MAE GLOBAL NOTES DTD 08/06/2010 1.000% 09/23/2013	31398A2S0	3,350,000.00	AA+	Aaa	08/21/12	08/22/12	3,377,034.50	0.26	744.44	3,374,342.37	3,375,178.60
FNMA NOTES DTD 11/01/2010 0.750% 12/18/2013	31398A5W8	3,400,000.00	AA+	Aaa	08/21/12	08/22/12	3,421,216.00	0.28	7,295.83	3,419,480.64	3,422,572.60
Security Type Sub-Total		**10,250,000.00**					**10,309,975.50**	**0.24**	**8,259.02**	**10,303,432.75**	**10,307,568.70**
Commercial Paper											
JP MORGAN CHASE & CO COMM PAPER -- 0.000% 10/01/2012	46623OK19	2,700,000.00	A-1	P-1	03/22/12	03/23/12	2,695,680.00	0.30	0.00	2,700,000.00	2,699,986.50
Security Type Sub-Total		**2,700,000.00**					**2,695,680.00**	**0.30**	**0.00**	**2,700,000.00**	**2,699,986.50**
Managed Account Sub-Total		**27,755,000.00**					**28,187,074.83**	**0.23**	**164,288.13**	**28,050,017.81**	**28,056,778.33**
Securities Sub-Total		**$27,755,000.00**					**$28,187,074.83**	**0.23%**	**$164,288.13**	**$28,050,017.81**	**$28,056,778.33**
Accrued Interest											**$164,288.13**
Total Investments											**$28,221,066.46**

PFM Asset Management LLC

Alameda CTC- Alameda Cnty Trans Improv Authority
Account #471

Holdings Report
As of 9/30/12

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
AGENCY									
31331X3S9	FFCB Note 4.5% Due 10/17/2012	1,506,000.00	04/26/2012 0.16 %	1,536,850.41 1,508,853.22	100.19 0.41 %	1,508,902.06 30,873.00	4.96 % 48.84	Aaa AA+	0.05 0.05
31398A4T6	FNMA Note 0.5% Due 10/30/2012	1,700,000.00	Various 0.15 %	1,702,421.00 1,700,470.45	100.03 0.17 %	1,700,465.80 3,565.28	5.49 % (4.65)	Aaa AA+	0.08 0.08
313396M83	FHLMC Discount Note 0.155% Due 11/1/2012	1,500,000.00	04/26/2012 0.16 %	1,498,779.38 1,498,779.38	99.92 0.16 %	1,498,779.38 1,020.41	4.83 % 0.00	P-1 A-1+	0.09 0.09
3133MTZL5	FHLB Note 4.5% Due 11/15/2012	1,000,000.00	09/30/2011 0.26 %	1,047,586.00 1,005,197.50	100.52 0.35 %	1,005,175.00 17,000.00	3.29 % (22.50)	Aaa AA+	0.13 0.12
31331J2V4	FFCB Note 0.55% Due 11/19/2012	1,750,000.00	03/22/2012 0.20 %	1,754,019.75 1,750,817.29	100.05 0.17 %	1,750,908.25 3,529.17	5.65 % 90.96	Aaa AA+	0.14 0.14
31398AHZ8	FNMA Note 4.75% Due 11/19/2012	750,000.00	03/28/2012 0.18 %	771,854.25 754,556.84	100.61 0.25 %	754,586.25 13,062.50	2.47 % 29.41	Aaa AA+	0.14 0.14
31331G2R9	FFCB Note 1.875% Due 12/7/2012	1,750,000.00	Various 0.27 %	1,777,161.50 1,755,139.92	100.31 0.19 %	1,755,498.50 10,390.63	5.69 % 358.58	Aaa AA+	0.19 0.19
3137EABE8	FHLMC Note 4.125% Due 12/21/2012	1,750,000.00	03/22/2012 0.22 %	1,800,853.25 1,765,088.33	100.87 0.24 %	1,765,288.00 20,052.08	5.75 % 199.67	Aaa AA+	0.22 0.22
31398A6F4	FNMA Note 0.375% Due 12/28/2012	1,175,000.00	03/31/2011 0.70 %	1,168,408.25 1,174,089.37	100.07 0.09 %	1,175,808.40 1,138.28	3.79 % 1,719.03	Aaa AA+	0.24 0.24
3133XW7L7	FHLB Note 1.5% Due 1/16/2013	1,200,000.00	04/30/2012 0.19 %	1,211,133.60 1,204,564.35	100.38 0.21 %	1,204,545.60 3,750.00	3.89 % (18.75)	Aaa AA+	0.30 0.29
3133XX7F8	FHLB Note 1.625% Due 3/20/2013	1,770,000.00	12/16/2011 0.21 %	1,801,169.70 1,781,645.82	100.68 0.18 %	1,782,053.70 878.85	5.74 % 407.88	Aaa AA+	0.47 0.47
3137EABM0	FHLMC Note 3.75% Due 6/28/2013	1,750,000.00	12/27/2011 0.29 %	1,840,510.00 1,794,594.34	102.68 0.14 %	1,796,943.75 16,953.13	5.84 % 2,349.41	Aaa AA+	0.74 0.73
31398A2S0	FNMA Note 1% Due 9/23/2013	1,750,000.00	12/27/2011 0.35 %	1,769,600.00 1,761,019.21	100.75 0.23 %	1,763,153.00 388.89	5.68 % 2,133.79	Aaa AA+	0.98 0.98
313371UC8	FHLB Note 0.875% Due 12/27/2013	1,780,000.00	12/16/2011 0.39 %	1,797,461.80 1,790,709.27	100.80 0.23 %	1,794,202.62 4,066.81	5.79 % 3,493.35	Aaa AA+	1.24 1.23
Total Agency		**21,131,000.00**	**0.26 %**	**21,477,808.89 21,245,525.29**	**0.21 %**	**21,256,310.31 126,669.03**	**68.89 % 10,785.02**	**Aaa AA+**	**0.39 0.39**
COMMERCIAL PAPER									
02665JK58	American Honda Corp Discount CP 0.13% Due 10/5/2012	1,000,000.00	09/05/2012 0.13 %	999,891.67 999,891.67	99.99 0.13 %	999,891.67 93.89	3.22 % 0.00	P-1 A-1	0.01 0.01
89233GKB1	Toyota Motor Credit Discount CP 0.4% Due 10/11/2012	600,000.00	Various 0.44 %	598,543.00 598,543.00	99.83 0.44 %	598,543.00 1,385.05	1.93 % 0.00	P-1 A-1+	0.03 0.03
89233GKP0	Toyota Motor Credit Discount CP 0.37% Due 10/23/2012	350,000.00	04/24/2012 0.38 %	349,345.30 349,345.30	99.81 0.38 %	349,345.30 575.56	1.13 % 0.00	P-1 A-1+	0.06 0.06
4662J0KP6	JP Morgan Discount CP 0.3% Due 10/23/2012	350,000.00	04/24/2012 0.30 %	349,469.17 349,469.17	99.85 0.30 %	349,469.17 466.66	1.13 % 0.00	P-1 A-1	0.06 0.06

Alameda CTC- Alameda Cnty Trans Improv Authority
Account #471

Holdings Report
As of 9/30/12

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
COMMERCIAL PAPER									
36959HKP1	General Electric Capitial Corp Discount CP 0.33% Due 10/23/2012	350,000.00	04/24/2012 0.34 %	349,416.08 349,416.08	99.83 0.34 %	349,416.08 513.34	1.13 % 0.00	P-1 A-1+	0.06 0.06
40427RL82	HSBC USA Inc Discount CP 0.3% Due 11/8/2012	825,000.00	08/10/2012 0.30 %	824,381.25 824,381.25	99.93 0.30 %	824,381.25 357.50	2.66 % 0.00	P-1 A-1	0.11 0.11
69372ALK6	Paccar Financial Discount CP 0.17% Due 11/19/2012	650,000.00	08/15/2012 0.17 %	649,705.34 649,705.34	99.95 0.17 %	649,705.34 144.26	2.09 % 0.00	P-1 A-1	0.14 0.14
14912DM55	Caterpillar Finance Corp Discount CP 0.23% Due 12/5/2012	620,000.00	06/14/2012 0.23 %	619,314.73 619,314.73	99.89 0.23 %	619,314.73 427.80	2.00 % 0.00	P-1 A-1	0.18 0.18
36959HQB6	General Electric Capitial Corp Discount CP 0.28% Due 3/11/2013	500,000.00	09/12/2012 0.28 %	499,300.00 499,300.00	99.86 0.28 %	499,300.00 73.89	1.61 % 0.00	P-1 A-1+	0.44 0.44
4662J0QD7	JP Morgan Discount CP 0.3% Due 3/13/2013	500,000.00	09/12/2012 0.30 %	499,241.65 499,241.65	99.85 0.30 %	499,241.65 79.17	1.61 % 0.00	P-1 A-1	0.45 0.45
06416JQJ5	Bank of Nova Scotia Discount CP 0.26% Due 3/18/2013	620,000.00	09/19/2012 0.26 %	619,216.39 619,216.39	99.87 0.26 %	619,216.39 31.34	1.99 % 0.00	P-1 A-1+	0.46 0.46
Total Commercial Paper		**6,365,000.00**	**0.27 %**	**6,357,824.58 6,357,824.58**	**0.27 %**	**6,357,824.58 4,148.46**	**20.50 % 0.00**	**P1 A-1**	**0.18 0.18**
MONEY MARKET FUND FI									
431114701	Highmark Govt Money Market Fund	100,794.67	Various 0.04 %	100,794.67 100,794.67	1.00 0.04 %	100,794.67 0.00	0.32 % 0.00	Aaa AAA	0.00 0.00
Total Money Market Fund FI		**100,794.67**	**0.04 %**	**100,794.67 100,794.67**	**0.04 %**	**100,794.67 0.00**	**0.32 % 0.00**	**Aaa AAA**	**0.00 0.00**
NEGOTIABLE CD									
89112X5J0	Toronto Dominion Bank Negotiable CD 0.27% Due 4/15/2013	650,000.00	09/17/2012 0.25 %	650,075.70 650,070.65	100.01 0.25 %	650,070.65 68.25	2.09 % 0.00	P-1 A-1+	0.54 0.54
Total Negotiable CD		**650,000.00**	**0.25 %**	**650,075.70 650,070.65**	**0.25 %**	**650,070.65 68.25**	**2.09 % 0.00**	**Aaa AAA**	**0.54 0.54**
US CORPORATE									
88579EAD7	3M Company Note 4.65% Due 12/15/2012	155,000.00	04/26/2012 0.32 %	159,237.70 156,369.95	100.92 0.21 %	156,432.05 2,122.21	0.51 % 62.10	Aa2 AA-	0.21 0.21
91159HGW4	US Bancorp Note 2% Due 6/14/2013	600,000.00	09/13/2012 0.31 %	607,470.00 607,109.00	101.16 0.35 %	606,988.20 3,566.67	1.97 % (120.80)	Aa3 A+	0.70 0.70
Total US Corporate		**755,000.00**	**0.31 %**	**766,707.70 763,478.95**	**0.32 %**	**763,420.25 5,688.88**	**2.48 % (58.70)**	**Aa3 A+**	**0.60 0.60**

Alameda CTC- Alameda Cnty Trans Improv Authority
Account #471

Holdings Report

As of 9/30/12

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
US TREASURY									
912828LR9	US Treasury Note 1.375% Due 10/15/2012	1,025,000.00	09/30/2011 0.18 %	1,037,775.90 1,025,469.46	100.05 0.23 %	1,025,480.73 6,507.77	3.32 % 11.27	Aaa AA+	0.04 0.04
912828MB3	US Treasury Note 1.125% Due 12/15/2012	740,000.00	05/24/2012 0.17 %	743,933.73 741,446.22	100.20 0.15 %	741,502.94 2,456.56	2.40 % 56.72	Aaa AA+	0.21 0.21
Total US Treasury		**1,765,000.00**	**0.17 %**	**1,781,709.63** **1,766,915.68**	**0.19 %**	**1,766,983.67** **8,964.33**	**5.72 %** **67.99**	**Aaa** **AA+**	**0.11** **0.11**
TOTAL PORTFOLIO		**30,766,794.67**	**0.26 %**	**31,134,921.17** **30,884,609.82**	**0.23 %**	**30,895,404.13** **145,538.95**	**100.00 %** **10,794.31**	**Aaa** **AA+**	**0.34** **0.34**
TOTAL MARKET VALUE PLUS ACCRUED						**31,040,943.08**			

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Memorandum

DATE: November 6, 2012

TO: Finance and Administration Committee

FROM: Patricia M. Reavey, Director of Finance
Lily Balinton, Accounting Manager

SUBJECT: **Consolidated FY2012-13 First Quarter Financial Report**

Recommendation
It is recommended that the Committee accept the attached Alameda County Transportation Commission (Alameda CTC) Consolidated FY2012-13 First Quarter Financial Report.

Summary
At the end of the first quarter, the Alameda CTC is showing a net increase in the overall fund balance in the amount of $4.4 million primarily related to sales tax and Vehicle Registration Fee (VRF) revenues exceeding expenditures. The Exchange Fund showed a decrease in fund balance related to programming fund expenditures exceeding revenues.

The attached financial report has been prepared on a consolidated basis by governmental fund type including the General Funds, Special Revenue Funds, the Exchange Fund and the Capital Projects Funds to give an overview of the Alameda CTC's revenues and expenditures in comparison to the adopted budget.

General Fund
In the General Fund, the Alameda CTC's revenues are less than budget by $1.2 million or 35.6% and expenditures are under budget by $1.7 million or 45.2% (see attachment A). Both of these variances can be attributed to the winding down of the Countywide Transportation Plan and Transportation Expenditure Plan efforts and a lower than projected cost for the Safe Routes to School program in the first quarter of the fiscal year.

Special Revenue Funds
The Special Revenue Funds group is made up of Measure B Program funds including funds for express bus, paratransit service, bike and pedestrian, transit oriented development and pass through funds as well as Transportation for Clean Air (TFCA) funds and Vehicle Registration Fee (VRF) funds. In the Special Revenue Funds, the Alameda CTC's revenues are more than budget by $1.2 million or 6.3% mostly due to actual sales tax and VRF revenues which were higher than projected for the first quarter (see attachment B). Expenditures in the Special Revenue Funds are $1.5 million or 8.0% less than budget mostly due to a delay in the flow of funding on the SMART Corridor Operations and Maintenance project as a result of a contractor delay in obtaining an encroachment permit from Caltrans to enter State ROW. In addition, the release of a RFP to obtain System

Integration services for “SMART” was deferred.

Exchange Fund
As of September 30, 2012, Exchange Fund revenues and expenditures were under budget by $1.2 million and $127,000 respectively (see attachment C). Budget in this fund is only utilized on an as needed basis as exchanges are established to accommodate other governmental agencies’ needs.

Capital Projects Funds
The Capital Projects Funds incorporate all Alameda CTC capital projects whether they were originally projects of the Alameda County Transportation Improvement Authority (ACTIA), the Alameda County Transportation Authority (ACTA) or the Alameda County Congestion Management Agency (ACCMA). In the Capital Projects Funds, the Alameda CTC’s revenues are less than budget by $9.7 million or 38.0% and expenditures are less than budget by $55.0 million or 79.2% (see attachment D). It is not uncommon for capital project expenditures to start off slowly at the beginning of a fiscal year as sponsors and consultants concentrate on closing out prior year activities. This tendency explains a large part of the variance on ACTIA capital projects as work has been completed on projects, but invoices have not been received to date. Some ACTIA projects also have experienced deferred project schedules during the first quarter of the fiscal year due to various project delivery issues including project scoping and community engagement. Revenues and expenditures for the ACCMA related capital projects are both under budget due in part to the I-580 East Bound HOV Lane project which has experienced a delay in the start date of its construction contract and the I-80 Integrated Corridor Mobility project which moved slower than originally planned in the first quarter due to contract issues. Capital project expenditures are expected to more closely approach budget as the year progresses. Since we implemented a rolling capital budget system last fiscal year, any unused approved budget will be available to pay for costs in the next fiscal year. Additional budget authority will be requested by project only as needed.

ACTIA Limitations Calculations
Staff has made the calculations required in ACTIA’s Transportation Expenditure Plan related to salary and benefits and administration. The Salary and Benefits Limitation ratio of 0.69% and Administrative Cost Limitation ratio of 2.42% were calculated based on actual expenditures and were found to be in compliance with the requirements of 1.0% and 4.5%, respectively (see attachment E).

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Discussion
The Alameda CTC is in a strong position compared to budget after the first quarter of the fiscal year and remains sustainable. Sales tax revenues for FY2012-13 were projected with a conservative increase over the FY2011-12 budget because final receipts had not been received. Actual sales tax revenues for FY2011-12 were $112.6 million which turns out to be higher than the FY2012-13 budget projection of $112.0 million. In the first quarter of the fiscal year, sales tax revenues were already over the budget by approximately 11%. However, quarterly true up adjustments by the Board of Equalization have not yet occurred on this amount so it can and will change. Staff is not anticipating an adjustment to sales tax revenue projections at this time until more actual receipt data becomes available.

Attachments

Attachment A:	Alameda CTC General Fund Revenues/Expenditures Actual vs. Budget as of September 30, 2012
Attachment B :	Alameda CTC Special Revenue Funds Revenues/Expenditures Actual vs.

Budget as of September 30, 2012

Attachment C : Alameda CTC Exchange Fund Revenues/Expenditures Actual vs. Budget as of September 30, 2012

Attachment D : Alameda CTC Capital Project Funds Revenues/Expenditures Actual vs. Budget as of September 30, 2012

Attachment E : ACTIA Limitations Calculations as of September 30, 2012

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Alameda CTC General Fund
Revenues/Expenditures
Actual vs Budget
as of September 30, 2012

Attachment A

		YTD Actuals		YTD Budget	% Used		Favorable (Unfavorable) Variance
Revenues:							
Sales Tax Revenues	$	1,329,943	$	1,260,000	105.55%	$	69,943
Investment Income		4,750		-	0.00%		4,750
Member Agency Fees		348,705		348,705	100.00%		(0)
Measure B Interagency Funds		(49,723)		587,810	-8.46%		(637,533)
VRF Funding		37,961		-	0.00%		37,961
TFCA Funding		22,152		27,500	80.55%		(5,348)
CMA TIP Funds		31,263		-	0.00%		31,263
Rental Income		11,001		18,000	61.12%		(6,999)
Other Income		25		-	0.00%		25
Grants							
MTC Planning Funds		4,472		254,986	1.75%		(250,514)
PPM Funds		394,784		430,728	91.65%		(35,945)
CMAQ Funding		9,229		351,118	2.63%		(341,889)
Other Project Grants		-		50,000	0.00%		(50,000)
Total Revenues	$	2,144,562	$	3,328,847		$	(1,184,285)
Expenditures:							
Administration							
Salaries and Benefits		668,904		692,161	96.64%		23,257
Office Expenses and Supplies		12,534		14,219	88.15%		1,685
General Administration		575,864		980,180	58.75%		404,316
Building Relocation Reserve		-		171,875	0.00%		171,875
Commission Meeting Per Diems		10,566		43,216	24.45%		32,650
Contingency		196		43,750	0.45%		43,554
Planning							
MTC Planning		37		-	0.00%		(37)
County Wide Transportation Plan (CWTP)		169,835		637,240	26.65%		467,405
County Wide Bicycle and Pedestrian Plan		-		12,558	0.00%		12,558
Congestion Management Program		37,591		229,615	16.37%		192,024
Transportation and Land Use		769		156,250	0.49%		155,481
Travel Model Support		-		73,750	0.00%		73,750
Bike to Work Day Assessment		-		15,388	0.00%		15,388
Programs							
Programs Management		73,961		189,963	38.93%		116,002
Guaranteed Ride Home Program		9,511		27,500	0.00%		17,989
Monitoring of Fed, State & Other Grants		-		1,000	0.00%		1,000
Life Line Transportation		-		60,250	0.00%		60,250
Safe Routes to School		179,084		637,548	28.09%		458,464
Bike Mobile Program		-		79,433	0.00%		79,433
Indirect Cost Recovery/Allocation							
Indirect Cost Recovery from Capital, Spec Rev & Exch Funds		(197,954)		(227,849)	86.88%		(29,894)
Total Expenditures	$	1,540,896	$	3,838,046		$	1,657,907
Net revenue over / (under) expenditures	**$**	**603,667**	**$**	**(509,199)**			

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Alameda CTC Special Revenue Funds
Revenue/Expenditures
Actual vs Budget
as of September 30, 2012

	YTD Actuals	YTD Budget	% Used	Favorable (Unfavorable) Variance
Revenues:				
Sales Tax Revenues	$ 16,906,384	$ 16,017,260	105.55%	$ 889,124
Investment Income	10,410	-	0.00%	10,410
TFCA Funds	450,000	461,964	97.41%	(11,964)
VRF Funds	3,019,143	2,682,375	112.55%	336,768
Other Project Grants	-	11,250	0.00%	(11,250)
Total Revenues	$ 20,385,937	$ 19,172,849		$ 1,213,088
Expenditures:				
Salaries	45,791	168,862	27.12%	123,070
Office Expenses and Supplies	-	5,000	0.00%	5,000
General Administration	-	1,125	0.00%	1,125
VRF Ballot Costs	27,027	27,027	100.00%	-
VRF Pass Through Programming	584,108	1,530,000	38.18%	945,892
Programming Funds	145,556	981,270	14.83%	835,713
Measure B Programs Management	115,233	247,004	46.65%	131,771
Transportation Planning	0	-	0.00%	(0)
Measure B Grant Awards	755,160	1,039,370	72.66%	284,210
Measure B Passthrough	15,819,281	15,023,211	105.30%	(796,070)
Total Expenditures	$ 17,492,157	$ 19,022,868		$ 1,530,711
Net revenue over / (under) expenditures	**$ 2,893,780**	**$ 149,981**		

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ACCMA Exchange Fund
Revenue/Expenditures
Actual vs Budget
as of September 30, 2012

	YTD Actuals	YTD Budget	% Used	Favorable (Unfavorable) Variance
REVENUE				
Exchange Program Funds	$ -	$ 1,237,500	0.00%	$ (1,237,500)
Interest Revenue	5,234	-	100.00%	5,234
TOTAL REVENUE	**$ 5,234**	**$ 1,237,500**		**$ (1,232,266)**
EXPENDITURES				
Salaries	-	12,837	0.00%	12,837
Programming Funds	542,991	657,450	82.59%	114,459
TOTAL EXPENDITURES	**542,991**	**$ 670,287**		**$ 127,296**
Net revenue over / (under) expenditures	**$ (537,757)**	**$ 567,214**		

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Alameda CTC Capital Fund
Revenues/Expenditures
Actual vs Budget
as of September 30, 2012

Attachment D

	YTD Actuals	YTD Budget	% Used	Favorable (Unfavorable) Variance
REVENUE				
Sales Tax Revenues	$ 11,317,963	$ 10,722,740	105.55%	$ 595,223
Investment Income	434,628	293,750	147.96%	140,878
Rental Income	1,572	-	0.00%	1,572
Other Income	12,820	-	0.00%	12,820
TFCA Funds	30,541	31,250	97.73%	(709)
VRF Funds	47,791	94,845	50.39%	(47,054)
Exchange Program Funds	-	133,750	0.00%	(133,750)
ACTIA Measure B	695,822	4,730,455	14.71%	(4,034,633)
ACTA Measure B	-	75,000	0.00%	(75,000)
CMAQ Funds	19,825	62,500	31.72%	(42,675)
Other Capital Project Grants	3,288,791	9,417,544	34.92%	(6,128,753)
Total Revenues	$ 15,849,753	$ 25,561,834		$ (9,712,081)
EXPENDITURES				
Administration				
Salaries and Benefits	93,849	98,171	95.60%	4,322
Office Expenses and Supplies	1,676	2,031	82.51%	355
General Administration	99,833	144,749	68.97%	44,917
Building Relocation Reserve	-	15,625	0.00%	15,625
Commission Mtg. Per Diems	1,509	6,174	24.45%	4,664
Project Management Services	265,540	439,814	60.38%	174,274
Other Expenses	718	6,250	11.49%	5,532
Capital Projects				
ACTA				
Capital Expenditures	5,833	50,000	11.67%	44,168
I-800 Mod. Rte. 262-Mission Bl	-	161,000	0.00%	161,000
E/W Connector Proj. In N. Frem	55,138	5,000,000	1.10%	4,944,862
Rte. 238 Corridor Improvement	4,368,442	3,250,000	134.41%	(1,118,442)
I-580/Redwood Road Interchange	-	75,000	0.00%	75,000
I-580, 238 and 880 Corr Stdy	-	243,750	0.00%	243,750
Central Alameda County Freeway	-	437,500	0.00%	437,500
ACTIA				
Altamont Cmtr Expr (ACE) Rail	777,543	1,612,750	48.21%	835,207
BART Extension to Warm Springs	2,662,351	7,750,000	34.35%	5,087,649
BART Oakland-Airport Connector	-	12,000,000	0.00%	12,000,000
Union City Intermodal Station	-	945,675	0.00%	945,675
A.C. Transit-San Pablo, Tgph C	-	750,000	0.00%	750,000
I-680 Expr. Ln. Impr. Rte. 84	730,897	2,295,000	31.85%	1,564,103
Iron Horse Trail	-	125,000	0.00%	125,000
I-880/Brdwy-Jcksn St.	-	625,000	0.00%	625,000
I-580 Interchange Improvements	91,110	75,000	121.48%	(16,110)
Lwllng Ave./E Lwllng Ave. Wide	-	412,750	0.00%	412,750
I-580 Aux, Lane (Sta Rita Rd)	-	469,527	0.00%	469,527
I-880/State Rte. 92 Rlvr. Rte.	184,503	937,500	19.68%	752,997
Westgate Pkwy exit - Stg 1	-	537,409	0.00%	537,409
E. 14th St./Hesp. Blvd./150 St.	174,129	471,500	36.93%	297,371
I-238 widng-Sn Lndro & Uinc.	2,633	9,861	26.70%	7,228
I-680/I-880 cross conn studies	-	110,629	0.00%	110,629
Isabel-Route 84/I-580 I/C	725,000	1,789,118	40.52%	1,064,118
Route 84 Expressway	43,918	2,750,102	1.60%	2,706,184

Alameda CTC Capital Fund
Revenues/Expenditures
Actual vs Budget
as of September 30, 2012

	YTD Actuals	YTD Budget	% Used	Favorable (Unfavorable) Variance
Dumbarton Corridor Improvement	35,653	855,191	4.17%	819,538
I-580 Cordr/BART Livermore Stu	-	500,000	0.00%	500,000
I-80 Integrated Corridor Mobility	-	185,477	0.00%	185,477
I-880 Corridor Improvements	-	155,964	0.00%	155,964
CWTP/TEP Development	-	12,500	0.00%	12,500
Studies at Congested Seg/Loc on CMP	-	200,000	0.00%	200,000
ACCMA				
I-680 HOT Lane	127,816	2,251,695	5.68%	2,123,878
Center to Center	17,996	59,226	0.00%	41,230
I-880 North Safety Improvement	686,150	2,221,448	30.89%	1,535,298
I-580 East Bound HOV Lane	776,864	4,605,425	16.87%	3,828,560
I-680 NB HOV/Express Lane	292,648	1,526,420	19.17%	1,233,772
I-580 ROW Preservation	1,531	159,776	0.96%	158,245
I-580 WB HOV/HOT Design	190,768	2,584,186	7.38%	2,393,418
Altamont Commuter Express	94,387	1,768,560	5.34%	1,674,173
I-880 Southbound HOV Lane	96,971	1,673,099	5.80%	1,576,128
I-580 PSR at 106th EB Off-Ramp	-	38,849		
Webster St. SMART Corridor	32,303	561,760	5.75%	529,457
I-880 Marina Blvd. Interc	764	-	0.00%	(764)
I-580 Landscaping	-	197,691	0.00%	197,691
I-80 Gilman Interchange Improvements	28,114	464,126	6.06%	436,012
I-680/I-880 Cross Connector PSR	2,078	89,000	0.00%	86,922
I-80 Integrated Corridor Mobility	1,496,530	5,119,446	29.23%	3,622,916
Caldecott Tunnel	183,304	376,108	48.74%	192,804
Smart Corridors Operation and Management	54,546	235,355	23.18%	180,809
Total Expenditures	$ 14,403,044	$ 69,438,184		$ 54,996,291
Net revenue over / (under) expenditures	**$ 1,446,709**	**$ (43,876,351)**		

Alameda County Transportation Improvement Authority
Fiscal Year 2012-2013
Budget Limitations Calculations
As of September 30, 2012

Net Sales Tax	$ 29,554,290.27	A
Investments & Other Income	70,887.79	B
Funds Generated	29,625,178.06	C
Salaries & Benefits	205,017.19	D
Other Admin Costs	511,537.77	E
Total Admin Costs	$ 716,554.96	F
Gross Admin Sal & Ben to Net Sales Tax	0.6937%	= D/A
Gross Admin Sal & Ben to Funds Generated	0.6920%	= D/C
Total Admin Costs to Net Sales Tax	2.4245%	= F/A

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Memorandum

DATE: November 6, 2012

TO: Finance and Administration Committee

FROM: Patricia Reavey, Director of Finance

SUBJECT: **Approval of the ACCMA Draft Audited Basic Financial Statements for the Eight Months Ended February 29, 2012**

Recommendation

It is recommended that the Commission approve and enter into the record the ACCMA's draft Audited Basic Financial Statements for the period July 1, 2011 through February 29, 2012 as audited by the certified public accounting firm of Vavrinek, Trine, Day & Co., LLP and all required reports.

The ACCMA audited financial statements for the period ended February 29, 2012 and support documents were reviewed in detail by the Alameda County Transportation Commission's (Alameda CTC) audit committee on October 29, 2012.

Summary

Pursuant to the Joint Powers Agreement Alameda County Congestion Management Program and the California Government Code Section 6505, and due to the termination of the ACCMA as of February 29, 2012, an independent audit was conducted for the period July 1, 2011 through February 29, 2012 by Vavrinek, Trine, Day & Co., LLP. While all financial statements are the responsibility of management, the auditor's responsibility is to express an opinion on the financial statements based on their audit. As demonstrated in the Independent Auditor's Report on page 2 of the Draft Audited Basic Financial Statements, the ACCMA's auditors have reported what is considered to be an unqualified or clean audit through the period February 29, 2012.

> "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 nonmajor fund of the Agency, as of February 29, 2012, and the respective changes in financial position for the eight months then ended in conformity with accounting principles generally accepted in the United States of America."

Financial Highlights:

- Total net assets were $17.5 million, an increase of $7.5 million or 75.8% over the prior fiscal year. This increase is due to collections beginning on the new Measure F Vehicle Registration Fee (VRF), passed by the voters in November 2010.
- Total revenues decreased by 33.4% from $44.1 million for fiscal year 2010-11 to $29.4 million for the period July 1, 2011 through February 29, 2012. Similarly, the ACCMA's

expenditures decreased by 49.7% from $43.5 million in fiscal year 2010-11 to $21.8 million for the period July 1, 2011 through February 29, 2012. These decreases can be attributed to the abbreviated reporting period for the period July 1, 2011 through February 29, 2012, the official termination date of the agency.

- Cash and investments (restricted and unrestricted) totaled $30.7 million, an increase of $6.7 million or 27.7% over the prior fiscal year. This increase also is due to collections beginning on the new Measure F VRF.
- The General Fund reported a net decrease in fund balance at February 29, 2012 of $34 thousand or 13.6% from the fund balance at June 30, 2011.

Discussion

As part of the audit process, Vavrinek, Trine, Day & Co., LLP considered ACCMA's internal controls over financial reporting in order to design audit procedures. They have not expressed an opinion on the effectiveness of the ACCMA's internal controls; however Vavrinek, Trine, Day & Co., LLP's Report on Internal Control over Financial Reporting and on Compliance and other Matters states that they did not identify any deficiencies in internal controls over financial reporting that they consider to be a material weakness.

Vavrinek, Trine, Day & Co., LLP also performed a Single Audit for the period July 1, 2011 through February 29, 2012. Per the Office of Management and Budget (OMB) Circular A-133, a single audit is required when a grantee spends $500,000 or more in Federal funds in the fiscal year (in this case the eight month reporting period) to provide assurance to the federal government as to the management and use of these funds. ACCMA's federal expenditures were well over the threshold at $2.2 million during the period July 1, 2011 through February 29, 2012 therefore a Single Audit was required. As demonstrated in the Independent Auditor's Report on page 44 of the Draft Audited Basic Financial Statements, the ACCMA's auditors have reported the following:

> "In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the eight months ended February 29, 2012.

The Audit Committee met on October 29 to review the Draft Audited Basic Financial Statements and related reports for the eight months ended February 29, 2012.

Attachments

Attachment A: ACCMA Basic Financial Statements for the Eight Months Ended February 29, 2012, 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,* and Independent Auditors Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with *OMB Circular A-133*

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

ANNUAL FINANCIAL REPORT
FEBRUARY 29, 2012

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Governing Board
Alameda County Congestion Management Agency
Oakland, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the nonmajor fund of the Alameda County Congestion Management Agency (the Agency) as of and for the eight months ended February 29, 2012, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. 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; 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the nonmajor fund of the Agency, as of February 29, 2012, and the respective changes in financial position for the eight months then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 1, the Alameda County Congestion Management Agency ceased operations on February 29, 2012 and has merged with the Alameda County Transportation Commission.

In accordance with *Government Auditing Standards*, we have also issued our report dated _____________, 2012, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis and as required by U.S. Office of Management & Budget Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Palo Alto, California
_________________, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS
February 29, 2012

This section of the Alameda County Congestion Management Agency (the Agency) financial report presents a discussion and analysis of the Agency's financial performance for the period July 1, 2011 through February 29, 2012, the official termination date. Please read it in conjunction with the basic financial statements and related notes to those statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Financial Highlights

Financial highlights for the eight months ended February 29, 2012, include the following:

- Total net assets were $17.5 million, an increase of $7.5 million or 75.8% over the prior fiscal year. This increase is due to collections beginning on the new Measure F Vehicle Registration Fee (VRF), passed by the voters in November 2010.
- Total revenues decreased by 33.4% from $44.1 million for fiscal year 2010-11 to $29.4 million for the period July 1, 2011 through February 29, 2012. Similarly, the Agency's expenditures decreased by 49.7% from $43.5 million in fiscal year 2010-11 to $21.8 million for the period July 1, 2011 through February 29, 2012. These decreases can be attributed to the shortened reporting period for the period July 1, 2011 through February 29, 2012, the official termination date of the Agency.
- Cash and investments (restricted and unrestricted) totaled $30.7 million, an increase of $6.7 million or 27.7% over the prior fiscal year. This increase also is due to collections beginning on the new Measure F VRF.
- The General Fund reported a net decrease in fund balance at February 29, 2012 of $34 thousand or 13.6% from the fund balance at June 30, 2011.

Overview of the Financial Statements

As required by the Governmental Accounting Standards Board, the Agency's principal financial statements include the following:

- A Statement of Net Assets (presenting Government-wide assets and liabilities)
- A Statement of Activities (presenting Government-wide revenues and expenses)
- A Balance Sheet (presenting assets and liabilities for the General Fund, Capital Projects Fund, Exchange Fund and the Special Revenue Funds, which include the Vehicle Registration Fee (VRF) Fund and the Transportation for Clean Air (TFCA) Fund.
- A Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (presenting revenues and expenditures by fund)
- A Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the General Fund (presenting budget versus actual revenues and expenditures)
- A Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Vehicle Registration Fee Special Revenue Fund (presenting budget versus actual revenues and expenditures)

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

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

The *fund financial statements* provide more detailed information by fund. A fund is a set of accounts used to control resources segregated for specific activities or purposes. The Agency has established funds to ensure resources are utilized for the purposes intended. Funds classified as major are required to be reported individually on the financial statements and funds classified as nonmajor can be grouped and reported in a single column. The Agency has only one fund which is not considered major, the TFCA Fund, therefore it also is presented separately on the fund financial statements.

The Agency has five funds: the General Fund, Capital Projects Fund, Exchange Fund, and two Special Revenue Funds, including the VRF Fund and the TFCA Fund.

General Fund – The Agency uses the General Fund as its chief operating fund. This fund is used for administering and preparing the Congestion Management Plan and for programming federal, state, and local funds to implement the Congestion Management Plan. Historically this fund was also used to implement projects in the Congestion Management Plan which were sponsored by the Agency; however, effective July 1, 2010, the Agency established the Capital Projects Fund for this purpose. The fund balance in the General Fund decreased by $34 thousand leaving an ending fund balance of $0.2 million at February 29, 2012.

Capital Projects Fund – This fund is used to account for capital projects designed to implement the Congestion Management Plan for Alameda County. The amount of capital project revenues and expenditures for the period July 1, 2011 through February 29, 2012 were $16.9 million and $16.4 million, respectively, with the difference transferred to the General Fund to help cover administration costs.

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

The Agency has entered into the following exchange agreements through February 29, 2012:

Alameda County Transportation Improvement Authority	$ 2,300,000
Alameda-Contra Costa Transit	35,060,514
Bay Area Rapid Transit	8,100,000
City of Berkeley	259,560
City of Dublin	4,230,000
City of Fremont	5,983,256
City of Livermore	4,580,000
City of Union City	9,314,000
Metropolitan Transportation Commission	675,000
San Joaquin Regional Rail Commission	432,445
Santa Clara Valley Transportation Authority	558,000
Total Exchanged Funds	$ 71,492,775

These exchanges were recognized as deferred revenue in the government-wide financial statements at the time the Agency entered into exchange agreements, and are being recognized as revenue when qualifying expenses are incurred. $63.8 million of these exchanged funds have been collected and $59.1 million has been expended as of February 29, 2012.

Special Revenue Funds – The Agency has two Special Revenue Funds, the VRF Fund and the TFCA Fund. Both are related to fees imposed on vehicle registrations in Alameda County for which the Agency is required to administer funds. These two Special Revenue Funds have been established to administer and account for these funds separately from other funding sources of the Agency to ensure that they are spent on the specific purpose intended.

The VRF funds are required to be used to implement transportation related programs and projects. 60% of net VRF collections are designated for local road improvements and repairs and will be allocated to the cities and County of Alameda automatically on a pass through basis by planning area based on a formula which was approved by the voters of Alameda County in Measure F on the November 2010 ballot. The remaining 40% designated for transit for congestion relief programs, local transportation technology programs, pedestrian, bicyclist access, and safety programs will be distributed on a discretionary basis by planning area. Subsequent to February 29, 2012, Master Program Funding Agreements were executed with the cities and County of Alameda to govern the flow of VRF funds. Pass through funding for local road improvements and repairs began flowing to the cities and County of Alameda in June 2012.

The TFCA funds are required to be used to implement projects aimed at reducing air pollution from motor vehicles. During the period July 1, 2011 through February 29, 2012, the Agency has provided funding to various sponsors for projects including, but not limited to, Livermore Amador Valley Transit Authority for the 111 Broadway shuttle, California State University East Bay for their second campus shuttle to Bay Area Rapid Transit (BART), various sponsors for the Route 9 Hacienda transit and the City of Berkeley and the Agency for the Webster Street SMART Corridor project.

Government-wide Financial Analysis

Net Assets

As of February 29, 2012, total assets were $61.9 million, an increase of $2.9 million or 4.9% over June 30, 2011 with cash and investments accounting for $30.7 million or 49.5% of this amount.

Total liabilities were $44.4 million as of February 29, 2012, a decrease of $4.6 million, or 9.4% from June 30, 2011. Similarly, accounts receivable were $31.1 million as of February 29, 2012, a decrease of $3.6 million, or 10.5%.

Net assets were $17.5 million at February 29, 2012, an increase of $7.5 million, or 75.8% over June 30, 2011. Of the total $17.5 million in net assets at February 29, 2012, $17.1 million is restricted for transportation planning and construction.

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

Net Assets
As of February 29, 2012 and June 30, 2011

	Governmental Activities	
	Feb. 29, 2012	**2011**
Cash and investments	$ 30,664,728	$ 24,011,003
Receivables		
Accounts Receivable	31,082,285	34,715,297
Interest	20,116	22,606
Prepaid Items	-	24,149
Capital assets net of Depreciation		
Furniture and equipment	83,792	135,714
Building Improvements	47,582	85,646
Automobile	-	-
Total assets	$ 61,898,503	$ 58,994,415
Accounts payable & other liabilities	$ 15,256,521	$ 17,590,653
Deferred Revenue	29,157,022	31,455,871
Total liabilities	44,413,543	49,046,524
Invested in Capital Assets	131,374	221,360
Transportation Planning and Construction	17,138,020	9,476,992
Unrestricted	215,566	249,539
Total net assets	17,484,960	9,947,891
Total liabilities and net assets	$ 61,898,503	$ 58,994,415

Change in Net Assets

Total revenues for the period July 1, 2011 through February 29, 2012 were $29.4 million, a decrease of $14.8 million or 33.4% from fiscal year 2010-11. Total revenues in fiscal year 2010-11 were $44.1 million, a decrease of $11.3 million or 20.3% from fiscal year 2009-10. Total expenses for the period July 1, 2011 through February 29, 2012 were $21.8 million, a decrease of $21.6 million or 49.7% from fiscal year 2010-11 and total expenses in fiscal year 2010-11 were $43.5 million, a decrease of $11.4 million or 20.8% from fiscal year 2009-10. The decreases in the period July 1, 2011 through February 29, 2012 can be attributed to the shortened reporting period.

The following are changes in the key activities that, for the most part, also have reported decreases for the period from the prior fiscal year due to the abbreviated reporting period:

- Capital grants and contributions during the period July 1, 2011 through February 29, 2012 were $15.2 million, a decrease of $13.9 million or 47.9% from fiscal year 2010-11.

- Operating grants and contributions for the period July 1, 2011 through February 29, 2012 were $13.2 million, a decrease of $0.6 million or 4.1% from fiscal year 2010-11.

- Administration expenses for the period July 1, 2011 through February 29, 2012 were $3.7 million, a decrease of $1.6 million or 30.7% from fiscal year 2010-11.

- Capital project expenses for the period July 1, 2011 through February 29, 2012 were $14.8 million, a decrease of $13.4 million or 47.6% from fiscal year 2010-11.

- Exchange Fund expenses for the period July 1, 2011 through February 29, 2012 were $1.7 million, a decrease of $5.3 million or 75.5% from fiscal year 2010-11 due to a reassessment of the program by management.

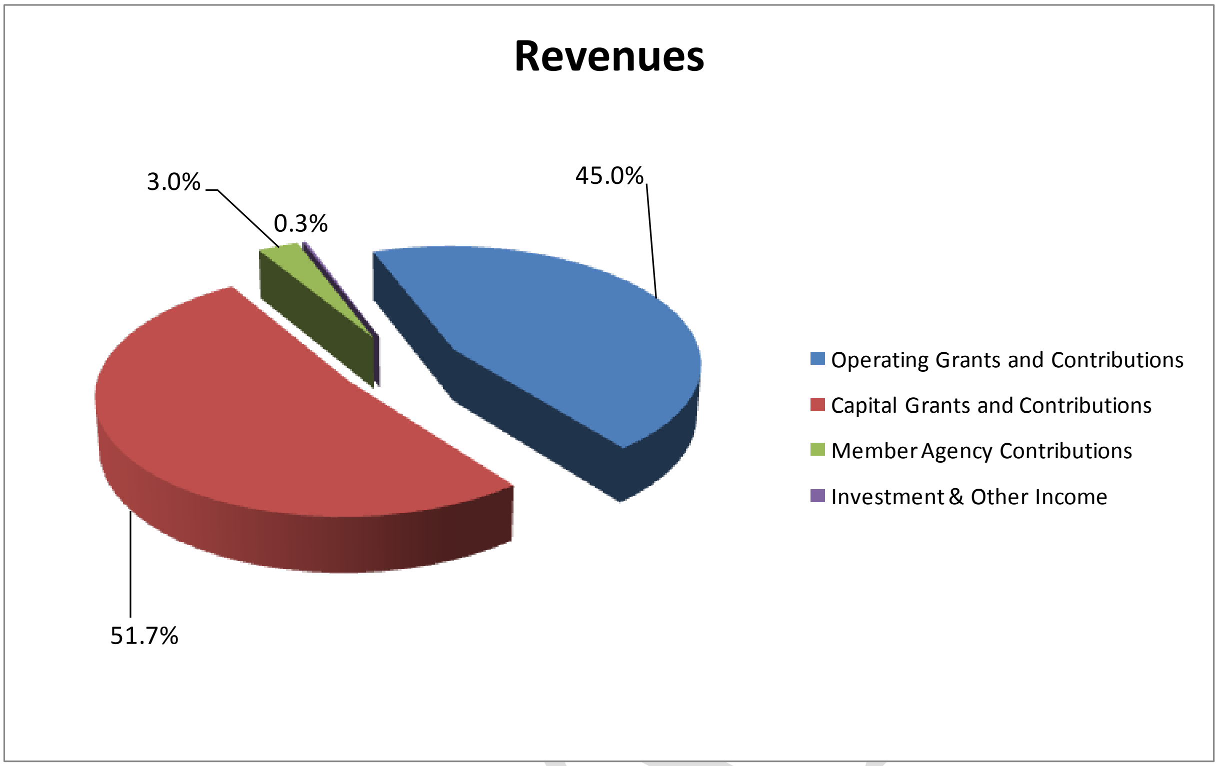
- Vehicle Registration Fee Fund expenses for the period July 1, 2011 through February 29, 2012 were $0.3 million, a decrease of $0.5 million or 66.6% from fiscal year 2010-11. Pass through distributions were not made from this fund until Master Program Funding Agreements had been executed by all participating agencies.

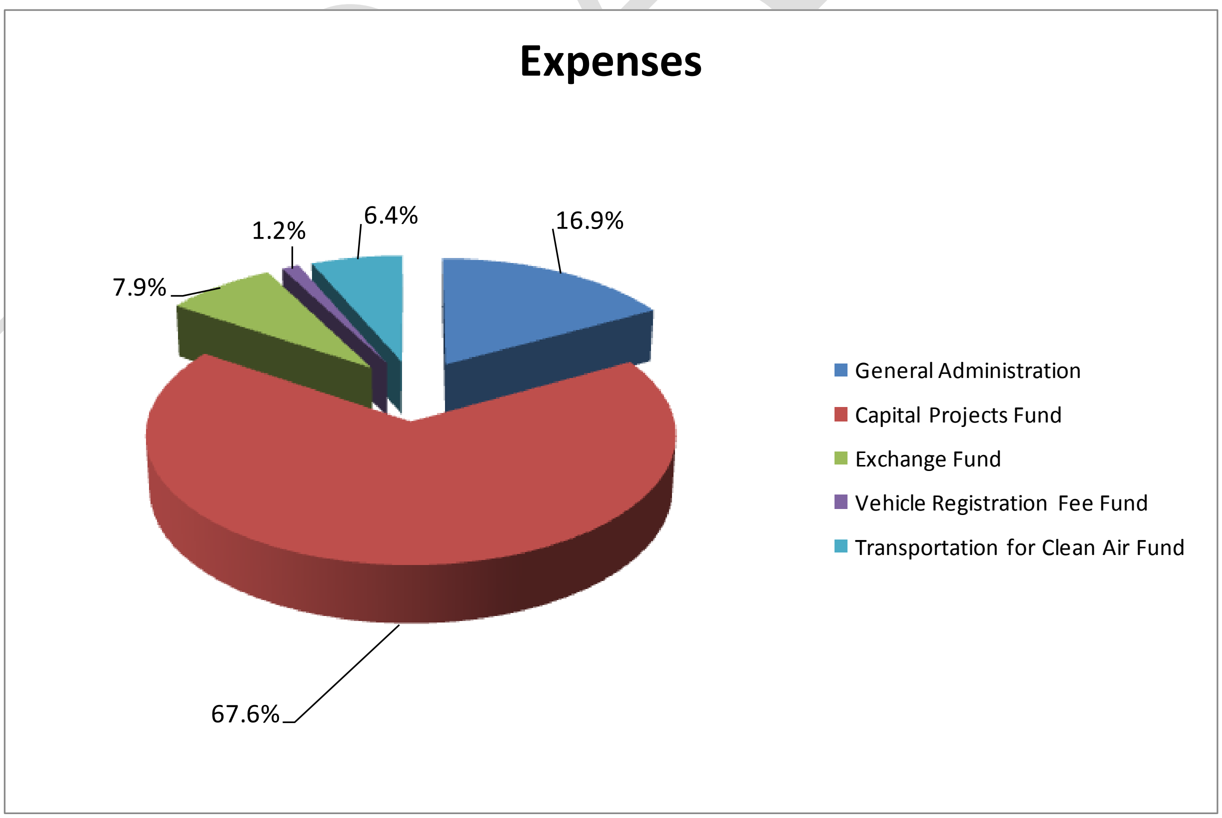
- Transportation for Clean Air Fund expenses for the period July 1, 2011 through February 29, 2012 were $1.4 million, a decrease of $0.7 million or 33.5% from fiscal year 2010-11.

In the period July 1, 2011 through February 29, 2012, revenues exceeded expenses by $7.5 million, resulting in an increase to net assets, which were $17.5 million at February 29, 2012. In fiscal year 2010-11, revenues exceeded expenses by $0.7 million, resulting in an increase to net asset, which were $9.9 million at June 30, 2011.

Changes in Net Assets
For the period ended February 29, 2012 and fiscal year ended June 30, 2011

	Governmental Activities	
	Feb. 29, 2012	**2011**
Revenues		
Program revenues:		
Operating grants and contributions	$ 13,210,644	$ 13,776,147
Capital grants and contributions	15,193,554	29,135,906
General revenues:		
Member Agency Contributions	877,245	1,095,338
Investment Income	78,887	119,194
Other Income	24,466	15,251
Total revenues	29,384,796	44,141,836
Expenses		
General Fund	3,693,354	5,332,963
Capital Projects Fund	14,757,293	28,172,961
Exchange Fund	1,719,972	7,032,662
Vehicle Registration Fee Fund	269,930	807,290
Transportation for Clean Air Fund	1,407,178	2,116,693
Total expenses	21,847,727	43,462,569
Change in net assets	7,537,069	679,267
Net assets, beginning of year	9,947,891	9,268,624
Net assets, end of year	$ 17,484,960	$ 9,947,891


Revenues
45.0%
3.0%
0.3%
51.7%
Operating Grants and Contributions
Capital Grants and Contributions
Member Agency Contributions
Investment & Other Income


Expenses
16.9%
6.4%
1.2%
7.9%
67.6%
General Administration
Capital Projects Fund
Exchange Fund
Vehicle Registration Fee Fund
Transportation for Clean Air Fund

Governmental Funds Financial Analysis

As of February 29, 2012, the Agency had $17.4 million of fund balance in the governmental funds: $0.2 million in the General Fund, $4.6 million in the Exchange Fund, $8.8 million in the VRF Fund, and $3.7 million in the TFCA. This is an increase from June 30, 2011 of $7.6 million or 78.4%. The increase is due to collections for the new VRF Special Revenue Fund.

The excess of revenues over expenditures in the capital projects fund of $0.5 million during the period July 1, 2011 through February 29, 2012 is generated due to the reimbursement of overhead costs, which are billed to funding agencies as a percentage of salaries based on an Indirect Cost Allocation Rate audited and approved by Caltrans on an annual basis. This balance is transferred to the General Fund at the end of the period to cover costs incurred by the Agency to administer capital projects.

As of February 29, 2012, the Agency had $29.4 million of revenues in the governmental funds: $3.4 million in the General Fund, $16.9 million in the Capital Projects Fund, $1.7 million in the Exchange Fund, $8.1 million in the VRF Fund, $1.2 million in the TFCA Fund less $2.0 million of inter-fund revenues which have been eliminated on a consolidated basis. This is a decrease from June 30, 2011 of $14.8 million or 33.4%. This decrease is primarily due to the shortened reporting period.

As of February 29, 2012, the Agency had $21.8 million of expenditures in the governmental funds: $3.9 million in the General Fund, $16.4 million in the Capital Projects Fund, $1.7 million in the Exchange Fund, $0.3 million in the VRF Fund, $1.4 million in the TFCA Fund less $2.0 million of inter-fund expenditures which have been eliminated on a consolidated basis. This is a decrease from June 30, 2011 of $21.6 million or 49.8%. This decrease is primarily due to the abbreviated reporting period.

As of February 29, 2012, the Agency had $54.1 million of assets in the governmental funds: $8.2 million in the General Fund, $34.7 million in the Capital Projects Fund, $11.5 million in the Exchange Fund, $9.1 million in the VRF Fund, $4.9 million in the TFCA Fund less $14.3 million of inter-fund receivables which have been eliminated on a consolidated basis. This is an increase over June 30, 2011 of $3.0 million or 5.9% mostly due to collections for of the new VRF.

As of February 29, 2012, the Agency had $36.8 million of liabilities in the governmental funds: $8.0 million in the General Fund, $34.7 million in the Capital Projects Fund, $6.9 million in the Exchange Fund, $0.3 million in the VRF Fund, $1.2 million in the TFCA Fund less $14.3 million of inter-fund payables which have been eliminated on a consolidated basis. This is a decrease from June 30, 2011 of $4.6 million or 11.2%.

Capital Assets

As of February 29, 2012, the Agency had $131,374 invested in capital assets, including furniture, equipment and leasehold improvements. There were no capital asset additions or dispositions during the period July 1, 2011 through February 29, 2012.

Table A-3
The Alameda County Congestion Management Agency
Capital Assets
(net of accumulated depreciation)
As of February 29, 2012 and June 30, 2011

	Feb. 29, 2012	2011
Furniture and Equipment	$ 83,793	$ 135,714
Leasehold improvements	47,581	85,646
Total	$ 131,374	$ 221,360

Comparison of Budget to Actual

General Fund - As shown on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual for the General Fund on page 36, the Agency began the period with a revenue budget of $4.6 million less an expenditure budget of $4.1 million. Throughout the period, the revenue budget was adjusted to $5.4 million and the expenditure budget was adjusted to $5.1 million. These changes were mostly due to a planned increase in efforts to complete the required Countywide Transportation Plan.

Actual revenues in the General Fund were under the final revenue budget by $1.5 million or 28.4% and expenditures were under the final expenditure budget by $1.2 million or 23.1% for the period. These variances are mostly related to planning and programming activities in the General Fund which are billed to funding agencies on a reimbursement basis. Since expenditures were below budget, consequently so were revenues. The disparity in the budgetary difference, with the revenues variance more than the expenditure variance, is because overhead recovery amounts are included as General Fund revenues in the budget. These amounts are invoiced to billing agencies at an indirect cost allocation rate audited and approved on an annual basis by Caltrans as a percentage of salaries and benefits costs. This methodology helps to reimburse the Agency for the cost of administering planning and programming activities.

Summary of Known Facts, Decisions, or Conditions

Alameda County Transportation Commission - The Agency, along with the Alameda County Transportation Improvement Authority (ACTIA), formally became members of the Alameda County Transportation Commission (Alameda CTC), a Joint Powers Agency, on July 22, 2010. For a variety of reasons, including issues related to contracting with CalPERS and other required administrative tasks, the Agency and ACTIA continued to exist through February 29, 2012 when the former agencies were legally dissolved and the Alameda CTC became the successor agency. As part of the Joint Powers Agreement, the Agency and ACTIA delegated their authority to the Alameda CTC including all activities and responsibilities. The Alameda CTC approved the first consolidated Alameda CTC budget for fiscal year 2011-12 at its June 2011 Commission meeting, and the financial databases for the Agency and ACTIA were consolidated as of July 2011 in time for the new fiscal year.

Sunol Smart Carpool Lane - A Joint Powers Agreement (Agreement) between the Agency, ACTIA, and the Santa Clara Valley Transportation Authority established the Sunol Smart Carpool Lane (Lane), which created the Sunol Smart Carpool Lane Joint Powers Authority (Authority). The Agreement named the Agency as the managing agency for the project on behalf of the Authority. The Lane began operations on September 20, 2010 gaining its authority to operate in California through State law amended by 2004 legislation, AB 2032. During the transition/warranty period from construction to full operations, the Agency agreed to cover the cost of operations on behalf of the Authority via its capital project program funded by various federal, state and local sources through June 30, 2012. Since inception, the Lane has continued to show growth in revenues and riders from week to week and is expected to be independently sustainable in the near future.

Vehicle Registration Fee - In November 2010, a majority (62.8%) of Alameda County voters approved Measure F to fund transportation related programs and projects. Measure F added $10 to all motor vehicle registration fees collected by the Department of Motor Vehicles. The Expenditure Plan approved with the measure allocates revenue from the VRF to transportation-related programs and projects that must have a relationship or benefit to the persons who pay the fee and also must sustain the County's transportation network and reduce traffic congestion and vehicle-related pollution. The measure is expected to generate approximately $11 million annually which will be distributed net of administrative costs based on the approved Expenditure Plan in the following manner:

- Local Road Improvement and Repair Program (60%)
- Transit for Congestion Relief Program (25%)
- Local Transportation Technology Program (10%)
- Pedestrian and Bicyclist Safety Program (5%)

Countywide Transportation Plan - A key Agency project during the period July 1, 2011 through February 29, 2012 has been working in conjunction with ACTIA towards developing a Countywide Transportation Plan (CWTP) for Alameda County. The CWTP is a long-range policy document that guides decisions and articulates the vision for the County's transportation system over a 25-year planning horizon. It lays the groundwork for an investment program that is efficient and productive as well as a strategy for meeting transportation needs for all users in Alameda County. It includes projects and other improvements for new and existing freeways, local streets and roads, public transit (paratransit, buses, trains, ferries), as well as facilities and programs to support bicycling and walking. The CWTP will serve as Alameda County's input into the Metropolitan Transportation Commission's Regional Transportation Plan (RTP) from which much of Alameda County's transportation funding is derived. The Agency and ACTIA staff engaged the community to provide input into the process to help prioritize transportation improvements. For the first time, the CWTP and RTP for the Bay Area will require Alameda County to meet greenhouse gas (GHG) emission reduction targets set by the State of California under SB 375. The target is a 7% GHG reduction by 2020, and a 15% GHG reduction by 2035. To address SB 375 requirements and other needs, the CWTP will address transit-oriented development and priority development areas; parking management; transportation systems management and goods movement; as well as transit connectivity, maintenance and operations.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for all those interested in government finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Art Dao, Executive Director, or Patricia Reavey, Director of Finance, at 1333 Broadway, Suite 220, Oakland, CA 94612.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

STATEMENT OF NET ASSETS
FEBRUARY 29, 2012

ASSETS	
Cash and investments	$ 5,430,749
Restricted cash and investments	25,233,979
Accounts receivable	31,082,285
Interest receiveable	20,116
Capital assets, net of accumulated depreciation	131,374
Total Assets	61,898,503
LIABILITIES	
Account payable	944,054
Accrued liabilities	9,312,467
Deferred revenue	29,157,022
Loan payable	5,000,000
Total Liabilities	44,413,543
NET ASSETS	
Investment in capital assets	131,374
Restricted for planning and construction	17,138,020
Unrestricted	215,566
Total Net Assets	$ 17,484,960

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

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

STATEMENT OF ACTIVITIES
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2012

Functions/Programs	Expenses	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Total Governmental Activities
Governmental Activities:				
Administration	$ 2,813,012	$ -	$ -	$ (2,813,012)
Congestion Management	19,034,715	13,210,644	15,193,554	9,369,483
Total Governmental Activities	$ 21,847,727	$ 13,210,644	$ 15,193,554	6,556,471
	General revenues and subventions:			
	Member agency fees			877,245
	Interest and investment earnings			78,887
	Other revenues			24,466
	Subtotal, General Revenues			980,598
	Change in Net Assets			7,537,069
	Net Assets - Beginning			9,947,891
	Net Assets - Ending			$ 17,484,960

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

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

GOVERNMENTAL FUNDS
BALANCE SHEET
FEBRUARY 29, 2012

	General Fund	Capital Projects Fund	Exchange Fund	Vehicle Registration Fund	Nonmajor Transportation For Clean Air Fund	Interfund Eliminations	Total Governmental Funds
ASSETS							
Cash and investments	$5,430,749	$ -	$ -	$ -	$ -	$ -	$ 5,430,749
Restricted cash and investments	-	14,549,067	1,112,941	5,939,464	3,632,507		25,233,979
Accounts receivable	2,756,062	20,153,232	-	1,936,263	1,287,766	(2,704,340)	23,428,983
Interest receiveable	1,618	11,387	1,493	3,258	2,360		20,116
Due from other funds	-	-	10,385,900	1,175,888	-	(11,561,788)	-
Total Assets	$8,188,429	$34,713,686	$11,500,334	$9,054,873	$ 4,922,633	$(14,266,128)	$54,113,827
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 95,911	$ 848,143	$ -	$ -	$ -	$ -	$ 944,054
Accrued liabilities	666,662	7,763,634	2,105,495	304,595	1,176,421	(2,704,340)	9,312,467
Due to other funds	2,000,283	9,561,505	-	-	-	(11,561,788)	-
Deferred revenue	210,007	16,540,404	4,753,309	-	-	-	21,503,720
Loan payable	5,000,000	-	-	-	-	-	5,000,000
Total Liabilities	7,972,863	34,713,686	6,858,804	304,595	1,176,421	(14,266,128)	36,760,241
Fund Balances							
Restricted							
Transportation Fund for Clean Air	-	-	-	-	3,746,212	-	3,746,212
Vehicle registration	-	-	-	8,750,278	-	-	8,750,278
Assigned	-	-	4,641,530	-	-	-	4,641,530
Unassigned	215,566	-	-	-	-	-	215,566
Total Fund Balances	215,566	-	4,641,530	8,750,278	3,746,212	-	17,353,586
Total Liabilities and Fund Balances	$8,188,429	$34,713,686	$11,500,334	$9,054,873	$ 4,922,633	$(14,266,128)	$54,113,827

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

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS
FEBRUARY 29, 2012

Reconciliation of Fund Balances of Governmental Funds to Net Assets on the Statement of Net Assets:

Fund Balances on governmental funds Balance Sheet	$ 17,353,586
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	131,374
Certain long-term receivables are recognized on the Statement of Net Assets, but because these receivables are not available as current resources, they are not recognized on the governmental funds' balance sheet.	7,653,302
Certain deferrals of revenue are recognized on the Statement of Net Assets, but because these deferrals of revenues are not available as current resources, they are not recognized on the governmental funds' balance sheet.	(7,653,302)
Net Assets on Statement of Net Assets	$ 17,484,960

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

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2012

	General Fund	Capital Projects Fund	Exchange Fund	Vehicle Registration Fund	Nonmajor Transportation For Clean Air Fund	Interfund Eliminations	Total Governmental Funds
REVENUES							
Grant revenue							
MTC	$ 1,180,107	$ 3,817,878	$ -	$ -	$ -	$ -	$ 4,997,985
CalTrans	453,895	15,887,893	-	-	-	-	16,341,788
TFCA	206,893	144,968	-	-	1,227,674	(351,861)	1,227,674
ACTIA	201,916	(5,936,394)	-	-	-	-	(5,734,478)
Other	353,559	1,424,177	1,719,972	-	-	-	3,497,708
Member agency fees	877,245	-	-	-	-	-	877,245
Exchange program funds	34,960	1,321,098	-	-	-	(1,356,058)	-
Vehicle registration fees	59,777	210,153	-	8,073,521	-	(269,930)	8,073,521
Investment income	(20,399)	62,345	8,812	14,706	13,423	-	78,887
Other	24,466	-	-	-	-	-	24,466
Total Revenues	3,372,419	16,932,118	1,728,784	8,088,227	1,241,097	(1,977,849)	29,384,796
EXPENDITURES							
Administration							
Salaries and benefits	1,801,900	182,394	-	-	-	-	1,984,294
Board operations	45,075	-	-	-	-	-	45,075
Travel and transportation	2,753	-	-	-	-	-	2,753
Office space	304,862	-	-	-	-	-	304,862
Office and related costs	174,678	-	-	-	-	-	174,678
Legal counsel	105,322	-	-	-	-	-	105,322
Annual audit	15,149	-	-	-	-	-	15,149
Professional services	53,305	-	-	-	-	-	53,305
Legislative advocacy	37,588	-	-	-	-	-	37,588
Congestion Management							-
Contractors	1,364,366	16,251,118	1,685,012	-	-	(1,321,098)	17,979,398
Administration	-	-	34,960	59,777	71,223	(165,960)	-
TFCA grant program	-	-	-	-	1,335,955	(280,638)	1,055,317
VRF grant program	-	-	-	210,153	-	(210,153)	-
Total Expenditures	3,904,998	16,433,512	1,719,972	269,930	1,407,178	(1,977,849)	21,757,741
Excess (Deficiency) of Revenues Over Expenditures	(532,579)	498,606	8,812	7,818,297	(166,081)	-	7,627,055
Other Financing Uses							
Operating Transfers In	498,606	-	-	-	-	-	498,606
Operating Transfer Out	-	(498,606)	-	-	-	-	(498,606)
NET CHANGE IN FUND BALANCES	(33,973)	-	8,812	7,818,297	(166,081)	-	7,627,055
Fund Balances - Beginning	249,539	-	4,632,718	931,981	3,912,293	-	9,726,531
Fund Balances - Ending	$ 215,566	$ -	$ 4,641,530	$ 8,750,278	$ 3,746,212	$ -	$ 17,353,586

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

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2012

Reconciliation of Net Change in Fund Balances of Governmental Funds to Change in Net Assets on Statement of Activities:

Net Change in Fund Balances on governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances	$ 7,627,055
Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures, however for governmental activities those costs are capitalized in the Statement of Net Assets and allocated over the estimated useful life of the asset as depreciation.	(89,986)
Change in Net Assets on Statement of Activities	$ 7,537,069

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

NOTE 1 - REPORTING ENTITY

In June 1990, California voters approved a fuel tax increase as part of Propositions 111 and 108. To receive a share of the fuel tax revenues, local governments must conform to a congestion management program (CMP). The Alameda County Congestion Management Agency (the Agency) was created by a joint powers agreement dated February 20, 1991 between Alameda County, all fourteen cities in the County and four transit operators (the Member Agencies). The Agency is responsible for preparing, adopting, revising, amending, administering, and implementing the CMP and the countywide transportation plan (CWTP) for Alameda County pursuant to Section 65088 et seq. of the Government Code, and providing other transportation planning and programming functions. The agreement provides for the sharing of the costs among the member agencies.

As an extension of its legislatively mandated activities, the Agency also initiates a variety of studies, programs, and projects that serve to implement the CMP and CWTP. Current and future studies include:

- PDA Investment and Growth Strategy
- Complete Streets Policy
- Countywide Transit Plan
- Countywide Goods Movement Plan
- Countywide Transportation Demand Management/Parking Management Plan
- Automobile Trips Generated Feasibility Study, and
- Countywide Travel Demand Model Update

In addition, the Agency works closely with the California Department of Transportation, the Alameda County Transportation Improvement Authority (ACTIA), and other Federal, state and local agencies to implement projects and programs aimed at reducing congestion and improving mobility and air quality in Alameda County. Examples of projects currently being sponsored by the Agency include the following:

- I-80 Integrated Corridor Mobility Project
- I-880 North Safety & Operations Improvements
- I-880 Southbound High Occupancy Vehicle (HOV) Lane
- I-580 Eastbound Express and Auxiliary Lanes
- I-580 East & Westbound HOV Lanes
- I-680 Northbound Express Lane & HOV Project

Each of the projects and programs sponsored by the Agency is funded through one or more federal, state or local grants. The Agency is reimbursed from the grants as eligible program or project implementation costs are incurred. Administrative and staff costs associated with implementing the legislatively mandated activities, such as the CMP and CWTP, as well as the programming of federal and state transportation funds through the Metropolitan Transportation Commission (MTC) and the California Transportation Commission are met through planning, programming and monitoring grants, Member Agency annual dues, and other local funding sources.

The board is composed of one representative from each of the four transit operators, two representatives from the County of Alameda, one representative per hundred-thousand populations from each city in the County, and one representative from the Bay Area Air Quality Management District. Each city’s representation is adjusted following each national census.

On March 25, 2010, the Agency, ACTIA, the County of Alameda, the fourteen cities within Alameda County, the Bay Area Rapid Transit District and the Alameda-Contra Costa Transit District entered into a Joint Powers Agreement (JPA). On June 24, 2010, the Boards of ACTIA and the Agency gave the final approval that created a joint powers agency, pursuant to the California Joint Exercise of Powers Act, known as the Alameda County Transportation Commission (Alameda CTC). On July 22, 2010, the Agency along with ACTIA joined the Alameda CTC joint powers authority.

On February 29, 2012, the Agency's and ACTIA's Boards of Directors at a joint meeting adopted a resolution to transfer all of the Agency's and ACTIA's assets, responsibilities, functions, and liabilities to Alameda CTC effective March 1, 2012. Therefore, these financial statements purport the financial activities and the financial position of the Agency as of and for the eight months ended February 29, 2012.

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. The Alameda CTC has all of the powers, functions, and responsibilities of both agencies along with certain additional powers as described in the JPA.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Government-wide and Fund Financial Statements

The government-wide financial statements report information on all activities of the Agency. The effect of inter-fund activity has been eliminated from these statements.

The Statement of Net Assets 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. 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 the direct expenses are offset by program revenues. Direct expenses are those that are clearly identifiable with the Agency's primary functions. Program revenues consist of grants and contributions that are restricted to meeting operational or capital requirements. Interest and other revenues not included in program revenues are reported as general revenues.

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

The Agency uses the following major funds:

General Fund - The General Fund is the general operating fund of the Agency. Its purpose is to account for all financial resources and transactions not accounted for in another fund.

Capital Projects Fund - The Capital Projects Fund accounts for the proceeds and expenditures related to the construction of capital improvement projects implemented to reduce congestion or improve mobility in Alameda County. The Agency does not retain ownership of these improvements. They are transferred to the sponsor or managing jurisdiction upon completion.

Exchange Fund - The Exchange Fund is a capital projects fund accounting for the proceeds and expenditures of the Agency's Exchange Program, which is described in more detail in Note 5.

Vehicle Registration Fee Fund - The Vehicle Registration Fee Fund accounts for the Measure F Vehicle Registration Fee (VRF) Program approved by the voters in November 2010. Collection of the $10 per year per vehicle registration fee started with vehicle registrations due to the Department of Motor Vehicles 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.

The Agency uses the following nonmajor fund:

Transportation for Clean Air Fund - The Transportation for Clean Air (TFCA) Fund accounts for a four-dollar fee imposed in Alameda County per vehicle registration to support projects of the Bay Area Air Quality Management District (BAAQMD). Of the total collections, BAAQMD passes 40% of the proceeds to the Agency who is tasked with "programming" those revenues for various projects. The Transportation for Clean Air Fund accounts for this activity.

Measurement Focus and Basis of Accounting

The Agency's 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 collectible within the current period or soon thereafter to pay current liabilities. The Agency considers revenues available if they are collected within six months after fiscal year end.

Expenditures are 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 and current liabilities and the Statement of Revenues, Expenditures, and Changes in Fund Balances presents sources and uses of available resources during a given period. Grant revenues, local matching revenue, and investment income, including the change in the fair value of investments, associated with the current fiscal period are all considered to be subject to accrual and have been recognized as revenues in the current reporting period using the modified accrual basis of accounting.

Net Assets

Net assets are reported in the following categories:

Invested in capital assets - This category includes all capital assets net of accumulated depreciation. The Agency has no capital related debt.

Restricted net assets - This category presents 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. When both restricted and unrestricted net assets are available, unrestricted resources are used only after the restricted resources are depleted.

Unrestricted net assets - This category represents net assets of the Agency that are not restricted for any project or other purpose.

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.

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

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 the Agency intends to be used for specific purposes. Assignments may be established either by the governing body or by a designee of the governing body, and are subject to neither the restricted nor the committed levels of constraint.

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

In circumstances where an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is usually depleted in the order of restricted, committed, assigned, then unassigned.

All of the restricted and assigned funds are required to be used for projects and programs designed to reduce congestion or improve mobility in Alameda County.

Use of Estimates

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

Investments

Investments are stated at fair value. Included in interest 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.

Employee Benefits

Agency policy permits employees to carry up to ten weeks of accrued vacation from year to year depending on the number of years they have been employed by the agency. The accrual for compensated absence as of February 29, 2012 is $119,333. Sick leave benefits do not vest.

Budget

The Agency annually adopts a budget for its General Fund using the modified accrual basis of accounting. Expenditures that exceed the total approved budget are not permitted without Board approval.

The Executive Director is authorized to approve expenditures in excess of budgeted line items within the three primary expenditure categories (personnel, consultants/contractors, and other operating costs) in any amount as long as the total budget within each of the three expenditure categories is not overspent. Appropriation authority lapses at the end of the fiscal year.

NOTE 3 - CASH AND INVESTMENTS

As of February 29, 2012, the Agency's cash and investments were as follows:

Cash in banks	$ 1,198,948
Investment in State Treasurer's Investment Pool	29,465,780
Total cash and investments	$ 30,664,728

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

The Agency mitigates the risk of investment loss as follows:

Credit Risk — Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Agency's investment policy allows investing only in investments carrying minimum credit ratings from A to AA from one or two nationally recognized rating agencies, depending on the investment, and requires diversification in the investment portfolio. The investments in the LAIF are not rated as of February 29, 2012.

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 the Agency. The Agency was not exposed to custodial credit risk because its deposits are in accounts fully insured by the Federal Deposit Insurance Corporation.

Custodial Credit Risk, Investments — Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Agency has a custodial credit risk exposure of $29,465,780 because the related securities are uninsured, unregistered and held by the State's LAIF which is also the counterparty for these securities.

Concentration of Credit Risk — Concentration of credit risk is the risk attributable to the magnitude of investment with any single issuer. The Agency's investment policy limits investments in any one issuer to 5% of the portfolio except for government agency obligations which is limited to 35%, repurchase agreements which is limited to 25-50% depending on the length of maturity, and LAIF for which the policy allows up to the maximum amount permitted by law. There were no investments in any single issuer exceeding 5% of the Agency's portfolio.

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 is of an investment, the greater its sensitivity will be to fair value adjustments due to changes in market interest rates. The Agency manages its exposure to interest rate risk by investing in the state pool LAIF. As reported by the State Treasurer, the weighted average maturity of the LAIF was 239 days on February 29, 2012.

Agency's Investment Policy — The Agency's investment policy limits investments in any one issuer to 5% of the portfolio except for government agency obligations (35%), repurchase agreements (25% to 50% depending on the length of time until maturity), and LAIF which policy allows up to the maximum amount permitted by law. Investments authorized by the Agency's investment policy include:

- United States Treasury Bills and Notes
- Federal Agency Obligations
- State of California and Local Agency Debt Securities
- Bankers' Acceptance
- Commercial Paper
- Repurchase Agreements
- Medium Term Corporate Notes
- Savings/Money Market Accounts
- Mortgage & Asset-Backed Obligations
- Certificates of Deposit
- Mutual Funds
- California Local Agency Investment Fund

NOTE 4 – CAPITAL ASSETS

Property and equipment costing $5,000 or more is capitalized on the Statement of Net Assets at historical cost. Capital assets are depreciated using the straight-line method over the following estimated useful lives: office furniture and equipment, five years; building improvements, remaining term of lease agreement; and automobile, five years.

Capital asset balances at February 29, 2012, and activity during the eight months were as follows:

	July 1, 2011	Additions	February 29, 2012
Capital assets being depreciated			
Office furniture and equipment	$ 540,566	$ -	$ 540,566
Building improvement	322,529	-	322,529
Depreciable capital assets	863,095	-	863,095
Less Accumulated Depreciation			
Office furniture and equipment	404,852	51,921	456,773
Building improvement	236,883	38,065	274,948
Total Accumulated Depreciation	641,735	89,986	731,721
Capital Assets, Net	$ 221,360	$ (89,986)	$ 131,374

NOTE 5 – EXCHANGE PROGRAM

In May 2000, the Board adopted a Local Funds Exchange Program to provide 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. The member agencies include Alameda County, all fourteen cities in the County and four transit operators.

The Agency 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 due to the exchange are treated for financial reporting purposes as deferred revenue. These deferred revenues are recognized as revenues at the time qualifying expenditures are incurred.

The following is a list of the funds exchanged from other governments through February 29, 2012:

Alameda County Transportation Improvement Authority	$ 2,300,000
Alameda-Contra Costa Transit	35,060,514
Bay Area Rapid Transit	8,100,000
City of Berkeley	259,560
City of Dublin	4,230,000
City of Fremont	5,983,256
City of Livermore	4,580,000
City of Union City	9,314,000
Metropolitan Transportation Commission	675,000
San Joaquin Regional Rail Commission	432,445
Santa Clara Valley Transportation Authority	558,000
Total Exchanged Funds	71,492,775
Total expenditures incurred:	
Period ended February 29, 2012	(1,719,972)
Previous years	(57,366,192)
Total deferred revenue - accrual basis	12,406,611
Less amount not yet collected	(7,653,302)
Total deferred revenue- modified accrual	$ 4,753,309

NOTE 6 - EMPLOYEE RETIREMENT PLAN

All employees are eligible to participate in the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CalPERS provides retirement, disability and death benefits to plan members based on the participant's age, years of service and final compensation. Employees vest after five years of service and can receive the maximum benefit of 2.5% of annual salary at age 55. Employees participate in the Miscellaneous Employee Plan risk pool. Benefit provisions under the plan are established by State statute and Agency resolution.

The Agency is required to contribute the funding requirement amounts for the plan which are determined as of each June 30 on an actuarial basis by CalPERS. Employees have an obligation to contribute eight percent of their salary to the plan; however, the Agency contributed seven percent of this contribution on the employee's behalf through January 31 and five percent through February 29.

CalPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the Agency's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the Agency must pay annually to fund an employee's projected retirement benefit. The actuarial assumptions used to compute contribution requirements are also used to compute the pension benefit obligation.

CalPERS uses the fifteen-year smoothed market method of valuing the plan's assets. An investment rate of return of 7.75% is assumed, a projected salary increase ranging from 3.25% to 14.45%, inflation of 3.0% and payroll growth of 3.25%. Annual salary increases are assumed to vary by duration of service. The Agency's unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a closed 20-year period.

The following table shows the Agency's required contributions and percentage contributed for the current year and each of the preceding two years.

Fiscal Period Ended	Annual Pension Cost (APC)	Percentage of APC Contributions	Net Pension Obligation
February 29, 2012	$ 286,550	100%	$ -
June 30, 2011	491,163	100%	-
June 30, 2010	559,040	100%	-

Audited annual financial statements are available from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709 or online at http://www.calpers.ca.gov/.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Operating Lease

The Agency has entered into an operating lease agreement with CIM/Oakland 1333 Broadway LP through November 30, 2013. This agreement does not contain a purchase option. Future minimum lease payments under these agreements are as follows:

Year Ending June 30,	Lease Payment
2013	$ 475,198
2014	121,656
Total	$ 596,854

Grants

The Agency 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 of the Agency at February 29, 2012.

Litigation

The Agency 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 the Agency at February 29, 2012.

Construction

The Agency has entered into contracts with various contractors for the construction phase of capital projects. As of February 29, 2012, the total outstanding commitments (not paid or accrued) are $8.8 million. The terms range from February 29, 2012 through June 30, 2013 (or acceptance of the work, whichever is earlier).

Funding Agreements

Exchange Fund - The Agency has entered into Exchange agreements with several local governments to provide funding for transportation projects. As of February 29, 2012, the remaining project costs to be paid by the Agency totaled approximately $32.0 million.

Capital Projects Fund - The Sunol Smart Carpool Lane Joint Powers Authority (Sunol JPA) is a joint powers authority, organized in February 2006 pursuant to a Joint Exercise of Powers Resolution (Resolution) among the Agency, ACTIA, and the Santa Clara Valley Transportation Authority. The Resolution was entered into pursuant to the Government Code of the State of California, commencing with Section 6500. The Sunol JPA was formed to plan, design, construct, and administer the operation of a value pricing high-occupancy vehicle program on the Sunol Grade segment of southbound Interstate-680 in Alameda and Santa Clara Counties.

The Sunol JPA was formed as a result of a planning study completed by the Agency and evolved into a capital project. The lane went into operations on September 20, 2010. The Agency was designated the managing agency for the Sunol JPA and has provided administrative, accounting and other support since its inception. The Agency has agreed to cover the costs of operations for the Sunol JPA during the ramp up and warranty period of operations as part of its original capital project through June 30, 2012. During the period of July 1, 2011 through February 29, 2012, the Agency incurred administrative and operating expenses on behalf of the Authority as follows:

Bay Area Toll Authority transaction fees	$	84,415
California Highway Patrol enforcement		80,632
Insurance		18,760
ACCMA staff time		32,543
Legal fees		21,240
Utilities		4,396
Financial Audit		8,915
Other		9,073
	$	259,975

Insurance

The District 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 the Agency's insurance coverage:

Type of Coverage	Deductable	Coverage up to	
General liability	$ 250	$ 2,000,000	aggregate
General liability - Fire	250	300,000	aggregate
General liability - Medical	250	10,000	aggregate
General liability - Automobile	250	1,000,000	aggregate
Property	250	513,700	per occurance
Workers' compensation	-	1,000,000	aggregate
Employment practices	35,000	2,000,000	per occurance
Director & officers	25,000	2,000,000	per occurance
Crime	10,000	1,000,000	aggregate
Umbrella/excess	10,000	2,000,000	aggregate

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

NOTE 8 – INTERFUND ACTIVITY

As of February 29, 2012, the General Fund's interfund liability due to the Exchange Fund for $824,395 and the Capital Projects Fund interfund liability due to the Exchange Fund for $9,561,505 resulted from cash advances for project expenditures. This arrangement is necessary because project funding is received on a reimbursement basis. These amounts will be repaid from revenue received from funding agencies as the Agency is reimbursed for project expenditures.

The Agency also experiences interfund activity when one of the special revenue funds or the Exchange Fund provides funding for a project or program. As of February 29, 2012, the General Fund and the Capital Projects Fund had revenues of $206,893 and $144,968, respectively, from the TFCA Fund, $34,960 and $1,321,098, respectively, from the Exchange Fund and $59,777 and $210,153, respectively, from the VRF Fund. As of February 29, 2012, $2,704,340 of revenues had not yet been paid by the TFCA, Exchange and VRF Funds to the General and Capital Projects Funds. Since the TFCA, Exchange and VRF Funds have already recorded all funds received as revenues and all funding requirements as expenditures, these interfund revenues and related expenditures in the General Fund and the Capital Projects Fund are included in the elimination column of the fund financial statements and are eliminated from the government-wide financial statements.

NOTE 9 – LOAN

The Agency entered into a loan agreement with ACTIA dated March 24, 2011, whereby ACTIA agreed to loan up to $25 million from its Alameda County Transportation Authority (ACTA) Capital Projects Fund, if needed. The outstanding loan payable to ACTIA at February 29, 2012, was $5 million. The loan carries no interest and is repayable to ACTIA when the Agency is in a position to do so, which is expected to be during the fiscal year 2014-15 when current capital projects are through the construction phase. The Agency may repay the loan, in whole or in part, at anytime without penalty.

NOTE 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The Agency participates in the California Employers' Retirement Benefit Trust (CERBT), an agent multiple-employer defined benefit postemployment healthcare plan administered by CalPERS. The CERBT provides lifetime healthcare benefits to retired employees and their eligible family members. These benefit provisions were established and may be amended by the Agency. Agency contributions for retirees will never exceed the amount contributed on behalf of active employees. As of February 29, 2012, the Agency had four eligible retirees.

As of February 1, 2012, the Agency offers retiree health benefits under a Retiree Health Reimbursement Arrangement. Retirees are eligible for benefits if they retire from the Agency under CalPERS within 120 days of employment and have ten years of credited service with CalPERS including at least five years with the Agency. Agency contributions are based on years of public service and the following formula: 50% after ten years with an additional 5% for each additional year of service reaching a maximum of 100% after twenty years of service.

The Agency's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding excess) over a period not to exceed thirty years. The funding policy established by the Agency is to annually contribute the entire ARC amount. The following table shows the components of the Agency's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Agency's net OPEB obligation to the Plan:

Normal Cost at February 29, 2012	$ 65,510
Amortization of UAAL	15,516
Annual Required Contribution (ARC)	81,026
Interest on Prior Year Net OPEB Obligation	-
Adjustment to ARC	-
Annual OPEB Cost (expense)	81,026
Contributions made	(81,026)
Change in Net OPEB Obligation	-
Net OPEB Obligation - Beginning of Fiscal Year	-
Net OPEB Obligation - February 29, 2012	$ -

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

Fiscal Year or Period Ended	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Asset/Obligation
2/29/2012	$ 81,026	$ 81,026	100%	$ -
6/30/2011	142,759	142,759	100%	-
6/30/2010	136,217	136,217	100%	-

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation as of July 1, 2011, the entry age normal cost method was used. The actuarial assumptions included a 7.61% investment rate of return; an annual healthcare cost trend rate varying between 7.3% in calendar year 2013 to 5.5% in 2019 and thereafter; and a 3.25% annual increase in projected payroll. The UAAL is being amortized on a level dollar approach on a closed basis over 30 years beginning in fiscal year 2007-08. The remaining amortization period is 26 years.

The schedule of funding progress presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. As of July 1, 2011, the most recent actuarial valuation date, the Plan was one-hundred percent funded. The actuarial accrued liability for benefits was $1,425,632 and the actuarial value of assets was $1,073,937, resulting in an UAAL of $351,695. The covered payroll (annual payroll of active employees covered by the Plan) was $2,832,511 and the ratio of the UAAL to the covered payroll was twelve percent.

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Unprojected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
June 30, 2011	$ 1,073,937	$ 1,425,632	$ 351,695	75%	$ 2,832,511	12%
June 30, 2010	727,326	1,143,281	415,955	64%	2,813,500	15%
June 30, 2009	556,291	972,130	415,839	57%	2,907,338	14%

The CERBT issues a publicly available financial report that may be obtained from CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, CA 93811.

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, $4 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 transits improvements or for rolling stock procurement, rehabilitation, or replacement.

During the current reporting period, the Agency received $319,726 and expended $159,509. The proceeds available for obligation at February 29, 2012 are $243,973. The following table summarizes the activity during the year:

Prior year available proceeds	$ 80,716
Additional grants received	319,726
Interest earned	3,040
Total revenues	403,482
Total expenditures	(159,509)
Total proceeds available	$ 243,973

REQUIRED SUPPLEMENTARY INFORMATION

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE- BUDGET AND ACTUAL- GENERAL FUND FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2012

	Budgeted Amounts			Variance- Final Budget to Actual Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Grant revenues	$ 3,694,673	$ 4,528,889	$ 2,989,713	$ (1,539,176)
Member agency fees	877,245	877,245	877,245	-
Investment income	-	-	(20,399)	(20,399)
Other	53,469	-	24,466	24,466
Total revenues	4,625,387	5,406,134	3,871,025	(1,535,109)
Expenditures				
Administration				
Salaries and benefits	1,432,281	1,514,270	1,801,900	(287,630)
Office space	292,667	305,000	304,862	138
Office and related costs	381,400	320,701	174,678	146,023
Legal counsel	105,000	101,667	105,322	(3,655)
Annual audit	21,333	21,333	15,149	6,184
Other professional services	96,340	116,278	53,305	62,973
Legislative advocacy	41,000	41,000	37,588	3,412
Other	79,187	79,187	47,828	31,359
Congestion Management	1,670,355	2,581,605	1,364,366	1,217,239
Total Expenditures	4,119,563	5,081,041	3,904,998	1,176,043
Net change in fund balance	505,823	325,093	(33,973)	(359,066)
Fund Balance - Beginning	-	249,539	249,539	-
Fund Balance - Ending	$ 505,823	$ 574,632	$ 215,566	$ (359,066)

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET & ACTUAL - VEHICLE REGISTRATION FEE SPECIAL REVENUE FUND FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2012

	Budgeted Amounts			Variance- Final Budget to Actual Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Vehicle registration fees	$ 7,153,000	$ 7,153,000	$ 8,073,521	$ 920,521
Investment income	-	-	14,706	14,706
Total revenues	7,153,000	7,153,000	8,088,227	935,227
Expenditures				
Administration	657,487	140,820	59,777	81,043
VRF grant program	4,286,267	5,362,417	210,153	5,152,264
Total Expenditures	4,943,753	5,503,237	269,930	5,233,307
Net change in fund balance	2,209,247	1,649,763	7,818,297	6,168,534
Fund Balance - Beginning	931,981	931,981	931,981	-
Fund Balance - Ending	$ 3,141,228	$ 2,581,744	$ 8,750,278	$ 6,168,534

SUPPLEMENTARY INFORMATION

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2012

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation			
Passed Through California Department of Transportation			
Highway Planning and Construction [1]	20.205	Not available	
I-580 EB HOT Lane			$ 85,393
ARRA I-580 EB HOT Lane			248,879
Center to Center			225,193
Congestion Management Program			202,544
Countywide Bicycle Plan			4,223
I-580 WB HOT Lane			65,092
ARRA I-580 WB HOT Lane			11,320
I-680 SMART Carpool Lane			75,261
I-80 Glilman Interchange			84,993
I-80 Integrated Corridor Mobility			(183,609)
I-880 Southbound HOV Lane			490,346
I-880 North Safety Improvements			(432,439)
Life Line Transportation			516
MTC Partnership			1,457
MTC Planning			81,788
Countywide Transportation Plan			779,101
Programming Funding			348
Safe Routes to School			314,804
Transportation and Land Use			104,885
Travel Model Support			6,111
Total expenditures of Federal awards			$ 2,166,206

[1] Includes funding from the American Reinvestment and Recovery Act (ARRA)

See accompanying note to supplementary information.

NOTE TO SUPPLEMENTARY INFORMATION
FEBRUARY 29, 2012

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the Agency and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

INDEPENDENT AUDITOR'S REPORTS

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

Governing Board
Alameda County Congestion Management Agency
Oakland, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Alameda County Congestion Management Agency as of and for the eight months ended February 29, 2012, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated _________________, 2012. 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.

Internal Control Over Financial Reporting

Management of the Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of 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*.

This report is intended solely for the information and use of the governing board, management, Federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Palo Alto, California
____________________, 2012

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Governing Board
Alameda County Congestion Management Agency
Oakland, California

Compliance

We have audited the Alameda County Congestion Management Agency's (the Agency) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on the Alameda County Congestion Management Agency's major federal program for the eight months ended February 29, 2012. The Agency's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to major federal programs is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 the Alameda County Congestion Management Agency'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. Our audit does not provide a legal determination of the Agency's compliance with those requirements.

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the eight months ended February 29, 2012.

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Internal Control Over Compliance

The management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Agency's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 the Agency'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.

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 that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the governing board, management, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Palo Alto, California
____________________, 2012

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS
FOR THE PERIOD ENDED FEBRUARY 29, 2012

FINANCIAL STATEMENTS	
Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	None
Significant deficiencies identified?	None reported
Noncompliance material to the financial statements noted?	No
FEDERAL AWARDS	
Internal control over major programs:	
Material weaknesses identified?	None
Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	None

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
20.205 (Includes ARRA)	Highway Planning and Construction (Includes ARRA)

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000
Auditee qualified as low-risk auditee?	No

FINANCIAL STATEMENT FINDINGS
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2012

None reported.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2012

None reported.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2012

There were no audit findings reported in the prior year's schedule of financial statement finding or federal award findings.

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Memorandum

DATE: November 6, 2012

TO: Finance and Administration Committee

FROM: Patricia Reavey, Director of Finance

SUBJECT: **Approval of the ACTIA Draft Audited Basic Financial Statements for the Eight Months Ended February 29, 2012**

Recommendation

It is recommended that the Commission approval and enter into the record the ACTIA's draft Audited Basic Financial Statements for the period July 1, 2011 through February 29, 2012 as audited by the certified public accounting firm of Vavrinek, Trine, Day & Co., LLP and all required reports.

The audited financial statements for the period ended February 29, 2012 and support documents were reviewed in detail by the Alameda County Transportation Commission's (Alameda CTC) audit committee on October 29, 2012.

Summary

Pursuant to California Public Utilities Code Section 180105 and due to the termination of ACTIA as of February 29, 2012, an independent audit was conducted for the eight months ended February 29, 2012 by Vavrinek, Trine, Day & Co., LLP. While all financial statements are the responsibility of management, the auditor's responsibility is to express an opinion on the financial statements based on their audit. As demonstrated in the Independent Auditor's Report on page 2 of the Draft Audited Basic Financial Statements, ACTIA's auditors have reported what is considered to be an unqualified or clean audit.

> "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Alameda County Transportation Improvement Authority, as of February 29, 2012, and the respective changes in financial position for the eight months then ended in conformity with accounting principles generally accepted in the United States of America."

Financial Highlights:

- Total Assets decreased by $22.6 million or 7.3% from $311.7 million to $289.1 million as of February 29, 2012 compared to June 30, 2011. Cash and investments comprised $262.0 million or 90.6% of the total assets as of February 29, 2012.

- Sales tax revenue for all funds was $74.0 million during the period July 1, 2011 through February 29, 2012, a decrease of $31.4 million or 29.8% from fiscal year 2011 due to the abbreviated reporting period.

- Total expenses were $70.2 million during the period July 1, 2011 through February 29, 2012, a decrease of $97.9 million or 58.3% from fiscal year 2011. This amount included $2.9 million for administration, $19.9 million for highways and streets, $23.8 million for public transit and $23.5 million for local transportation.

- Total liabilities decreased $27.6 million or 47.2% from $58.3 million to $30.8 million as of February 29, 2012 compared to June 30, 2011 due to a change in methodology used for capital project accruals during fiscal year 2011.

- Total net asset increased by $4.9 million or 2.0% to $258.3 million as of February 29, 2012 compared to June 30, 2011.

Discussion

As part of the audit process, Vavrinek, Trine, Day & Co., LLP considered ACTIA's internal controls over financial reporting in order to design audit procedures. They have not expressed an opinion on the effectiveness of ACTIA's internal controls; however Vavrinek, Trine, Day & Co., LLP did not identify any deficiencies in internal controls that would be considered a material weakness.

In addition, Vavrinek, Trine, Day & Co., LLP audited the calculation of the limitation ratios required by the Transportation Expenditure Plan which requires that the total cost for salaries and benefits for administrative employees not exceed 1% of sales tax revenues and expenditures for administration, in total, do not exceed 4.5% of sales tax revenues. The ratios for the eight months ended February 29, 2012 are 0.88% for salaries and benefits as a percent of sales tax revenues and 2.63% for total administration costs as a percent of sales tax revenues which are in compliance with the requirements set forth in the Transportation Expenditure Plan.

Vavrinek, Trine, Day & Co., LLP did not perform a Single Audit for the eight months ended February 29, 2012. Per the Office of Management and Budget (OMB) Circular A-133, a single audit is required when a grantee spends $500,000 or more in Federal funds in the fiscal year to provide assurance to the federal government as to the management and use of these funds. ACTIA's federal expenditures were less than the $500,000 threshold during the period July 1, 2011 through February 29, 2012 therefore a Single Audit was not required.

The Audit Committee met on October 29 to review the Draft Audited Basic Financial Statements and the Limitations Worksheet.

Attachments

Attachment A:	ACTIA Basic Financial Statements for the Eight Months Ended February 29, 2012
Attachment B:	ACTIA Limitations Worksheet for the Eight Months Ended February 29, 2012

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

BASIC FINANCIAL STATEMENTS
FEBRUARY 29, 2012

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Governing Board
Alameda County Transportation Improvement Authority
Oakland, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Alameda County Transportation Improvement Authority (the Authority) as of and for the eight months ended February 29, 2012, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion 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; 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Alameda County Transportation Improvement Authority, as of February 29, 2012, and the respective changes in financial position for the eight months then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 1, the Alameda County Transportation Improvement Authority ceased operations on February 29, 2012 and has merged with the Alameda County Transportation Commission.

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Accounting principles generally accepted in the United States of America requires that the management's discussion and analysis and budgetary comparison schedule 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining schedules of the special revenue fund by project or program balance sheet and revenues, expenditures, and change in fund balances are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Palo Alto, California
_________________, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the Alameda County Transportation Improvement Authority's (the Authority) financial position addresses activities for the period July 1, 2011 through February 29, 2012 with comparisons to the two prior fiscal years. Fiscal year 2010 has been restated to include financial information for the Alameda County Transportation Authority (ACTA) for which the Authority assumed all responsibility of functions, assets, and liabilities effective July 1, 2010. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements and related notes contained in the Basic Financial Statement section.

The voters of Alameda County, pursuant to the provisions of the Bay Area County Traffic and Transportation Funding Act, Public Utilities Code Section 131000, et seq., approved Measure B at the General Election held in November 1986, authorizing the collection of a one-half cent transaction and use tax over a 15 year period to address major transportation needs and congestion in Alameda County and giving ACTA the responsibility for the administration of the proceeds of the tax. Although the 1986 tax expired in 2002, a few capital projects are still active and are expected to be completed in the next few years.

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

FINANCIAL HIGHLIGHTS

- Total Assets decreased by $22.6 million or 7.3% from $311.7 million to $289.1 million as of February 29, 2012 compared to June 30, 2011. Cash and investments comprised $262.0 million or 90.6% of the total assets as of February 29, 2012.

- Sales tax revenue for all funds was $74.0 million during the period July 1, 2011 through February 29, 2012, a decrease of $31.4 million or 29.8% from fiscal year 2011 due to the shortened reporting period.

- Total expenses were $70.2 million during the period July 1, 2011 through February 29, 2012, a decrease of $97.9 million or 58.3% from fiscal year 2011. This amount included $2.9 million for administration, $19.9 million for highways and streets, $23.8 million for public transit and $23.5 million for local transportation.

- Total liabilities decreased $27.6 million or 47.2% from $58.3 million to $30.8 million as of February 29, 2012 compared to June 30, 2011 due to a change in methodology used for capital project accruals during fiscal year 2011.

- Total net asset increased by $4.9 million or 2.0% to $258.3 million as of February 29, 2012 compared to June 30, 2011.

OVERVIEW OF THE FINANCIAL STATEMENTS

As required by the Governmental Accounting Standards Board, the Authority's principal financial statements include the following:

- A Statement of Net Assets (presenting Government-wide assets and liabilities)
- A Statement of Activities (presenting Government-wide revenues and expenses)
- A Balance Sheet (presenting assets and liabilities for the governmental funds including the General Fund, ACTIA Capital Projects Fund, ACTA Capital Projects Fund, and the Special Revenue Fund)
- A Statement of Revenues, Expenditures and Change in Fund Balances - Governmental Funds (presenting revenues and expenditures by fund)
- A Statement of Revenues, Expenditures and Change in Fund Balances - Budget and Actual for the General Fund (presenting budget versus actual revenues and expenditures)
- A Statement of Revenues, Expenditures and Change in Fund Balances - Budget and Actual for the Special Revenue Fund (presenting budget versus actual revenues and expenditures)

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

The *government-wide financial statements* report information using the economic resources measurement focus and the accrual basis of accounting. The *Statement of Net Assets* includes total assets and total liabilities with the difference between them reported as net assets. Total revenues, total expenditures, and change in net assets are accounted for in the S*tatement of Activities*, regardless of the timing of related cash flows.

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

The Authority has five major funds: the General Fund, ACTIA Capital Projects Fund, ACTA Capital Projects Fund, Special Revenue Fund, and a Fiduciary Fund.

General Fund – The General Fund is the chief operating fund. The General Fund receives 4.5% of all sales tax revenues to fund the administration of Measure B sales tax funds. Administrative costs are limited to 4.5% of sales tax revenues collected by the Transportation Expenditure Plan (TEP). Administrative salaries and benefits are limited to 1% of sales tax revenues collected by the TEP and the Public Utilities Commission (PUC).

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

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

Special Revenue Fund – The Special Revenue Fund is made up of five programs (subfunds) designed to account for sales tax revenues and expenses related to the implementation of all programs authorized in the 2000 Measure B TEP. These subfunds include the Express Bus Subfund, Paratransit (Service Gap) Subfund, Regional Bicycle and Pedestrian Subfund, Transit-Oriented Development Subfund and the Programs Distribution Subfund.

- *Express Bus Subfund* – The Authority uses the Express Bus Fund to provide funding to transit operators in Alameda County for maintenance of transit services, restoration of service cuts, expansion of transit services, and passenger safety and security.
- *Paratransit (Service Gap) Subfund* - The Authority uses the Paratransit (Service Gap) Subfund to provide funding in Alameda County for special transportation for seniors and people with disabilities.
- *Regional Bicycle and Pedestrian Subfund* – The Authority uses the Regional Bicycle and Pedestrian Subfund to provide funding to the cities and County of Alameda to be spent on planning and construction of bicycle and pedestrian projects.
- *Transit-Oriented Development Subfund* – The Authority uses the Transit-Oriented Development Subfund to provide funding to the cities and County of Alameda to encourage development near transit centers.
- *Programs Distribution Subfund* – The Authority uses the Programs Distribution Subfund to account for local streets and roads and other sales tax revenues that are immediately passed through to the cities and County of Alameda to fund transportation needs based on local priorities.

Fiduciary Fund – The Fiduciary Fund is used to account for a trust set up to accumulate funds for post-employment benefits other than pensions for retirees. Fiduciary Fund activity is reported in separate financial statements because a fiduciary fund is not considered an available resource for the Authority.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As of February 29, 2012, total assets were $289.1 million, a decrease of $22.6 million or 7.3% from June 30, 2011 with cash and investments accounting for $262.0 million or 90.6% of this amount. As of June 30, 2011, total assets were $311.7 million, a decrease of $19.2 million or 5.8% from June 30, 2010. Decreases in asset can frequently indicate deterioration in an agency’s financial position, however the goal and intent of the Authority is to spend sales tax revenues towards the purpose of improving transportation programs and infrastructure in Alameda County throughout the life of the 2000 Measure B. These decreases also reflect the continued effort to wind down the original 1986 Measure B by completing the projects in the 1986 TEP.

Total liabilities were $30.8 million as of February 29, 2012, a decrease of $27.6 million or 47.2% from June 30, 2011. As of June 30, 2011, total liabilities were $58.3 million, an increase of $30.2 million or 107.4% over June 30, 2010 due to a change in the methodology used for capital project accruals. The significant disparity of cash over liabilities demonstrates that the Authority is well able to meet its obligations as they become due. As of February 29, 2012, the Authority had commitments for $16.0 million towards engineering contracts and $374.8 million towards project sponsor contracts with terms ranging up to seven years.

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

Net assets were $258.3 million at February 29, 2012, an increase of $4.9 million or 2.0% from June 30, 2011. Of the total $258.3 million in net assets at February 29, 2012, $0.003 million or 0.01% is invested in capital assets, $17.4 million or 6.7% is unrestricted and the balance of $240.8 million or 93.2% is restricted for use towards programs and projects authorized in the Measure B 1986 and 2000 TEPs. As of June 30, 2011, net assets were $253.3 million, a decrease of $49.4 million or 16.3% from June 30, 2010.

The Alameda County Transportation Improvement Authority
Net Assets
February 29, 2012, June 30, 2011, and 2010

	Governmental Activities		
	February 29, 2012	**2011**	**2010**
Cash and investments	$ 262,024,613	$ 274,159,658	$ 301,110,321
Receivables			
Sales tax receivables	17,333,642	17,546,201	15,131,509
Interest	57,835	88,283	96,890
Other	508,768	10,527,489	3,285,810
Capital assets			
Furniture and equipment (net of accumulated depreciation)	28,499	43,076	53,426
Land held for resale	4,068,000	4,243,000	4,068,000
Advances to other governments	5,000,000	5,000,000	7,040,370
Other assets	56,984	79,044	64,264
Total assets	$ 289,078,341	$ 311,686,751	$ 330,850,590
Accounts payable	$ 30,709,936	$ 58,265,654	$ 26,773,181
Due to other governments			1,302,441
Net OPEB Obligation	76,418	75,863	55,204
Total liabilities	30,786,354	58,341,517	28,130,826
Net assets:			
Invested in capital assets	28,499	43,076	53,426
Restricted for:			
Transportation Projects/Programs	240,822,268	237,297,727	288,043,800
Unrestricted	17,441,220	16,004,431	14,622,538
Total net assets	258,291,987	253,345,234	302,719,764
Total liabilities and net assets	$ 289,078,341	$ 311,686,751	$ 330,850,590

Total revenues during the period July 1, 2011 through February 29, 2012 were $75.1 million, a decrease of $43.6 million or 36.7% from fiscal year 2011, with sales tax accounting for $74.0 million or 98.5% of this amount. Total revenues in fiscal year 2011 were $118.7 million, an increase of $6.7 million or 6.0% over fiscal year 2010. Total expenses during the period July 1, 2011 through February 29, 2012 were $70.2 million, a decrease of $97.9 million or 58.3% from fiscal year 2011 and total expenses in fiscal year 2011 were $168.1 million, an increase of $14.6 million or 9.5% over fiscal year 2010. The decreases during the period July 1, 2011 through February 29, 2012 are primarily attributed to the shortened reporting period. The following are changes in key activities:

- Sales tax revenues for the period July 1, 2011 through February 29, 2012 were $74.0 million, a decrease of $31.4 million or 29.8% from fiscal year 2011. Sales tax revenues in fiscal year 2011 were $105.4 million, an increase of $10.9 million or 11.6% over fiscal year 2010. The decrease for the period July 1, 2011 through February 29, 2012 was due to the shortened reporting period.

- Capital grants and contributions for the period July 1, 2011 through February 29, 2012 were $0.1 million, a decrease of $10.0 million or 99.4% from fiscal year 2011. Capital grants and contributions in fiscal year 2011 were $10.0 million, an increase of $0.8 million or 8.7% over fiscal year 2010. The Authority does not generally receive many capital grants or contributions from outside sources. However, a couple of projects that were active during the last couple of fiscal years did have some federal and state funding which accounts for the significant decrease we see for the period July 1, 2011 through February 29, 2012.

- Investment income for the period July 1, 2011 through February 29, 2012 was $0.8 million, a decrease of $2.4 million or 76.0% from fiscal year 2011, and investment income in fiscal year 2011 was $3.2 million, a decrease of $4.9 million or 60.6% from fiscal year 2010. These decreases in investment income are due not only to interest rates in the market remaining very low over the last year, but also to shortening of investment terms to accommodate cash flow requirements.

- Operating grants and contributions for the period July 1, 2011 through February 29, 2012 were $0.02 million, a decrease of $0.1 million or 77.4% from fiscal year 2011, and operating grants and contributions in fiscal year 2011 were $0.1 million, a decrease of $0.1 million or 55.4% from fiscal year 2010.

- Administration expenses for the period July 1, 2011 through February 29, 2012 were $2.9 million, a decrease of $3.4 million or 53.8% from fiscal year 2011, and administration expense in fiscal year 2011 were $6.4 million, a decrease of $0.3 million or 4.3% from fiscal year 2010. The decrease for the period July 1, 2011 through February 29, 2012 was primarily due to the shortened reporting period.

- Highways and streets expenses for the period July 1, 2011 through February 29, 2012 were $19.9 million, a decrease of $58.7 million or 74.7% from fiscal year 2011, and highways and streets expenses in fiscal year 2011 were $78.6 million, an increase of $21.0 million or 36.6 over fiscal year 2010. The increase in fiscal year 2011 and the decrease in the period July 1, 2011 through February 29, 2012 are due to a change in the methodology used for capital project accruals in fiscal year 2011.

- Public transit expenses for the period July 1, 2011 through February 29, 2012 were $23.8 million, a decrease of $30.6 million or 56.2% from fiscal year 2011, and public transit expenses in fiscal year 2011 were $54.4 million, a decrease of $8.8 million or 13.9% from fiscal year 2010.

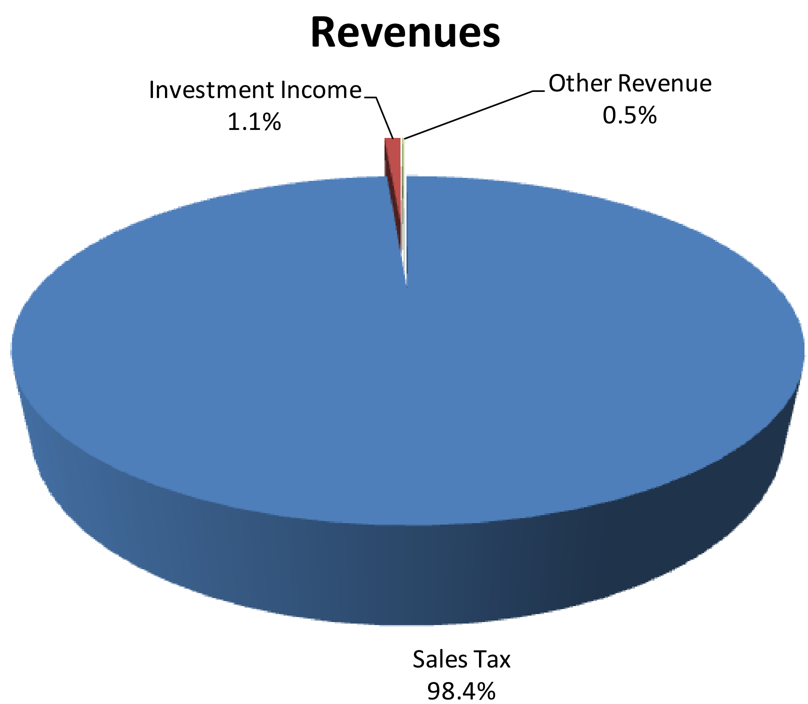
- Local transportation expenses for the period July 1, 2011 through February 29, 2012 were $23.5 million, a decrease of $5.2 million or 18.0% from fiscal year 2011, and local transportation expenses in fiscal year 2011 were $28.7 million, an increase of $2.6 million or 10.0% over fiscal year 2010.

- During the period July 1, 2011 through February 29, 2012, revenues exceeded expenses by $4.9 million, resulting in an increase to net assets which were $258.3 million at February 29, 2012. In fiscal year 2011, expenses exceeded revenues by $49.4 million, resulting in a decrease to net assets which were $253.3 million at year-end. In fiscal year 2010, expenses exceeded revenues by $41.5 million, resulting in a decrease to net assets which were $302.7 million at year-end.

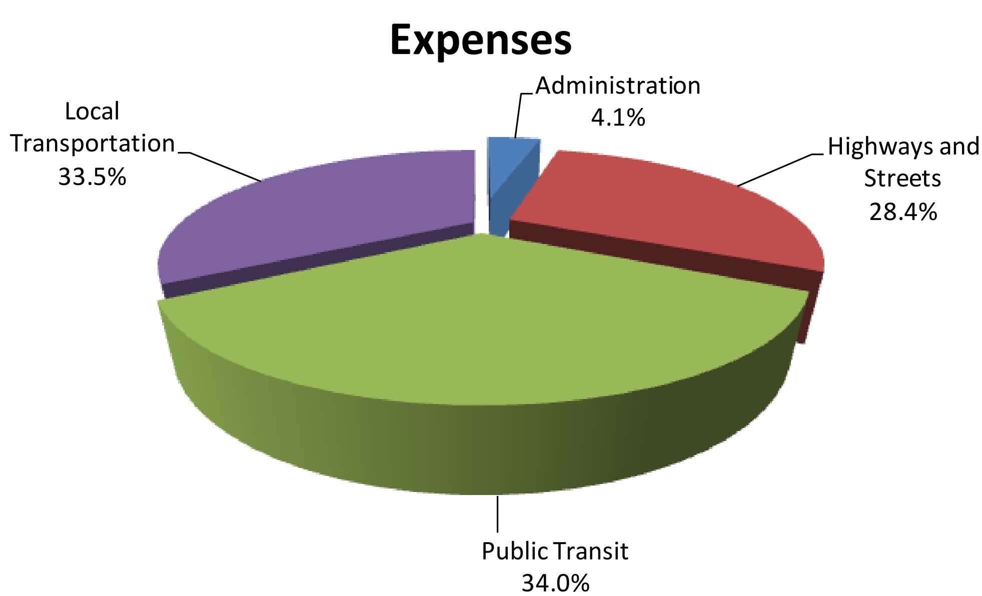
The Alameda County Transportation Improvement Authority
Changes in Net Assets
February 29, 2012, June 30, 2011 and 2010

	Governmental Activities		
	February 29, 2012	**2011**	**2010**
Revenues			
Program revenues:			
Operating grants and contributions	$ 18,333	$ 81,012	$ 181,784
Capital grants and contributions	64,112	10,014,871	9,212,246
General revenues:			
Sales taxes	73,957,481	105,393,811	94,453,574
Investment Income	765,828	3,194,047	8,102,075
Other	300,403	-	-
Total revenues	75,106,157	118,683,741	111,949,679
Expenses			
Administration	2,948,209	6,375,469	6,661,460
Highways and streets	19,857,336	78,582,326	57,533,049
Public transit	23,820,251	54,389,095	63,176,467
Local transportation	23,533,608	28,711,381	26,101,744
Total expenses	70,159,404	168,058,271	153,472,720
Change in net assets	4,946,753	(49,374,530)	(41,523,041)
Net assets, beginning of year	253,345,234	302,719,764	344,242,805
Net assets, end of year	$ 258,291,987	$ 253,345,234	$ 302,719,764

Alameda County Transportation Improvement Authority
Sources of Revenue
for the Period July 1, 2011 through February 29, 2012



Alameda County Transportation Improvement Authority
Functional Expenses
for the Period July 1, 2011 through February 29, 2012



Financial Analysis of the Authority's Funds

Governmental Funds

The Authority uses fund accounting to ensure compliance with finance-related legal requirements. Governmental funds include the General Fund, ACTIA Capital Projects Fund, ACTA Capital Projects Fund and Special Revenue Funds.

The Authority works with project sponsors to deliver highways and streets projects, public transit, and various other programs including paratransit programs. Local transportation sales tax funds are passed directly through to the cities and County of Alameda to implement transportation related projects of their choosing. The Authority's activities also include the administration of sales tax revenues which consists of projects and programs management, financial oversight and other administrative functions.

As of February 29, 2012, the Authority had $258.3 million of fund balance in the governmental funds: $17.4 million in the General Fund, $80.9 million in the ACTIA Capital Projects Fund, $149.9 million in the ACTA Capital Projects Fund and $10.0 million in the Special Revenue Funds. This is a decrease from June 30, 2011 of $18.6 million or 6.7%. The decrease is mostly due to the activities of highways and streets projects in the ACTA Capital Projects Fund. Construction on ACTA capital projects will continue until projects are completed however, as of March 31, 2002 when the 1986 Measure B expired, this fund no longer receives sales tax revenues.

For the period July 1, 2012 through February 29, 2012, the Authority had $85.1 million of revenues in the governmental funds: $3.4 million in the General Fund, $38.8 million in the ACTIA Capital Projects Fund, $0.6 million in the ACTA Capital Projects Fund and $42.3 million in the Special Revenue Fund. This is a decrease from June 30, 2011 of $23.5 million or 21.7%. This decrease is due to the shortened reporting period.

For the period July 1, 2012 through February 29, 2012, the Authority had $103.7 million of expenditures in the governmental funds: $1.9 million in the General Fund, $44.4 million in the ACTIA Capital Projects Fund, $15.2 million in the ACTA Capital Projects Fund and $42.2 million in the Special Revenue Funds. This is a decrease from June 30, 2011 of $30.8 million or 23.1%.

As of February 29, 2012, the Authority had $289.0 million of assets in the governmental funds: $17.7 million in the General Fund, $96.1 million in the ACTIA Capital Projects Fund, $155.3 million in the ACTA Capital Projects Fund and $20.0 million in the Special Revenue Fund. This is a decrease from June 30, 2011 of $19.6 million or 6.4%.

As of February 29, 2012, the Authority had $30.7 million of liabilities in the governmental funds: $0.3 million in the General Fund, $15.1 million in the ACTIA Capital Projects Fund, $5.4 million in the ACTA Capital Projects Fund and $9.9 million in the Special Revenue Fund. This is a decrease from June 30, 2011 of $1.0 million or 3.2%.

Fiduciary Fund

The Authority has a fiduciary fund which is a trust designed to accumulate assets to fund post-employment benefits other than pension for retirees. These funds are excluded from the government-wide financial statements because they do not represent resources of the Authority. As of February 29, 2012, net assets in the trust were $0.9 million, as they were at June 30, 2011 showing no material change.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of February 29, 2012, The Authority had invested $28,499 in capital assets, including furniture and equipment and leasehold improvements. There were no capital asset additions or dispositions during the period July 1, 2011 through February 29, 2012.

Alameda County Transportation Improvement Authority
Capital Assets
(net of accumulated depreciation and amortization)
February 29, 2012, June 30, 2011 and 2010

	February 29, 2012	2011	2010
Furniture and equipment (net of accumulated depreciation)	$ 9,822	$ 18,423	$ 30,987
Leasehold improvements (net of accumulated amortization)	18,677	24,653	22,439
Total	$ 28,499	$ 43,075	$ 53,426

Long-Term Debt

As of February 29, 2012, June 30, 2011 and 2010, The Authority had no outstanding debt.

COMPARISON OF BUDGETED TO ACTUAL

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

In the General Fund, the Authority began the period of July 1, 2011 through February 29, 2012 with an adopted revenue budget of $3.1 million and expenditures budget of $2.4 million resulting in a surplus in the general fund balance of $0.8 million. In the final adopted budget, the revenue budget was revised to $3.3 million and expenditure budget was revised to $2.7 million resulting in a surplus in the general fund of $0.6 million. Actual revenues from the sales tax and other revenues were $3.4 million and actual indirect administrative costs totaled $1.9 million, resulting in a surplus in the general fund of $1.4 million. The improvement to budgeted and actual revenues was due to a projected and actual increase in sales tax revenues.

In the Special Revenue Fund, the Authority began the period of July 1, 2011 through February 29, 2012 with an adopted revenue budget of $39.7 million and expenditure budget of $40.5 million resulting in a decrease to the Special Revenue Fund balance of $0.9 million. In the final adopted budget, the revenue budget was revised to $42.3 million and the expenditure budget was revised to $44.5 million resulting in the reduction of the Special Revenue fund balance of $2.1 million. Actual revenues were $42.3 million and actual expenditures were $42.2 million, with $22.7 million for Public Transit, $18.9 million for Local Transportation and $0.6 million for Administration, resulting in an increase to fund balance of $0.1 million. Additional details of the Special Revenue Funds are provided under supplemental information.

OTHER SIGNIFICANT MATTERS

On July 22, 2010, the Authority officially became a part of the Alameda County Transportation Commission (Alameda CTC), a Joint Powers Agency (JPA), along with the County of Alameda, the 14 cities of Alameda County, AC Transit, BART and the Alameda County Congestion Management Agency (ACCMA). This new JPA has all of the powers of the Authority and the ACCMA. For a variety of reasons, including issues related to contracting with CalPERS and other required administrative tasks, the Authority and the ACCMA continued to exist through February 29, 2012 when the former agencies were legally dissolved and the Alameda CTC became the successor agency. As part of the Joint Powers Agreement, the Authority and the ACCMA delegated their authority to Alameda CTC including all activities and responsibilities. The Alameda CTC's Commission in June 2011 approved the first consolidated Alameda CTC budget for fiscal year 2011-12, and the financial databases for the Authority and the ACCMA were consolidated as of July 2011 in time for the new fiscal year.

REQUESTS FOR INFORMATION

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

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

STATEMENT OF NET ASSETS
FEBRUARY 29, 2012

ASSETS		
Cash and investments	$	262,024,613
Sales tax receivable		17,333,642
Interest receivable		57,835
Loans receivable		5,000,000
Other receivable		508,768
Land held for resale		4,068,000
Other assets		56,984
Capital assets, net of accumulated depreciation		28,499
Total Assets		289,078,341
LIABILITIES		
Accounts payable and accrued liabilities		30,709,936
Net OPEB obligation - due in more than one year		76,418
Total Liabilities		30,786,354
NET ASSETS		
Invested in capital assets		28,499
Restricted for Transportation Projects/Programs		240,822,268
Unrestricted		17,441,220
Total net assets	$	258,291,987

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

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

STATEMENT OF ACTIVITIES
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2012

		Program Revenues	Net (Expenses) Revenues and Changes in Net Assets
Functions/Programs	**Expenses**	**Capital Grants and Contributions**	**Total Governmental Activities**
Governmental Activities:			
Administration	$ 2,948,209	$ -	$ (2,948,209)
Transportation Improvement			
Highways and streets	19,857,336	64,112	(19,793,224)
Public transit	23,820,251	-	(23,820,251)
Local transportation	23,533,608	-	(23,533,608)
Total Governmental Activities	$ 70,159,404	$ 64,112	(70,095,292)

General revenues and subventions	
Sales tax	73,957,481
Interest and investment earnings	765,828
Other revenues	318,736
Subtotal, General Revenues	75,042,045
Change in Net Assets	4,946,753
Net Assets - Beginning	253,345,234
Net Assets - Ending	$ 258,291,987

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

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

GOVERNMENTAL FUNDS BALANCE SHEET
FEBRUARY 29, 2012

	General Fund	ACTIA Capital Projects Fund	ACTA Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
ASSETS					
Cash and investments	$ 16,851,523	$ 88,933,647	$ 146,200,905	$ 10,038,538	$ 262,024,613
Sales tax receivable	780,014	6,638,005	-	9,915,623	17,333,642
Interest receivable	-	37,808	20,027	-	57,835
Loans receivable	-	-	5,000,000	-	5,000,000
Other receivable	21,733	465,866	20,694	475	508,768
Land held for sale	-	-	4,068,000	-	4,068,000
Other assets	49,860	-	7,124	-	56,984
Total Assets	$ 17,703,130	$ 96,075,326	$ 155,316,750	$ 19,954,636	$ 289,049,842
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 261,910	$ 15,137,566	$ 5,394,801	$ 9,915,659	$ 30,709,936
Total Liabilities	261,910	15,137,566	5,394,801	9,915,659	30,709,936
Fund Balances:					
Restricted	-	80,937,760	149,921,949	10,038,977	240,898,686
Unassigned	17,441,220	-	-	-	17,441,220
Total Fund Balances	17,441,220	80,937,760	149,921,949	10,038,977	258,339,906
Total Liabilities and Fund Balances	$ 17,703,130	$ 96,075,326	$ 155,316,750	$ 19,954,636	$ 289,049,842

RECONCILIATION OF THE OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS
FEBRUARY 29, 2012

Amounts reported for governmental activities in the Governmental Funds Balance Sheet are different from the Statement of Net Assets because of the following items:

Reconciliation of Fund Balance of Governmental Funds to Net Assets on the Statement of Net Assets:

Fund Balances on the Governmental Funds Balance Sheet	$ 258,339,906
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the Governmental Funds.	28,499
Net OPEB Obligation, due in more than one year	(76,418)
Net Assets on Statement of Net Assets	$ 258,291,987

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

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2012

	General Fund	ACTIA Capital Projects Fund	ACTA Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
REVENUES					
Sales tax	$ 3,328,087	$ 28,322,389	$ -	$ 42,307,005	$ 73,957,481
Project revenue	-	10,047,094	17,018	-	10,064,112
Investment income	38,426	149,510	547,972	29,920	765,828
Other income	18,333	294,291	6,112	-	318,736
Total Revenues	3,384,846	38,813,284	571,102	42,336,925	85,106,157
EXPENDITURES					
Administrative	1,948,057	4,470	417,622	632,198	3,002,347
Transportation improvement					
Highways and streets	-	14,554,522	14,762,765	-	29,317,287
Public transit	-	24,150,333	-	22,724,889	46,875,222
Local transportation	-	5,642,692	-	18,867,503	24,510,195
Total Expenditures	1,948,057	44,352,017	15,180,387	42,224,590	103,705,051
NET CHANGE IN FUND BALANCES	1,436,789	(5,538,733)	(14,609,285)	112,335	(18,598,894)
Fund Balances - Beginning	16,004,431	86,476,493	164,531,234	9,926,642	276,938,800
Fund Balances - Ending	$ 17,441,220	$ 80,937,760	$ 149,921,949	$ 10,038,977	$ 258,339,906

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

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

RECONCILIATION OF THE OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE PERIOD ENDED FEBRUARY 29, 2012

Amounts reported for governmental activities in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance are different from the Statement of Activities because of the following items:

Net Change in Fund Balances on Governmental Funds Statement of Revenues, Expenditures and Change in Fund Balances	$ (18,598,894)
Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measureable and available. On the government-wide financial statements, revenues are recorded when earned, regardless of the timing of related cash flows. The government-wide financial statements recognized this revenue in the previous fiscal year.	(10,000,000)
Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The Statement of Activities recognized this expense in the previous fiscal year.	33,491,509
Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures, however for governmental activities those costs are capitalized in the Statement of Net Assets and allocated over the estimated useful life of the asset as depreciation.	(14,577)
In the Statement of Activities, compensated absence 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). Change in compensated absences.	69,270
In the Statement of Activities, the unfunded portion of the Net OPEB Obligation is recognized as an expense but does not impact the Statement of Revenue, Expenditures and Change in Fund Balances.	(555)
Change in Net Assets on the Statement of Activities	$ 4,946,753

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

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

FIDUCUARY FUNDS
STATEMENT OF FUND NET ASSETS
FEBRUARY 29, 2012

	Retiree Benefits Trust Fund
ASSETS	
Deposits and Investments	$ 910,071
LIABILITIES	
Due to the Authority's General Fund	8,969
NET ASSETS	
Held in trust for OPEB benefits	$ 901,102

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

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

FIDUCUARY FUNDS
STATEMENT OF CHANGES IN FUND NET ASSETS
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2012

	Retiree Benefits Trust Fund
ADDITIONS:	
Investments earnings	$ 564
Contributions from other funds	5,755
Total Additions	6,319
CHANGE IN NET ASSET	
Net Assets- Beginning	894,783
Net Assets- Ending	$ 901,102

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

NOTE 1 – REPORTING ENTITY

The Alameda County Board of Supervisors created the Alameda County Transportation Improvement Authority (the Authority) in 1998, to place a ballot measure to authorize the imposition of a one-half of one percent sales and use tax (the sales tax) in Alameda County before Alameda County voters in June 1998. This measure did not receive two-thirds voter support. A subsequent ballot measure was placed on the November 2000 ballot, and was approved by over two-thirds of the voters. The proceeds from the sales tax are principally reserved for highway infrastructure, mass transit, local transportation, and administrative costs. The sales tax commenced April 1, 2002 and will expire on March 31, 2022.

The basic financial statements of the Authority include all of its financial activities. The Authority is the sole independent agency responsible for receiving and allocating funds necessary to complete the programs and was governed by an eleven-member board of elected officials from the County and local cities.

On March 25, 2010, the Authority, the Alameda County Congestion Management Agency (ACCMA), the County of Alameda, the fourteen cities within Alameda County, the Bay Area Rapid Transit District, and the Alameda-Contra Costa Transit District entered into a joint powers agreement. On June 24, 2010, the Boards of the Authority and ACCMA gave the final approval that created a joint powers agency, pursuant to the California Joint Exercise of Powers Act, known as the Alameda County Transportation Commission (Alameda CTC). On July 22, 2010, the Authority along with ACCMA joined the Alameda CTC joint powers authority.

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

On June 24, 2010, the ACTA Board adopted the resolution to transfer all of ACTA's assets, responsibilities, functions, and liabilities to the Authority, effective July 1, 2010. The ACTA Board also adopted the resolution that ACTA be dissolved, terminated, and extinguished effective July 1, 2010, following the transfer.

On February 29, 2012, at a joint meeting, the ACCMA's and the Authority's Boards of Directors adopted a resolution to transfer all of ACCMA's and the Authority's assets, responsibilities, functions, and liabilities to Alameda CTC effective March 1, 2012. Therefore, these financial statements purport the financial activities and the financial position of the Authority as of and for the eight months ending February 29, 2012.

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. The Alameda CTC has all of the powers, functions, and responsibilities of both agencies along with certain additional powers as described in the JPA.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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. Sales tax revenues are recorded when the tax is due from the State Board of Equalization. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual basis of accounting.

Sales taxes, investment income (including the change in the fair value of investments) and other income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period using the modified accrual basis of accounting as described above.

Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the Authority.

The Authority reports the following major governmental funds:

General Fund - The general fund is Authority's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund. A total of 4.5% of net sales tax revenues, by year end, will be allocated for administration of the Measure B sales tax program. 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. Measure B limits the salaries and benefits of the Authority's staff to 1% of sales tax revenues. Revenues in excess of administrative expenditures in any one year are reserved for future administrative costs.

ACTIA Capital Projects Fund - The ACTIA capital projects fund accounts for resources accumulated and payments made for the acquisition or construction of major capital improvements in accordance with the Alameda County 20-Year Transportation Expenditure Plan. The Authority does not retain ownership of these improvements as they are transferred to the sponsor or managing jurisdiction after completion.

ACTA Capital Projects Fund - The ACTA capital projects fund accounts for the construction of major capital improvements in accordance with the November 1986 Measure B program. The Authority does not retain ownership of these improvements as they are transferred to the sponsor or managing jurisdiction after completion.

Transportation Programs Special Revenue Fund - The special revenue fund accounts for resources accumulated as required by Measure B for restricted allocation to local cities and the County for local transportation improvements, including streets and roads, and to transit agencies for operations and maintenance.

Fiduciary Fund - The fiduciary fund reporting focuses on net assets and changes in net assets. Trust funds are used to account for the assets held by the Authority under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Authority's own programs. The Authority's fiduciary fund is a trust fund which accounts for retiree medical benefits and allocated sources to provide medical benefits for retirees.

Use of Estimates

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

Investments

Investments are stated at fair value. Included in interest 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.

Budgetary Data

Following a public meeting, the Authority adopts an annual budget for all governmental fund types to be effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted and controlled at the program level, the amounts stated therein as proposed expenditures become appropriations to the various programs. The Authority approves all transfers between expenditure objects and overall budget modifications during the year as needed. For the capital projects fund, the Authority adopted a rolling budget methodology in fiscal year 2011-12 whereby any unutilized budget authority on a project is rolled to the next fiscal year. The Authority adopts increases requested to the budget by individual project with the annual budget. The Executive Director or designee approves reimbursements to the project sponsors, and reimbursements are not to exceed contract and strategic plan limits. Annual budgets are adopted on a basis consistent with generally accepted accounting principles. If expenditures or funding sources change throughout the year, the Authority may adopt updates to the budget.

Capital Assets

Capital assets, which include leasehold improvements and office furniture and equipment, are reported in the government-wide financial statements. The Authority defines capital assets as assets with an initial individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the Authority are depreciated using the straight-line method over the following estimated useful lives: office furniture and equipment, five years; computer equipment, three years; leasehold improvements, seven years.

Land Held for Resale

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

Compensated Absences

The Authority's policy permits employees to accumulate earned but unused vacation and sick pay benefits. Unused vacation and sick leave may be accumulated up to a specific maximum. The Authority is not obligated to pay for unused sick leave if an employee terminates employment prior to retirement or prior to when the Authority ceases operations.

Interfund Transfers

Interfund transfers are generally recorded as transfers in/out except for reimbursements for services performed, which are recorded as a reduction of expenditures in the performing fund and an expenditure of the receiving fund.

NOTE 3 - CASH AND INVESTMENTS

Summary of Deposits and Investments

As of February 29, 2012, the Authority's cash and investments were as follows:

Governmental Funds		
Cash on hand and in banks	$	(81,196)
Investments		262,105,809
Fiduciary Fund		910,071
Total cash and investments	$	262,934,684

Policies and Practices

The Authority is authorized under California Government Code or its investment policy, when more restrictive, to make direct investments in local agency bonds, notes or warrants within the state, U.S. Treasury instruments, registered state warrants or treasury notes, securities of the U.S. Government, or its agencies, bankers acceptances, commercial paper, certificates of deposit placed with commercial banks and/or savings and loan companies, repurchase or reverse repurchase agreements, medium term corporate notes, shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security, and collateralized mortgage obligations.

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

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. Investment ratings as determined by S&P are as follows:

Investment Type	AAA	AA+	A-1+	A-1	A+	Not Rated	Total
US Agency Securities	$ -	$ 90,319,980	$ -	$ -	$ -	$ -	$ 90,319,980
US Treasury Bonds	-	17,749,625	-	-	-	-	17,749,625
Corporate Notes	-	26,636,388	7,198,224	2,397,948	2,597,128	-	38,829,689
Money Market Mutual Funds	18,734,216	-	-	-	-	-	18,734,216
Local Agency Investment Fund	-	-	-	-	-	97,382,370	97,382,370
Total Investments	$ 18,734,216	$ 134,705,993	$ 7,198,224	$ 2,397,948	$ 2,597,128	97,382,370	263,015,880
Cash in Bank						(81,196)	(81,196)
Total Cash and Investments						$ 97,301,174	$ 262,934,684

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 the Authority. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of February 29, 2012, the Authority’s bank balance of $3,003,390 was exposed to custodial credit risk because it was not insured. However, it was collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the name of the Agency.

Custodial Credit Risk, Investments - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Authority has a custodial credit risk exposure of $116,116,586 because the related securities are uninsured, unregistered and held by the California Local Agency Investment Fund or other mutual funds which are also the counterparties for these securities.

Concentration of Credit Risk—On February 29, 2012 the Authority had the following investments exceeding 5% of the total investments in each single issuer:

Issuer	Investment Type	Reported Amount
Federal Home Loan Bank	Federal Agency Security	$ 31,035,828
Federal Home Loan Mortgage Corporation	Federal Agency Security	20,875,391
Federal National Mortgage Association	Federal Agency Security	19,269,313

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. The Authority manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

Investment Type	12 Months or less	13 to 24 Months	Total
US Agencies Securities	$ 65,362,820	$ 24,957,160	$ 90,319,980
US Treasury Bonds	16,236,192	1,513,433	17,749,625
Corporate Notes	38,829,689	-	38,829,689
Money Market Mutual Funds	18,734,216	-	18,734,216
California Local Agency Investment Fund	97,382,370	-	97,382,370
Total Investments	236,545,287	26,470,593	263,015,880
Cash in Bank	(81,196)	-	(81,196)
Total Cash and Investments	$ 236,464,091	$ 26,470,593	$ 262,934,684

General Authorizations— Limitations as they relate to interest rate risk and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer	Minimum Credit Quality
Local Agency Bonds, Notes, Warrants	5 years	10%	5%	Aa
Registered State Bonds, Notes, Warrants	5 years	10%	5%	Aa
U.S. Treasury Obligations	5 years	None	None	None
U.S Agency Securities	5 years	None	35%	Aaa
Banker's Acceptance	180 days	40%	5%	Al
Commercial Paper	270 days	25%	5%	Al
Negotiable Certificates of Deposit	3 years	30%	5%	Aa
Repurchase Agreements	90 days	20%	None	None
Medium-Term Notes	5 years	30%	5%	Aa
Money Markets	N/A	20%	5%	Aaa
County Pooled Investment Funds	N/A	None	None	None
Local Agency Investment Fund	N/A	None	None	None

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

NOTE 4 – CAPITAL ASSETS

Capital Assets – Governmental Activities

Capital asset activity for the eight months ended February 29, 2012, was as follows:

	July 1, 2011	Additions	February 29, 2012
Capital assets being depreciated:			
Furniture, equipment and leasehold improvements	$ 199,007	$ -	$ 199,007
Less accumulated depreciation for:			
Furniture, equipment and leasehold improvements	(155,931)	(14,577)	(170,508)
Governmental activities capital assets, net	$ 43,076	$ (14,577)	$ 28,499

NOTE 5 – COMMITMENTS AND CONTINGENT LIABILITIES

Agreements with Engineering Firms

The Authority has entered into contracts with various private engineering firms to provide scoping/planning, engineering, environmental, design, right-of-way engineering and acquisition, and construction management services. As of February 29, 2012, the total outstanding commitments (not paid or accrued) are $16.0 million. The terms range from February 29, 2012, for up to five years (or acceptance of the phase of work, whichever is earlier).

Agreements with Project Sponsors

The Authority has entered into agreements with various project sponsors to provide scoping/planning, engineering, environmental, design, right-of-way engineering and acquisition, construction management and equipment purchase services. As of February 29, 2012, the total outstanding commitments (not paid or accrued) are $374.8 million. The terms range from February 29, 2012, for up to seven years (or acceptance of the phase of work, whichever is earlier).

Operating Lease Commitments

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

Year Ending June 30	Lease Payments
2013	$ 382,593
2014	161,370
Total	$ 543,963

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

Insurance, Claims and Litigation

The Authority is exposed to various risks of loss related to torts: thereof, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority has purchased commercial insurance coverage for general liability, worker's compensation, directors and officers liability, automobile liability, and property coverage. The amounts of settlements for the past three fiscal years have not exceeded insurance coverage.

Type of Coverage	Deductible	Coverage up to	
Property liability	$ 1,000	$ 200,000	per occurrence
General liability	1,000	1,000,000	per occurrence
Workers' compensation	-	1,000,000	aggregate
Employment practices	35,000	2,000,000	per occurrence
Director & officers	25,000	2,000,000	per occurrence
Crime	75,000	10,000,000	per occurrence
Umbrella/excess	10,000	4,000,000	aggregate

NOTE 6 – RETIREMENT PLAN

Plan Description

The Authority is part of the miscellaneous 2.5% at 55 risk pool, a cost-sharing multiple-employer defined benefit plan. All employees are eligible to participate in the Public Employees' Retirement Fund (the Fund) of the California Public Employees' Retirement System (CalPERS). The Fund is an agent multiple-employer defined benefit retirement plan that acts as a common investment and administrative agent for various local and state governmental agencies within the State of California. The Fund provides retirement, disability and death benefits based on the employee's years of service, age and final compensation. Employees vest after five years of service and may receive retirement benefits at age fifty. These benefit provisions and all other requirements are established by state statute. CalPERS issue a publicly available Comprehensive Annual Financial Report (CAFR). The CalPERS CAFR may be obtained by written request to the State of California's Public Employees' Retirement System at PO Box 942709, Sacramento, California 94229-2709.

Funding Policy

The total payroll for the period ended February 29, 2012 was $659,701, which is the approximate covered payroll for employees participating in the Fund. Employees have an obligation to contribute 8% of their salary to the plan; however, the Authority contributed 7% of this contribution on the employee's behalf through January 31 and 5% for the month of February. The Authority is required to contribute the employer portion at an actuarially determined rate. The average rate for the period ended February 29, 2012 was 13.4% of covered payroll.

Annual Pension Cost

The annual pension costs was equal to the required contribution, which was determined as part of an actuarial valuation performed as of June 30, 2010, using the entry age normal cost method. The significant actuarial assumptions used in the valuation were an assumed rate of return on investment assets of 7.75%, projected salary increases ranging from 3.25% to 14.45%, annual payroll growth of 3.25% and inflation of 3%. The actuarial value of assets was determined using techniques that smooth the effects of short-term market value fluctuations over a fifteen-year period.

Three-Year Trend Information

The following table shows required contributions and percentage contributed for the current year and each of the preceding two years.

Eight Months Ended	Annual Pension Cost (APC)	Percentage of APC Contributions	Net Pension Obligation
February 29, 2012	$ 157,544	100%	$ -
Fiscal Year Ended			
June 30, 2011	163,942	100%	-
June 30, 2010	176,843	100%	-

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The Authority accumulates funds to pay for other postemployment benefits through a trust. The trust was established to provide lifetime healthcare benefits to retired employees and their eligible family members. These benefit provisions were established and may be amended by the Authority. Contributions for retirees will never exceed the amount contributed on behalf of active employees.

Effective February 1, 2012, the Authority offers retiree health benefits under a Retiree Health Reimbursement Arrangement. Retirees are eligible for benefits if they retire from the Authority under CalPERS within 120 days of employment and have ten years of credited service with CalPERS including at least five years with the Authority. Authority contributions are based on years of public service and the following formula: 50% after ten years with an additional 5% for each additional year of service reaching a maximum of 100% after twenty years of service.

The plan is authorized under the Board Resolution 04-0054. The Authority reports the financial activity of the Plan as a trust/agency fund, and no separate financial report is prepared. Membership of the plan consisted of the following:

Retirees receiving benefits	5
Active plan members	6
Total	11

Funding Policy

Contribution requirements and the plan members are established and may be amended by the Governing Board. The contribution maximum is based on the Kaiser premium for the retired employee plus one available through the CalPERS medical program. During the period ended February 29, 2012, the Authority contributed $24,154.

Annual Post Retirement Benefit Costs and Net Post Retirement Benefit Obligations

The annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Authority's annual OPEB cost for the eight months ended February 29, 2012, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation:

Normal Cost at February 29, 2012	$ 22,495
Amortization of UAAL	1,659
Annual required contribution (ARC)	24,154
Interest on prior year Net OPEB Obligation	4,257
Adjustment to ARC	(3,702)
Annual OPEB Cost	24,709
Contributions made	(24,154)
Change in Net OPEB Obligation	555
Net OPEB Obligation- Beginning of Year	75,863
Net OPEB Obligation- February 29, 2012	$ 76,418

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

Period End	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Obligation
February 29, 2012	$ 24,709	$ 24,154	98%	$ 76,418
June 30, 2011	20,659	-	0%	75,863
June 30, 2010	17,853	-	0%	55,204
June 30, 2009	19,572	-	0%	37,351
June 30, 2008	17,119	-	0%	17,119

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the profitability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents information on the actuarial value of plan assets relative to the actuarial accrued liabilities for benefits.

OPEB Schedule of Funding Progress

The table below presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Assets (b)	Unfunded AAL (UAAL) (a)-(b)	Funded Status (b)/(a)	Annual Covered Payroll (c)	UAAL As a Percentage of Covered Payroll [(a)-(b)/(c)]
July 1, 2011	$ 947,119	$ 909,508	$ 37,611	96%	$ 968,105	4%
June 30, 2010	718,209	953,857	(235,648)	133%	1,036,286	-23%
June 30, 2009	665,583	923,339	(257,756)	139%	1,037,158	-25%

Actuarial Method and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Projected Unit Credit (PUC) Actuarial Cost Method. Under the PUC cost method the actuarial present value of projected benefits is allocated ratably over the service of individuals between entry age and the assumed exit age(s). In this valuation, each individual's attribution period extends from hire date to estimated retirement date. The actuarial assumptions included a 7.61% discount rate and 7.61% investment rate of return. The retirement, mortality, and termination rates used in this valuation are used in CalPERS pension valuations. The actuarial valuation assumed that the annual health care cost trend rates will decrease gradually from the relatively high rate of annual increase in the past, depending on the age of the employee and the year being projected. The health care cost long-term annual rate is expected to increase by 7.3% in 2013. The increase is expected to gradually decline to an increase rate of 5.5% as of 2019 and thereafter.

The UAAL is being amortized as a level dollar method on a closed basis over 30 years with 26 years remaining at February 29, 2012. Any administrative fees other than those included in the monthly premium rates are not included in the actuarial valuation. The actuarial valuation also does not include any liability estimates for future hires.

NOTE 8 – RELATED PARTY LOAN RECEIVABLE

The Authority entered into a loan agreement with the Alameda County Congestion Management Agency (ACCMA) dated March 24, 2011, whereby the Authority agreed to loan up to $25 million from its Alameda County Transportation Authority (ACTA) Capital Projects Fund, if needed. The outstanding loan receivable from ACCMA at February 29, 2012, was $5 million. The loan carries no interest and is repayable to the Authority when the ACCMA is in a position to do so, which is expected to be during the fiscal year 2014-15. The ACCMA may repay the loan, in whole or in part, at any time without penalty.

NOTE 9 – NET ASSETS AND FUND BALANCES

Net Assets

Net assets are the excess of all assets over all liabilities, regardless of fund. Net assets are divided into three categories and are applicable only at the government-wide level. The categories are the following:

Invested in Capital Assets – Invested in capital assets describes the portion of net assets, which is represented by the current net book value of capital assets.

Restricted Net Assets – Restricted net assets describe the portion of net assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Authority cannot unilaterally alter. When both restricted and unrestricted net assets are available, unrestricted resources are used only after the restricted resources are depleted.

Unrestricted Net Assets – Unrestricted net assets describe the portion of net assets that is not restricted as to use.

Fund Balances

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

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

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.

Unassigned – In the general fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.
The following table provides detailed classifications of the Authority's fund balances, on February 29, 2012.

Fund balances	General Fund	ACTIA Capital Projects Fund	ACTA Capital Projects Fund	Special Revenue Fund	Total
Restricted					
ACTIA Capital Projects	$ -	$ 80,937,760	$ -	$ -	$ 80,937,760
ACTA Capital Projects	-	-	149,921,949	-	149,921,949
Express Bus	-	-	-	2,181,026	2,181,026
Regional Bike and Pedestrian	-	-	-	4,522,724	4,522,724
Transit Oriented Development	-	-	-	958,214	958,214
Passthrough	-	-	-	2,362	2,362
Paratransit	-	-	-	2,374,651	2,374,651
Unassigned	17,441,220	-	-	-	17,441,220
Total fund balances	$ 17,441,220	$ 80,937,760	$ 149,921,949	$ 10,038,977	$ 258,339,906

REQUIRED SUPPLEMENTARY INFORMATION

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES- BUDGET AND ACTUAL- GENERAL FUND FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2012

	Budgeted Amounts			Variance- Final Budget to Actual Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Sales tax	$ 3,120,000	$ 3,328,087	$ 3,328,087	$ -
Investment income	2,467	2,467	38,426	35,959
Other	-	-	18,333	18,333
Total revenues	3,122,467	3,330,554	3,384,846	54,292
Expenditures				
Administration	2,352,304	2,690,827	1,948,057	742,770
Net change in fund balances	770,163	639,726	1,436,789	797,063
Fund Balances - Beginning	16,004,431	16,004,431	16,004,431	-
Fund Balances - Ending	$ 16,774,594	$ 16,644,157	$ 17,441,220	$ 797,063

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES- BUDGET AND ACTUAL- SPECIAL REVENUE FUND FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2012

	Budgeted Amounts			Variance- Final Budget to Actual Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Sales tax	$ 39,661,753	$ 42,307,005	$ 42,307,005	$ -
Investment income	1,833	1,833	29,920	28,087
Total revenues	39,663,587	42,308,838	42,336,925	28,087
Expenditures				
Transportation improvement	40,539,383	44,457,558	42,224,590	2,232,968
Net change in fund balances	(875,796)	(2,148,720)	112,335	2,261,055
Fund Balances - Beginning	9,926,642	9,926,642	9,926,642	-
Fund Balances - Ending	$ 9,050,846	$ 7,777,922	$ 10,038,977	$ 2,261,055

SUPPLEMENTARY INFORMATION

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

COMBINING SCHEDULE OF THE BALANCE SHEET OF THE SPECIAL REVENUE FUND BY PROJECT OR PROGRAM
FEBRUARY 29, 2012

	Express Bus	Regional Bike and Pedestrian	Programs Distribution	Transit-Oriented Development	Paratransit	Total
ASSETS						
Cash and investments	$ 2,067,648	$ 4,545,809	$ 2,362	$ 1,051,678	$ 2,371,041	$ 10,038,538
Sales tax receivables	115,875	206,920	9,324,659	31,452	236,717	9,915,623
Other receivables	-	-	-	-	475	475
Total Assets	$ 2,183,523	$ 4,752,729	$ 9,327,021	$ 1,083,130	$ 2,608,233	$ 19,954,636
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 2,497	$ 230,005	$ 9,324,659	$ 124,916	$ 233,582	$ 9,915,659
Fund Balances						
Restricted	2,181,026	4,522,724	2,362	958,214	2,374,651	10,038,977
Total Liabilities and Fund Balances	$ 2,183,523	$ 4,752,729	$ 9,327,021	$ 1,083,130	$ 2,608,233	$ 19,954,636

See accompanying note to supplementary information.

ALAMEDA COUNTY TRANSPORTATION IMPROVEMENT AUTHORITY

COMBINING SCHEDULE OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF THE SPECIAL REVENUE FUND BY PROJECT OR PROGRAM
FOR THE PERIOD ENDED FEBRUARY 29, 2012

	Express Bus	Regional Bike and Pedestrian	Programs Distribution	Transit-Oriented Development	Paratransit	Total
REVENUES:						
Sales tax	$ 494,406	$ 882,867	$ 39,785,538	$ 134,194	$ 1,010,000	$ 42,307,005
Investment income	6,145	13,646	-	3,268	6,861	29,920
Total Revenues	500,551	896,513	39,785,538	137,462	1,016,861	42,336,925
EXPENDITURES:						
Transportation improvement						
Administration	25,018	323,460	(2,097)	15,880	269,937	632,198
Public transit	255,336	-	21,358,329	396,820	714,404	22,724,889
Local transportation	-	440,295	18,427,208	-	-	18,867,503
Total expenditures	280,354	763,755	39,783,440	412,700	984,341	42,224,590
Net change in fund balances	220,197	132,758	2,098	(275,238)	32,520	112,335
Fund balances, beginning	1,960,829	4,389,966	264	1,233,452	2,342,131	9,926,642
Fund balances, ending	$ 2,181,026	$ 4,522,724	$ 2,362	$ 958,214	$ 2,374,651	$ 10,038,977

See accompanying note to supplementary information.

ALAMEDA COUNTY TRANSPORTAION IMPROVEMENT AUTHORITY

NOTE TO SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED FEBRUARY 29, 2012

NOTE 1 – PURPOSE OF SCHEDULES

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

The Combining Schedule of the Special Revenue Fund Project or Program Balance Sheet and the Schedule of Revenues, Expenditures and Change in Fund Balances, is included to provide information regarding the individual subfunds included in the Special Revenue Fund column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Change in Fund Balances.

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Vavrinek, Trine, Day & Co., LLP,
Certified Public Accountants & Consultants

VALUE THE DIFFERENCE

INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors
Alameda County Transportation Commission
Oakland, California

We have audited the basic financial statements of the Alameda County Transportation Improvement Authority (the Authority) as of and for the eight months ended February 29, 2012, and have issued our report thereon dated November 00, 2012. We have also audited the accompanying Alameda County Transportation Improvement Authority Limitations Worksheet (the Worksheet) for the eight months ended February 29, 2012. The Worksheet is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Worksheet based on our audit.

We conducted our audit of the Worksheet in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Worksheet is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Worksheet. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall worksheet presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Worksheet referred to above, presents fairly, in all material respects, the administrative cost and related percentages of the Authority for the eight months ended June 30, 2012, in conformity with the accounting principles generally accepted in the United States of America.

Palo Alto, California
November 00, 2012

Alameda County Transportation Improvement Authority
Limitations Worksheet
Basis for Salary and Benefits Limitation and the Administrative Cost Limitation

		Eight Months Ended February 29, 2012
Revenues		
Net Sales Tax Proceeds	$	73,957,481
Investments & Other Income - Net of Related Costs		10,577,575
Funds Generated	$	84,535,056
Expenditures		
Gross Salaries and Benefits	$	652,742
Other Administration Costs		1,295,315
Total Administration Costs	$	1,948,057
Transportation Expenditure Plan Requirements		
Compliance on Salary and Benefits Cost Limitation (Maximum Allowed is 1%)		
Ratio of Gross Salaries and Benefits to Net Sales Tax Revenues		0.8826%
Compliance on Administration Costs Limitation (Maximum Allowed is 4.5%)		
Ratio of Total Administration Costs to Net Sales Tax Proceeds		2.6340%
Public Utilities Commission 180109 Requirement		
Compliance on Salary and Benefits Cost Limitation (Maximum Allowed is 1%)		
Ratio of Gross Salaries and Benefits to Funds Generated		0.7722%

Memorandum

DATE: November 6, 2012

TO: Finance & Administration Committee

FROM: Arthur L. Dao, Executive Director

SUBJECT: **Executive Director's Salary for Fiscal Year for 2012-13**

Recommendation

It is recommended that the Commission approve a salary adjustment of 5% for fiscal year 2012-13, retroactive to September 1, 2012. The Commission had earlier, in September, reviewed the Executive Directors performance evaluation and agreed on next year's (FY 2012-13) Objectives.

The full Commission reviewed and discussed the Executive Directors performance at its meeting in a closed session in September. The Committee found the Executive Directors performance over the last two years to be outstanding and expressed appreciation of his continuing hard work, dedication, and committment in serving the Commission in the delivery of critical transportation programs and and projects, and advancing important transportation policies across Alameda County.

Summary

The Alameda CTC's employment agreement with the Executive Director calls for an annual performance evaluation by the Finance and Administration Committee, which will then report to the full Commission. The evaluation is based on previously agreed upon objectives. The Commission and the Executive Director agreed on objectives for FY 2011-12 in September, 2011.

The employment agreement also states that the Commission will consider annual adjustments to salary and benefits and that the annual performance evaluation will provide a basis for these annual adjustments. The Executive Director did not request a salary adjustment last year. The employment agreement also calls for the Executive Director to provide the Committee with a self-evaluation as a first step in the evaluation process.

Discussion and Self Evaluation

Since assuming the position two years ago, in September, 2010, the Executive Director has focused on forming the consolidated county-wide transportation organization from staff with very different functions, work cultures and values, and creating a transitioned environment to allow for the delivery of projects and programs to proceed without interruption. The following is a list of some key accomplishments over the last year:

Major Accomplishments

Planning

- Completed the Board-approved and ballot-ready 2012 Alameda County Transportation Expenditure Plan.
- Completed the Board-approved County-wide Transportation Plan which provides a basis for MTC to develop its first Regional Transportation Plan with a Sustainable Community Strategy component and is consistent with SB 375.
- Increased public outreach and community engagement opportunities -- The Commission hosted several public forums and hundreds of hours of discussion pertaining to issues around the regional planning for sustainable community strategies, climate change, and development of the County-wide Long Range Plan, the Regional Transportation Plan, and the Transportation Expenditure Plan for the reauthorization of the current sales tax program.
- Completed the County-wide Bicycle and Pedestrian Plans.

Capital Projects Delivery and Express Lane Operations

- Salvaged and delivered eight major, challenging, and complex State Infrastructure Bond funded projects within one year, with a total cost of $750 million, and eliminated a significant risk of funding loss.
- Advanced several key capital projects into construction including: the I-80 Integrated Corridor Management Project, the I-880 Southbound HOV Lane Project, the final phase of the BART Warm Springs Extension Project, the I-580 HOV Lane Project, and Phase 1 of the Livermore Route 84 Expressway Project. Several other projects have also completed significant project milestones.
- Addressed critical short-term funding shortfalls of specific major projects to allow for these projects to proceed.
- Assumed full managing responsibilities for the operations of the Southbound I-680 Express Lane.

Programming

- Completed the programming of the 2014 State Transportation Improvement Program (STIP).
- Completed the allocation plan for the Vehicle Registration Fee funding program.
- Completed the negotiation and execution process for the new Master Funding Agreements with the cities, County, and transit operators in the County for Measure B and Vehicle Registration Fee programs.

Finance and Administration

- Obtained an unqualified opinion on the FY2010-11 financial statements from the independent financial auditor.
- Completed the process to formally transition all employees of the former agencies to the Alameda CTC. The Commission approved the unified comprehensive benefits program for transitioning employees and new employees.
- Completed the formal process to terminate the Alameda County Transportation Improvement Authority and the Alameda County Congestion Management Agency and transition to the Alameda County Transportation Commission.

- Developed an approval-ready consolidated and sustainable operating budget for the merged agency.
- Completed the Alameda CTC Strategic Communication Plan.
- Organized and held the Commission Retreat on December 16, 2011.

On-going Services

- Provide improved support to Standing Committees and the Commission
- Provide support to various Citizen and Technical Committees
- Develop various technical reports required by the Congestion Management Program (CMP)
- Manage and maintain CMP data collection
- Coordinate and facilitate planning activities among regional and local partnering agencies including: MTC, ABAG, Bay Area CMAs, cities, and transit operators
- Program and allocate funds to the County, cities, and transit operators from the TFCA, VRF, Lifeline Transportation, STIP, and Sales Tax Programs
- Monitor and report on the delivery of projects funded through federal, state, regional, and sales tax programs
- Perform direct management of specific capital projects
- Manage and implement sales tax and other federally funded programs such as paratransit, bicycle and pedestrian coordination, safe routes to schools, etc.
- Provide project delivery assistance to cities on an as-needed basis
- Conduct various business and community outreach activities
- Advocate for policies and legislation in support of transportation and funding for transportation in Alameda County
- Provide certification for local and small local businesses for contracting purposes

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