

AC TRANSIT ANNUAL REPORT

* 1970-71



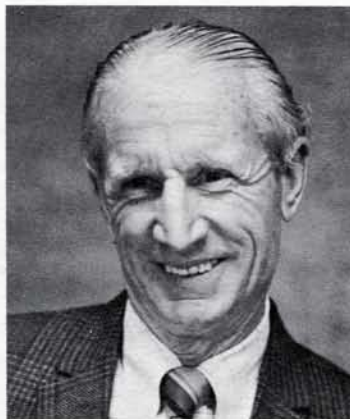
BOARD OF DIRECTORS



RAY RINEHART President



E. GUY WARREN Vice-President



WILLIAM E. BERK



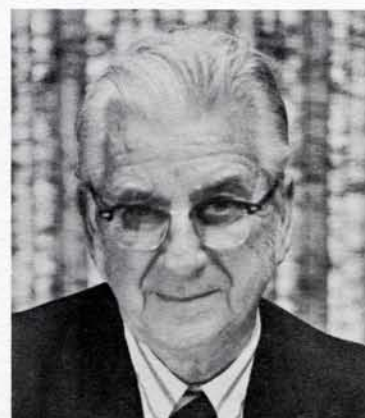
WILLIAM J. BETTENCOURT



ROBERT M. COPELAND



CLAUDE DAUGHTRY



JOHN McDONNELL

HIGHLIGHTS

- Preliminary proposals for rerouting 82 bus lines to BART stations completed.
- Plans for integrated bus-rail network taken to public.
- AC Transit and BART directors work together on policy decisions.
- New Metropolitan Transportation Commission joins BART and AC Transit on project to evaluate coordination planning and results.
- Engineering studies near completion on modes of transit to meet needs in outlying areas.
- Finances become critical as expenses surge to record high; new tax rate set.
- Federal grant helps finance new buses and conversion of modern fleet of coaches to improved type fuel injector, as system steps up efforts to minimize air pollution.
- Bus tolls lowered on Bay Bridge.
- Work begins on modern steam-powered bus.
- Use of bus transit grows; new projects aimed at greater efficiencies.
- Ten-year improvement program planned.
- Entire modern bus fleet on airways.

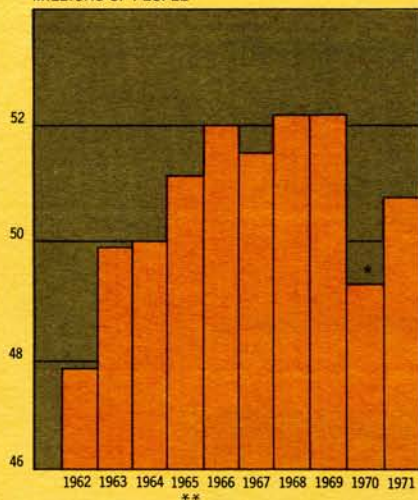
THE COVER — Economy in government, matched with an active civic program has made San Leandro a delightful place to live — and an exciting one. Industry has flourished, with 750 new firms making their headquarters in San Leandro since 1947. Taxes are low, cultural and educational opportunities are many. San Leandro can boast of good land, good climate, attractive homes and recreational facilities oriented to waterfront development at the San Leandro Marina, as well as Lake Chabot. A Spanish-Portuguese heritage adds gaiety and color to a rich historical past. One of 11 cities in the East Bay served by AC Transit, San Leandro will celebrate its 100th birthday as a community in 1972. City planners predict the next 100 years will be even brighter.

TEN YEAR TRENDS

Financial summary of
AC Transit experience
through fiscal year
ending June 30.

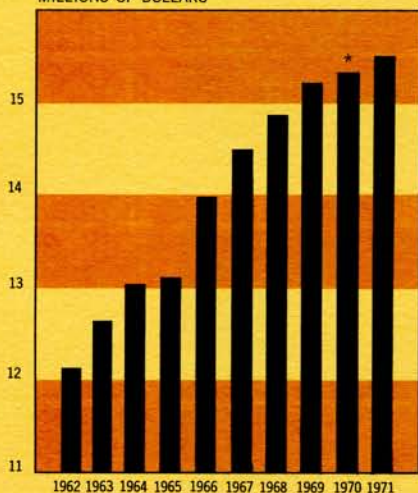
REVENUE PASSENGERS

MILLIONS OF PEOPLE



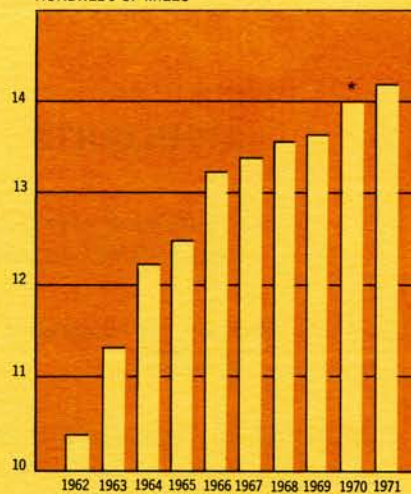
PASSENGER REVENUE

MILLIONS OF DOLLARS



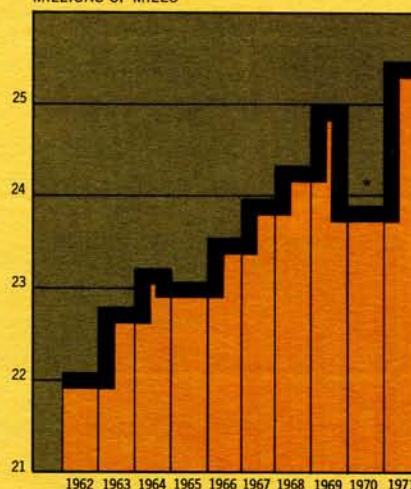
ONE-WAY ROUTE MILES

HUNDREDS OF MILES



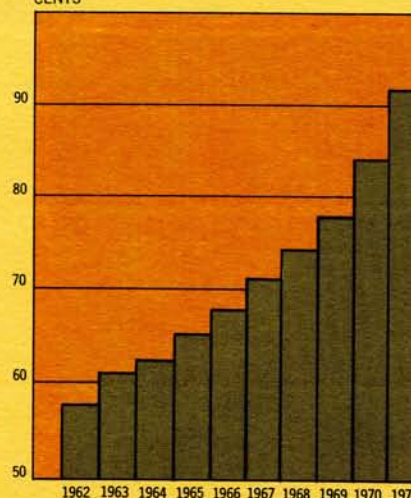
VEHICLE MILES

MILLIONS OF MILES



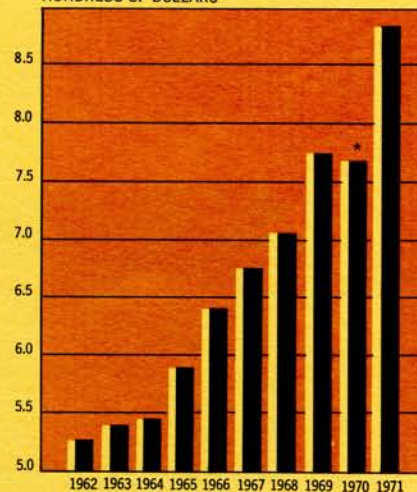
SYSTEM EXPENDITURES PER MILE

CENTS



AVERAGE MONTHLY EMPLOYEE EARNINGS

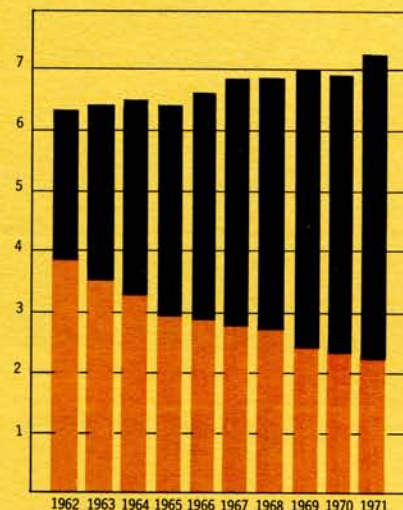
HUNDREDS OF DOLLARS



BUS FLEET

HUNDREDS OF BUSES

■ New Transit Liners
■ Former Key System



*Reflects 19 day strike.

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

THE YEAR'S RECORD

Revenue passengers totaled 50,544,980, a healthy increase of 2.50 percent over the previous fiscal year. Passengers who rode East Bay Lines totaled 36,139,229, up 1.61 percent compared to the 1969/70 period. Transbay riding totaled 14,405,751, up 4.81 percent over a year ago.

Revenue collected in fare boxes totaled \$14,995,108, up 2.05 percent over the year before. East Bay revenue came to \$7,949,353, a decrease of 1.20 percent, while transbay revenue was \$7,045,755, an increase of 5.98 percent compared to the previous fiscal period.

Charter revenue came to \$582,791, a decrease of 8.48 percent below the previous year.

The District had total passenger and charter revenue of \$15,577,899, an increase of 1.61 percent compared to the year before.

Total operating revenue, including bus advertising, was \$16,267,067, reflecting an increase of 1.86 percent over the 1969/70 figure.

Proceeds from a consolidated tax rate of 29.1 cents per \$100 of assessed valuation came to \$7,613,900, giving the property total income of \$23,880,967.

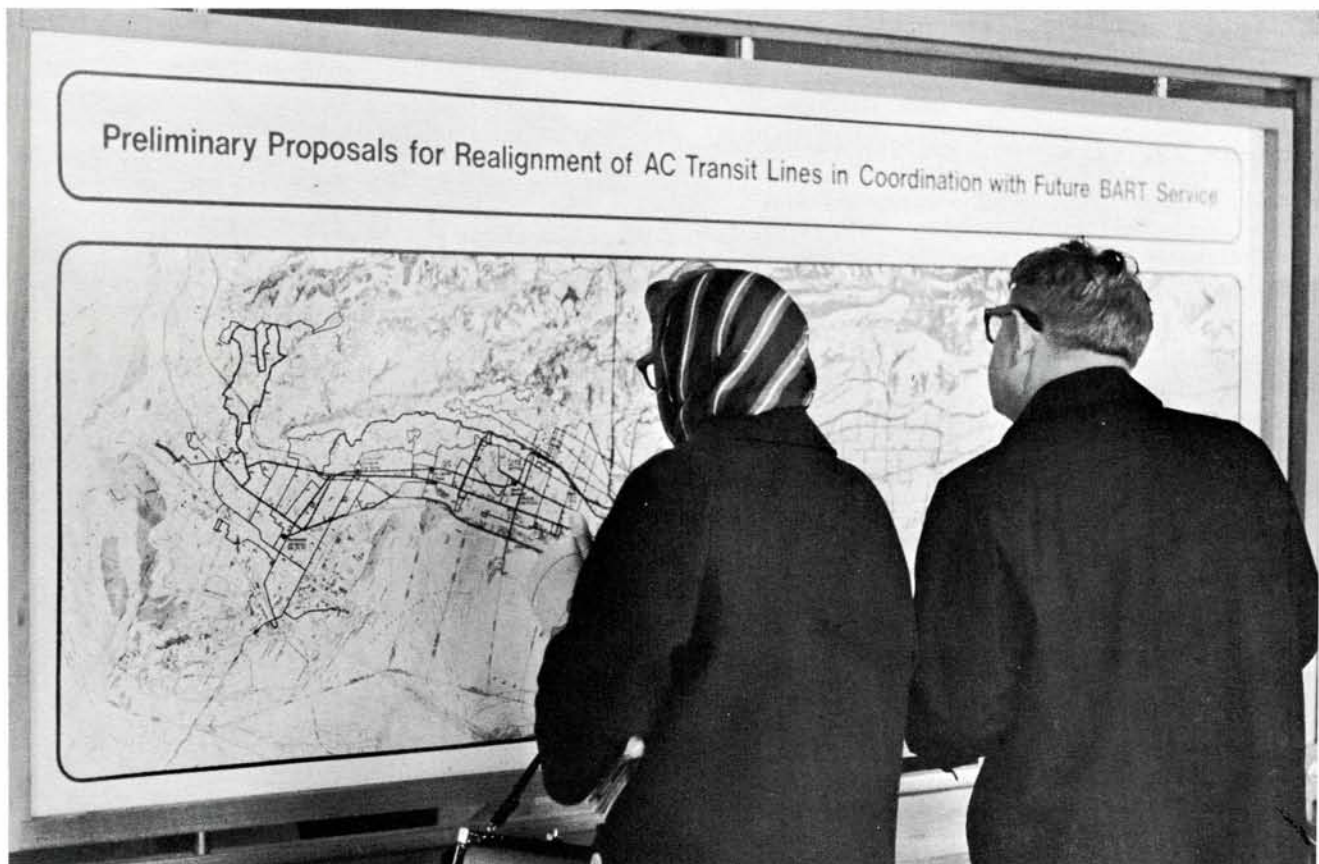
Total expenses, including depreciation and repayment of bonded debt came to \$23,561,839, leaving a net surplus of \$319,128.

AC Transit operated 25,421,073 miles of service, including charter, up 6.58 percent compared to year-ago mileage.

One way route miles increased, with a total of 1418.4 compared to the year-ago total of 1397.6. System expenditures per mile rose to 92.69 cents from 87.04 cents for the year before, an increase of 6.49 percent.

The bus fleet count was 723, compared to 699 in service during the previous fiscal period. The number of employees at year end rose to 1534, an increase of six workers over a year ago.

Riders study Transbay Transit Terminal display, showing proposals for rerouting bus lines to serve BART stations.





Haven't you just about had it? This traffic scene on Nimitz Freeway was an effective message in an advertising campaign aimed at making bus riders out of motorists.

AC Transit continued to do something about wall-to-wall traffic snarls this year, working for a coordinated bus and rail system that would make public transportation more competitive with the car.

It was evident traffic chaos has resulted — and will increase — unless emphasis is removed from accommodating the automobile and placed instead on better public transit service.

Development of convenient and efficient mass transportation that could serve residents in Alameda and Contra Costa counties — and which could offer transit solutions in adjoining regional areas — took on utmost importance.

TOP PRIORITY

Coordination of the AC Transit bus network with the fixed rails of BART was a continuing project of top priority, with the rider as the person who must be served and who must be pleased. With this in mind, AC Transit was working on individual and neighborhood needs, planning the quality of service to keep present riders and to attract additional riders from cars to public transit.

The job of analyzing AC Transit's entire system of 112 bus lines was completed and initial plans developed for providing connector service to the 18 BART stations in the bus system's service area.

Preliminary proposals, which called for rerouting of 82 bus lines to serve BART, were reviewed by BART representatives and the AC Transit Board of Directors.

Plans then were taken to the public.

Proposals went to public agencies, including supervisors, mayors and city councils, and to organizations, to determine what the people want in the way of future bus service.

Maps and brochures were prepared and distributed; talks were given. The riding public had an unusual chance to express its thoughts. Nearly 14,000 passengers, who commute by bus to San Francisco, were given survey cards to indicate opinions. A similar survey was made on all intercity express lines.

Comments received by mail and telephone were considered and tabulated. A map exhibit, set up on the mezzanine floor at the Transbay Transit Terminal, San Francisco, displayed rerouting plans for the entire service area. A summary of proposals, with a blank form on which comments could be made, was provided.

PUBLIC CONSIDERATION

Public views were analyzed and given consideration. Directors then approved realignment of 14 East Bay lines to serve BART stations on the Fremont-Oakland branch and continued studies on other connector service, including that to be provided by intercity express routes.

At the same time, directors moved to seek assistance from State and Federal levels and from BART and Port of Oakland, to help offset the \$500,000 in new money needed to finance bus-rail coordination on the southern Alameda County rail line and to link Metropolitan Oakland Airport by bus with the Coliseum BART station. Included in the financial estimate is 350,000 additional annual miles, 10 additional buses and 19 more operators.



Commuters fill out cards giving opinions of rerouting plans to coordinate AC Transit and BART services.

Passengers aboard the summer sightseeing tour take advantage of stop at Mormon Temple to enjoy gardens and view.



Bus driver votes on terms of a new labor contract, reached between AC Transit and Division 192, Amalgamated Transit Union.

Historic joint meeting between AC Transit and BART Boards of Directors marks initial session of policy makers, dedicated to reaching agreement on best way to coordinate bus service and future rail operations.



While management representatives were meeting continuously to work on details of coordination, including transfer and joint fare procedures and problems of financing, a committee of board members from AC Transit and BART was formed to consider policy decisions.

From joint board sessions came these conclusions:

POLICY

- Agreement to concentrate initial efforts on the Southern Alameda County leg of BART, since it will go into service first.
- Recognition that AC Transit must continue full transbay operations before BART goes into full service.
- Recognition that BART and AC Transit will experience financial difficulties unless additional aid is forthcoming from State and Federal sources.
- Agreement to work together to seek operating subsidies, necessary if coordination is to be maximized and new customers attracted to public transit.

Shortly before the end of the fiscal year, a new Metropolitan Transportation Commission, created by the State Legislature, joined with AC Transit and BART in a project to evaluate the years of planning which have gone into interfaced bus-rail operations. The study will include an in-depth analysis of the Fremont-Oakland line, which could help improve service and serve as a guideline for better coordinated operations on further segments. A marketing survey, expected to be the first of its kind in the nation, would determine if service, as operated, fully meets the needs of passengers. Research would encompass those who drive to stations to determine why they are not

using the bus. It also would be expanded to automobile commuters to find out why they are not utilizing public transportation.

Engineering studies, meanwhile, were nearing completion on three concurrent studies of transportation needs in areas outside of AC Transit boundaries.

Joining in the studies were BART, AC Transit and local governments, with the Federal government putting up \$175,000 to finance two-thirds of total costs. From the projects were to come recommendations for local and feeder service in the tri-city areas of Fremont, Newark and Union City; the Livermore, Pleasanton and Amador Valley areas; and central Contra Costa County.

FUTURE TRANSIT

Proposals included combined local and connector bus systems to BART stations; a dial-a-bus system and subscription operation to carry workers to specific sites. Also under consideration in central Contra Costa County was a fleet of 30,000 electric-powered mini cars.

While new technology offered better ways of providing better transportation, there was little dispute of the transit industry's need for additional money in a period of escalating costs.

A new labor contract, reached as result of an arbitration decision, called for the greatest increase in wages and other benefits for a one-year period in the history of the property . . . nearly \$1,500,000 for additional labor expenses. Bus drivers received \$4.50 an hour, retroactive to June 20, 1970, while other workers received equivalent percentage increases.

"Frostie the Snowman" entertains commuters at Transbay Transit Terminal during traditional Christmas party. AC Transit workers and their families put on the show.



Four years ago, buses rode on planks as workers tunneled under Broadway during BART construction. Northbound coaches went back on Broadway this year.

An additional cost of living adjustment, commencing with the first payroll after January 1, 1971, added another six cents per hour to wages.

Directors, facing a \$2.4 million deficit under the old tax rate of 19.2 cents per \$100 of assessed valuation, raised the property tax by 9.9 cents to a new consolidated rate of 29.1 cents.

BUS GRANT

AC Transit, successfully seeking other sources of revenue, received a grant from the U.S. Department of Transportation for \$708,635 to cover half the costs of 30 new buses, plus expenses of converting the basic fleet of 462 coaches to an improved fuel injector. The grant also contains another \$236,211 with completion of Bay area regional transportation planning.

Aid also came from the State of California.

For the second time within a calendar year, the State Toll Bridge Authority reduced round-trip tolls for buses on the San Francisco-Oakland Bay Bridge from 65 cents to 50 cents, saving the property approximately \$39,000 a year. The previous reduction, on April 1, 1970, cut tolls from \$1 to 65 cents per round trip.

The expectation of having the cleanest burning bus fleet in the nation with installation of improved fuel injectors was only one step taken by AC Transit to minimize smoke, odor and exhaust emissions.

Thirty buses were ordered with Environmental Improvement Program kits, designed to decrease vehicle noise, as well as reduce exhaust emissions. All the buses

also had ceiling paneling to the top of standee windows, eliminating the traditional advertising frames. The frames were replaced with two special, individually contoured frames to give greater impact to the advertising message, while improving the inside appearance of the bus.

STEAM BUS

Work also started on development of a steam-powered bus system to combat noise and air pollution. The project, financed by a Federal grant to the California State Assembly, called for installation of modern steam systems in buses operated by AC Transit, San Francisco Municipal Railway and Southern California Rapid Transit District. Paired with AC Transit in the project was William M. Brobeck and Associates, Berkeley engineering firm.

Public emphasis also was being placed on realization that each full bus load of passengers removes 40 to 45 cars from the road — and it is the automobile that is the prime source of pollution.

Accolades came from the industry during the year as AC Transit became the only major transit property in the West to show a steady increase in riding over the past decade. Patronage of system buses jumped 15 percent between 1960 and 1969, while riding nationally declined 15.58 percent. In 1970, despite a 19-day strike, AC Transit patronage still was 5.81 percent ahead of 1960 — the only major western transit property on the black side of the patronage ledger.

Transbay commuting by bus has nearly doubled since AC Transit went into business in October, 1960. While use of



District moves ahead in air pollution reduction by ordering new buses with experimental EIP kits.



School children see how seats are repaired during a visit to upholstery shop at Emeryville Division.



Young visitors on tour through District's Emeryville property proudly display souvenirs of their trips.

Operator Larry Slate receives Distinguished Service Award from Governor Ronald Reagan in ceremonies at State Capitol for helping to rescue family from burning home. At left is Alan L. Bingham, general manager of AC Transit.



bus transit has grown 98.4 percent in a decade, use of cars for transbay commuting has increased 30.3 percent. During the 6:30 to 8:30 morning commute peak, 495 buses carry 17,585 passengers to San Francisco, running an average of every 8.9 seconds during the peak period. At the same time, 14,883 cars are crossing the bridge with 21,765 passengers—a load factor of 1.46 riders per car.

As part of its long-range program to maintain the system as an outstanding public agency, the Transit District applied for a Federal grant to help cover \$16,576,652 in capital improvements over the next five years—two thirds of total expenditures.

IMPROVEMENT PROGRAM

The grant would apply to the first half of a 10-year capital improvement program, with most of the expenditures allocated to new bus equipment needed when BART is fully operative.

Although improvement costs were based on present technology, the door was left open for new ideas and new equipment. The District also was looking at small bus design, for use on lines where patronage generally is light.

The program would cover construction of 10 new passengers shelters a year and the annual installation of 10 modern concrete bus benches at different locations.

Students at University of California spent class time during the year, giving a new look to shelters, while involving themselves in a project of community betterment. An architectural class designed bus shelters for AC Transit, developing some 45 different creative

ideas. Four were chosen by a panel of judges for further development and work was underway on construction of one model for a city of Alameda location.

A computer program, funded by the Federal government, was underway, with data collecting equipment installed in the maintenance and purchasing and stores departments. Information collected is expected to result in improved efficiencies and data of value in making management decisions.

AC Transit's entire modern bus fleet took to the airways during the year, as two-way radios were installed in another 160 buses. With 460 coaches tied into the instant communications network, the role of the bus driver in community assistance became increasingly important.

COMMUNITY SERVICE

Drivers regularly were being commended for their aid in reporting incidents to central dispatch, which in turn notified the proper authority. One driver received personal recognition from Governor Ronald Reagan for his participation in saving the lives of three persons from a Richmond fire.

Better ways of recruiting and testing prospective bus drivers appeared in the offing as AC Transit joined with four other transit agencies and the federal government in an industry-wide program to improve driver training.

AC Transit's successful experimentation with its articulated bus, the Freeway Train, also was being extended to a new super bus project which could change the future of urban transportation. The National Transportation Center of Pittsburgh, Pa. and six transit



New computerized program to develop improvements in operations and management, gets underway as data collecting equipment is installed in maintenance shops.



The entire modern bus fleet takes to the airways as two-way radio sets are installed in another 160 buses.



Passenger shelters, designed by University of California architectural students, resulted in creative and practical selection of designs. This shelter was picked for construction in Alameda.

A fleet of 30,000 publicly-owned, small electric cars is proposed by engineers as a partial solution to central Contra Costa County's transportation problems.





Bus operator receives new Safe Driver patch from Dale Goodman, transportation superintendent, Emeryville, for added year of safe driving.

properties—including AC Transit—are participating in the program to design and test a super bus to carry more riders at less cost per passenger than the standard coach.

Four incumbent directors were re-elected to new terms at the general election in November: E. Guy Warren, John McDonnell, Robert M. Copeland and William J. Bettencourt. At the first meeting in January, Ray Rinehart was elected president of the Board and Warren retained his post as vice-president.

BUSES BACK

It was good news for shoppers in downtown Oakland, as northbound buses returned to Broadway after an absence of four years. Buses were rerouted to Franklin St., one block away, in January, 1967, with start of BART subway construction.

The 10-cent fare for senior citizens during off-peak hours was continued for another calendar year. The loss in revenue to the District as result of the program was estimated at \$596,500 for 1970.

A long-range program of switching non-productive miles for miles serving to benefit the greatest possible number of people was continued. Lines were being discontinued during early and late hours when three or less people were riding. At the same time, travel was being speeded up on other lines and extended into new areas.

Improvements included extensions of one a.m. and two p.m. trips on Line W-1 Southshore to Bay Farm Island, Alameda, to provide direct transbay service. Line W-Bayview also was rerouted and extended to offer direct San Francisco travel.

IMPROVED SERVICE

Intercity express Line 38-Bancroft Ave. was rerouted to a new terminal at Kaiser Center on 20th St., providing better service to the Center. New service was inaugurated for Merritt College students through extensions of Line 15-M Grove St. and Line 54-M 35th Ave. to the new East Oakland hilltop campus.

Morning and afternoon trips on Line 83-M 7th St. were extended to a new marine terminal at the foot of 7th to provide peak hour service to expanded Port of Oakland facilities.

Equipment requirements in the a.m. peak were increased by 12 buses, to a total of 642 coaches. Seven buses were added to transbay service, making a total of 292 buses operating across the bay. Five buses were added to East Bay local service.

Safety was big news during the year. At the start of the fiscal period, the goal of 13,100 safe driving miles per accident was raised to 13,250 miles—but records soon toppled.

The Richmond Division exceeded the goal every month during the year and received a special plaque commending them for 12 months of safe driving. Emeryville Division drivers topped the goal seven months, while Seminary Division operators were over the top for five months. A new District record of 14,838 safe driving miles per accident was established in February.

The miles per accident figure for AC Transit for the entire year rose to 13,036, an improvement of 7.4 percent compared to the previous period.



Passengers enjoy opportunity to pass along compliments on restyled bus. Before "face lifting", bus had high-backed seats, arm rests and advertising racks instead of windows under the roof. Riders liked the change.

"Big Chief" N. P. Alevizos, superintendent of Richmond Division, beats the drum for operators who established a new record for 12 consecutive operating months of safe driving.



Traffic accident frequency was reduced 8.6 percent, while the frequency of passenger accidents was reduced 0.8 percent.

Individual awards ranging from one through 22 years of safe driving were presented to 790 drivers. The Safety and Training Department also was busy in activities ranging from "How to Ride a Bus" programs, presented at schools, to participation in career motivation and senior citizen programs.

In the safety field, employees of Purchasing and Stores Department celebrated five consecutive years of work without a lost time personal injury and received a plaque commemorating their record at a luncheon in their honor.

The Claims Department had this report: cost of accidents came to \$254,807 for bodily injury and \$65,122 for property damage, a total of \$319,929 compared to \$249,196 for the prior year. The figures reflect 19 days of non-operation during June, 1970, when the property was closed by a strike.

CLAIMS

Claims amounted to 1.97 percent of operating revenue, an increase from the 1.63 percent for the 1969-70 fiscal period, but appreciably below the 2.03 percent for 1968-69. Increased costs of medical treatment and mechanical repairs were represented in the percentage rise. The department was successful in recovering \$32,984 for accident damage to buses.

The Maintenance Department retained its reputation for excellence during the year, winning the Fleet Owner Maintenance Efficiency award for the ninth year in a row.



For nine years in a row, AC Transit maintenance crews earned the "Fleet Owner" Magazine Maintenance Efficiency Award. Divisions celebrated with coffee and doughnuts. This is at Emeryville Division.

New wrap-around bus washer scrubs coaches cleaner and faster than ever before.



New type wrap-around bus washers were installed at Emeryville and Seminary Divisions, giving the bus fleet a spotless shine. Automatic fuel nozzles and high pressure pumps also were installed at all divisions.

The PBX/Information Department, acclaimed as one of the best, received additional phone calls—and publicity—with installation of a curbside telephone booth in downtown Oakland. Shoppers and other riders were using the booth to call free for information about routes and schedules.

PROGRESS

At the year's end it was obvious public transit has made considerable progress—and there is greater progress to come. AC Transit, as a property, can expect to play an expanding role in Bay area public transportation—and an exciting one.

The need for improved technology and greater financial resources was recognized. Also heartily recognized was the force AC Transit has going for it. It has been through employees, and their utmost determination to do a good job, that the property has gained recognition for the quality of its product. Bus drivers are the salesmen; other workers are responsible for AC Transit's top performance and its image.

With this work force, the District has been able to attract and keep its passengers. With this same help, AC Transit can look forward to a remarkable future.

New curbside telephone booth gives shoppers direct, free information service.



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



HOWARD D. BEEBE
Purchases and
Stores Manager



E. SAM DAVIS
Research and
Planning Manager



VIRGINIA
DENNISON
Public Information
Manager



OZRO D. GOULD
Claims Manager



ANTHONY E.
LUCCHESI
Maintenance
Manager



ROBERT E. NISBET
Attorney



DONALD J.
POTTER
Transportation
Manager



WARREN E.
ROBINSON
Transportation
Engineer



ROBERT D. TOUGH
Treasurer-
Controller



GORDON G.
WADSWORTH
Safety Engineer

PASSENGERS — REVENUE — MILEAGE

	1970-71	1969-70	% Change
Revenue Passengers			
East Bay	36,139,229	35,566,409	1.61
Transbay	14,405,751	13,744,595	4.81
Total	50,544,980	49,311,004	2.50
Passenger Revenue			
East Bay	\$ 7,949,353	\$ 8,045,635	(1.20)
Transbay	7,045,755	6,648,344	5.98
Charter	582,791	636,788	(8.48)
Total	\$15,577,899	\$15,330,767	1.61
Service Miles			
East Bay	15,396,423	14,547,368	5.84
Transbay	9,501,507	8,708,253	9.11
Total	24,897,930	23,255,621	7.06

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year Ended June 30	
	1971	1970
Sources:		
Proceeds from taxation	\$7,613,900	\$5,206,621
Sale of fixed assets	9,111	32,371
Refund of workmen's compensation insurance premiums	875	1,839
Additional federal grant allowable	276,327	14,717
Proceeds of lease-purchase agreement	1,022,338	32,318
	<u>\$8,922,551</u>	<u>\$5,287,866</u>
Applications:		
Operating loss	\$6,177,150	\$3,673,818
Less depreciation and amortization	1,249,811	1,236,266
	<u>\$4,927,339</u>	<u>\$2,437,552</u>
Interest on bonded debt	296,789	321,053
Current installment due on bonded debt	825,000	800,000
Current installment due on lease-purchase	340,779	475,691
Payment on lease-purchase agreement — not due currently	333,995	—
Acquisition of fixed assets	1,366,258	67,802
	<u>\$8,090,160</u>	<u>\$4,102,098</u>
Increase in Working Capital	\$ 832,391	\$1,185,768
Summary of Increase in Working Capital:		
Cash	\$6,823,092	\$ (4,465,312)
Federal Home Loan Bank certificates	(5,609,949)	5,609,949
U.S. Treasury obligations	(107,876)	(482,298)
Accounts receivable	107,913	(98,249)
Other current assets — net	(31,384)	2,566
Accounts payable	(66,847)	561,962
Provision for pensions	(224,144)	(153,519)
Unredeemed tickets and tokens	58,907	179,166
Self-insurance reserve	(50,000)	(50,000)
Amount due within one year on long-term debt	109,912	(35,772)
Other current liabilities — net	(177,233)	117,275
	<u>\$ 832,391</u>	<u>\$1,185,768</u>

See notes to financial statements.

**ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
SPECIAL TRANSIT SERVICE DISTRICT NO. 1**

BALANCE SHEETS

ASSETS	June 30	
	1971	1970
Property, Plant, and Equipment — at cost (Note A):		
Property, plant, and equipment acquired October 1, 1960	\$ 6,458,519	\$ 6,522,070
Less accumulated amortization	<u>2,565,120</u>	<u>2,369,327</u>
	\$ 3,893,399	\$ 4,152,743
Other equipment:		
Motor coaches	\$14,793,508	\$13,735,452
Parts, service cars, shop, and miscellaneous equipment	796,687	505,362
Office furniture and equipment	<u>92,442</u>	<u>84,509</u>
	\$15,682,637	\$14,325,323
Less accumulated depreciation	<u>7,705,234</u>	<u>6,714,600</u>
	\$ 7,977,403	\$ 7,610,723
Total Property, Plant, and Equipment	\$11,870,802	\$11,763,466
Current Assets:		
Cash:		
On hand and in commercial accounts	\$ 572,576	\$ 383,727
Time deposits	<u>8,592,236</u>	<u>1,957,993</u>
	\$ 9,164,812	\$ 2,341,720
Federal Home Loan Bank certificates, at amortized cost (approximates market)	—	5,609,949
U.S. Treasury obligations — at amortized cost (approximates market)	307,503	415,379
Accounts receivable	562,267	454,354
Materials and supplies — at average cost	210,426	211,702
Prepaid expenses	<u>71,006</u>	<u>101,114</u>
Total Current Assets	\$10,316,014	\$ 9,134,218
	\$22,186,816	\$20,897,684
 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 3.25%)	\$ 9,375,000	\$10,200,000
Lease purchase agreement, due in installments to 1974, 4%	<u>681,559</u>	<u>333,995</u>
Total Long-Term Debt	\$10,056,559	\$10,533,995
Current Liabilities:		
Accounts payable	\$ 280,099	\$ 213,252
Salaries and wages	439,024	373,845
Accrued payroll taxes and amounts withheld from employees	178,723	58,669
Provision for pensions (Note C)	1,060,732	836,588
Accrued interest	96,900	104,900
Unredeemed tickets and tokens	196,860	255,767
Self-insurance reserve (Note B)	600,000	550,000
Amount due within one year on long-term debt	<u>1,165,779</u>	<u>1,275,691</u>
Total Current Liabilities	\$ 4,018,117	\$ 3,668,712
District Equity	8,112,140	6,694,977
	\$22,186,816	\$20,897,684

See notes to financial statements.

TOUCHE ROSS & CO.

ORDWAY BUILDING
KAISER CENTER
OAKLAND, CALIFORNIA 94612

August 9, 1971

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, 1971, and the related statements of revenue, expense and district equity and changes in financial position 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, 1971, the results of its operations and changes in financial position 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 & Co.
Certified Public Accountants

**ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
SPECIAL TRANSIT SERVICE DISTRICT NO. 1**

**STATEMENT OF REVENUE,
EXPENSE, AND
DISTRICT EQUITY**

	Year Ended June 30	
	1971	1970
Revenue:		
Passenger	\$14,995,108	\$14,693,979
Charter	582,791	636,788
Advertising	223,414	191,169
Interest earned	447,047	433,919
Other operations	18,707	13,479
Total Operating Revenue	\$16,267,067	\$15,969,334
Expense:		
Transportation	\$13,672,127	\$11,952,098
Maintenance	2,812,472	2,512,033
Depreciation and amortization	1,249,811	1,236,266
Operating taxes and licenses	724,356	636,755
Administrative and general	1,134,229	993,941
Welfare and pensions (Note C)	1,626,103	1,341,990
Insurance and safety	959,951	722,737
Public information and advertising	265,168	247,332
Total Expense	\$22,444,217	\$19,643,152
Operating Loss	\$ (6,177,150)	\$ (3,673,818)
Nonoperating Items:		
Proceeds from taxation	\$ 7,613,900	\$ 5,206,621
Less:		
Provision for current year's redemption of bond principal	(820,833)	(795,833)
Interest and fees on bonded debt	(296,789)	(321,053)
Net Proceeds from Taxation Available for Operations	\$ 6,496,278	\$ 4,089,735
Increase in Equity After Provision For Bond Principal Redemption	\$ 319,128	\$ 415,917
District Equity:		
Balance at beginning of year	6,694,977	5,466,671
Add:		
Refunds of prior years' workmen's compensation insurance premiums	875	1,839
Restoration of provision for bond principal redemption deducted above	820,833	795,833
Additional federal grant allowable for capital equipment acquisitions	276,327	14,717
Balance at end of year	\$ 8,112,140	\$ 6,694,977

See notes to financial statements.

**NOTES TO
FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 1971

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

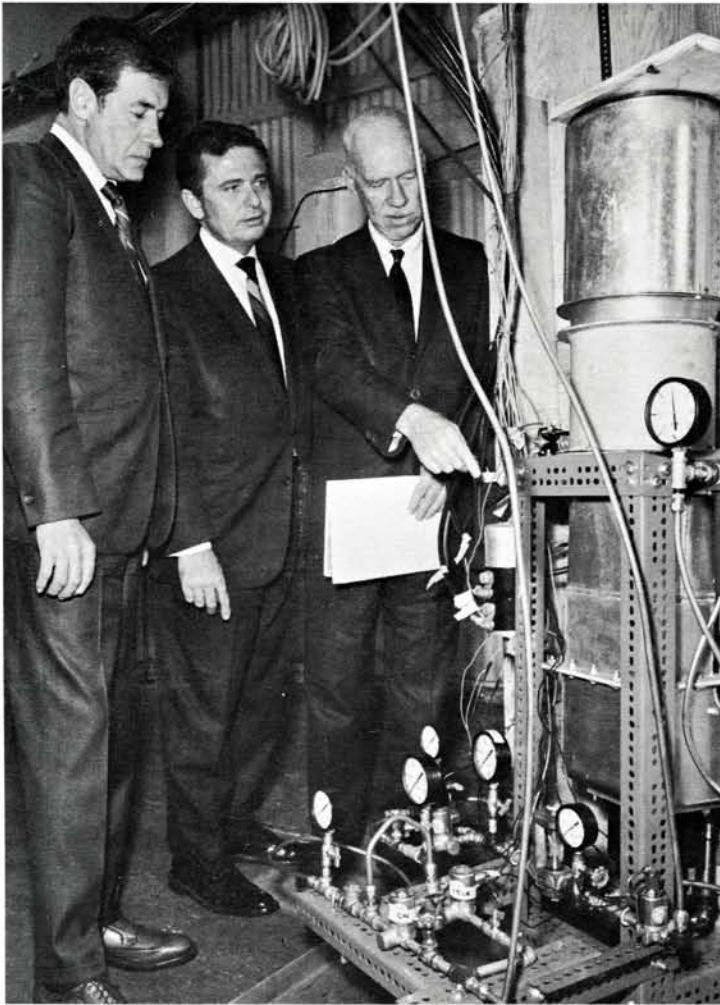
The District is self-insured for personal injury and property damage claims up to \$100,000 for any one occurrence. Claims in excess of this amount are insured with commercial insurance carriers.

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 nonunion employees, the District began in 1967 to provide for their future pension benefits.

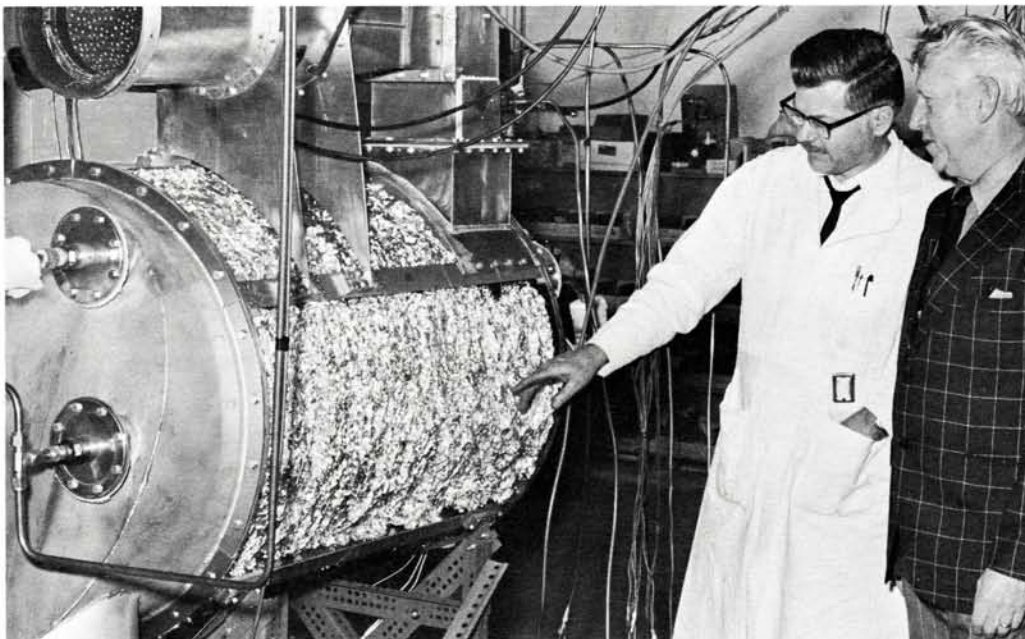
The liability for provision for pensions does not provide, on an actuarial basis, for complete funding of future pension liabilities.



Work progresses on one of the exciting developments of the year — conversion of a bus to steam power. Burner test, to regulate ratio of air and fuel into combustion chamber, is explained by William M. Brobeck, right, president of engineering firm developing steam system, to Alan L. Bingham, general manager of AC Transit, center, and A. R. Lucchesi, maintenance manager.



Barney Becker, who has spent 45 years in steam, welds away at 1400 feet of steel tubing which will go into the steam generator.



Carl Szybalski, left, explains the operation of steam generator to AC Transit Board President Ray Rinehart. The federally-funded project will demonstrate potentials of steam power in reducing bus emissions and noise.



**ALAMEDA -
CONTRA COSTA
TRANSIT DISTRICT**

508 - 16th Street • Latham Square Building • Oakland, California 94612