

AC TRANSIT

annual report

1968-1969



ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

board of directors



William E. Berk
President



E. Guy Warren
Vice-President



William J. Bettencourt



William H. Coburn, Jr.



Robert M. Copeland



John McDonnell



Ray H. Rinehart

THE COVER—Piedmont is a hillside oasis of beautiful homes where many social and industrial leaders reside, enjoying residential quality, landscaped atmosphere and strictly regulated commercial development. Once a dairy farm, Piedmont has been an "in" place for gracious living since the 1870's. It's been noted for a sulphur springs hotel, a cable car, balloon ascensions and silkworm farms—and enough millionaires to form lasting traditions.

FISCAL YEAR 1968-1969

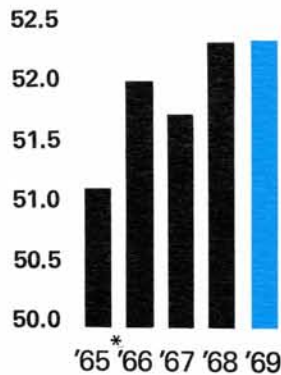


First of 45 new buses ordered to meet equipment needs rolls into service.

highlights

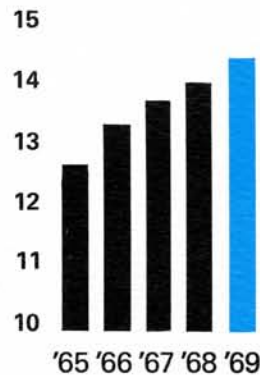
- Studies begun on new types of transit, to increase operating efficiencies and public use.
- Acceleration of efforts to find additional sources of revenue to help support public transportation.
- Galloping inflation ends riding bargain; new fare structure approved.
- Riding growth maintained, despite inconvenience of Ready-fare plan of riding, inaugurated as safety measure.
- Approval of Federal grant clears way for purchase of 45 new buses, permits retirement of older equipment.
- Steam bus experimental project, financed by federal government, expected to offer smog-free economies, new transit potentials.
- District and other agencies begin studies on new fast transit link to Oakland International Airport.
- Direct voter-control over neighborhood transit service reaffirmed in District policy on regional government.

Revenue Passengers
fiscal year ending June 30
millions of people



* Passengers restated from previous Annual Report to give effect to passenger count procedure change effective September, 1965 and subsequent months.

Passenger Revenue
fiscal year ending June 30
millions of dollars



Decorated bus brings holiday greetings—with airborne Santa Claus—to waiting crowds.

accomplishments of the year

The growth pattern that has been maintained since the District went into operation in October, 1960, continued during the 1968/69 fiscal year.

Aided by a continuing increase in transbay riding, the District successfully weathered the change to a Ready-fare plan of operation, holding its own in the number of passengers carried and showing an increase in fare box revenue.

Passengers who rode transbay totaled 14,624,633, up 2.23 percent over the number who rode during the previous fiscal period. The figure represents a gain of 62 percent in transbay riders since 1959, the last calendar year Key System was in operation. It is also the largest number of transbay passengers carried since 1952, prior to the 76-day strike which idled Key System Transit Lines equipment.

East Bay riding remained nearly steady, despite the inconvenience of having exact bus fare ready when boarding. Passengers carried totaled 37,753,524, an .82 percent decrease below the year-ago total.

The total passenger count was 52,378,157, a gain of .01 percent over the previous year. Passenger riding nationally was down 2.14 percent for the year.

Revenue collected in District fare boxes totaled \$14,504,537, an increase of 2.51 percent over revenue collected the previous year.

Transbay revenue reflected heartening development, with a total of \$6,348,454, an increase of 4.77 percent compared to the previous fiscal total. Fare box revenue on East Bay lines was \$8,156,083, up .82 percent over income in the 1967/68 fiscal year.

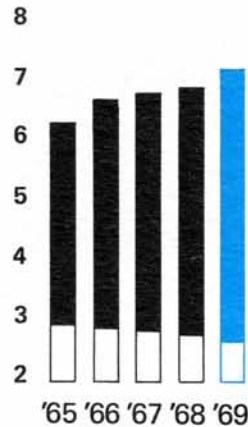
Charter revenue was \$553,109 and special school service, \$168,337, an increase of 1.38 percent over last year's total for both services of \$711,658.

Total operating revenue of \$15,692,429 represented an increase of 3.4 percent. Proceeds from the District's consolidated tax rate of 19.2 cents per \$100 of assessed valuation came to \$4,340,376, giving the District total income of \$20,032,805.

Total expenses, including depreciation, repayment of the bonded debt and equipment renewal, came to \$20,177,643, leaving a net deficit of \$144,838, which was offset by accumulated reserves.

The District operated 24,974,165 miles of service, up 2.19 percent compared to year-ago mileage of 24,439,298.

Bus Fleet
fiscal year ending June 30
hundreds of units
□ former Key System
■ new Transit Liners



Experimental bus offers promise of "jet age" transportation.



Air cushion vehicle makes debut during study on future potential transit modes.

new concepts studied

Looking into a future in which fares alone cannot be expected to support the public transportation bill, AC Transit stepped up efforts during the past year to develop new concepts in urban mass transit.

Studies were being concentrated on efficiencies which would make greatest use of productivity of employees. More attractive, convenient and sophisticated systems were being given consideration, to lure additional riders from cars.

Sources of revenue were being sought, on a permanent and sustaining basis, from Federal and State governments.

A "Transit Laboratory," in which the most imaginative types of local systems could be tested in the East Bay, won initial support as studies began into all types of transportation.

Consideration was given to an experimental bus, powered by a gas turbine engine; to steam engines for bus transit; to a "Skybus" now being tested in Pennsylvania, and to personal transit vehicles, using air cushion pads for support.

The District also looked at designs for an advanced monorail system and for a bus rapid transit network, using conventional coaches, but traveling in exclusive bus lanes.

While the District studied plans for a collection and distribution system to match the promise of the future Bay Area Rapid Transit District network--and to give residents in every neighborhood the type of transportation best suited to needs--it also took important steps to seek increasing financial aid.

government aid sought

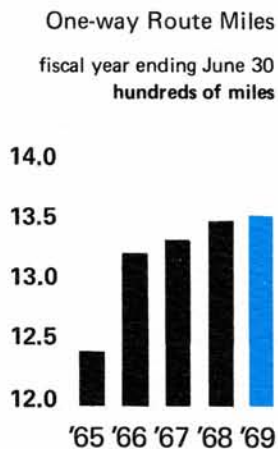
It was evident, in the face of inflationary trends that the fare box, property taxpayer and Federal government no longer could pick up the entire tab for public transit systems.

The State of California was being urged to assume its proper role and provide funds for urban mass transportation, as well as for highways.

State financial assistance was being sought vigorously on a continuing basis, available to all who operate transit. Efforts included the conviction that the public should be permitted to determine relative merits of expending funds for mass transportation, as well as for highways.

This policy, concurred in by other California transit agencies, was brought to the State legislature as the most immediate and vital problem facing the industry.

As the fiscal year advanced, it was evident inflation had caught up with the riding bargain long offered by the District. A change in fare structure was considered. Adding to higher-than-expected costs were expenses



Workmen assemble one of new coaches ordered for "new year" equipment program.



Driver Richard P. Pracht receives community service citation from Alan L. Bingham, right, general manager. Dale Goodman, transportation superintendent at Emeryville Division, adds congratulations.

incurred in inauguration of the Ready-fare program of riding, adverse weather protracted over a long period of time, increasing labor costs and insurance expenses.

In June, the Board of Directors approved an "across the board" increase of five cents a ride on all adult transbay travel, effective July 1, 1969. The rate for East Bay adult tokens was raised to four for \$1, instead of five for \$1.

The local cash fare of 25 cents was not changed. Youth fares remained the same. Zone charges were not affected.

ready-fare plan

The fare increase was matched by another challenge to riding.

At the beginning of the year, the District became the first property in the nation to inaugurate a complete, around-the-clock, Ready-fare plan of riding, designed to eliminate the temptation which prompted robberies of bus drivers.

All monetary stock was removed from coaches and for the first time, drivers rolled on lines empty-handed, without money, tokens or tickets.

Overwhelming support came from passengers—who cooperatively boarded with exact change ready—and from over 400 business firms, who sold tokens at locations throughout the East Bay service area.

new equipment

The new calendar year began on an appropriate happy note with approval of a \$589,025 capital grant by the U.S. Department of Transportation, which cleared the way for a "new year" equipment purchasing program. It was the most auspicious since the District's initial purchase of 250 new buses, delivered in 1960/61.

The grant covered half of costs of \$1,178,050 involved in purchase of 30 large, 102-inch wide coaches, and 160 radio units, with other equipment necessary to link the entire modern fleet into the two-way radio system. The grant can be increased by another \$196,341, to a total of \$785,366, if regional planning is considered sufficiently completed within three years.

With the grant approved, the District moved ahead to take advantage of an option for an additional 15 larger-type buses at a cost of \$462,436.

With delivery of the order, the District's bus count was 700 coaches in service, 462 of them "new look".

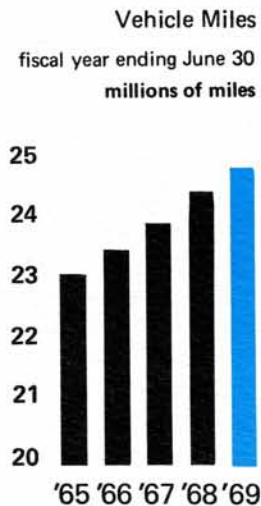
The purchase permitted the first major retirement of older buses since gasoline-powered coaches were sent to pasture in 1965.



Modern steam plants to be installed in AC Transit buses will be far different from that in Doble DeLuxe, built in 1924.



First of older-model buses to be retired since 1965 finishes run with driver Morley F. Baker, Jr.



steam bus project

Proposed installation of steam engines in two AC Transit buses offered exciting potentials.

The two-year experimental project, funded by a \$750,000 government grant to the California State Assembly, was heralded as the first test of its kind, of interest to the entire nation, as well as to the industry. The project may provide smog-free, noiseless, economical and more powerful public transportation.

The timetable calls for power plants to be developed late in 1970 and for steam powered buses to go into regular service early in 1971.

Engineering work was underway on another project of government and District interest, development of an articulated bus, which would offer greater seating capacity than the conventional coach.

The double buses, which can carry more than 70 passengers, advance a way to increase productivity of employees. The District's successful experimentation with its own duo-bus, the Freeway Train, over a three year period of time, offered convincing promise that newly-designed articulated units could result in attractive efficiency, at lower operating cost per passenger carried.

The government's leadership in aiding public transportation, as a vital necessity toward improving urban life, was exemplified further as the fiscal period ended.

computer study

Application was being made, at government instigation, for a federal grant of \$180,242, which would permit AC Transit to participate in a project aimed at testing merits of a new computerized management information system. The project would demonstrate use of electronic equipment and computer programming in connection with maintenance and servicing of buses and management and control of inventories in purchasing and stores.

The District's present computer, installed at the beginning of the year, replaced all unit record accounting machines and absorbed an increase in the work load, while producing more complete reports.

High priority also was being given by the District and other agencies to a government-aided study on how to build a fast, sophisticated transit link to Oakland International Airport.

The study will include service between the airport, BART, the Oakland Coliseum complex and adjacent Port of Oakland facilities. It also will cover transit service to the airport from other East Bay areas which will not be served effectively by a BART-airport link.

The study will include type of system, its funding, and



William E. Berk, elected president of Board of Directors in January, and E. Guy Warren, vice-president, begin duties.



Electronic "sky bus" presents one concept of high-speed transit on Pennsylvania test track.

structure for operating the service. The project will be accomplished by employment of professional consultants to complete two phases of a specific work program. The first phase will include feasibility and determination of a system. Completion of this part of the program will give participating agencies an opportunity to decide on proceeding with detailed engineering work. Federal grants will be sought to cover two-thirds of costs.

regional planning

Directors reaffirmed that East Bay voters should continue to have direct control over operation of their bus system in adopting a resolution concerning the District's future role in regional transportation planning.

The transit board noted it was the voters who created the District and who directly elect directors to control and guide operations. The board held residents should continue to have this choice, including how service meets individual neighborhood needs. The board also resolved that functions of AC Transit are subregional and not basically the responsibility of a regional government. Therefore, they found, the District should remain a separate, independent and autonomous public agency, continuing to be answerable directly to its citizens.

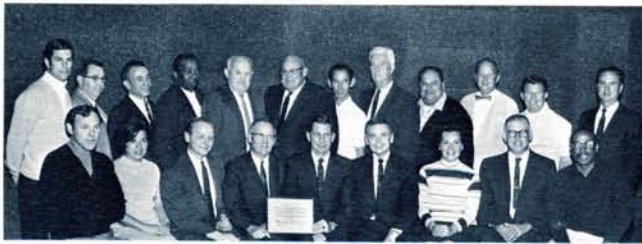
Three incumbent members were re-elected to the Board of Directors in November by substantial majorities: William E. Berk, William H. Coburn, Jr., and Ray H. Rinehart. Berk has been a director since 1960. Coburn has served since 1958 and Rinehart, since 1963. In January, Berk was elected president of the board and E. Guy Warren was named vice president.

District management, meanwhile, continued to work at reshaping the system to best serve neighborhood needs, including the carrying of people to rapid transit stations and providing direct, fast service for others who can best be served by buses. Special concentration was being given to coordination of fare collection, transferring, information services, and probable schedule adjustments.

operating expenses

Although the District experienced a healthy increase in revenue, the costs of doing business spiraled upward, with labor expenses amounting to a 9 percent increase over the previous fiscal year. The labor bill, including fringe benefits, accounted for 84 percent of operating expenses.

Expenses increased \$153,303 for the first half of the calendar year, when wages for 1500 employees went up nine cents an hour, reflecting the District's first cost of living adjustment.



Purchasing and stores workers share award for three years without time lost from job injuries.

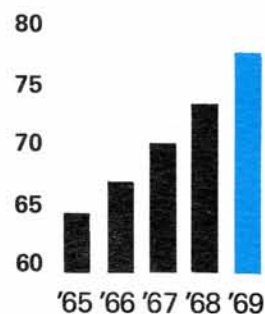


Entries in "Skill is my business" safety contest go in barrel for drawing on "days off with pay" prize.

System Expenditures per Mile

fiscal year ending June 30

cents



Wages went up again on June 1, under terms of the labor agreement. The pay hike for bus drivers and other union employees increased 20 cents an hour. Non-union workers, extended the same benefits by the Board of Directors, received an equivalent increase of 5.39 percent.

The boost gave bus drivers a base wage of \$3.91 per hour, placing them among the highest paid operators in the nation. With the nine-cent cost of living allowance, operators were receiving \$4 an hour and could look forward to another cost of living adjustment with the first payday after July 1, 1969.

Workers also shared a \$1 per employee increase in District paid medical plan coverage earlier in the year, boosting the payment per worker to \$18 a month. Some 850 drivers, with two or more years of service, became eligible for replacement of uniform shirts with the start of the new fiscal year. The District already is furnishing uniform trousers.

With the escalation, a program of obtaining passenger traffic counts on early morning and night trips on all lines was initiated by the schedule department to determine unproductive trips that should be eliminated, to save costs.

Service improvements continued to be made, with transbay and East Bay lines extended or rerouted to better serve neighborhoods and maintain high standards of operations.

Indicative of the constant increase in transbay commuter travel, which was nearing a daily total of 42,000 one-way riders per weekday, a total of 10 coaches were added to morning service and 10 to evening service, to accommodate patronage gains.

The maximum morning rush-hour equipment requirements on school days increased by 12 buses, or two percent, making a total of 621 buses.

safety

The District's accident experience during the fiscal year showed a sizeable reduction in passenger accidents, while experiencing an increase in the number of riders carried. There were 8.56 passenger accidents per 1,000,000 riders, a decrease below last year's figure of 9.16. Traffic accidents per 100,000 miles were 6.62, a slight increase over last year.

Costs of accidents totaled \$258,154 for bodily injury and \$59,899 for property damage, a total of \$318,053, compared to \$226,966 for the prior year. Claims amounted to 2.03 percent of operating revenue, an increase from the 1.47 percent of the 1967/68 fiscal period. The claims department was successful in recovering \$32,036 for accident damage to buses.

Division operators topped the safety goal of 13,100 safe driving miles per accident 11 times, collecting treats of coffee and doughnuts. During August, 1968,

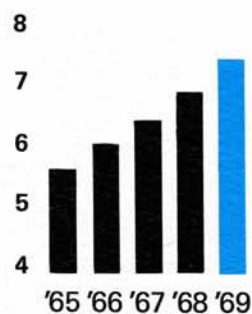


Viewers watch simulated accident on screen during class on accurate accident reporting.



It's lights on as "new look" coaches travel with headlights beaming during daylight hours as safety test.

Average
Monthly Employee
Earnings
fiscal year ending June 30
hundreds of dollars



Richmond Division operators tallied 18,817 miles per accident, highest record ever made on the property.

A training program on accurate accident reporting sent bus drivers and supervisory personnel back to the classroom for a course designed to save time and trouble and aid the District in handling claims. The teaching method, new to the industry, makes use of coordinated slides and taped information to illustrate basic steps to follow in reporting each accident.

The drivers fill out answer sheets to taped questions, then hear and see what the correct answer should be and why.

To step up driving safety, a "A Skill is My Business" contest was held during the Fall of 1968, aimed at developing a stronger awareness of professional pride among operators.

As another safety measure, coaches started to drive with headlights beaming during daylight hours as an experiment to determine if accidents would be reduced. Convex side mirrors also were installed to help prevent curbside passenger accidents.

The State Fund presented an award to the Purchasing and Stores Department for working 125,000 man hours without a lost time personal injury. As result of its low experience rate, the District now has the largest percentage reduction in State Fund insurance premiums of any employer in the state.

For the seventh consecutive year, the Maintenance Department was awarded the Fleet Owner Maintenance Efficiency Award for excellence in transit maintenance.

A modernization program to improve working conditions and efficiency at divisions and offices was underway and included remodeling of the operators' gilly room at Emeryville Division and re-roofing of garage and paint shops at Seminary Division, along with resurfacing of the employee parking lot and exit running lanes. The ticket office at the Transbay Transit Terminal was remodeled and repainted and new signs were installed. A "new look" also was given to the Claims Department reception room at the general offices.

continued growth

As the year closed, the District remained a phenomenon to the industry. While transit ridership declined nationally, AC Transit continued its growth, through public response to efficient service and new ideas. The District retained its reputation as a modern and well-managed system—and its determination to continue to move people further distances, at greater speeds, through increasing traffic congestion.

Support has been constant from our customers. Their commendations pay tribute to the exceptionally high quality of our employees, whose cooperation, courtesy and skill contributes so greatly to District success.

management



Alan L. Bingham	General Manager
Harold M. Davis	Assistant General Manager for Personnel
George M. Taylor	Assistant General Manager for Administration and District Secretary
H. Donald White	Assistant General Manager for Operations
Howard D. Beebe	Purchases and Stores Manager
E. Sam Davis	Research and Planning Manager
Ozro D. Gould	Claims Manager
Anthony R. Lucchesi	Maintenance Manager
Robert E. Nisbet	Attorney
Dennis J. O'Connor	Public Information Manager
Donald J. Potter	Transportation Manager
Warren E. Robinson	Transportation Engineer
Robert D. Tough	Treasurer-Controller
Gordon G. Wadsworth	Safety Engineer

PASSENGERS—REVENUE—MILEAGE

	1968-69	1967-68	% Change
Revenue Passengers			
East Bay	37,753,524	38,067,523	— .82
Transbay	14,624,633	14,304,958	+ 2.23
Total	<u>52,378,157</u>	<u>52,372,481</u>	<u>+ .01</u>
Passenger Revenue			
East Bay	\$8,156,083	\$8,089,710	+ .82
Transbay	6,348,454	6,059,209	+ 4.77
Charter	721,446	711,658	+ 1.38
Total	<u>\$15,225,983</u>	<u>\$14,860,577</u>	<u>+ 2.46</u>
Vehicle Miles			
East Bay	15,300,905	15,153,272	+ .97
Transbay	8,947,237	8,534,704	+ 4.83
Total	<u>24,248,142</u>	<u>23,687,976</u>	<u>+ 2.36</u>

Statement of Sources and Applications of Funds Year ended June 30, 1969

SOURCES:

Proceeds from taxation	\$4,340,376
Sale of fixed assets	660
Refund of workmen's compensation insurance premiums	49,716
Proceeds of federal grant	484,913
Proceeds of lease-loan agreement, not payable currently	777,368
	<u>\$5,653,033</u>

APPLICATIONS:

Operating loss	\$3,364,773
Less depreciation and amortization	1,154,481
	<u>\$2,210,292</u>
Interest on bonded debt	349,612
Current installment due on bonded debt	775,000
Acquisition of equipment	1,503,386
	<u>\$4,838,290</u>
Increase in working capital	<u>\$ 814,743</u>

See notes to financial statements.

Alameda-Contra Costa Transit District
Special Transit Service District No.1

Balance Sheets
June 30, 1969 and 1968

Assets

Property, Plant, and Equipment—at cost
 (Note A):

Property, plant, and equipment acquired October 1, 1960
 Less accumulated amortization

1969
JUNE 30

1968
JUNE 30

\$ 6,743,879
 2,293,694
 \$ 4,450,185

\$ 6,773,904
 2,053,038
 \$ 4,720,866

Other equipment:

Motor coaches
 Parts, service cars, shop, and miscellaneous equipment
 Office furniture and equipment

\$13,704,165
 491,691
 74,976

\$12,194,835
 523,728
 71,470

\$14,270,832
 5,756,716
 \$ 8,514,116

\$12,790,033
 4,894,847
 \$ 7,895,186

Less accumulated depreciation

Total Property, Plant, and Equipment

\$12,964,301

\$12,616,052

Current Assets:

Cash:

On hand and in commercial accounts
 Time deposits

\$ 482,967
 6,324,065
 \$ 6,807,032

\$ 461,799
 5,435,347
 \$ 5,897,146

U. S. Treasury obligations—at amortized cost (approximates market)
 Accounts receivable
 Materials and supplies—at average cost
 Prepaid expenses

897,677
 552,603
 175,240
 135,010

55,948
 409,468
 173,684
 98,397

Total Current Assets

\$ 8,567,562
 \$21,531,863

\$ 6,634,643
 \$19,250,695

See notes to financial statements.

1969
JUNE 30

1968
JUNE 30

Liabilities and District Equity

Long-Term Debt, less amount due within one year:

General obligation bonds, due serially to 1980, various interest rates (1% to 6%)

\$11,000,000

\$11,775,000

Lease purchase agreement, due in installments to 1972, various interest rates (3.5% to 5%)

777,368

—0—

Total Long-Term Debt

\$11,777,368

\$11,775,000

Current Liabilities:

Accounts payable

\$ 775,214

\$ 263,978

Salaries and wages

355,328

270,508

Accrued payroll taxes and amounts withheld from employees

186,065

168,164

Provision for pensions (Note C)

683,069

497,808

Accrued interest

113,296

128,296

Unredeemed tickets and tokens

434,933

133,483

Self-insurance reserve (Note B)

500,000

500,000

Amount due within one year on long-term debt

1,239,919

1,207,407

Total Current Liabilities

\$ 4,287,824

\$ 3,169,644

District Equity

5,466,671

4,306,051

\$21,531,863

\$19,250,695

See notes to Financial Statement.

**Alameda-Contra Costa Transit District
Special Transit Service District No. 1**

**Statement of Revenue,
Expense and District Equity**

	1969	1968
Revenue:		
Passenger	\$14,504,537	\$14,148,919
Charter	721,446	711,658
Advertising	161,331	116,664
Interest earned	289,666	188,942
Other operations	15,449	15,634
Total Operating Revenue	<u>\$15,692,429</u>	<u>\$15,181,817</u>
Expense:		
Transportation	\$11,555,074	\$10,614,804
Maintenance	2,442,515	2,302,425
Depreciation and amortization	1,154,481	1,115,108
Operating taxes and licenses	617,424	793,828
Administrative and general	961,985	850,178
Welfare and pensions (Note C)	1,304,295	1,153,997
Insurance and safety	758,366	638,627
Public information and advertising	263,062	240,399
Total Expense	<u>\$19,057,202</u>	<u>\$17,709,366</u>
Operating Loss	<u>\$ (3,364,773)</u>	<u>\$ (2,527,549)</u>
Nonoperating Items:		
Proceeds from taxation	\$ 4,340,376	\$ 3,969,684
Less:		
Provision for current year's redemption of bond principal	(770,830)	(745,834)
Interest and fees on bonded debt	(349,612)	(394,425)
Net Proceeds from Taxation Available for Operations	<u>\$ 3,219,934</u>	<u>\$ 2,829,425</u>
Increase (decrease) in Equity after Provision for Bond Principal Redemption	<u>\$ (144,839)</u>	<u>\$ 301,876</u>
District Equity:		
Balance at beginning of year	4,306,051	3,132,833
Add:		
Refunds of prior years' workmen's compensation insurance premiums	49,716	127,263
Restoration of provision for bond principal redemption deducted above	770,830	745,834
Proceeds from federal grants for capital equipment acquisitions (Note D)	484,913	(1,755)
Balance at end of year	<u>\$ 5,466,671</u>	<u>\$ 4,306,051</u>

See notes to financial statements.

Notes to Financial Statements

year ending June 30, 1969

Note A—Property, Plant, and Equipment

Property, plant, and equipment acquired on October 1, 1960 from Key System Transit Lines and its parent Bay Area Public Service Corporation is being amortized on a composite basis. Other property is being depreciated on the straight line basis.

Note B—Self-Insurance Reserve

The District is self-insured for personal injury and property damage claims up to \$100,000 for any one occurrence. Claims in excess of this amount are insured with commercial insurance carriers.

Note C—Pensions

When the District acquired the physical operating assets of the Key System Transit Lines it also assumed the liability for current and future pensions. Prior to 1966, payments were charged to operations in the year made and no provision was made for future pension liabilities. In accordance with the terms of a labor agreement with the Amalgamated Transit Union dated September 8, 1965, the District is contributing 5% of compensation of covered employees for current and future benefits. To afford similar treatment, for non-union employees, the District began in 1967 to provide for their future pension benefits.

The liability for provision for pensions will not necessarily provide, on an actuarial basis, for complete funding of future pension liabilities.

Note D—Federal Grants

During the year ended June 30, 1967, the District received the proceeds from two federal grants for capital equipment acquisitions.

Under the terms of the grants the Government participation was 50%. However, the grants provided for Government participation of 66% or an additional \$170,600 if in the San Francisco Bay Area, a transit development program is completed, and comprehensive and transportation planning meet requirements under the Urban Mass Transportation Act of 1964. A petition by the District for the additional grant has been filed with the Government and is pending.

An additional grant was received during the year ended June 30, 1969 for an additional 30 buses and 160 radios. Under the terms of the grant the Government's participation was 50% of the cost up to \$589,000 of which \$484,900 has been received. An additional 16% amounting to \$196,300 is available under the conditions noted above.

TOUCHE, ROSS, BAILEY & SMART

1330 BROADWAY
OAKLAND, CALIFORNIA 94612

August 7, 1969

Board of Directors,
Alameda-Contra Costa Transit District,
Special Transit Service District No. 1,
Oakland, California.

We have examined the accompanying balance sheet of Alameda-Contra Costa Transit District, Special Transit Service District No. 1 as of June 30, 1969, the related statements of revenue, expense and district equity, and the statement of sources and applications of funds 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 financial statements referred to above present fairly the financial position of Alameda-Contra Costa Transit District, Special Transit Service District No. 1 at June 30, 1969, and the results of its operations and sources and applications of funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Touche, Ross, Bailey & Smart

Certified Public Accountants



ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

508-16th Street, LATHAM SQUARE BUILDING, OAKLAND, CALIFORNIA