

AC TRANSIT annual report

* 1971-72





KIMI FUJII



RAY RINEHART
President



WILLIAM J. BETTENCOURT
Vice-President

**BOARD
OF
DIRECTORS**



ROBERT M. COPELAND



WILLIAM E. BERK



CLAUDE DAUGHTRY



JOHN McDONNELL

HIGHLIGHTS

- AC Transit on target for start of BART.
- Agreement reached on free train-bus transfer plan.
- Study on effectiveness of AC Transit/BART coordination funded by Federal grant.
- Line by line study of connector buses for Phase I of BART completed.
- Sales tax on gasoline offers first State subsidy for transit systems.
- Federal grants clear way for long-range improvement program, financing equipment with anti-pollution devices. "Jet age" buses ordered.
- San Francisco Bay Area qualifies for two-thirds funding on Federal grants.
- Cooperation pledged for transit services in outlying areas.
- New contracts guarantee labor peace.
- New tax rate set to help meet rising costs.
- First steam bus demonstrated to government and transit officials and public.
- New safe driving records established.
- Ridership on AC Transit holds steady, despite a passenger loss of 5.24 percent nationally.

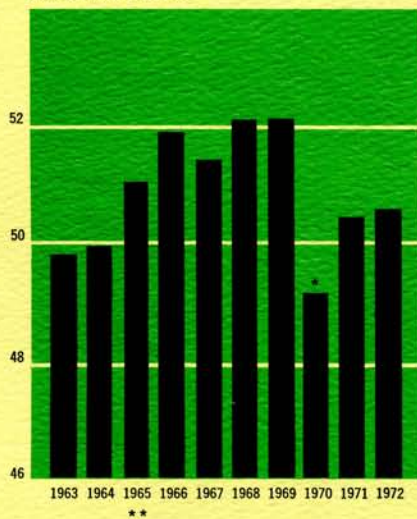
THE COVER: To San Pablo's description as a "City of Pride and Progress" might be added "phenomenal growth." The center of western Contra Costa County, San Pablo is one of five communities that have shown zooming change. Once a rolling rancho of grazing land stocked with cattle, San Pablo had a population of 2,500 in 1940. The population boom that began with World War II, led to San Pablo's incorporation in 1948 and a population of 21,461 within the city limits by 1970. One of 12 cities served by AC Transit, San Pablo still is on the upswing as the commercial hub of an industrial, commercial, residential area. The cover highlights, clockwise, San Pablo's bells and early California past; the "Lighthouse," long a landmark; shopping centers, the entrance to Contra Costa College and, center, its transit link to other cities.

TEN YEAR TRENDS

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

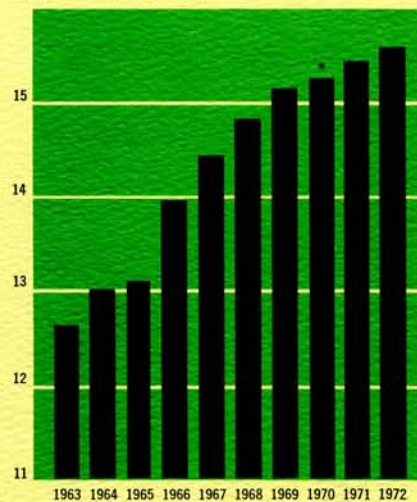
REVENUE PASSENGERS

MILLIONS OF PEOPLE



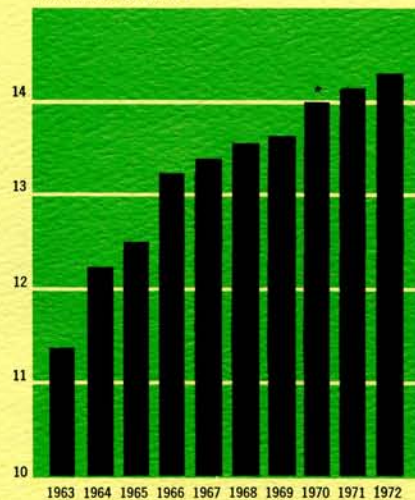
PASSENGER REVENUE

MILLIONS OF DOLLARS



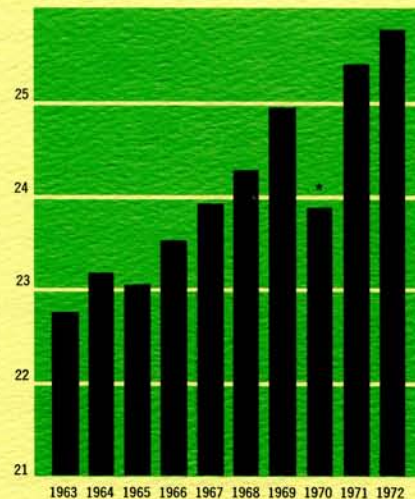
ONE-WAY ROUTE MILES

HUNDREDS OF MILES



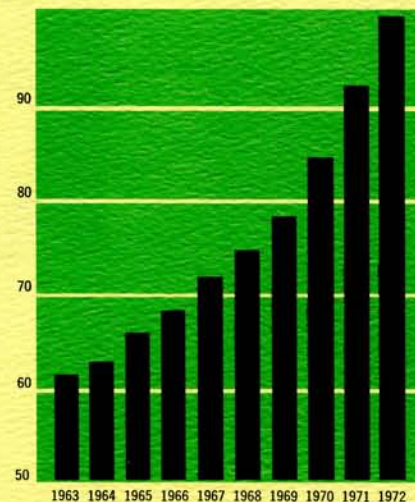
VEHICLE MILES

MILLIONS OF MILES



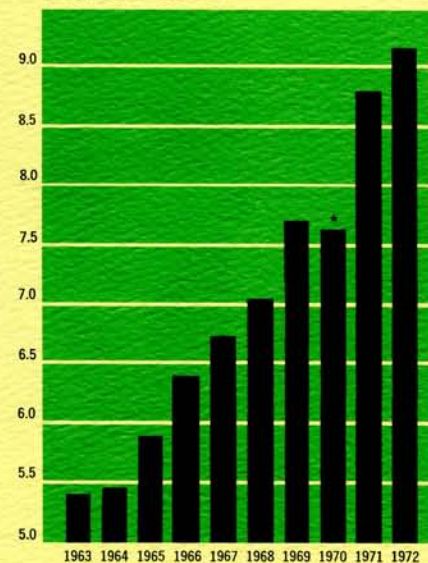
SYSTEM EXPENDITURES PER MILE

CENTS



AVERAGE MONTHLY EMPLOYEE EARNINGS

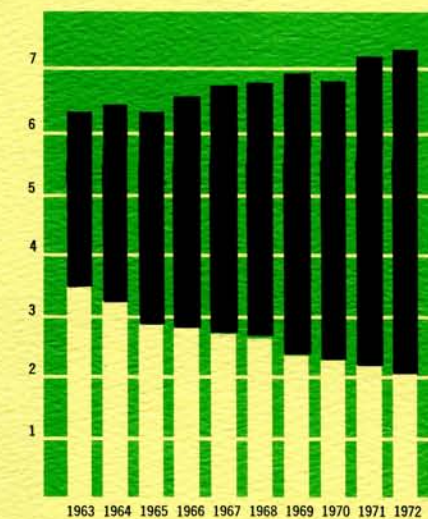
HUNDREDS OF DOLLARS



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 50,604,453, an increase of .12 percent over the previous fiscal year. Passengers who rode East Bay lines totaled 36,293,840, up .43 percent compared to the 1970/71 period. Transbay riding totaled 14,310,613, down .66 percent below a year ago.

Revenue collected in fare boxes totaled \$15,020,949, up .17 percent over the year before. East Bay revenue came to \$7,945,128, a decrease of .05 percent, while transbay revenue was \$7,075,821, an increase of .43 percent compared to the previous fiscal period.

Charter revenue came to \$654,145, an increase of 12.24 percent above the previous year.

The District had total passenger and charter revenue of \$15,675,094, an increase of .62 percent compared to the year before.

Total operating revenue, including bus advertising, was \$16,271,070, reflecting an increase of .02 percent over the 1970/71 figure.

Proceeds from a consolidated tax rate of 31.1 cents per \$100 of assessed valuation came to \$8,800,167, giving the property total income of \$25,071,237.

Total expenses, including depreciation and repayment of bonded debt came to \$25,784,105, leaving a net deficit of \$712,868.

AC Transit operated 25,832,248 miles of service, including charter, up 1.62 percent compared to year-ago mileage.

One way route miles increased, with a total of 1436.0 compared to the year-ago total of 1418.4. System expenditures per mile rose to 99.81 cents from 92.69 cents for the year before, an increase of 7.68 percent.

The bus fleet count was 720, compared to 723 in service during the previous fiscal period. The number of employees at year end rose to 1619, an increase of 85 workers over a year ago.

It was another year of hard work and increasing assignments, but as the fiscal year ended, AC Transit was on target.

The transit system was ready to shift efficiently into a new operation, providing 69 connecting lines to serve the 10 BART rail stations in AC Transit's operating area between BART/South Hayward and BART/MacArthur.

Unprecedented steps were being taken to coordinate the high speed rail line and the existing AC Transit bus system, well before the scheduled start of the first BART line.

COORDINATION PLANS

For start of train service, AC Transit planned to inaugurate four new bus lines, abandon one, reroute 23 and reschedule 35. More than 400,000 miles of additional service were anticipated during the 1972-73 fiscal year.

Schedules were being designed to make meets with trains in the direction of major traffic flow. Special timetable inserts were planned for those bus lines with extended headways, so riders would know what train to catch to avoid a wait.

To tell the public how best to use bus and train service, the bus property took these steps:

- Designed new bus stop signs with band of blue at bottom so public could tell at a glance a bus serving BART stops at that location. Most signs were to carry lettering stating "BUSES TO BART STOP HERE." Others will say "BART STATION STOP" or give location of nearest subway entrance.

- More than 3,258 passenger stop flags were being prepared for the initial Fremont to Oakland BART operation, while Oakland to Richmond will require an additional 2,632. The new signs list line number of bus observing the stop, its main destination, whether or not the bus goes to BART, limitations in service, and whether use is restricted to transbay riders.

- Installation of a new "TO BART" light was underway on 552 buses. The blue light, at top front alongside headsign, is an innovation for the transit industry and an important guide for riders. It can be turned on by operator to alert passengers the bus is on its way to BART. After leaving station, the light will be flipped off by operator, to be reactivated before the bus reaches the next BART facility.

- New plastic portable signs, with "TO BART" and the front view of a train, were being made at Emeryville Division for posting in windshield of other buses heading for rail stations.

NEW HEADSIGNS

- Headsigns on buses were being changed to include BART station information. Route changes required the making of 11,000 coach head and side destination signs.
- New pocket timetable schedules were being prepared for the public for lines which were to be rerouted and rescheduled.
- Route maps were redesigned to include BART network information as each phase of rail service goes into operation.



Mrs. Kay Jaynes, left, of BART, learns details of bus information from Mrs. Zada Malinak, AC Transit customer services supervisor. Both agencies will be able to answer questions about either train or bus service as result of joint training.



Innovative "TO BART" light is inspected by AC Transit Director Robert Copeland; Paul Bay of MTC; BART Director Richard Clark and Jack Beckett, MTC representative from Santa Clara County.



Terry French, left, and Jack Rutherford print new headsigns for start of BART service.



Under cooperative telephone information program, Mrs. Maria Robie, supervisor of BART'S Information Center, learns AC Transit bus routes.



Darell Willis, Emeryville maintenance worker, cuts space for new "TO BART" light which will inform waiting passengers that an oncoming bus is going to a BART station.

Bus passengers will know how to use AC Transit service to BART stations with help of redesigned bus stop signs.



- AC Transit and BART were working together on the training of PBX/Information clerks to answer either bus or train queries. Tie-lines between the agencies were installed to make it possible to transfer calls as needed. A "hot line" between AC Transit central dispatch and BART control center also was planned.

- "Take One" leaflets, with information on bus route realignments and schedule changes, were planned for display on all buses. Cards were designed for advertising racks, telling passengers how to ride both bus and train.

- Training of drivers, supervisors and other personnel was underway, so all would be familiar with new AC Transit and BART operations. Route map booklets were designed for all BART station routes, East Bay bus routes, and transbay routes to aid in classroom and on-the-road instruction. The program will involve eight hours training for each of 1,167 drivers.

JOINT TRANSFER

Representatives of the new Metropolitan Transportation Commission (MTC) joined with AC Transit and BART Boards of Directors in discussing transfer and joint fare procedures. Agreement was reached on a one-way free transfer from BART to AC Transit, with the properties jointly sharing loss in revenue for the free ride, each paying 12½ cents.

The two agencies and MTC also joined in a project to determine if the coordinated services offered in the initial bus-rail operation are satisfactory to the people and if not, what further improvements are needed to attract more

riders. The precedent-setting \$180,000 study was being underwritten by a Federal grant for \$120,000.

AC Transit directors completed a line by line study of connector service to BART stations, approving realignment plans for the Fremont to Oakland branch. Study then proceeded into reroutings involved with the later opening of the Oakland to Richmond rail service.

SUPPORT FOR TRANSIT

Important support for California public transit systems came with the signing into law of a bill levying a sales tax on gasoline. Proceeds from the tax will be available for public transportation systems, at least in urban areas. In the Bay area, the Metropolitan Transportation Commission will administer distribution of these funds.

East Bay bus riders were assured of top quality transportation for years to come as a Federal grant cleared the way for the first part of a 10-year capital improvement program.

A \$7,670,000 grant from the U.S. Urban Mass Transportation Administration (UMTA) will help provide 215 new buses and improved facilities, ranging from bus shelters and benches to garage structures. The grant will cover two thirds of project costs of \$11,505,000 during the first four years of the program. Funds for the fifth and subsequent years are expected to be allocated later.

Most of the money will be spent to buy new buses. By the time BART is fully operative, the bus system plans to have 670 coaches, most of them of modern design. All will have pollution control devices.

The grant will permit remodeling and refurbishing of 61 45-passenger, air-conditioned buses purchased in 1961.

The District ordered 20 new buses equipped with anti-pollution kits and exercised an option to purchase another 40 under a grant for \$944,846 made last year by UMTA. The grant also covers installation of improved fuel injectors in 462 buses, assuring the property of one of the cleanest burning fleets in the Nation.

THE "JET AGE" LOOK

New buses will have newly-designed interiors, featuring a "jet age" look, with improved bucket seats with individual backs. The seats are wall mounted, with a center pedestal, adding to the open look. New buses also will have outside safety lights for passenger boarding and alighting after dark. Final delivery will give AC Transit another 90 buses with equipment to reduce noise and noticeable odor of diesel combustion.

Additional money for projects, including the new equipment, fuel injectors and radios for 160 buses, was earmarked for AC Transit when the San Francisco Bay Area met regional transportation planning requirements. The added money was estimated at \$432,582.

Although final decisions remained with local governmental bodies, AC Transit pledged full cooperation toward implementing public transportation systems in central Contra Costa County and southern and eastern Alameda County.

Different combinations of transit services were recommended in engineering studies, including fixed bus routes to BART stations and Dial-a-Ride service for specific areas. Central Contra Costa County, the Livermore-Amador Valley and the tri-cities of Fremont, Newark and Union City, along with AC Transit and BART, participated in studies.

LABOR AGREEMENT

A new one-year labor contract went into effect at the beginning of the fiscal year, with higher wages and increased fringe benefits. Drivers' wages were boosted 37 cents an hour to \$4.93, an 8.1 percent increase. A cost of living increase, effective in January, added one cent an hour to wages, bringing the figure to \$4.94 per hour. Health benefits were boosted and for the first time, an optional dental plan was included in the package.

The contract had hardly been signed before negotiations began again. Terms of the contract continued past the expiration date—June 30, 1972—until an agreement was reached July 3, 1972, on a new two-year contract which gave workers a wage boost and improved fringe benefits. During the 1972-73 fiscal year, wage and fringe benefit increases for drivers, maintenance department workers and other union members will average 6.2 percent. Wages of bus drivers were increased, effective July 1, 1972, to \$5.20 an hour.

Arbitration also was underway on a new pension plan.

The Board of Directors adopted an operating estimate of \$26,348,532 for the fiscal year, an increase of \$2,786,693



Mrs. Suzy McKivergan illustrates additional room on "Jet Age" buses. Coaches also have devices to reduce noise and air pollution.



Stacks of dollars illustrate effect of Federal grant on East Bay communities. Grant will underwrite long range improvement program.

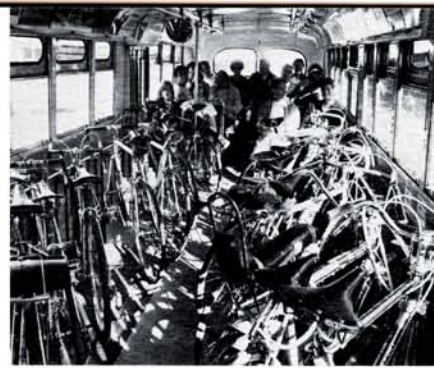


Passenger shelter, designed by University of California architectural student Antone Cepernich, is erected in Alameda as a convenience for students from College of Alameda. This design was one of four picked by a jury in an AC Transit competition involving the university College of Environmental Design.



Kimi Fujii takes oath as Director from Superior Judge George W. Phillips, becoming first woman Board member.

The nation's first modern steam bus goes to Washington to show Congress progress made in experiment with building low-pollution mass transit vehicles.



"Pedal Hopper" bridges the bay for bike riders, as District experiments with ways to increase use of public transit.



or 11.9 percent over the previous year's expenditure of \$23,561,839. The boost is attributed to labor costs, higher material costs and additional mileage the property expects to operate.

Funds recommended to balance the budget include \$16,369,216 in operating revenue, \$8,705,327 in estimated tax proceeds under a consolidated tax levy of 31.1 cents per \$100 of assessed valuation—a two-cent increase over the previous year—and Federal grants and District reserve funds totaling \$1,273,989.

The first modern steam-powered bus was turned over to AC Transit for performance checks before being sent to Washington, D.C. for a much heralded preview by congressional and transportation leaders.

STEAM BUS EVALUATED

During the year, the public had an opportunity to ride and evaluate the steam propulsion system and, in surveys, indicated its keen awareness of air pollution. The AC Transit bus, along with two other buses involved in the Federally-funded, California State Assembly Steam Bus Project, made an appearance before the Legislature in Sacramento. After demonstration rides and noise and emissions testing, the buses were returned to vendors for further mechanical improvements.

At the beginning of the calendar year, Director Ray Rinehart was re-elected President of the Board, and Director E. Guy Warren, Vice President. A month later, the Board was gripped at the death of Director Warren, who had been instrumental in the effort which created AC Transit in the

mid 1950's. Director Warren was in his fourth straight year as Vice President of the Board when he died, and had served as a Director since June, 1961.

Elected as Vice President to fill the vacancy was Director William J. Bettencourt, one of the original members of the Board and a Past President.

NEW DIRECTOR

Appointed to fill the vacancy on the Board was Miss Kimi Fujii of Hayward, long active in community betterment projects. She became the first woman member to serve on the Board.

AC Transit retained its image of trying to make the system more usable to the public when a bicycle bus went into service for the summer. For the first time, bicyclists were able to board the "Pedal Hopper" with their bike and ride across the Bay Bridge to San Francisco. The service attracted national attention, with Sen. James R. Mills, President Pro Tem of the California State Senate, leading the first bus load.

It was hearts and flowers for AC Transit and its advertising campaign when a check discovered a group of riders had been playing Hearts on a Line 32 - San Lorenzo Express every weekday morning and most afternoons for nearly 11 years—the oldest, established, permanent, floating Hearts game in the East Bay. A photo of the group was used in an advertising campaign around the theme: "Join our car pool."

Installation of a student-design bus shelter in Alameda

at Atlantic Ave. and Webster St. was the first visual result of a project begun the year before. The shelter was designed by one of four winners in a competition conducted by the University of California College of Environmental Design.

A Valuable Ideas Program, or VIP, was launched to encourage employee suggestions. Under terms of the new program, employees or pensioners can earn from \$25 to \$25,000 during the first 12 months if their suggestion will save time, money or materials and is put into effect. Awards are based on a ratio of 10 percent of estimated actual savings attributed to the suggestion.

VIP WINNERS

First winners included Gerald L. Teach, service employee at Emeryville Division and Keith G. Steckly, mechanic and relief foreman at Seminary Division. Teach recommended slow down mounds in the yards to help control traffic and prevent accidents; Steckly modified a coolant pressure tester to detect internal water leaks before damage is caused to engines.

An unusual agreement between the transit system and real estate developers resulted in inauguration of a new Line 47 during peak hours between the Watergate marina development in Emeryville and transfer connections to bus service. Developers were helping to underwrite the transit service.

New direct service also was being provided by Line 37 - Warren Blvd. Express, connecting Berkeley, via Warren Freeway, and the new hill campus of Merritt College, serving Montclair en route.

The Kelly Hill area of Hayward was connected to the downtown district with inauguration of Line 95 - Kelly St.

LANE EXTENDED

An exclusive lane, which allows buses to roll through the toll plaza on the San Francisco - Oakland Bay Bridge, was extended, reaching on one end to the incline of the span itself. Two trial lanes also were opened for "car pools" — commuter automobiles with a minimum of three passengers.

Five coaches were added to transbay service during the year, to a total of 297 buses in the morning peak. Five were added to East Bay service to a total of 353.

Relatively stable passenger traffic was indicated by distribution of 2,003,000 public pocket schedules, a decrease of 29,000 compared to the year before.

Senior citizen surveys taken five months apart showed a moderate increase in riding. Some 11,016 riders were counted on Friday, Oct. 1, 1971, compared to 12,011 riders on Friday, March 3, 1972. Total senior citizen riding on Oct. 1, 2, 3, 1971, came to 26,470. The count for March 3, 4, 5, 1972, was 28,414 riders.

Early morning and late night service curtailments, due to lack of riding, were made on Line 7 - Euclid Ave.; Line 14 - Brookdale-Emeryville; Line 17 - Alcatraz Ave., Line 33A - Oakland-Alameda; Line 46 - MacArthur-Bancroft Ave., Line 56 - Seminary-Mountain Blvd., Line 56C - Hegenberger Rd. - 64th Ave. "Double header" trips also were reduced on Line T - Treasure Island.



Car pools join buses zipping through San Francisco-Oakland Bay Bridge toll plaza on exclusive lanes.



Seminary Division bus driver Henry Lim looks proudly at new safe driver shoulder patch.

First cash awards under Valuable Ideas Program are made to Keith G. Steckly, left, by General Manager Alan L. Bingham. Gerald L. Teach holds his check while Training Instructor Stan Pearce looks on from right.





Smiles tell the story as Richmond Division mechanics hold Fleet Owner Maintenance Efficiency Award. From left: Jesse Cortez, Al Villata, Thomas Jones and Paul Delloyd.

Buses were running faster on transbay Line A, C and F; on intercity express Line 31 - Oakland-Richmond, Lines 72 - San Pablo Ave. and Line 82 in Hayward and West Oakland, as result of improved traveling conditions. A number of lines also were rerouted or extended.

Along with finalization of bus routings to BART stations, bus stop locations involved with the South Hayward to Oakland BART stations were finalized, as was cooperation with BART in design of coach stop signs to be posted on BART property.

AC Transit was working in cooperation with BART on the procurement of transfer machines to be installed at BART stations for the issuance of bus transfers. Meetings, meanwhile, were continuing with civic and public groups to acquaint the public with upcoming route changes and new service innovations.

SAFETY IMPROVEMENTS

Traffic accidents showed a reduction of 7.2 percent in the current fiscal year compared to the year before, while passenger accidents dropped three percent. Total accidents were down 6.2 percent, illustrating that bus riding was safer than ever.

Safe driving miles per accident for the entire year rose to 14,139, an improvement of 8.46 percent over last year's tally of 13,036.

Defensive driving on the part of operators actually made news during the entire year. The goal of 13,250 safe driving miles per accident was topped for 11 months by Seminary Division; nine months by Emeryville Division and eight months by Richmond Division.

Other safe driving records also were set. Emeryville Division tallied 21,420 miles per accident in May, 1972, a new high. The District exceeded its overall record of 14,697 miles per accident with a new record of 14,940 miles in November, 1971.

Individual awards ranging from one through 23 years of safe driving were presented to 821 drivers.

Numerous presentations were made to school groups on "How to Ride a Bus" and in work orientations and career guidance at schools in Hayward, Oakland and Richmond. A special volunteer driver's test was administered to 298 bus operators in connection with a Federally-funded project on pre-employment selection.

AC Transit continued its reputation for maintenance excellence, receiving the Fleet Owner Maintenance Efficiency Award for the 10th year in a row. Maintenance workers also were busy converting buses to the new Low Sac injector to increase fuel mileage and reduce smoke and odor.

Work was progressing on a computerized inventory system. The dollar amount of inventory increased only \$5,000 despite a general cost boost in material and supply items. Controlled stock items increased from 6,271 to 6,352.

Cost of accidents for the fiscal year was \$261,633 for bodily injury and \$54,297 for property damage, a total of \$315,930 compared to \$319,929 for the prior year. Settlement of claims amounted to 1.94 percent of operating revenue, a decrease of .03 percent. Recovered for damage to buses was \$34,417, compared to \$32,984 the previous year.

Total cost of Workmen's Compensation claims under the District's new permissibly uninsured program totaled \$84,425, a savings of \$195,575 over the 1970/71 experience and of \$266,575 over the premium the property would have had to pay under the State Compensation Insurance Fund.

At the year's end, AC Transit was involved in one of its busiest periods—and could anticipate greater challenges.

The job of changing bus service to connect with a fixed rail system, while still meeting the local and transbay needs of each neighborhood, has been and continues as one of the most demanding in transit experience.

A JOB WELL DONE

Yet as work was added to work, progress continued on all fronts. AC Transit's bus operation has earned nation-wide acclaim. Seemingly endless tasks involved with BART were being accomplished. Close teamwork and pride in a job well done was increasingly evident—on a property already noted for outstanding morale and the ability to handle any task in a professional and expert manner.

Further tasks—and rewards—loomed on the horizon. AC Transit may be called upon to expand operations to areas outside District boundaries, calling for even further dedication on the part of its employees. It is these qualities of expertise and cooperation of its workers which are AC Transit's greatest resource. As a strong and united transit system, AC Transit continues to have an exciting, gratifying and remarkable future.

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



E. SAM DAVIS
Research and
Planning Manager



VIRGINIA DENNISON
Public Information
Manager



OZRO D. GOULD
Claims Manager



JOHN A. KRAJCAR
Purchases and
Stores Manager



ANTHONY R.
LUCCHESI
Maintenance
Manager



ROBERT E. NISBET
Attorney



DONALD J. POTTER
Transportation
Manager



WARREN E.
ROBINSON
Transportation
Engineer



GORDON G.
WADSWORTH
Safety Engineer



LOWELL D. WEIGHT
Treasurer-Controller

PASSENGERS - REVENUE - MILEAGE

	1971-72	1970-71	% Change
Revenue Passengers			
East Bay	36,293,840	36,139,229	.43
Transbay	14,310,613	14,405,751	(.66)
Total	50,604,453	50,544,980	.12
Passenger Revenue			
East Bay	\$ 7,945,128	\$ 7,949,353	(.05)
Transbay	7,075,821	7,045,755	.43
Charter	654,145	582,791	12.24
Total	\$15,675,094	\$15,577,899	.62
Service Miles			
East Bay	15,543,754	15,396,423	.96
Transbay	9,722,008	9,501,507	2.32
Total	25,265,762	24,897,930	1.48

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended June 30	
	1972	1971
Sources of working capital:		
Proceeds from taxation	\$8,800,167	\$7,613,900
Refund of workmen's compensation insurance premiums	—	875
Additional federal grant funds allowable	98,980	276,327
Proceeds of lease-purchase agreement	—	1,022,338
	8,899,147	8,913,440
Applications of working capital:		
Operating loss	8,374,277	6,177,150
Less charges not involving working capital in the current period:		
Depreciation and amortization	1,313,833	1,249,811
Net book value of equipment sold	21	9,111
	7,060,423	4,918,228
Interest on bonded debt	272,091	296,789
Current installment due on bonded debt	875,000	825,000
Current installments due on lease-purchase agreement	340,780	340,779
Payment on lease-purchase agreement—not due currently	—	333,995
Acquisition of property, plant and equipment	189,723	1,366,258
	8,738,017	8,081,049
Increase in working capital	\$ 161,130	\$ 832,391
Summary of increase in working capital:		
Cash	\$ 231,157	\$6,823,092
Federal Home Loan Bank certificates	—	(5,609,949)
U.S. Treasury obligations	84,111	(107,876)
Accounts receivable	(37,930)	107,913
Other current assets, net	19,589	(31,384)
Accounts payable	(48,192)	(66,847)
Accrued pension costs	(250,663)	(224,144)
Unredeemed tickets and tokens	25,221	58,907
Self-insurance reserve	100,000	(50,000)
Amount due within one year on long-term debt	(50,001)	109,912
Other current liabilities, net	87,838	(177,233)
	\$ 161,130	\$ 832,391

See accompanying notes.

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

BALANCE SHEET

	June 30	
ASSETS	1972	1971
Property, plant and equipment, at cost (Note A):		
Property, plant and equipment acquired		
October 1, 1960	\$ 6,435,584	\$ 6,458,519
Less accumulated depreciation	2,797,779	2,565,120
	<u>3,637,805</u>	<u>3,893,399</u>
Other equipment:		
Motor coaches	14,907,972	14,793,508
Parts, service cars, shop and		
miscellaneous equipment	851,905	796,687
Office furniture and equipment	111,678	92,442
	<u>15,871,555</u>	<u>15,682,637</u>
Less accumulated depreciation	8,762,689	7,705,234
	<u>7,108,866</u>	<u>7,977,403</u>
Total property, plant and equipment	<u>10,746,671</u>	<u>11,870,802</u>
Current assets:		
Cash:		
On hand and in commercial accounts	275,833	572,576
Time deposits	9,120,136	8,592,236
	<u>9,395,969</u>	<u>9,164,812</u>
U.S. Treasury obligations, at amortized cost		
(approximates market)	391,614	307,503
Accounts receivable	524,337	562,267
Materials and supplies, at cost	214,328	210,426
Prepaid expenses	86,693	71,006
Total current assets	<u>10,612,941</u>	<u>10,316,014</u>
	<u>\$21,359,612</u>	<u>\$22,186,816</u>
LIABILITIES AND DISTRICT EQUITY		
Long-term debt, less amounts due within one year:		
General obligation bonds, due serially to 1980,		
various interest rates (1% to 3.25%)	\$ 8,500,000	\$ 9,375,000
Lease-purchase agreements, due in annual		
installments to 1974 (4%)	340,779	681,559
Total long-term debt	<u>8,840,779</u>	<u>10,056,559</u>
Current liabilities:		
Accounts payable	328,291	280,099
Salaries and wages	323,138	439,024
Accrued payroll taxes and amounts		
withheld from employees	215,021	178,723
Accrued pension costs (Note C)	1,311,395	1,060,732
Accrued interest on bonded debt	88,650	96,900
Unredeemed tickets and tokens	171,639	196,860
Self-insurance reserve (Note B)	500,000	600,000
Amount due within one year		
on long-term debt	1,215,780	1,165,779
Total current liabilities	<u>4,153,914</u>	<u>4,018,117</u>
District equity	<u>8,364,919</u>	<u>8,112,140</u>
	<u>\$21,359,612</u>	<u>\$22,186,816</u>

See accompanying notes.

**ARTHUR YOUNG
& COMPANY**

1330 BROADWAY
OAKLAND, CALIFORNIA 94612

The Board of Directors
Alameda-Contra Costa Transit District
Special Transit Service District No. 1

We have examined the accompanying balance sheet of Alameda-Contra Costa Transit District, Special Transit Service District No. 1 at June 30, 1972 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, except that no provision has been made for estimated additional pension costs of \$600,000, as explained in Note C, the statements mentioned above present fairly the financial position of Alameda-Contra Costa Transit District, Special Transit Service District No. 1 at June 30, 1972, the results of operations and the 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.

The financial statements for the prior year were examined by other independent public accountants.

Arthur Young & Company

Oakland, California
August 8, 1972

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

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

	Year ended June 30	
	1972	1971
Revenue:		
Passenger	\$15,020,949	\$14,995,108
Charter	654,145	582,791
Advertising	216,390	223,414
Interest earned	362,052	447,047
Other operations	17,534	18,707
Total operating revenue	16,271,070	16,267,067
Expense:		
Transportation	15,325,168	13,672,127
Maintenance	3,085,607	2,812,472
Depreciation and amortization (Note A)	1,313,833	1,249,811
Operating taxes and licenses	763,062	724,356
Administrative and general	1,225,925	1,134,229
Welfare and pensions (Note C)	1,853,871	1,626,103
Insurance and safety	804,451	959,951
Public information and advertising	273,430	265,168
Total expense	24,645,347	22,444,217
Operating loss	(8,374,277)	(6,177,150)
Non-operating items:		
Proceeds from taxation	8,800,167	7,613,900
Less:		
Provision for current year's redemption of bond principal	(866,667)	(820,833)
Interest and fees on bonded debt	(272,091)	(296,789)
Net proceeds from taxation available for operations	7,661,409	6,496,278
Increase (decrease) in equity after provision for bond principal redemption	(712,868)	319,128
District equity:		
Balance at beginning of year	8,112,140	6,694,977
Refunds of prior year's workmen's compensation premiums	—	875
Restoration of provision for bond principal redemption deducted above	866,667	820,833
Additional federal grant funds allowable for capital equipment acquisitions (Note D)	98,980	276,327
Balance at end of year	\$ 8,364,919	\$ 8,112,140

See accompanying notes.

**NOTES TO
FINANCIAL STATEMENTS**

Year ended June 30, 1972

A. Property, plant and equipment

Property, plant and equipment acquired 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.

B. Self-insurance reserve

The District is self-insured for personal injury and property damage claims up to \$100,000 for any one occurrence and for workmen's compensation claims to \$25,000. Claims in excess of these amounts are insured with commercial carriers and the State Compensation Insurance Fund.

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 has contributed, in prior years and in 1972, 5% of compensation for hours worked 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. On the basis of these funding practices the provision for pension benefits does not provide for complete funding of future pension liabilities.

In the year ended June 30, 1972 actuarial valuations as of January 1, 1971 were completed and the previous agreement with the Amalgamated Transit Union was modified to improve pension benefits and to change the funding requirements. Future annual contributions by the District to the union plan are to be made at the discretion of the District, except that they shall not be less than the contribution made for the year ended June 30, 1971. In view of these developments new actuarial valuations are to be made and the future funding policies of the District are under study.

Based on the 1971 actuarial valuations, the 1972 provision for pensions is estimated to be \$600,000 less than the minimum pension provision for 1972 as determined under generally accepted accounting principles.

D. Federal grants

The District has two federal grants for the acquisition of motor coaches and other equipment and improvements over a five-year period through 1977. The grants are provided through the Urban Mass Transit Administration of the Department of Transportation. Budgeted capital additions applicable to the grants are \$12,922,312. The related federal participation is two-thirds or \$8,614,874, of which \$98,980 had been earned at June 30, 1972. The District has contracted to purchase sixty new motor coaches at a cost of approximately \$2,314,000, of which two-thirds will be provided by federal grant funds.



Bus and train meet during trial run, symbolizing coordination of AC Transit and BART.



ALAMEDA - CONTRA COSTA TRANSIT DISTRICT

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