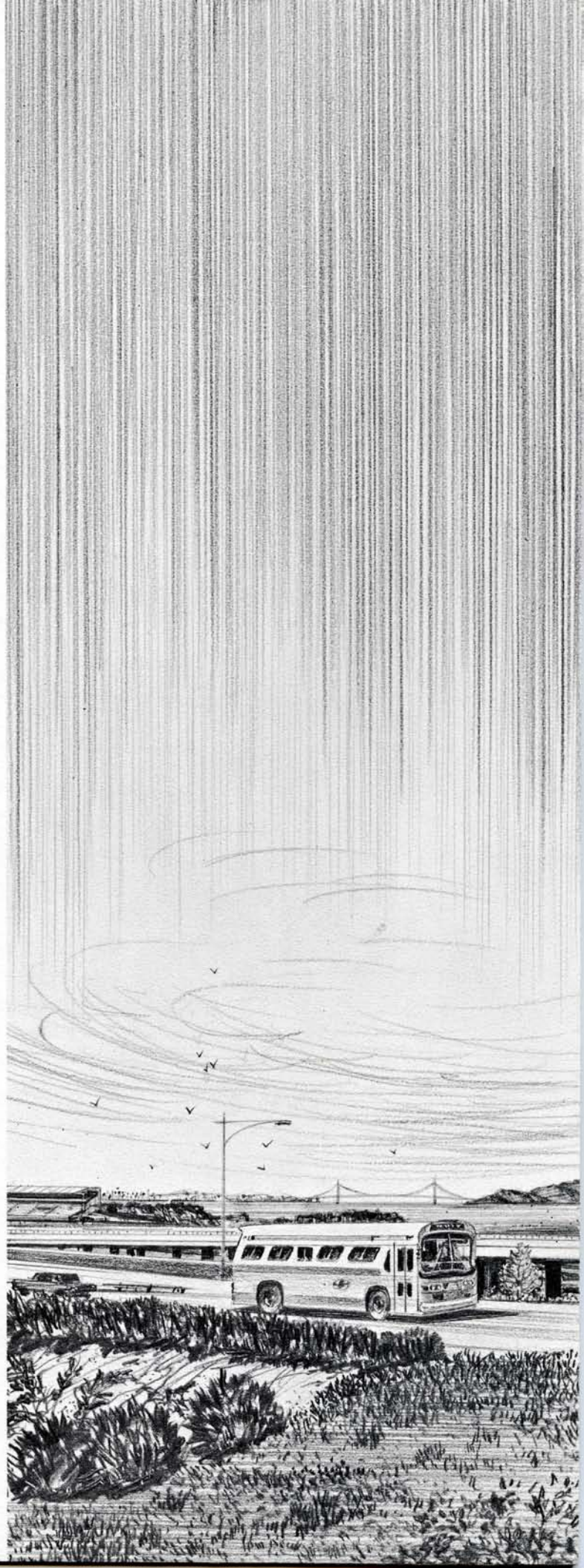




ANNUAL REPORT

1962/1963



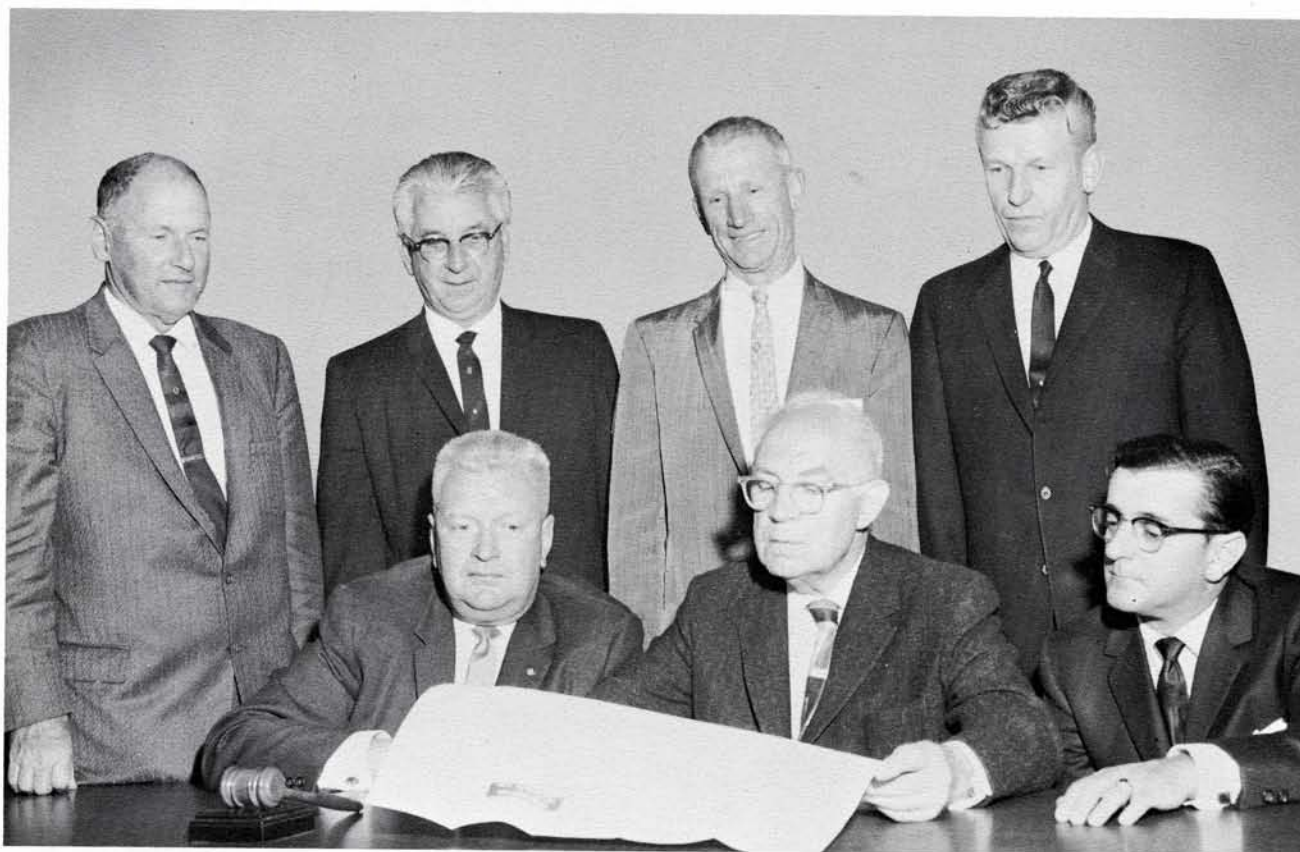


ANNUAL REPORT

1962/1963

BOARD OF DIRECTORS

Robert M. Copeland
President
William H. Coburn, Jr.
Vice President
Robert K. Barber
Resigned January 30, 1963
William E. Berk
William J. Bettencourt
John L. McDonnell
Ray H. Rinehart
Appointed March 27, 1963
E. Guy Warren



Members of Board of Directors study one of many proposals for improved service recommended for consideration during the year. Seated, left to right: Vice President William H. Coburn, Jr., President Robert M. Copeland and William J. Bettencourt. Standing, left to right: E. Guy Warren, John L. McDonnell, William E. Berk and Ray H. Rinehart.

ADMINISTRATIVE OFFICERS

Kenneth F. Hensel
General Manager
Robert E. Nisbet
Attorney
George M. Taylor
Secretary
John F. Larson
Treasurer-Controller
Alan L. Bingham
Public Information Manager

THE COVER—City of Albany is second East Bay community in alphabetical order to be recognized in AC Transit annual reports for contribution to progress of the District. Like other sister cities, Albany has an enviable "past and a present." First inhabited by Indians, the city also knew a romantic interlude of Spanish occupancy before becoming a "city of homes." Albany, with a population of 19,000, stands as a symbol of successful, cooperative living. Home owners are happy with their surroundings, located on the shoreline of San Francisco Bay. A growing industrial area adds to the city's economy; research centers provide employment, interest and achievement. Albany Hill stands as a landmark on her western boundary. And Golden Gate Fields, a nationally-known horse racing track, brings visitors from far and wide—forming a panoramic backdrop with the Golden Gate Bridge for AC Transit express buses speeding along Eastshore Freeway.

TO THE CITIZENS OF THE TRANSIT DISTRICT:

The Board of Directors proudly reports another year of accomplishment.

We have fulfilled our fundamental objectives, have provided you with an excellent bus system, better service and efficient and pleasant transportation. The network of bus service, owned and supported by you as patrons and taxpayers, shows steady growth. It proves that people will use public transportation when it is efficient, comfortable, economical, taking them when and where they want to go.

With this growing and effective public transit system, we have had national acclaim for our high quality of passenger service and our patronage gains. The transit industry, faced with a continuing loss of riders, generally looks to us in the East Bay now for ideas. Elements of our success are, simply: We are giving the public service it needed and wanted, and the public responds with help, friendliness, appreciation and warmth far more than mere "support."

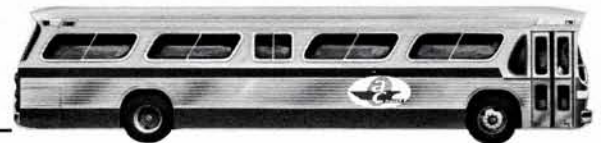
Your system's growth as shown in figures is demonstrated better by the fleet of modern buses now on our routes; by service expanding to every corner of the district; by constant improvement and by the steady rise in passenger trips.

Out of possibly 450,000 available riders, only about 100,000 daily make round trips. At the same time our expenses—like most—have continued to rise, faster than revenues due to growth.

Operating costs for the year of \$12,369,500, gaining 8.4 per cent on last year, were covered by operating revenues of \$12,739,800. Not enough remained to cover purchase of new equipment for replacing old buses, to serve new areas, and to pay the full year's share on the District's bond issue cost. The District did break even on the current year's Estimate with funds from prior-year operations and savings from a new self-insurance program. So, for the year we did give citizens of the District a real benefit—bargain fares on one of the nation's best transportation systems.

In the year to come are more challenges—an Estimate with a tax increase for necessary progress—addition of at least 30 new "Transit Liner" coaches to your bus fleet—expansion of service to areas needing it—more speed—greater efficiency—and greater use of our entire system.

Without the remarkable and gratifying help of the public, the Governor, Bay area newspapers, chambers of commerce and other civic organizations, labor groups, and city, county and state representatives, this tax increase would have been greater. This bill to put AC Transit out of charter bus service vetoed in May by Governor Edmund G. Brown, was a measure cutting an



important source of revenue from District operations and adding to tax problems. Perhaps of greater significance, from the point of personal rights, it would have prevented you, as private citizens, from chartering your own buses.

By re-election in November, four incumbent members of the Board were returned to service by sweeping majorities. Director William J. Bettencourt, San Leandro business executive, as Board President completed two years which encompassed much of the District's outstanding history of operation.

Veteran board member, Robert K. Barber, left to accept appointment as Judge on the Oakland-Piedmont Municipal Court bench. To fill Mr. Barber's unexpired term as Director-at-Large, Ray H. Rinehart of Piedmont, certified public accountant, was appointed—bringing experience as a laboring man and business executive, with long dedication to public service.

We are optimistic about the year ahead, our third full year of operations. We are determined to provide the best possible bus service, meeting obligations of the present and the future. We plan to take advantage of new ideas and new ways to improve transit with day-to-day efficiency. We believe more of you can find satisfaction riding your own buses.

BOARD OF DIRECTORS

Robert M. Copeland

Robert M. Copeland
President

Central Dispatch keeps buses moving. With aid of radio network, calls send supervisors wherever assistance is needed.



REVIEW OF THE YEAR BY THE GENERAL MANAGER

The past fiscal year has been a busy year, and a year of change. It marked the completion of one stage of Alameda-Contra Costa Transit District development—the completion of basic plans for transit modernization. It has also been a year in which the energies and resources of the Board of Directors and the staff of the District have turned toward new objectives, toward better ways of doing things, toward refinements in service and development of new ideas. These efforts have gone far toward reestablishing the habit of utilizing public transit. We have proceeded during the year toward these objectives:

- Improving service in keeping with the changing needs of the public, including the streamlining and rerouting of lines to adjust to population changes.
- Planning services for areas of potential annexation, looking toward future needs.
- Studying latest improvements in equipment, with the purpose of obtaining buses needed for present and future service which can provide the utmost in comfort, safety and efficiency.
- Achieving levels of maintenance which reflect good practice, while reducing costs.
- Establishment of improved standards in employment practices; driver training and supervision designed to improve technical skills and safety—and also to develop the important attitudes of courtesy and service which have resulted in congenial relations between operators and passengers.
- Achieving increased riding through constant improvements and through programs of advertising, public relations and promotion to keep the public fully informed of District activities.

PASSENGER REVENUE

Improvements in service and equipment, together with an aggressive promotion program have continued to account for the increased use of transit here in the East Bay despite the downward trend experienced by most of the nation's transit properties.

During the past year we carried 51,710,155 riders,

a growth of 3.45 per cent. Nationwide, patronage declined an average of 2.45 per cent.

Passenger revenue totaled \$12,392,647, an increase of \$479,208 or 4.02 per cent over the 1961-62 fiscal year.

On our East Bay lines, revenue increased 3.39 per cent, while transbay operations showed an increase of 5.11 per cent.

Transbay operations were stimulated during half of the year by the State's continuance of an exclusive bus lane on the lower deck of the San Francisco-Oakland Bay Bridge which gave homeward bound commuters an unhindered ride during the peak of congestion. With the help of this traffic-free lane, transbay patronage boomed, as indicated by a 9 per cent increase in commute book sales during the calendar year of 1962 when the lane was in use by buses. Although the exclusive lane was opened to all traffic in February of this year, during construction repaving, buses have continued to move freely, resulting in a speed-up in travel time on most transbay lines.

Transbay commute travel has continued to grow, as indicated by the increase in commute book sales for the fiscal year, up 6.3 per cent over the year before.

To maintain this growth, efforts are being made to have established a permanent exclusive lane on the bridge during commute hours, after the full reconstruction program is completed.

MAJOR IMPROVEMENTS

Service expansion has continued on three major fronts: improvements to transbay service, including extensions into new areas; establishment of new neighborhood lines and improvements and extensions to existing local and trunk lines; improvements and additions to the area's system of intercity express service.

By the end of the fiscal year, the District had increased its total local mileage from 15,172,200 to 15,577,200, a boost of 2.67 per cent. Transbay mileage had grown from 6,677,000 annual miles to 6,901,600, an increase of 3.36 per cent. In all, the District operated 22,478,800 miles of scheduled service.

Four new lines were inaugurated, including two new East Oakland lines; new service to Leroy Heights and San Pablo and a new intercity express line—the fifth for the district—to Washington Manor and Bonaire.

In addition, "Sunshine Specials" were put into operation in June to provide the first public transportation to hill area activities at Charles Lee Tilden Regional Park and the Thomas J. Roberts recreational area.

New service included inauguration of Line 83-A, to provide direct service between downtown Oakland and Metropolitan Oakland International Airport. The other, Line 83-B, operates via East 14th St. to 98th Ave., then via 98th to MacArthur Blvd., to bring transit to that residential area. Inauguration of Line 70 brought service to residents of Leroy Heights and San Pablo and improved transportation for students attending Contra Costa College.

With the addition of Line 36 to provide peak hour intercity express service between downtown Oakland, Washington Manor and Bonaire, the District's total of one-way express route miles was boosted to 67.6 miles. The growth of express lines has been fairly steady, showing a revenue increase of 19.68 per cent over a year ago.

In addition, there were service improvements on almost every line; including extensions, additional schedules and more frequent service. Greater use was made of the MacArthur and Nimitz Freeways, with resulting speed-up in transbay operations. Castro Valley residents were given their first direct transbay commute service through an extension of a commuter branch of Line R. El Sobrante received direct transbay service through inauguration of a Line L express.

Opening of the historic Northbrae railroad tunnel to surface traffic revived a transportation tradition of 50 years standing and gave riders on Line F-Berkeley and Line 33-Berkeley Express faster and more direct service between North Berkeley and the downtown area.

Opening of historic Northbrae Tunnel in Berkeley gives AC Transit faster route for transbay and intercity express service.

PASSENGERS ■ REVENUE ■ MILEAGE

REVENUE PASSENGERS	1962-63	1961-62	% CHANGE
East Bay	40,999,107	39,700,200	+3.27
Transbay	10,711,048	10,286,399	+4.13

PASSENGER REVENUE

East Bay	\$7,791,556	\$7,536,228	+3.39
Transbay	\$4,601,091	\$4,377,211	+5.11
Charter	\$ 233,332	\$ 232,485	+ .36

VEHICLE MILES

East Bay	15,577,203	15,172,234	+2.67
Transbay	6,901,584	6,677,036	+3.36

Treasure Island service was expanded into the Naval Base, as a result of change in Navy policy. At the same time, basic fares for the island service were brought into conformity to help pay for the 20,000 additional annual miles involved in the expanded service.

Typical of the District's program of taking a "new look" at each line, Line C-Piedmont Express service was rerouted to the MacArthur Freeway, cutting travel time by one-third between Piedmont and San Francisco, while bringing transbay commute service to the





"Parade of Progress" introduces 30 new Transit Liners in longest bus parade in East Bay history.

new area of Oakland Ave. and Harrison St. Basic Line C operations, at the same time, were extended into the center of Piedmont, changing that community's status from the only city in the District which did not have transbay service to the main part of the community.

OTHER DEVELOPMENTS

The fleet of new buses continued to grow, with another 30 put into operation after a mile-long parade through the cities served by the District. Of the 280 new coaches, 112 are air-conditioned for use on trans-

bay, intercity express and major trunk lines. Bids were authorized for the acquisition of an additional 30 new coaches, at an estimated cost of \$820,000 after conclusion of a study into latest innovations in motor coach design. At the end of the year a total of 636 buses were in operation.

Rehabilitation of all usable equipment acquired from Key System Transit Lines was completed and the last of the Key System orange made its appearance on East Bay streets on November 2.

Southern Alameda County residents received the advantage of a five cents reduction in fares between San Francisco, Hayward, Castro Valley, San Lorenzo, Palma Ceia and parts of San Leandro, when savings from repeal of the 10 per cent Federal transportation tax were passed along to riders.

A transit plan for the cities of Fremont, Newark and Union City, designed to help solve the transportation needs of Washington Township, was presented by the engineering firm of DeLeuw, Cather & Co. after an eight-month study jointly financed by AC Transit

MAJOR EXPENSES AND REQUIREMENTS

	1962-63		1961-62	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Salaries, Wages and Fringe Benefits	\$9,453,780	65.30	\$8,639,921	65.43
Bond Principal and Interest	1,214,218	8.39	966,023 ⁽¹⁾	7.33
Taxes and Tolls	925,381	6.39	839,627	6.36
Provisions for Equipment Renewal	892,963	6.17	829,861	6.28
Claims	274,930	1.91	467,984 ⁽²⁾	3.54
Fuel and Oil	455,815	3.15	434,106	3.29
Materials and Supplies	523,658	3.62	395,225	2.99
Tires and Tubes	178,668	1.23	187,578	1.42
Insurance	162,703	1.12	145,431	1.10
Public Information and Advertising	121,901	.84	122,777	.93
Miscellaneous	272,701	1.88	176,136	1.33

(1) Bond interest expense chargeable to operations commenced September 1, 1961.

(2) Figure not comparable with 1962-63; District commenced self-insurance program January 1, 1962.

and the three cities. The plan, still under study by the officials of the cities, proposed annexation to the District and inauguration of four local bus lines in the tri-city area.

INNOVATIONS

Free bus rides were being provided for Berkeley shoppers through a unique "Ride & Shop" validation plan developed by AC Transit and the Berkeley Downtown Center, representing more than 40 downtown Berkeley concerns. The courtesy, offered first on a two-month trial period, was extended at the request of participating firms as a result of shopper enthusiasm—and nationwide interest in the experiment.

Success of the Sunday and Holiday excursion pass, which allows riders to travel at will on any line in the East Bay for 60 cents, resulted in a decision by the Directors to continue the pass on a year-round basis. As a good neighbor gesture, the District commenced selling Sunday passes of the San Francisco Municipal Railway at the Transbay Transit Terminal for the convenience of its East Bay passengers who wanted to go sightseeing in San Francisco.

Another experiment in passenger service, establishment of a "Park & Ride" center in Berkeley, continued to draw capacity parkers and was improved and enlarged, with a new stairway erected and bus loading zone moved to accommodate the drivers who were leaving their cars to board Line F and Line 33 express buses.

Additional "Park & Ride" facilities were made available at the Fairway Park Shopping Center, Mission Blvd. and Gresel St., at the southern limits of Hayward, through cooperation of the Toro Development Co.

San Pablo Station, busy transfer point in Emeryville for more than half a century, got the modern look as a result of the district's program to erect passenger shelters in appropriate locations. The new shelter, built at 40th St. and Yerba Buena Ave., is of



Buses travel from Bay Bridge into Transbay Transit Terminal in San Francisco on exclusive elevated roadway.

"butterfly roof" design and large enough to accommodate two buses and the many passengers who make use of this point for local and transbay service.

Special services operated by the District during the year included "opera coaches" to the summer light opera series at Woodminster Theater; football specials to Youell Field for the home games of the Oakland Raiders; racing specials to Golden Gate Fields in Albany and increased service to the home games at the University of California.

One of the District's most complicated weekend operations also turned out to be one of its biggest, when buses carried 44,000 passengers to open house and dedication ceremonies at the new Metropolitan Oakland International Airport. The service was swift, smooth, carried off without a delay—and without a safety mishap.

A new radio communications system was acquired by the District, with the old-style wide-band FM radio converted to narrow-band FM, in accordance with FCC regulations. The station at 1106 Broadway was abandoned, along with satellite receivers at Emery-

ville and Seminary divisions and a new base station was installed on Round Top Mountain in the Berkeley hills.

ATTAINMENTS

A new labor contract, which became effective December 1, 1962, was reached after nine weeks of bargaining, giving both the public and union members assurance of labor peace for the next two and a half years.

It awarded bus drivers a 32-cent hourly wage increase over the period in a three-step wage hike and liberalized retirement provisions and increased health, welfare and other benefits. The agreement also boosted wages for other organized employees. In addition, supervisory personnel and non-union office employees were voted comparative salary increases and benefits over the same period, effective January 1 of this year. The contract with the union raised the district's costs by \$1,819,500 over the life of the agreement, while benefits to non-union personnel boosted cost by \$57,200 annually. In May, clerical workers decided to remain unorganized by rejecting membership bids from two labor unions.

The public and workers were provided with more modern and efficient facilities when the District moved its general headquarters to the Latham Square Building at 16th St. and Telegraph Ave. Decision to move from the building at 1106 Broadway, used by the Key System since 1943, was made after a committee investigated more than 40 proposed sites and decided public money could be saved by obtaining

additional space, improved building service and a more efficient layout. As a result of the move, all public transit needs are now being handled at one location through a customer's service bureau, which includes token and Sunday pass sales, information, schedules and lost and found.

One of the coveted awards of the industry, the 1962 Fleet Owner Maintenance Efficiency Award, was presented to the District for its excellent maintenance performance, in competition with other leading transit bus operators.

Stepped-up concentration on safety and training resulted in an increase of 5.27 per cent in miles operated per accident, as compared to the previous fiscal year. Some 490 bus operators, who completed 12 consecutive months of safe driving while maintaining satisfactory attendance records, were presented with gold pins during annual ceremonies in October.

The purchasing department spent a busy year, using 2750 purchase orders to 452 vendors for materials, supplies, capital improvements and replacements necessary to maintain stores stock of approximately 8000 items. Among major orders handled were 4,000,000 gallons of diesel fuel, 50,000 gallons of motor oil, 464,000 gallons of gasoline; and 28,000,000 transfers were purchased.

RELATIONS WITH PEOPLE

We have continued to make full use of newspaper, radio and billboard channels to keep the public informed about its bus system and improvements being made, and to maintain a most important asset, a relationship with passengers which has been mutually pleasant and gratifying.

To help residents make the most of its transportation possibilities, the District distributed free guide books during the year, pointing the way to "Transit Trails" of adventure. It also prepared, for the summer of 1963, a similar 32-page "Sunshine Trails" booklet, featuring 14 illustrated bus tours. A new edition of

Sleek streamlining of AC Transit buses contributes modern functional appearance to entrance of 28-story Kaiser Center beside Lake Merritt.



the route map, showing expanded service, was distributed—and work begun on another edition, to keep up with constant District improvements and expansions.

In line with the District's growth in service, the Transit Information Bureau was expanded to a staff of 14 to increase the already noteworthy efficiency of the question-answering service.

FINANCES

We have continued to maintain our role as one of the few major transport properties to enjoy a healthy and steady patronage growth and financial results of the past twelve-month period were heartening and favorable. However, operating expenses have increased more than the growth of passenger revenue. Our revenue for the next year will be sufficient to meet these expenses, but will not pay for the interest and principal on the bonded debt, nor for the new equipment and service improvements we are pledged—and determined—to continue.

We will continue to strive to do a better job, to operate more profitably, employing techniques to increase administrative efficiency, as well as operating efficiency. We plan to continue our high level of service and our program of evaluating and perfecting present bus service. We plan to maintain our present fare structure, to initiate no major expansions or new lines unless the prospects are favorable for them to be self-supporting within a relatively short period of time.

As General Manager, I again wish to thank the 1,449 men and women of AC Transit who have worked enthusiastically, and often beyond expected limits, to further the District's growth and well-being.



K. F. Hensel
General Manager

FAST express bus service goes into operation with opening of new MacArthur Freeway.





COMPARATIVE BALANCE SHEET JUNE 30, 1963 and 1962

EXHIBIT A

ASSETS

	<u>1963</u>		<u>1962</u>	
CURRENT ASSETS:				
Cash:				
On hand and in commercial accounts	\$	556,668	\$	579,777
Time deposits (of which \$500,000 is reserved for self-insured claims settlements).		<u>1,595,358</u>	<u>1,967,360</u>	<u>\$ 2,547,137</u>
Accounts and accruals receivable		110,552		119,284
Investment in U. S. Treasury obligations, at amortized cost which approximates market value		315,111		942,276
Prepaid expense:				
Materials and supplies	\$	200,751	\$	178,181
Insurance and other		<u>119,482</u>	<u>320,233</u>	<u>129,484</u>
Total current assets		<u>\$ 2,897,922</u>		<u>\$ 3,916,362</u>
PROPERTY, PLANT AND EQUIPMENT—AT COST:				
Property and equipment acquired October 1, 1960—Note 1	\$	7,516,559	\$	7,516,559
Less accumulated amortization		<u>925,712</u>	<u>595,917</u>	<u>\$ 6,920,642</u>
Other property and equipment:				
Motor coaches	\$	8,507,051	\$	7,712,460
Parts, service cars, shop and miscellaneous equipment		92,342		69,709
Office furniture and equipment		<u>28,414</u>	<u>26,842</u>	
Subtotal	\$	8,627,807	\$	7,809,011
Less accumulated depreciation		<u>1,305,320</u>	<u>722,305</u>	<u>7,086,706</u>
Total property, plant and equipment—net		<u>\$13,913,334</u>		<u>\$14,007,348</u>
Total assets		<u>\$16,811,256</u>		<u>\$17,923,710</u>

The accompanying notes are an integral part of this statement.

LIABILITIES AND ACCUMULATED NET REVENUE

	<u>1963</u>		<u>1962</u>
CURRENT LIABILITIES:			
Accounts payable	\$ 239,925		\$ 233,106
Salaries and wages payable	183,334		166,835
Payroll taxes collected and accrued	185,391		187,123
Provision for public liability claims— self-insured portion—Note 2	—		272,220
Accrued interest on general obligation bonds	195,796		207,796
Unredeemed tickets and tokens	74,035		64,302
Other current liabilities	<u>12,293</u>		<u>11,623</u>
Total current liabilities	\$ 890,774		\$ 1,143,005
GENERAL OBLIGATION BONDS—NOTE 3:			
Maturing within one year	\$ 625,000		\$ 600,000
Maturing after one year	<u>15,275,000</u>	15,900,000	<u>15,900,000</u> 16,500,000
ACCUMULATED NET REVENUE—EXHIBIT B			
	<u>20,482</u>		<u>280,705</u>
Total liabilities and accumulated net revenue	<u>\$16,811,256</u>		<u>\$17,923,710</u>

The accompanying notes are an integral part of this statement.

COMPARATIVE STATEMENT OF REVENUE, EXPENSE AND ACCUMULATED NET REVENUE For the Years Ended June 30, 1963 and 1962

EXHIBIT B

	1963	1962
REVENUE:		
Passenger	\$12,392,647	\$11,913,439
Charter	233,332	232,485
Advertising	89,553	60,251
Other operations	24,277	15,041
Total operating revenue	\$12,739,809	\$12,221,216
Proceeds from taxation	478,504	455,165
Total revenue	\$13,218,313	\$12,676,381
EXPENSE:		
Maintenance of equipment, shops, garages, buildings and grounds	\$ 1,889,911	\$ 1,669,298
Transportation	7,810,873	7,194,404
San Francisco terminal and other station expense	64,048	62,535
Traffic solicitation and special service	114,112	103,504
Public information and advertising	143,770	143,188
Insurance and safety	545,304	665,683
Welfare and pensions	497,711	409,828
Administrative and general	645,674	589,433
Operating taxes and licenses	601,503	523,666
Operating rents	56,631	47,245
Total expense	\$12,369,537	\$11,408,784
Net operating revenue before depreciation and amortization	\$ 848,776	\$ 1,267,597
DEPRECIATION AND AMORTIZATION	892,963	829,861
Net operating revenue or (loss)	\$ (44,187)	\$ 437,736
OTHER EXPENSE AND INCOME:		
Interest on bonded debt	\$ 593,388	\$ 466,024
Less interest earned and other income—net	66,475	99,386
Total other expense and income	\$ 526,913	\$ 366,638
NET REVENUE OR (EXPENSE)	\$ (571,100)	\$ 71,098
ACCUMULATED NET REVENUE:		
Balance, beginning of year	280,705	465,301
Add: Refunds of prior years' workmen's compensation insurance premiums	38,657	122,316
Restoration of provision for public liability claims—Note 2	272,220	—
Subtotal	\$ 20,482	\$ 658,715
Less items paid from bond proceeds:		
Rehabilitation costs	\$ —	\$ 66,316
Bond interest	—	311,694
Subtotal	\$ —	\$ 378,010
Balance, end of year	\$ 20,482	\$ 280,705

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTE 1: On October 1, 1960 the District purchased the physical operating assets of the Key System Transit Lines and its parent company, Bay Area Public Service Corporation. The cost column in the schedule below allocates the purchase price in accordance with an engineering report rendered by Arthur C. Jenkins & Associates of San Francisco, California under date of January 10, 1961:

	Cost	Accumulated Amortization
Land	\$2,332,400	\$ —
Buildings and other structures	1,473,242	122,529
Motor coaches, parts and equipment	3,336,475	725,821
Service cars, shop and miscellaneous equipment	324,372	63,080
Office furniture and equipment	50,070	14,282
Totals	<u>\$7,516,559</u>	<u>\$925,712</u>

The assets acquired by this purchase as well as all assets subsequently acquired are being charged against operations according to amortization and depreciation schedules prepared for the District by the same firm of consulting engineers. When certain property acquired in the initial acquisition was sold or salvaged subsequently, proceeds from the sale were added to the accumulated amortization account, thereby not disturbing current amortization charges but reducing amounts to be written off at the end of the amortization period. These proceeds totalled \$73,355 as of June 30, 1963.

NOTE 2: On January 1, 1962 the District began to self-insure all liability claims for personal injury and property damage up to a maximum of \$50,000 per any one accident or occurrence. Claims in excess of this amount are insured with commercial insurance carriers. As of January 1, 1963 the District discontinued making provision for unsettled claims but began to charge claim settlements directly to operations. Unsettled claims at June 30, 1963 would have been provided for at \$320,000 under the method previously used although past experience has been that settlements have averaged about one-half of the amounts so provided. Since \$272,220 had been provided for by charges against the prior year's operations, this amount was restored to accumulated net revenues.

NOTE 3: The District voters authorized a general obligation bond issue of \$16,500,000 at an election held on October 20, 1959. The bonds mature serially in amounts ranging from \$600,000 on September 1, 1962 to \$1,400,000 on September 1, 1980. Interest on these bonds ranges from 1% for the longest series up to 6% for the shortest series.

NOTE 4: The Board of Directors has authorized purchase of thirty new motor coaches at a cost of approximately \$820,000 to be delivered by December 1963.

NOTE 5: Claims have been filed against the District for its share of certain election costs. In the opinion of counsel, settlements, if any, of this contingent liability are expected to be of amounts readily met from anticipated revenue.

LYBRAND, ROSS BROS. & MONTGOMERY
Certified Public Accountants
1330 BROADWAY
OAKLAND 12, CALIFORNIA

August 19, 1963

To the Board of Directors,
Alameda-Contra Costa Transit District
Special Transit Service District No. 1:

We have examined the balance sheet of the ALAMEDA-CONTRA COSTA TRANSIT DISTRICT, SPECIAL TRANSIT SERVICE DISTRICT NO. 1 as of June 30, 1963, and the related statement of revenue, expense and accumulated net revenue for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of revenue, expense and accumulated net revenue present fairly the financial position of the Alameda-Contra Costa Transit District, Special Transit Service District No. 1 at June 30, 1963, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

LYBRAND, ROSS BROS. & MONTGOMERY



ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
LATHAM SQUARE BUILDING • OAKLAND, CALIFORNIA 94612

