



**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

Fiscal  
Year Ended  
June 30

**2006**

**LIVERMORE  
AMADOR  
VALLEY  
TRANSIT  
AUTHORITY**

Livermore,  
California

**LIVERMORE/AMADOR VALLEY  
TRANSIT AUTHORITY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2006**

**PREPARED BY THE ADMINISTRATIVE SERVICES DEPARTMENT**

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**Introductory  
Section**

**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For the Year Ended June 30, 2006**

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Livermore Amador Valley Transit Authority

November 7, 2006

**The Board of Directors  
Livermore Amador Valley Transit Authority**

We are pleased to present the Comprehensive Annual Financial Report of the Livermore Amador Valley Transit Authority (the Authority) for the fiscal year July 1, 2005 through June 30, 2006.

This report has been prepared by the Administrative Services Department following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA) and is in conformance with generally accepted accounting principles for state and local governmental entities established by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy, completeness and fairness of the presented data and the clarity of presentation, including all disclosures, rests with the management of the Authority.

In accordance with the above-mentioned guidelines, the accompanying report consists of four sections:

1. The *Introductory Section* contains this letter of transmittal, a discussion of the Authority's operations, accomplishments and future goals and projects, a list of principal officials and the Authority's organization chart.
2. The *Financial Section* begins with the Independent Auditors' Reports and Financial Statements. The notes, an integral part of the Financial Statements, are intended to further enhance an understanding of the Authority's current financial status.
3. The *Statistical Section* provides information that is useful for understanding the Authority's financial condition and depicting the past 10 years of history and financial and operational trends of the Authority.
4. The *Compliance Section* includes the Auditors' reports required under the federal Single Audit Act, State Transportation Development Act, and Measure B, and it provides assurance of the Authority's compliance with those laws and related regulations.

## **BACKGROUND INFORMATION**

### ***History***

In 1985, the County of Alameda joined with the Cities of Livermore, Pleasanton and Dublin to execute a Joint Powers Agreement (JPA), pursuant to Government Code 6500 et. seq., creating the Livermore Amador Valley Transit Authority. Under the JPA, the Authority's charter was to provide public transit service in the Livermore Amador Valley without the imposition of any new local taxes.

The existing Wheels system is an outgrowth of the transit services previously operated in Livermore (City of Livermore-RIDEO) and Pleasanton/Dublin. The services in the three cities were consolidated under the Authority in 1987.

The Authority has come a long way in the last nineteen years. In early 1990 the fixed route fleet was upgraded with the delivery of 34 new Gillig buses. That year almost 680,000 passengers were transported at a rate of 10.3 people per hour. Today, twenty-four 40-foot and ten 29-foot Gillig buses have replaced those original buses. The Authority's fixed route fleet has 75 buses. The fleet includes the vehicles for local fixed route service and in 2005/2006 the Authority transported over two million passengers.

### ***The Authority***

The Authority's reporting entity includes only the Authority; it is legally separate and financially independent as defined in the Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity." No other entity exists for which the Authority exercises oversight responsibility or has a special financing arrangement.

The Authority operates under the name Wheels and serves residents located in the Cities of Livermore, Dublin and Pleasanton, and some unincorporated areas (Tri-Valley Area). The mission of the Livermore Amador Valley Transit Authority is to provide equal access to a variety of safe, affordable and reliable public transportation choices, increasing the mobility and improving the quality of life of those who live or work in and visit the Tri-Valley area.

As a Joint Powers Authority, a seven-member Board of Directors governs the agency. Two elected officials are appointed from each city's City Council, and the County Board of Supervisors appoints one member. Directors meet once a month to determine overall policy for the Authority. Monthly committee meetings provide oversight in four areas: administration and budget; marketing; operations, planning and scheduling; and legislation. Additional input to the Board comes from a seven-member Wheels Accessibility Advisory Committee representing the interests of the elderly and disabled.

The General Manager oversees the general operations of the transit system in accordance with the policy direction prescribed by the Board of Directors. During the 2006 fiscal year, a Manager of Administrative Services, Manager of Marketing and Public Affairs, Manager of Grants, Capital Projects and Procurement, Accounting Analyst, Transit Planner, System Administrator/Route Scheduler, ADA Coordinator, Customer Service Coordinator, and an Administrative Assistant supported the General Manager.



Since its formation, the Authority has contracted with private companies for the day-to-day operation of its services. Fixed route and paratransit services, as well as vehicle maintenance, are provided under contract with MV Transportation, Inc.

The Authority's Strategic Plan outlines the Goals, Objectives and Performance Standards and establishes a strategic process to implement and monitor the programs and policies of the Authority. The Strategic Plan also provides the basis for the operating budget and ten-year capital improvement program.

### ***Services***

The Livermore Amador Valley Transit Authority provides local public transit services to the cities of Dublin, Livermore, and Pleasanton and to the adjacent unincorporated areas of Alameda County. The service area covers approximately 40 square miles and has 171,652 residents. The service area is divided into two sub-areas: Pleasanton/Dublin and Livermore. Three miles of lightly developed industrial and agricultural land separate these two sub-areas.

The Authority provides the following transportation services: Fixed Route (Wheels) Service and Demand Responsive Paratransit Service (Dial-A-Ride) to senior and disabled persons.

The Wheels Fixed Route system consists of the following services:

Wheels	Local and sub-regional fixed route system.
Shuttles	Local shuttles serving the ACE Rail and BART stations.

Wheels fixed route service runs 365 days per year. On an average weekday, the Authority's fixed route fleet carries an average of 7,315 passengers. Fixed route ridership has been increasing over the last several years (since 2001 drop) at 2,036,955 passengers; it is a 5.4% increase over 2005. Passengers per hour, a measure of system efficiency, increased by 5.0% from 17.8 in FY2005 to 18.7 in the current year.

The Authority's fixed route service is supplemented by Dial-A-Ride paratransit service, which transported 66,198 mobility-impaired patrons in FY2006 on 18 specially equipped lift-vans. Unlike the fixed route service, ridership on this service increases annually. In the last ten years paratransit ridership has increased by 150%.

## **ACCOUNTING SYSTEM AND BUDGETARY CONTROLS**

The Authority is accounted for as a single enterprise fund using the accrual method of accounting. In developing and evaluating the accounting system, emphasis is placed on the adequacy of internal accounting controls.

### ***Internal Accounting Controls***

Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

1. The safeguarding of assets against loss from unauthorized use or disposition; and
2. The reliability of financial records used in preparing financial statements and accounting for assets.

The concept of reasonable assurance recognizes that:

1. The cost of control should not exceed the benefits likely to be derived; and
2. The evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Authority's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### ***Cash Management***

The Authority investment objectives are to minimize market risks while maintaining a competitive yield on its portfolio. The Authority's practice is to limit its investments to the State of California Local Agency Investment Fund (LAIF).

All cash deposits are either insured by the Federal Depository Insurance Corporation or collateralized by U.S. Government Securities. The depositories are required by State law to maintain a collateral pool of securities with market value in excess of 110% of the amount of the deposit.

### ***Budgetary Controls***

Although not legally required to do so, the Authority adopts an annual operating and capital budget. The Board of Directors has unlimited authority to approve or amend the adopted budget. The budget is based on Authority goals and objectives adopted annually by the Board of Directors as part of the budget process as well as the Strategic Plan adopted December 2005. The balanced budget, with adequate reserves to cover excess expenses over revenues, is adopted by resolution in June.

Budgetary control is maintained at the department level for each operating department and at the project level for each capital project. The General Manager must authorize overruns within a department. Any overruns of the Authority as a whole require a budget revision and must be authorized by the Board of Directors.

### ***Risk Management***

On May 1, 2000, the Authority became a member of the California Transit Insurance Pool (CalTIP), a joint powers authority that provides annual general liability and physical damage coverage up to \$10,000,000 in the aggregate. The authority has a \$25,000 deductible for general liability claims and has a \$5,000 deductible for physical damage claims on vehicles valued over \$50,000 and \$500 on vehicles with a value of less than \$50,000. As a member of CalTIP the Authority has a seat on the governing board. The Board of Directors consists of representatives from all the member organizations.

In addition to the coverage provided through CalTIP, the Authority has commercial insurance coverage for property damage, boiler and machinery loss, and workers' compensation. Below is a summary of the Authority's current insurance program and related coverage.

**Insurance**

**Liability Limit**

Property (including earthquake)	\$7,091,000
Inland Marine (valuable papers)	\$25,000
Boiler and Machinery	\$6,000,000 per Accident
Underground Storage Tank	\$1,000,000 Occurrence/\$2,000,000 Aggregate

The Authority's deductible amounts are \$10,000 or less.

***Independent Audit***

State law requires that independent auditors, selected by the Board of Directors, audit the financial statements of the Authority. The fiscal year ended June 30, 2006 audit was conducted by Maze & Associates and their report is included in the Financial Section. Maze & Associates has also audited the Authority's compliance with the Transportation Development Act, a state law governing the expenditure of Local Transportation Funds; and State Transit Assistance, the Single Audit Act and regulations, the law, rules and regulations governing expenditures of federal awards; and Measure B. The Auditors' reports on compliance are presented in the Compliance Section of this report. In all cases the Auditor's reports are "unqualified" meaning there were no compliance exceptions.

**FISCAL YEAR IN REVIEW**

One of the most profound undertakings during the Fiscal Year 2006 was the all-encompassing strategic planning effort which began on May 11, 2005 and culminated in the final Wheels Strategic Plan unanimously adopted by the Board of Directors on December 5, 2005. This Strategic Plan established an overall vision and mission for Wheels, and developed a series of goals and strategies to guide the future development of Wheels' services, programs, and organization. The Plan provides a framework through which Wheels' administrative, operational, and communication processes can be reexamined. At the core of ensuring the Strategic Plan becomes an operational reality for Wheels is the alignment of the budget and financial priorities with the Strategic Plan. With respect to our base service, having established a streamlined, more efficient network of routes FY 06 was the beginning of the Authority stepping off into a new and exciting period of change and growth that is compatible with the changing and growing Tri-Valley.

***Fiscal Year 2006 Accomplishments***

Specifically, the Authority needed to bring costs in line with revenues, paying more attention to the employees, and moving the customers to the forefront of its planning efforts.

- Accomplishments in the area of Cost Effectiveness included obtaining the most value from every bus on the road and sharing resources with neighboring transit agencies such as lobbying services, IT Manager, projected shared facility, and joint marketing campaigns.
- Staff Development accomplishments included working actively with employees to develop strengths and resolve challenges by increasing opportunities for active employee participation, resulting in a high level of employee job satisfaction and a professional, positive work environment.
- Improvement in Customer Responsiveness was accomplished by reaching out to customers in new ways and enhancing the Wheels Customer Service Program, ensuring that every

employee is engaged in responding to the customer and placing the customer is in the forefront of all decision making.

- Consistent Long-Term Planning was accomplished through updating the Short Range Transit Plan and developing and adopting the comprehensive Strategic Plan, developed through the efforts of all of the Authority's employees and Board members.

## **FUTURE OUTLOOK**

All seven goal areas comprising the Strategic Plan Objectives were thoroughly reviewed using a system wide approach taking into consideration various stakeholders such as Wheels riders, employees, Board of Directors, vendors, and the Tri-Valley Community as whole. The following provides a brief overview of some of the most significant projects Wheels is undertaking this fiscal year to meet these goals.

### ***Fiscal Year 2007 Goals***

- A. Ridership Development – Increase ridership to fully attain community benefits achieved through optimum utilization of the transit system.
  - Expand routes and services by developing new or revising existing services consistent with the Strategic Plan to provide timely, seamless service deliverability
  - Initiate project management of the Wheels Bus Rapid Transit Service
  - Implement additional shuttles (Hacienda Business Park and BART Parking) for fixed route service, and additional group trip services to supplement paratransit service.
  - Upgrade and/or fully utilize the technologies in Wheels day-to-day operations, i.e., Drive Cam, satellite communications, Trapeze and AVL.
  - Increase accessibility to fixed route service and optimize paratransit service through innovative travel training program development.
  - Improve connectivity with regional transit systems
- B. Marketing and Public Awareness – Improve visibility, image and awareness of Wheels.
  - Continue to build the Wheels brand image, identity, and value for customers through ongoing public outreach and advertising/marketing campaigns and promotions
  - Continue to increase communication between Wheels and our riders through customer surveys and active customer service programs.
  - Develop and implement transit education program including materials
  - Evolve the Wheels Bus Book based on direct customer input.
- C. Community and Economic Development – Utilize transit as an essential community and economic development tool for local communities.
  - Promote Wheels to new businesses and residents through effective communication programs
  - Integrate transit into local economic development plans through effective involvement of the Assistant General Manager with City and County planning agencies
- D. Policy Development – Provide staff and partner agencies with clear policies on how to effectively address the challenges and opportunities facing Wheels.
  - Review and implement revised JPA policies to better position Wheels for current and future conditions

- Develop and implement an Environmental Management System, including the Wheels/LAVTA Environmental Policy.
  - Develop Capital Improvement Plan, including policies, such as procurement policy, and processes.
- E. Regional Leadership – Strengthen Wheels’ leadership position within the region to enhance opportunities for customer service.
- Advocate for regional, state and federal policies that support Wheels’ goals by revitalizing the legislative agenda through Wheels Legislative Committee
  - Continue to develop partnerships with transit and other local public agencies by participation in such endeavors as Golden Guardian First Responders exercises and Regional and State-wide emergency preparedness programs.
  - Continue in process of designing and planning for shared facilities with CCCTA.
- F. Organizational Effectiveness – Strengthen organizational capabilities and resources to improve overall performance and customer satisfaction.
- Create and implement human resources plan, including an employee handbook.
  - Participate in weekly, monthly, quarterly and annual training and recognition activities with contractor staff
  - Enhance human and technical resources throughout Wheels with professional development and technical replacement plans, including implementation of an Intranet.
- G. Fiscal Responsibility – Maintain fiscal responsibility to ensure the financial sustainability of existing and new transit services.
- Integrate fiscal review processes into all decisions
  - Establish a reserve policy
  - Continue with Phase II of the new satellite facility project.

## **ECONOMIC CONDITION AND OUTLOOK**

The Livermore Amador Valley is located on the eastern edge of Alameda County, the seventh largest county in California. The cities of Livermore, Dublin and Pleasanton are among the fastest growing cities in the county. The Tri-Valley population is expected to grow by 26% between 2005 and 2020. Employment growth is even more rapid than population growth, with continued concentration in office parks in the edge cities of the Bay Area (including the Tri-Valley). Between 2005 and 2020 employment in the Wheels service area is forecast to grow by 38%. The senior population is another area of astronomical growth; between 2005 and 2020 the senior population will grow 141%! On the other hand, the low-income population (defined as households with low car ownership and in the bottom 25% of household income) will only grow 1% during the forecast period.<sup>1</sup>

The Tri-Valley cities have among the lowest unemployment rates in the county. Statistics for August (preliminary) 2005 show that unemployment rates in Tri-Valley cities are: Pleasanton 2.5%, Dublin 3.0%, and Livermore 3.2%, compared to the county-wide figure of 5.2%.<sup>2</sup>

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<sup>1</sup> Source: MTC/ABAG 2003 Forecasts, by 1454 TAZ

<sup>2</sup> Source: Employment Development Department, Labor Force Data for Sub-County Areas

Even with the recent decline in the economy the Tri-Valley area is forecast to grow in population and employment. The challenge for the Authority will be to plan service that appeals to a market that is not the traditional transit-dependent population. Current transit use in the Tri-Valley, based on 2000 census data, shows the following public transit usage for work trips: Livermore 3.3%, Dublin 5.4%, and Pleasanton 4.9%. Much of this public transit usage was on BART, which has a station in the Tri-Valley area, and the ACE train, a commuter train between San Joaquin County and the Santa Clara Valley. Bus usage by city was a small percent of total transit ridership: Livermore 1.5%, Dublin 0.8%, and Pleasanton 0.6%.<sup>3</sup>

## AWARDS AND ACKNOWLEDGEMENTS

### *Awards*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Livermore Amador Valley Transit Authority for its comprehensive annual financial report for the fiscal year ended June 30, 2005. This was the tenth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This Report must satisfy both generally accepted accounting principles and applicable legal requirements.


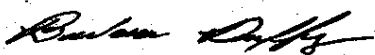
A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

### *Acknowledgments*

The preparation of this report required the dedicated efforts of the Authority's staff. We also gratefully recognize Maze & Associates for their timely audit and expertise on the preparation of this Comprehensive Annual Financial Report. Finally, we would like to thank the Board of Directors for its commitment and support in the development of a strong financial system.

General Manager

Manager of Administrative Services



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Barbara Duffy

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Beverly Adamo

<sup>3</sup> Source: MTC/ABAG Bay Area Census 2000

**LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY**

**PRINCIPAL OFFICIALS**

**June 30, 2006**

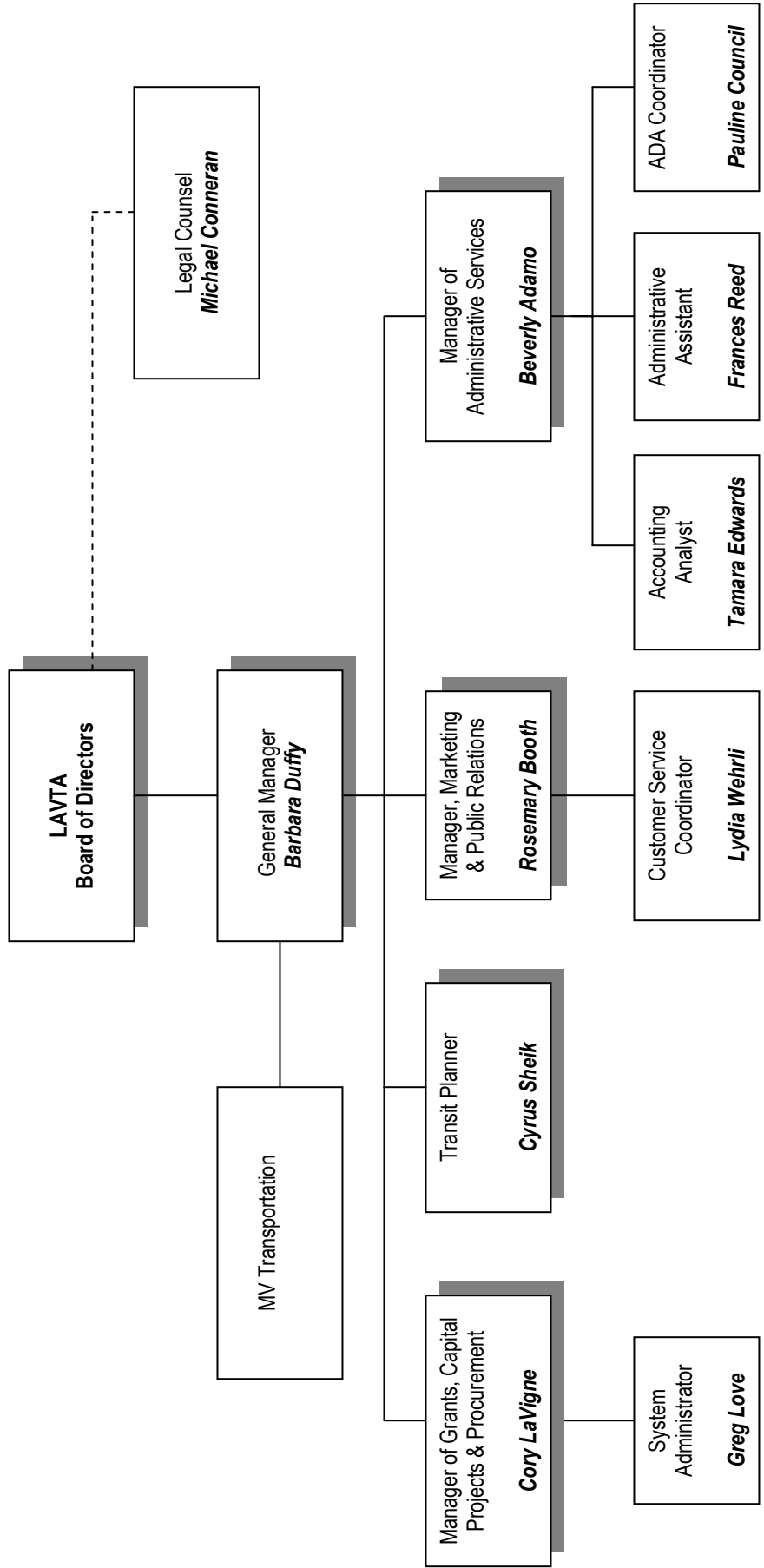
**Board of Directors**

Chair .....	Marshall Kamena, Mayor, City of Livermore
Vice Chair.....	Steve Brozosky, Councilmember, City of Pleasanton
Member .....	Scott Haggerty, Supervisor, Alameda County
Member .....	Janet Lockhart, Mayor, City of Dublin
Member .....	Tony Oravetz, Vice Mayor, City of Dublin
Member .....	Cindy McGovern, Councilmember, City of Pleasanton
Member .....	Marjorie Leider, Vice Mayor, City of Livermore

**Staff**

General Manager .....	Barbara Duffy
Manager of Administrative Services .....	Beverly Adamo
Manager of Marketing & Public Affairs .....	Rosemary Booth
Manager of Grants, Capital Projects & Procurement .....	Cory LaVigne
Accounting Analyst .....	Tamara Edwards
Transit Planner .....	Cyrus Sheik
System Admin/Route Scheduler .....	Greg Love
ADA Coordinator& Travel Trainer .....	Pauline Council
Administrative Assistant .....	Frances Reed
Customer Service Coordinator .....	Lydia Wehrli

# Livermore Amador Valley Transit Authority Organization Chart





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Livermore/Amador  
Valley Transit Authority,  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Carla E. Fudge*

President

*Jeffrey R. Emswiler*

Executive Director



**Financial  
Section**

## INDEPENDENT AUDITOR'S REPORT

Honorable Members of the Board of Directors of  
Livermore/Amador Valley Transit Authority  
Livermore, California

We have audited the basic financial statements of the Livermore/Amador Valley Transit Authority (Authority) as of and for the year ended June 30, 2006 in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized information has been derived from the Authority's fiscal 2005 financial statements; in our report dated September 20, 2005 we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for financial audits contained in the *Government Audit Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

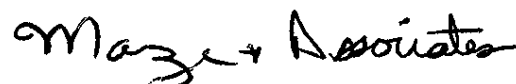
In our opinion, the financial statements referred to above present fairly in all material respects the financial position of the Authority at June 30, 2006 and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

Management's Discussion and Analysis is supplementary information required by the Government Accounting Standards Board, but is not part of the financial statements. We have applied certain limited procedures to this information, principally inquiries of management regarding the methods of measurement and presentation of this information, but we did not audit this information and we express no opinion on it.

In accordance with *Governmental Auditing Standards* we have also issued a report dated September 20, 2006 on our consideration of the Authority's internal control structure and a report dated September 20, 2006 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Authority. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and in our opinion is fairly stated in all material respects in relation to the financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



September 20, 2006

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**MANAGEMENT DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2006

The Livermore/Amador Valley Transit Authority is required to prepare financial statements in accordance with Government Accounting Standards Board Statement Number 34 (GASB 34) beginning with the fiscal year ended June 30, 2004. GASB 34 required changes to the traditional financial statements and disclosures, and required the preparation of a Management Discussion and Analysis (M,D&A)– a narrative overview and analysis of the financial activities of the Authority for each fiscal year. This M,D&A is for the fiscal year ended June 30, 2006.

GASB 34 requires the format of Authority-wide financial statements, which are contained in the Financial Section of the accompanying report. These Authority-wide statements include a Statement of Net Assets and a Statement of Revenues, Expenses and Changes in Net Assets. The Statement of Net Assets presents information on all of the Authority's assets and liabilities with the difference of the assets minus the liabilities being the Authority's net assets. The Statement of Revenues, Expenses and Changes in Net Assets summarizes how the Authority's net assets have changed over the fiscal year.

Page references are to the attached fiscal year ended June 30, 2006 basic financial statements.

Background and Overview of the Presentation of the Financial Statements

The Authority's basic financial statements are comprised of four parts:

1. The Independent Auditor's Report
2. The Management Discussion and Analysis
3. The Basic Financial Statements
4. The Notes to the Financial Statements

1. *The Independent Auditor's Report.* This is an annual report prepared by the auditor to accompany the financial statements.
2. *Management Discussion and Analysis (MD&A).* This report accompanies the GASB34 compliant financial statements. The MD&A must include:
  - A brief explanation of the presentation that makes up the basic financial statements, and the relationship of one statement to another.
  - Condensed financial information, allowing comparison of current and prior fiscal periods.

- Analysis of the Authority’s overall financial position (Statement of Net Assets), and results of operations (Statement of Revenues, Expenses and Changes in Net Assets).
- Analysis of balances and transactions of major individual funds.
- Significant capital asset and long-term debt activity.
- Any facts, decisions, or conditions known at the close of audit fieldwork that is expected to have a significant effect on the financial position or results of operations.

3. *Basic Financial Statements.* The basic Authority-wide financial statements are prepared under a set of rules referred to by their regulatory identifier, GASB 34. The Authority-wide financial statements are designed to provide a broader overview of the Authority’s financial position, using an accounting basis similar to the model used in prior years.

The Statement of Net Assets summarizes the Authority’s assets and liabilities, with the difference of the two reported as net assets (rather than equity). The Statement of Net Assets is designed to provide information about the financial position of the Authority as a whole, including all of its capital assets and long-term liabilities, on a full accrual basis of accounting, similar to the accounting model used by private sector firms. Over time, increases or decreases in net assets could serve as an indication of whether the overall financial position of the Authority is stable.

The following table summarizes the net assets of governmental activities as of June 30, 2006 and June 30, 2005:

Table 1  
Statement of Net Assets

	Year Ending 6/30/2006	Year Ending 6/30/2005
<b>ASSETS</b>		
Cash and investments	\$2,877,645	\$2,544,941
Receivables	1,583,094	1,532,719
Capital assets (depreciated)	23,574,205	24,871,891
Total assets	28,034,944	28,949,551
<b>LIABILITIES</b>		
Accounts/Claims payable	4,460,739	1,086,782
Due to LTF	0	2,990,878
Total liabilities	4,460,739	4,077,660
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	23,574,205	24,871,891
Total restricted net assets	23,574,205	24,871,891

## **Assets**

Total assets amounted to \$28,034,944 consisting of \$4,460,739 in current assets such as cash and accounts receivable, and \$23,574,205 in capital assets primarily vehicles and facilities including furnishings and equipment. Notes 2 and 3 further describe Cash and Investments and Capital Assets. In the fiscal year ended June 30, 2006 the capital projects below were ongoing:

### *Paratransit Vans*

Replacement of nine 1997 medium duty cutaway vans for use in paratransit service. These vehicles are expected to be put in service in August 2006.

### *Maintenance and Operations Facility*

The Authority has begun the process of purchasing land and designing a new facility to house all maintenance and operations functions. This is expected to be a significant multi-year project.

Additionally the Authority completed a major campaign to retrofit seventeen fixed route buses with *Particulate Matter Trap*;, devices that significantly reduce vehicle diesel emissions

## **Liabilities**

Liabilities totaled \$4,460,739 consisting primarily of accounts payable and prepaid revenue including a significant payment from the Local Transportation Fund for the purchase of land for the aforementioned Maintenance and Operations Facility. This purchase of this land is expected to close in August of 2006. Local Transportation Funds are held at the county and are available to the Authority for future capital and operating needs. The legislated requirement that all Local Transportation Funds be held at the county on behalf of the Authority causes the agency's financial position to look weaker than it would if those reserves were included in the agency's assets. At fiscal year end the agency had an estimated \$4,040,873 in reserves.

## **Net Assets**

The liabilities of the Authority exceeded its assets by (\$1,297,686) this decrease in net assets is due to depreciation on existing capital assets in excess of additions to capital assets.

The Statement of Revenues, Expenses and Change in Net Assets provides information about the Authority's revenues and expenses on the full accrual basis, with an emphasis on measuring the net revenues or expenses for each of the Authority's main activities. The Statement of Revenues, Expenses and Change in Net Assets explains in detail the change in net assets for a given year. The amounts in the Statement of Revenues, Expenses and Change in Net Assets represent two programs: fixed route and paratransit. The Basic Financial

Statements divide all revenues and expenses by program. The analysis in this discussion applies to both programs.

The following table summarizes the Statement of Revenues, Expenses and Change in Net Assets, or the change in net assets of governmental activities, for the year ended June 30, 2006 and June 30, 2005:

Table 2  
Statement of Revenues, Expenses and Change in Net Assets

	Year Ending 6/30/2006	Year Ending 6/30/2005
<b>REVENUES</b>		
Program operating revenues:		
Fare and contract revenues	\$1,818,670	\$1,730,775
Advertising and ticket concessions	185,066	165,748
Non-operating revenues:		
Operating grants and contributions	9,401,390	8,202,152
Capital grants, net	1,567,518	485,603
Total revenues	12,972,644	10,584,278
<b>EXPENSES</b>		
Board of Directors	\$14,166	\$ 65,585
General Manager	190,979	176,409
Administrative Services	702,453	660,188
Planning	127,899	272,449
Marketing	350,464	279,531
Operations	10,032,115	8,800,844
Depreciation	2,852,254	2,408,131
Total expenses	14,270,330	12,663,137
<b>CHANGE IN NET ASSETS</b>	(\$1,297,686)	(\$2,078,859)
Net Assets, beginning	24,871,891	26,950,750
Net Assets, ending	23,574,205	24,871,891

### **Revenues**

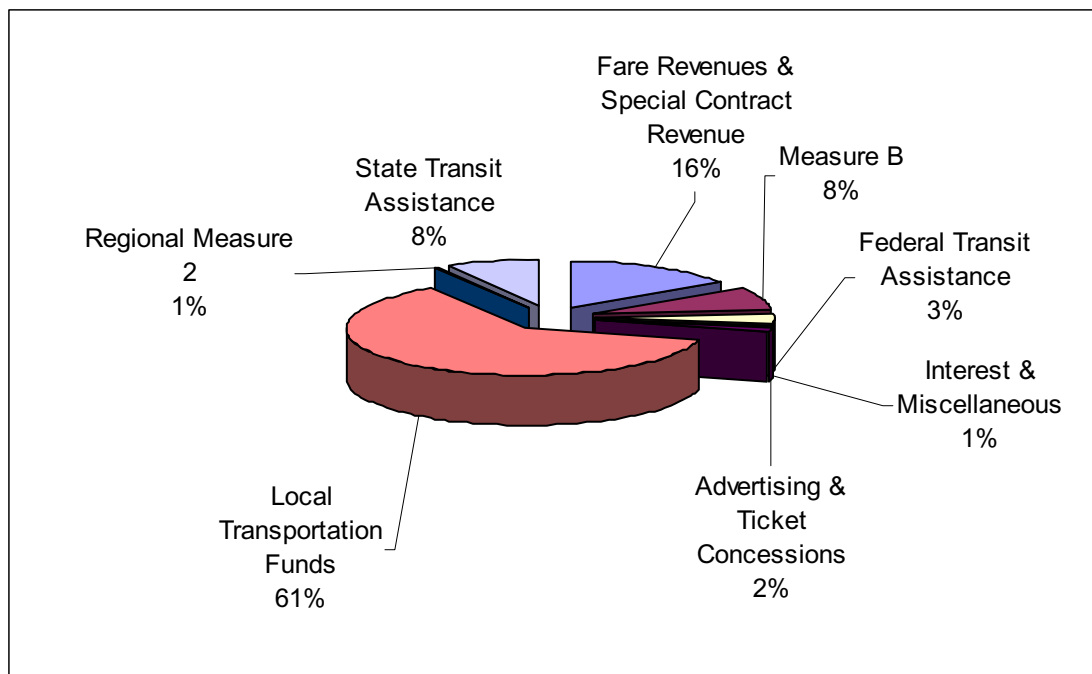
The Authority's primary source of operating revenue is Transportation Development Act (TDA) Article 4.0 and 4.5 funds. Most years these funds account for 65-70% of total operating revenue. In FY2005-06, TDA accounted for only 61% of total operating revenue. The rest of the revenue is comprised of Federal Transit Assistance, Passenger Fares, State Transit Assistance, Measure B, Advertising and Ticket Concessions Interest, and a new source of operating revenue this year: Regional Measure 2 – Bridge Tolls.



Federal operating funds accounted for \$381,354 or 3% of the total, this is a significant decrease from the prior two years which included substantial federal operating funds resulting from the Metropolitan Transportation Commission making a one-time policy change to allow Section 5307 funds that are apportioned to the San Francisco Bay Area to be used for Capitalized Preventative Maintenance.

Revenue generated from operations (farebox, contract, and advertising revenues) remained essentially the same from the prior year.

The statistical section of this report presents all the revenue sources by year for the previous ten years. Below are percentages by funding source for the fiscal year ending June 2006.



## Expenses

Total expenses including depreciation (\$2,852,254) were \$14,270,330 in the fiscal year ending June 30, 2006. Adjusting for depreciation this was an 11% increase over the prior year. Significant increases in fuel costs were the primary driver for the overall cost increase.

Expenses, excluding depreciation, are sorted by department. A brief description of each department's function is as follows:

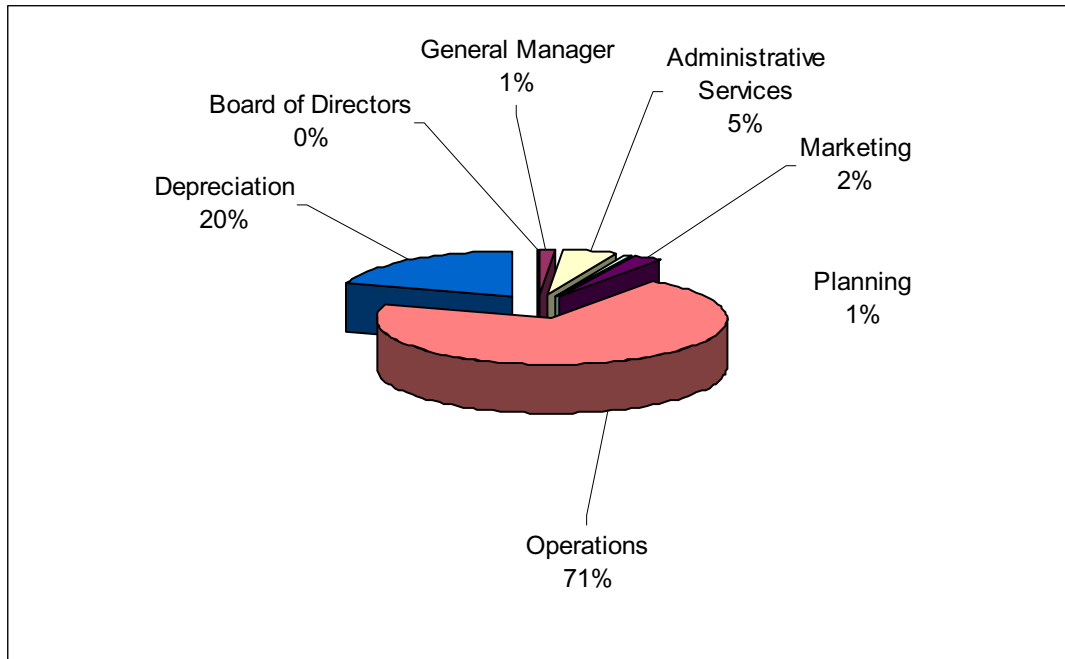
- *Board of Directors* All the costs associated with the Board of Directors including their stipends and professional development expenses are charged to this department. In prior years this department also included

the cost of retaining a legislative consultant in Washington DC, and the dues for professional organizations such as the American Public Transit Association, are accounted for in this department. These two cost items are now accounted for in the Administrative Services department.

- *General Manager* The General Manager is responsible for the general supervision of the administration of the transit system. All costs associated with this position are accounted for in this cost center. The majority of the expenses charged to this department are the General Manager's salary and benefits.
- *Administrative Services* Specific department responsibilities include: preparation of operating and capital budgets; financial reporting and analysis; oversight of all financial and compliance audits and preparation of the Comprehensive Annual Financial Report (CAFR); human resources management; procurement oversight; administration of federal, state, and local operating and capital grants; monitoring of Authority's comprehensive insurance program; fixed asset management; facilities maintenance; fare and revenue collection; and general office administration. Significant costs charged to this department are salary and benefits for the three accounting and administrative positions, as well as utilities and facility maintenance expenses.
- *Planning* this department plans, organizes, directs, and implements the Authority's short and long-range planning programs. This department is also responsible for transit development functions including capital improvement programs, securing federal, state and local grants, route planning and scheduling, collection and evaluation of operations data, oversight of information technology support, implementation and monitoring of ADA services. Primary costs in this department are for salary and benefits.
- *Marketing* The Marketing Department is responsible for planning, organizing, directing, and implementing the Authority's marketing and community outreach programs. In addition to salary and benefits for two employees all printing, advertising, and outside marketing services are charged to this department.
- *Operations* This department is responsible for providing fixed route, and Dial-A-Ride paratransit service. These services are currently provided under contract by MV Transportation, Inc., a private transit services provider. In addition to the cost of purchased transportation, liability insurance, fuel, and bus shelter maintenance are significant costs attributed to this department.

- Depreciation is the final category of expenses. This is the current year depreciation on existing capital assets calculated on a straight-line basis.

A historical comparison of expenses by department is also included in the statistical section of this report. Below are the percentages by department for the fiscal year ending June 2006.



#### 4. *Notes to the Financial Statements*

The notes provide additional information that is important to a full understanding of the data provided in the Authority-wide, and the traditional fund-based, financial statements.

Finally, there were no facts, decisions, or conditions known at the close of fieldwork that are expected to have a significant effect on the financial position or results of operations.

#### Contacting Authority Management

These Basic Financial Statements are intended to provide citizens, taxpayers, investors, and creditors with a general overview of the Authority's finances. Questions about this Report should be directed to the Authority, at Livermore Amador Valley Transit Authority, 1362 Rutan Court, Suite 100, Livermore, CA 94551.

LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY  
STATEMENTS OF NET ASSETS  
JUNE 30, 2006 AND 2005

ASSETS	2006		2005 Totals	
	Fixed Route Program	Paratransit Program		Totals
<b>Current Assets</b>				
Cash and investments (Note 2)	\$2,877,645		\$2,877,645	\$2,544,941
Receivables:				
Accounts	496,715	\$302,601	799,316	826,979
Capital grants	289,569	81,476	371,045	339,626
Due from other fund (Note 4)	384,003		384,003	304,998
Prepaid expenses	28,209	521	28,730	61,116
Total current assets	<u>4,076,141</u>	<u>384,598</u>	<u>4,460,739</u>	<u>4,077,660</u>
<b>Capital Assets (Note 3):</b>				
Land and construction in progress	1,075,501	765,768	1,841,269	4,104,912
Depreciable assets	<u>36,904,630</u>	<u>1,329,185</u>	<u>38,233,815</u>	<u>35,152,653</u>
Subtotal capital assets	37,980,131	2,094,953	40,075,084	39,257,565
Less: accumulated depreciation	<u>(15,451,347)</u>	<u>(1,049,532)</u>	<u>(16,500,879)</u>	<u>(14,385,674)</u>
Capital assets, net	<u>22,528,784</u>	<u>1,045,421</u>	<u>23,574,205</u>	<u>24,871,891</u>
Total Assets	<u>26,604,925</u>	<u>1,430,019</u>	<u>28,034,944</u>	<u>28,949,551</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	3,572,495	595	3,573,090	305,310
Claims payable (Note 1E)	87,101		87,101	168,500
Due to other fund (Note 4)		384,003	384,003	304,998
Deferred proceeds (Note 7)	416,545		416,545	307,974
Due to LTF Operating (Note 5)				<u>2,990,878</u>
Total Liabilities	<u>4,076,141</u>	<u>384,598</u>	<u>4,460,739</u>	<u>4,077,660</u>
<b>NET ASSETS</b>				
Invested in capital assets (Note 8)	<u>22,528,784</u>	<u>1,045,421</u>	<u>23,574,205</u>	<u>24,871,891</u>
Total Restricted Net Assets	<u>\$22,528,784</u>	<u>\$1,045,421</u>	<u>\$23,574,205</u>	<u>\$24,871,891</u>

See accompanying notes to basic financial statements

LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY  
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 YEARS ENDED JUNE 30, 2006 AND 2005

	2006		Totals	2005 Totals
	Fixed Route Program	Paratransit Program		
<b>PROGRAM OPERATING REVENUES</b>				
Fares revenues	\$1,480,942	\$70,575	\$1,551,517	\$1,467,068
Special contract revenue	233,852	33,301	267,153	263,707
Advertising & Ticket concessions	185,066		185,066	165,748
<b>Total program operating revenues</b>	<b>1,899,860</b>	<b>103,876</b>	<b>2,003,736</b>	<b>1,896,523</b>
<b>PROGRAM OPERATING EXPENSES</b>				
Board of Directors	13,652	514	14,166	65,585
General Manager	190,979		190,979	176,409
Administrative services	687,695	14,758	702,453	660,188
Planning	127,899		127,899	272,449
Marketing	350,464		350,464	279,531
Operations	8,944,655	1,087,460	10,032,115	8,800,844
Depreciation	2,738,073	114,181	2,852,254	2,408,131
<b>Total program operating expenses</b>	<b>13,053,417</b>	<b>1,216,913</b>	<b>14,270,330</b>	<b>12,663,137</b>
<b>PROGRAM OPERATING LOSS</b>	<b>(11,153,557)</b>	<b>(1,113,037)</b>	<b>(12,266,594)</b>	<b>(10,766,614)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest and miscellaneous	63,363	1,273	64,636	35,143
Local Transportation Funds 4.0	6,539,931	443,006	6,982,937	5,563,955
Local Transportation Funds 4.5		100,079	100,079	78,415
State Transit Assistance	916,459	44,541	961,000	595,400
FTA operating assistance	30,405	270,128	300,533	1,188,758
FTA operating assistance - LIFT Program	80,821		80,821	100,453
Local sales tax/Measure B funds	726,505	139,829	866,334	796,358
Bridge tolls	58,000		58,000	
Loss on disposal of equipment	(12,950)		(12,950)	(156,330)
<b>Net non-operating revenues, before capital contributions (grants)</b>	<b>8,402,534</b>	<b>998,856</b>	<b>9,401,390</b>	<b>8,202,152</b>
<b>Capital contributions (grants):</b>				
STP/CMAQ Grant				30,883
FTA capital assistance	401,787	674,075	1,075,862	
Local Transportation Funds 4.0	241,499	8	241,507	424,798
AVL State				22,872
Bridge Tolls	92,212	91,685	183,897	7,050
STIP	66,252		66,252	
<b>Total capital contributions (grants)</b>	<b>801,750</b>	<b>765,768</b>	<b>1,567,518</b>	<b>485,603</b>
<b>Net non-operating revenues (expenses)</b>	<b>9,204,284</b>	<b>1,764,624</b>	<b>10,968,908</b>	<b>8,687,755</b>
<b>Change in net assets</b>	<b>(1,949,273)</b>	<b>651,587</b>	<b>(1,297,686)</b>	<b>(2,078,859)</b>
<b>NET ASSETS,</b>				
Beginning of Year	24,478,057	393,834	24,871,891	26,950,750
End of Year	<u>\$22,528,784</u>	<u>\$1,045,421</u>	<u>\$23,574,205</u>	<u>\$24,871,891</u>

See accompanying notes to basic financial statements

LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2006 AND 2005

	2006			2005 Totals
	Fixed Route Program	Paratransit Program	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$1,925,617	\$105,782	\$2,031,399	\$2,314,391
Payments to vendors	(6,258,571)	(1,048,311)	(7,306,882)	(9,733,959)
Payments to and on behalf of employees	(838,571)	(53,856)	(892,427)	(714,405)
Net cash provided by operating activities	<u>(5,171,525)</u>	<u>(996,385)</u>	<u>(6,167,910)</u>	<u>(8,133,973)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	<u>63,363</u>	<u>1,273</u>	<u>64,636</u>	<u>35,143</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Local Transportation Funds 4.0	3,723,876	443,006	4,166,882	5,732,587
Local Transportation Funds 4.5		100,079	100,079	78,415
State Transit Assistance	916,459	44,541	961,000	595,400
FTA operating assistance	30,405	270,128	300,533	1,012,739
FTA operating assistance -LIFT	80,821		80,821	100,453
Local sales tax/Measure B funds	726,505	139,829	866,334	789,050
Bridge tolls	58,000		58,000	
Interfund receipts		79,005	79,005	(234,112)
Interfund payments	(79,005)		(79,005)	234,112
Net cash by noncapital and financing activities	<u>5,457,061</u>	<u>1,076,588</u>	<u>6,533,649</u>	<u>8,308,644</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(801,750)	(765,768)	(1,567,518)	(485,604)
Capital grants received:				
FTA capital assistance	438,514	608,124	1,046,638	2,337,544
Local Transportation Funds 4.0	247,679	8	247,687	202,913
Bridge Tolls	99,362	76,160	175,522	
Net cash by capital and related financing activities	<u>(16,195)</u>	<u>(81,476)</u>	<u>(97,671)</u>	<u>2,054,853</u>
<b>NET CASH FLOWS</b>	<u>332,704</u>		<u>332,704</u>	<u>2,264,667</u>
<b>CASH AND INVESTMENTS AT BEGINNING OF YEAR</b>	<u>2,544,941</u>		<u>2,544,941</u>	<u>280,274</u>
<b>CASH AND INVESTMENTS AT END OF YEAR</b>	<u><u>\$2,877,645</u></u>		<u><u>\$2,877,645</u></u>	<u><u>\$2,544,941</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating loss	(\$11,153,557)	(\$1,113,037)	(\$12,266,594)	(\$10,766,614)
<b>Adjustments to reconcile operating loss to net cash provided by operating activities:</b>				
Depreciation	2,738,073	114,181	2,852,254	2,408,131
<b>Increase (decrease) in:</b>				
Accounts receivable	25,757	1,906	27,663	417,868
Prepaid expenses	32,414	(28)	32,386	(9,068)
Accounts payable	3,267,187	593	3,267,780	(183,156)
Claims payable	(81,399)		(81,399)	(1,134)
Net cash provided by operating activities	<u><u>(\$5,171,525)</u></u>	<u><u>(\$996,385)</u></u>	<u><u>(\$6,167,910)</u></u>	<u><u>(\$8,133,973)</u></u>

See accompanying notes to basic financial statements

**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY**  
**Notes to Basic Financial Statements**  
**June 30, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. General**

Livermore/Amador Valley Transit Authority (Authority), which was established in 1985, is a Joint Powers Agency formed by the County of Alameda, and the Cities of Dublin, Livermore and Pleasanton to provide transportation services within the Cities' limits and portions of the unincorporated County. The Authority is doing business under the name of "Wheels" and operates two transportation programs:

*Fixed Route Program* - The Authority operates buses, which follow fixed routes and times throughout the Authority's service area and are available to anyone able to pay the fare.

*Paratransit Program* - The Authority operates a "dial-a-ride" program for disabled persons pursuant to requirements of the Americans With Disability Act (ADA).

None of these operations generate sufficient fares, special contract, advertising and ticket concessions revenues to cover the operating expenses. Expenses incurred in excess of these revenues, interest and other revenues are reimbursed with grant funds. The programs are subsidized by the Metropolitan Transportation Commission, which is the regional coordinating agency for State of California Transportation Development Act grants and the United States Department of Transportation with Federal Transit Administration Grants.

Capital and planning grants are reimbursement based. Operating grants are advanced quarterly and/or monthly based on reserves; any grant funds received in excess of operating expenses, net of other revenues, must be returned to the grantor.

The following is a summary of significant accounting policies of the Authority, which conform with generally accepted accounting principles applicable to governments in the United States of America.

**B. Fund Accounting**

The Authority is accounted for as an enterprise fund. This fund is a set of self-balancing accounts, which comprise its assets, liabilities, net assets, revenues and expenses.

**C. Basis of Accounting**

Basis of accounting refers to when revenues and expenses are recognized. The Authority is accounted for using the accrual basis of accounting, under which revenues are recognized when they are earned and expenses are recognized when they are incurred. The Authority follows Financial Accounting Standards Board Statements issued before November 30, 1989, which do not conflict with Governmental Accounting Boards Statements.

*Non-exchange transactions*, in which the Authority gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On an accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY**  
**Notes to Basic Financial Statements**  
**June 30, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Presentation**

The Authority's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

The Authority reports the following major proprietary (enterprise) funds:

**Fixed Route Program** - The Authority operates buses, which follow fixed routes and times throughout the Authority's service area and are available to anyone able to pay the fare.

**Paratransit Program** - The Authority operates a "dial-a-ride" program for disabled persons pursuant to requirements of the Americans With Disability Act (ADA).

**E. Risk Management**

The Authority requires its operations contractor to provide general liability coverage and workers compensation coverage for its employees. The Authority also provides unemployment benefits to terminated employees in accordance with state law. The Authority has a commercial insurance policy for workers compensation coverage of its employees. The Authority has no deductible for this coverage.

On May 1, 2000, the Authority became a member of the California Transit Insurance Pool (CALTIP), a joint powers authority that provides annual general liability and physical damage coverage up to \$10,000,000 in the aggregate. The Authority has a \$25,000 deductible for general liability claims, a \$5,000 deductible for physical damage claims on vehicles valued over \$50,000 and a \$500 deductible for physical damage claims on vehicles with a value less than \$50,000.

CALTIP is governed by a board consisting of representatives from member municipalities. The board controls the operations of CALTIP, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The Authority's premiums are based upon the following factors: claims history, total payroll, the Authority's exposure, the results of an on-site underwriting inspection, total insurable values, and employee classification ratings. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating which generally occurs in the third year after the completion of the program year.

	2005-2006	2004-2005
Balance, July 1	\$168,500	\$169,633
Net change in liability for claims and claims paid but not reported	(67,866)	34,436
Claims paid	(13,533)	(35,569)
Balance, June 30	\$87,101	\$168,500



**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY**  
**Notes to Basic Financial Statements**  
**June 30, 2006**

<b>NOTE 2 - CASH AND INVESTMENTS</b>
--------------------------------------

Cash and investments as of June 30, 2006 consist of the following:

Local Agency Investment Fund	\$1,965,529
Cash in bank	911,876
Cash on hand	240
Total Cash and Investments	\$2,877,645

**A. *Investments Authorized by the Authority's Investment Policy***

The Authority's investment policy only authorizes investment in the local government investment pool administered by the State of California (LAIF). The Entity's investment policy does not contain any specific provisions intended to limit the Authority's exposure to interest rate risk, credit risk, and concentration of credit risk.

**B. *Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The Authority is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Authority reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal on demand, an is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligation, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2006 these investments matured in an average of 152 days.

The Authority adjusts the carrying value of its investments to reflect their fair market value at each fiscal year end, and it includes the effects of these adjustments in interest income for that fiscal year.

**C. *Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY**  
**Notes to Basic Financial Statements**  
**June 30, 2006**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

***D. Concentration of Credit Risk***

The investment policy of the Authority contains no limitations on the amount that may be invested in any one issuer beyond that stipulated by the California Government Code.

**NOTE 3 - CAPITAL ASSETS**

Capital assets are recorded at cost and depreciated over their estimated useful lives. The Authority's policy is to capitalize all assets when costs exceed \$1,000. The purpose of depreciation is to spread the cost of capital assets over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of the capital assets.

Depreciation of capital assets in service is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The Authority has assigned the useful lives as follows: Facilities - 30 years, Vehicles - 2-12 years, and Equipment - 5-10 years.

**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY**  
**Notes to Basic Financial Statements**  
**June 30, 2006**

**NOTE 3 - CAPITAL ASSETS (Continued)**

Capital assets comprised the following at June 30, 2006:

	Balance June 30, 2005	Additions	Retirements	Transfers	Balance June 30, 2006
<b>Fixed Route:</b>					
Capital assets not being depreciated:					
Land	\$778,539				\$778,539
Construction in Progress	3,326,373	\$176,573		(\$3,205,984)	296,962
Total capital assets not being depreciated	4,104,912	176,573		(3,205,984)	1,075,501
Capital assets being depreciated:					
Facilities	7,709,051		(\$14,038)	535,717	8,230,730
Vehicles	24,617,337	575,190	(619,115)	97,609	24,671,021
Equipment	1,497,080	56,045	(122,904)	2,572,658	4,002,879
Total capital assets being depreciated	33,823,468	631,235	(756,057)	3,205,984	36,904,630
Less accumulated depreciation for:					
Facilities	(3,139,996)	(317,953)	14,038	(187,972)	(3,631,883)
Vehicles	(9,352,648)	(1,896,294)	610,225	32,863	(10,605,854)
Equipment	(957,679)	(529,884)	118,844	155,109	(1,213,610)
Total accumulated depreciation	(13,450,323)	(2,744,131)	\$743,107		(15,451,347)
Total depreciable assets	20,373,145				21,453,283
Capital assets, net	\$24,478,057				\$22,528,784
<b>Paratransit</b>					
Capital assets not being depreciated:					
Construction in Progress		\$765,768			\$765,768
Capital assets being depreciated:					
Vehicles	\$1,329,185				1,329,185
Less accumulated depreciation for:					
Vehicles	(935,351)	(\$114,181)			(1,049,532)
Total depreciable assets	393,834				279,653
Capital assets, net	\$393,834				\$1,045,421
<b>Total</b>					
Land and Construction in Progress	\$4,104,912	\$942,341		(\$3,205,984)	\$1,841,269
Depreciable Assets:					
Cost	35,152,653	631,235	(\$756,057)	3,205,984	38,233,815
Less accumulated depreciation for:	(14,385,674)	(2,858,312)	743,107		(16,500,879)
Net	20,766,979	(2,227,077)	(\$12,950)	\$3,205,984	21,732,936
All Capital Assets, net	\$24,871,891				\$23,574,205

**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY**  
**Notes to Basic Financial Statements**  
**June 30, 2006**

**NOTE 4 - INTERFUND TRANSACTIONS**

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2006, the Fixed Route Program Fund was owed a total of \$384,003 by the Paratransit Program Fund.

**NOTE 5 - OPERATING GRANTS**

Under the State Transportation Development Act (the Act), the Metropolitan Transportation Commission (MTC) allocates funds from the County Local Transportation Fund (LTF) based on the Authority's available balance determined at the beginning of each fiscal year and the amount that the Authority requests through an annual claim process. At June 30, 2006, the MTC had an unallocated balance of \$4,040,873 not yet granted to the Authority, which is available to fund the Authority's future operating and capital needs. These funds are retained, in accordance with the California Administrative Code, in the LTF at the County of Alameda based on terms and conditions determined by MTC.

The Authority's operating needs are determined as set forth below, by adjusting operating losses for certain items and adding back grant funding. MTC allocates State Transit Assistance, Article 4.0 and Article 4.5 funds to cover remaining net operating expenses. Under the Act, Article 4.0 funds may be used to cover Fixed Route Program and Paratransit Program expenses; Article 4.5 funds may only be used to cover Paratransit Program expenses. Unexpended grant funds at June 30, 2006 are calculated as follows:

**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY**  
**Notes to Basic Financial Statements**  
**June 30, 2006**

**NOTE 5 – OPERATING GRANTS (Continued)**

Fiscal 2006 unexpended funds:	Fixed Route Program	Paratransit Program	Total
Operating loss	(\$11,153,557)	(\$1,113,037)	(\$12,266,594)
Add back:			
Depreciation	2,738,073	114,181	2,852,254
Interest and miscellaneous	63,363	1,273	64,636
Net operating expenses reimbursable by grants	<u>(8,352,121)</u>	<u>(997,583)</u>	<u>(9,349,704)</u>
Grants:			
County Measure B Grant	726,505	139,829	866,334
Federal Transportation Administration			
Operating Assistance	30,405	270,128	300,533
LIFT Program	80,821		80,821
Bridge tolls	<u>58,000</u>		<u>58,000</u>
Net Operating Expenses reimbursable by LTF and STA funds	(7,456,390)	(587,626)	(8,044,016)
State Transit Assistance Receipts	916,459	44,541	961,000
LTF Receipts Receivables:			
Article 4.0	3,549,053	443,006	3,992,059
Article 4.5		<u>100,079</u>	<u>100,079</u>
Due to LTF from fiscal 2006 unexpended funds	(2,990,878)		(2,990,878)
Due to LTF from fiscal 2005 unexpended funds	<u>2,990,878</u>		<u>2,990,878</u>
Total due to LTF at June 30, 2006	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY**  
**Notes to Basic Financial Statements**  
**June 30, 2006**

**NOTE 6 - PARATRANSIT OPERATING GRANT LIMITATIONS**

**A. General**

In addition to the calculations discussed in Note 5, two additional calculations for the Paratransit Program are required by MTC to determine eligibility and the amount, if any, that should be paid back to the County. The two calculations consist of a local match requirement of 10% and an eligibility requirement, as set forth below.

**B. Local Match Requirement**

Transit agencies are normally required to generate local revenues in excess of ten percent of operating expenses excluding depreciation. However the Transportation Development Act exempts LAVTA from this requirement.

**C. Maximum Article 4.5 and Measure B Eligibility**

Alameda County Measure B funds and Article 4.5 funds are limited to a maximum eligibility amount, which is calculated as follows:

	2006	2005
Operating expenses excluding depreciation	\$1,102,732	\$985,126
Less:		
Actual passenger fare revenues	(70,575)	(66,042)
Special contract revenue	(33,301)	(42,866)
Interest income	(1,273)	(316)
Article 4.0 LTF revenues	(443,006)	(99,917)
Maximum eligibility	\$554,577	\$775,985

The amount, if any, due to Alameda County is computed as follows:

Maximum eligibility	\$554,577	\$775,985
Less:		
Article 4.5 LTF revenues	(100,079)	(78,415)
State Transit Assistance	(44,541)	(43,371)
FTA operating assistance	(270,128)	(523,738)
Local sales tax/Measure B funds	(139,829)	(130,461)
Deficit (surplus) of Measure B revenue over maximum eligibility	\$0	\$0

**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY**  
**Notes to Basic Financial Statements**  
**June 30, 2006**

**NOTE 6 - PARATRANSIT OPERATING GRANT LIMITATIONS (Continued)**

**D. Article 4.5 and STA funds to be Returned**

The amount due to LTF is the difference between maximum eligibility and the total of TDA Article 4.5 revenues, if the total is greater than maximum eligibility.

	2006	2005
Maximum eligibility computed above	\$554,577	\$775,985
Total TDA Article 4.5 revenues	\$100,079	\$78,415
Amount, if any, to be returned to LTF	\$0	\$0
Amount, if any, to be returned to Alameda County	\$0	\$0

State Transit Assistance received by the Authority amounted to \$961,000 during fiscal year 2005-2006, of which \$916,459 was expended for operating expenses of the Fixed Route Program and \$44,541 was expended for Paratransit operating expenses.

**NOTE 7 - CAPITAL GRANT LIMITATIONS**

The Authority's capital transactions and unexpended grant funds at June 30, 2006 are calculated as follows:

	Fixed Route Program	Paratransit Program	Total
Capital costs:			
Capital asset additions	(\$801,750)	(\$765,768)	(\$1,567,518)
Funding sources:			
FTA Capital Assistance	\$401,787	\$674,075	\$1,075,862
Local Transportation Fund 4.0	241,499	8	241,507
STIP	66,252		66,252
Bridge Tolls	92,212	91,685	183,897
Total Funding Sources	\$801,750	\$765,768	\$1,567,518

As of June 30, 2006, the Authority held proceeds from the sale of busses and insurance reimbursement proceeds received to reimburse the Authority for fire damage to a bus. These proceeds are to be used for future capital asset acquisition as instructed by the Federal Transit Administration. These funds have been deferred to reflect the commitment to fund the future asset acquisitions or in their absence the return of funds to the federal government.

**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY**  
**Notes to Basic Financial Statements**  
**June 30, 2006**

**NOTE 8 – NET ASSETS**

*Net Assets*

Net Assets is the excess of all the Authority’s assets over all its liabilities, regardless of fund. Net Assets are divided into three captions and apply only to Net Assets, which is determined only at the Government-wide level, and are described below:

*Invested in Capital Assets*, net of related debt describes the portion of Net Assets which is represented by the current net book value of the Authority’s capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Authority cannot unilaterally alter.

**NOTE 9 - PENSION PLAN**

Substantially all of the Authority’s employees are eligible to participate in pension plans offered by California Public Employees Retirement System (CALPERS), an agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The Authority’s employees participate in the separate Miscellaneous (all other) Employee Plans. Benefit provisions under the Plan are established by State statute and Authority resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the Authority must contribute these amounts. The Plans’ provisions and benefits in effect at June 30, 2006, are summarized as follows:

	<u>Miscellaneous</u>
Benefit vesting schedule	5 years service
Benefit payments	Monthly for life
Retirement age	50
Monthly benefits, as a % of annual salary	1.426%-2.418%
Required employee contribution rates	7%
Required employer contribution rates	12.163%



**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY**  
**Notes to Basic Financial Statements**  
**June 30, 2006**

**NOTE 9 - PENSION PLAN (Continued)**

The Authority's personnel policy requires it to pay employee contributions as well as its own.

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the Authority's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarially accrued liability. The Authority uses the actuarially determined percentages of payroll to calculate and pay contributions to CALPERS. This results in no net pension obligations or unpaid contributions. Annual Pension Costs, representing the payment of all contributions required by CALPERS, for the years ended June 30, 2006, 2005 and 2004 amounted to \$108,517, \$93,739 and \$90,107 respectively.

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.75% is assumed, including inflation rate at 3.0%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and amortized over a rolling thirty year period.

As required by new State law, effective July 1, 2005, the Authority's Miscellaneous Plan was terminated, and the employees in those plans were required by CALPERS to join new State-wide pools. One of the conditions of entry to these pools was that the District true-up any unfunded liabilities in the former Plans, either by paying cash or by increasing its future contribution rates through a Side Fund offered by CALPERS. The Authority satisfied its Miscellaneous Plan's unfunded liability of \$220,510 agreeing to contribute that amount to the Side Fund through an addition to its normal contribution rates over the next 13 years.

CALPERS' latest available actuarial value (which differs from market value) and funding progress are set forth below at their actuarial valuation date of June 30, 2004. Actuarial values for 2002 and 2001 are not available as the State-wide pool is based on a fresh-start valuation as of June 30, 2003:

*Miscellaneous Plan:*

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2003	\$2,596,966,545	\$2,372,879,034	\$224,087,511	91.4%	\$725,020,458	30.9%
2004	2,746,095,668	2,460,944,656	285,151,012	89.6%	743,691,970	38.3%

Audited annual financial statements are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY**  
**Notes to Basic Financial Statements**  
**June 30, 2006**

**NOTE 10 - DEFERRED COMPENSATION PLAN**

The Authority employees may defer a portion of their compensation under an Authority sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the Authority's property and are not subject to Authority control, they have been excluded from these financial statements.

**NOTE 11 - CONTINGENT LIABILITIES**

The Authority is subject to litigation arising in the normal course of business. In the opinion of the Authority's legal counsel there is no pending litigation, which is likely to have a material adverse effect on the financial position of the Authority.

The Authority participates in Federal and State grant programs. These programs have been audited by the Authority's independent accountants in accordance with the provisions of the Federal Single Audit Act Amendments of 1986 and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time. The Authority expects such amounts, if any, to be immaterial.

**NOTE 12 - MAJOR CONTRACTOR**

The Authority has an agreement dated July 1, 2002 inclusive with a Contractor, (MV Transportation Inc.) which requires MV Transportation Inc. to operate and maintain the fixed route and paratransit programs. The Authority issued an amendment to extend the contract for an additional two years with MV Transportation ending June 30, 2007. MV Transportation Inc. is paid monthly based on a fixed fee plus a fee calculated at a mileage rate multiplied by the number of total vehicle miles. Expenses incurred under this contract amounted to \$7,447,954 for the fiscal year ended June 30, 2006.



**Compliance  
Section**

LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY  
SCHEDULES OF OPERATING REVENUES AND EXPENSES BY FUNCTION  
YEARS ENDED JUNE 30, 2006 AND 2005

	Fixed Route	Paratransit	Totals	
			2006	2005
<b>REVENUES</b>				
Fares	\$1,480,942	\$70,575	\$1,551,517	\$1,467,068
Special contract revenue	233,852	33,301	267,153	263,707
Advertising	185,066		185,066	165,748
Interest and miscellaneous	63,363	1,273	64,636	35,143
Local Transportation Funds 4.0	6,539,931	443,006	6,982,937	5,563,955
Local Transportation Funds 4.5		100,079	100,079	78,415
State Transit Assistance	916,459	44,541	961,000	595,400
FTA operating assistance	30,405	270,128	300,533	1,188,758
FTA operating assistance- LIFT	80,821		80,821	100,453
Local sales tax/Measure B funds	726,505	139,829	866,334	796,358
Bridge tolls	58,000		58,000	
<b>Total Revenues</b>	<b>\$10,315,344</b>	<b>\$1,102,732</b>	<b>\$11,418,076</b>	<b>\$10,255,005</b>
<b>EXPENSES</b>				
Labor	\$596,863	\$36,659	\$633,522	\$523,471
Fringe benefits	241,708	17,197	258,905	190,932
Services	200,196	7,270	207,466	149,682
Purchased transportation	6,891,620	854,909	7,746,529	7,361,461
Fuel, parts, supplies and other operation costs	1,240,644	144,161	1,384,805	936,108
Insurance	480,973	31,690	512,663	357,724
Administration and legal	663,340	10,846	674,186	735,628
Depreciation	2,738,073	114,181	2,852,254	2,408,131
<b>Total Expenses</b>	<b>\$13,053,417</b>	<b>\$1,216,913</b>	<b>\$14,270,330</b>	<b>\$12,663,137</b>

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**SINGLE AUDIT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

To the Board of Directors of the  
 Livermore/Amador Valley Transit Authority, California

We are required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*, to present an overview of the Single Audit which is presented below.

We have audited the basic financial statements of the Livermore/Amador Valley Transit Authority California, for the year ended June 30, 2006 and have issued our unqualified report thereon dated September 20, 2006. These basic financial statements are the responsibility of the Authority Board's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America; *Government Auditing Standards*, issued by the Comptroller General of the United States and the Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non profit Organizations*. We performed a Single Audit as requested by the Authority to comply with the provisions of the Single Audit Act as amended in 1996 and OMB A-133.

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:	<u>Unqualified</u>		
Internal control over financial reporting:			
• Material weakness(es) identified?	_____ yes	_____ X _____ no	
• Reportable conditions(s) identified that are not considered to be material weaknesses?	_____ yes	_____ X _____ none reported	
Noncompliance material to financial statements noted?	_____ yes	_____ X _____ no	

**Federal Awards**

Type of auditor's report issued on compliance for major programs:

Unqualified

Internal control over major programs:

- Material weakness(es) identified?

\_\_\_\_\_ yes       X   no

- Reportable condition(s) identified that are not considered to be material weaknesses

\_\_\_\_\_ yes       X   none reported

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

\_\_\_\_\_ yes       X   no

Identification of major programs:

CFDA Number(s)	Name of Federal Cluster Program
<u>20.500</u>	<u>Federal Transit – Capital Investment Grants Program</u>
<u>20.507</u>	<u>Federal Transit – Formula Grant Program</u>

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

  X   yes     \_\_\_\_\_ no

## SUMMARY OF AUDIT RESULTS

To the Board of Directors of the  
Livermore/Amador Valley Transit Authority, California

We are required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*, to present an overview of the Single Audit which is described below.

### *Audit of Basic Financial Statements*

We have audited the basic financial statements of the Livermore/Amador Valley Transit Authority (Authority), California, for the year ended June 30, 2006 and have issued our unqualified report thereon dated September 20, 2006. These basic financial statements are the responsibility of the Authority Board's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America; *Government Auditing Standards*, issued by the Comptroller General of the United States and the Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non profit Organizations*. We performed a Single Audit as requested by the Authority to comply with the provisions of the Single Audit Act as amended in 1996 and OMB A-133.

Our audit did not disclose any reportable conditions, or material weaknesses or instances of noncompliance material to the basic financial statements.

### *Audit of Major Programs*

Our audit did not disclose any reportable conditions, or material weaknesses in internal controls over major programs. We have issued an unqualified opinion on compliance with the requirements applicable to major programs.



## **Section II – Financial Statement Findings**

Our audit did not disclose any reportable conditions, or material weaknesses or instances of noncompliance material to the basic financial statements.

## **Section III – Federal Award Findings and Questioned Costs**

### **Current Year Findings and Questioned Costs**

Our audit did not disclose any findings or questioned costs required to be reported in accordance with OMB Circular A-133.

## **Section IV - Status of Prior Year Findings and Questioned Costs**

### **Prepared by Management**

There were no unresolved prior year findings.

LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Federal Awards Programs	CFDA #	Pass-through Identification #	Federal Expenditures
US Department of Transportation, Federal Transit Administration Capital & Operating			
Awards used for operating expenses:			
Paratransit Operating Assistance	20.507	CA-90-Y402-00	\$270,128
Planning Study (Fixed Route)	20.507	CA-81-X-003	<u>30,405</u>
Subtotal for this program			<u>300,533</u>
(Passed through MTC - JARC Program)			
Low Income Flexible Transportation Program (LIFT)	20.500		<u>80,821</u>
Awards used for capital assets:			
Automatic Vehicle Locator System	20.500	CA-03-X546	13,948
Particulate Matter Traps	20.500	CA-90-X354	60,492
Paratransit Vans	20.500	CA-90-X354	674,075
Satellite Facility	20.500	CA-03-X633	107,226
34 Bus Purchase	20.500	CA-90-X200	4,783
Sign Replacement	20.500	CA-90-X200	5,091
Particulate Matter Traps	20.500	CA-90-X200	<u>210,247</u>
Subtotal for this program			<u>1,075,862</u>
Total Expenditures			<u><u>\$1,457,216</u></u>

See accompanying notes to Schedule of Expenditures of Federal Awards

**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

***Note 1-Reporting Entity***

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the Authority as disclosed in the notes to the Basic Financial Statements.

***Note 2-Basis of Accounting***

Basis of accounting refers to *when* revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

OMB Circular A-133 requires that certain adjustments be made to expenditures recognized when incurred. The adjustments applicable to the Authority are summarized below:

***Note 3-Direct and Indirect (Pass-Through) Federal Awards***

Federal awards may be granted directly to the Authority by a federal granting agency or may be granted to other government agencies which pass-through federal awards to the Authority. The Schedule includes both of these types Federal award programs when they occur.

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

To the Board of Directors of the  
Livermore/Amador Valley Transit Authority, California

We have audited the basic financial statements of Livermore/Amador Valley Transit Authority (Authority) as of and for the year ended June 30, 2006, and have issued our report thereon dated September 20, 2006. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control over Financial Reporting***

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Authority Board, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the above parties.

*Maze Associates*

September 20, 2006

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors of the  
Livermore/Amador Valley Transit Authority, California

***Compliance***

We have audited the compliance of the Authority with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The Authority's major federal programs are identified in the summary of auditor's results section of this report. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

***Internal Control over Compliance***

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

*Schedule of Expenditures of Federal Awards*

We have audited the basic financial statements of Authority as of and for the year ended June 30, 2006, and have issued our report thereon dated September 20, 2006. Our audit was made for the purpose of forming an opinion on the basic financial statements of the Authority taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended for the information of the Authority Board, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the above parties.

*Mage + Associates*

September 20, 2006

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH RULES AND REGULATIONS OF THE TRANSPORTATION  
DEVELOPMENT ACT**

Honorable Members of the Board of Directors  
Livermore/Amador Valley Transit Authority  
Livermore, CA

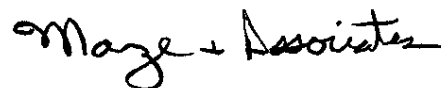
We have audited the financial statements of the Livermore Amador Valley Transit Authority, as of June 30, 2006, and for the year then ended, and have issued our report thereon dated September 20, 2006.

In connection with our audit, we have read and performed the applicable audit procedures contained in §6667 of the Transportation Development Act Statutes and Administrative Code adopted by the Department of Transportation.

We have not performed any audit steps in connection with any other sections of the Act as they might apply to funds allocated to the Programs other than those listed in §6667 of the Act set forth above and, accordingly, we do not express any opinion with respect to compliance by the Programs with regard to any other sections of the Act or instructions of the Metropolitan Transportation Commission. Furthermore, compliance with the Act is a legal determination and, as accountants, we cannot advise you as to whether the Programs were in compliance with or in violation of any provisions of the Act.

In conjunction with our audit, we performed tests of compliance with the applicable provisions of the Transportation Development Act and the allocation instructions and resolutions and the rules and regulations of the Metropolitan Transportation Commissions as required by Title 21 of California Code of Regulations §6667. Based on these procedures, we noted no instance of noncompliance with the applicable statutes, rules, and regulations of the Transportation Development Act and the applicable allocation instructions and resolutions of the Metropolitan Transportation Commission.

This report is intended for the information of the Mayor, Members of the Board, management, and others within the Authority, and officials of applicable state grantor agencies. However, this report is a matter of public record and its distribution is not limited.



September 20, 2006



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**ACCOUNTANCY CORPORATION**  
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## INDEPENDENT ACCOUNTANT'S REPORT

Honorable Members of the Board of Directors  
Livermore/Amador Valley Transit Authority  
Livermore, CA

We have examined the Livermore/Amador Valley Transit Authority's (Authority's) compliance with the requirements described in the Measure B Sales Tax for Mass Transit Funds agreement (Agreement) between the Authority and the Alameda County Transportation Improvement Authority (ACTIA) that are applicable to its Measure B Funds for the year ended June 30, 2006. Measure B sales taxes under the Agreement are included in the accompanying schedule of resources and expenditures of Measure B Funds. Compliance with the requirements of laws, regulations, contracts and grants applicable to its Measure B Funds is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on Measure B Funds occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its Measure B Funds for the year ended June 30, 2006.

This report is intended for the information and use of the Authority Board, management, others within the Authority and operating agencies and the ACTIA and is not intended to be and should not be used by anyone other than these specified parties.

*Maze + Associates*

September 20, 2006

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## STATISTICAL SECTION

This part of the Authority's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

### ***Financial Trends***

These schedules contain trend information to help the reader understand how the Authority's financial performance and well being have changed over time:

1. Changes in Net Assets & Net Assets by Component
2. Operating Revenues by Source
3. Operating Expenses by Function

### ***Revenue Capacity & Demographic and Economic Information***

***Revenue Capacity*** - These schedules contain information to help the reader assess the Authority's most significant local revenue source, fare box revenues.

***Demographic and Economic Information*** - These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Since the Authority analyzes its primary "own source" revenues using demographic data from its ridership, data for the above two sections have been combined for the reader.

1. Fixed Route Service Operating Data
2. Fixed Route Operating Statistics
3. Fixed Route Safety Statistics
4. Paratransit Services-Operating Data
5. Paratransit Operating Statistics
6. Percent of On-time Departures

### ***Debt Capacity***

The Authority has not issued any long term debt since its formation.

### ***Operating Information***

These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs:

1. Full-Time Equivalent Authority Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

### ***Sources***

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The Authority implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

**LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY**

**Financial Trends**

**Changes in Net Assets and Statement of Net Assets**

**Last Three Fiscal Years**

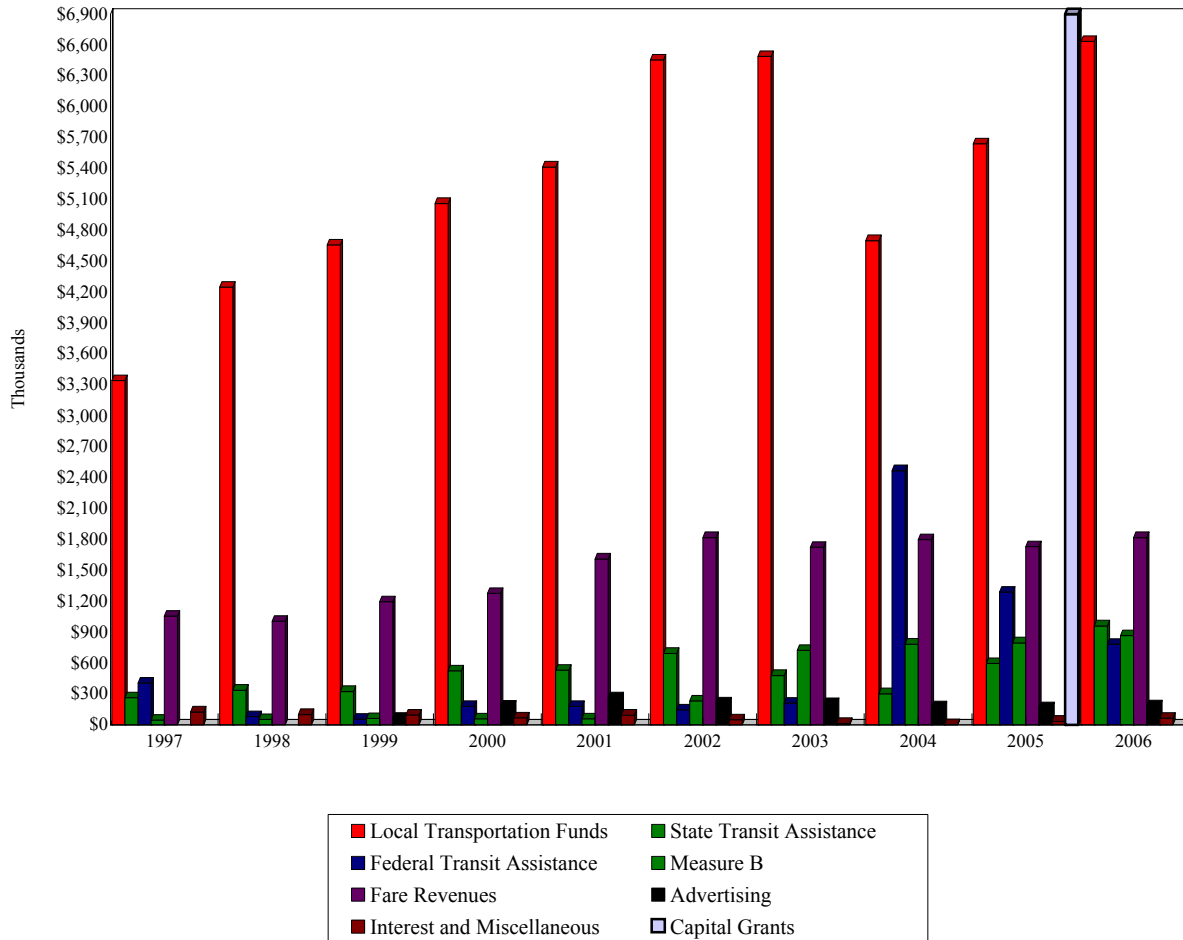
	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Revenues:</b>			
Local Transportation Funds	\$4,702,542	\$5,642,370	\$7,083,016
State Transit Assistance	302,314	595,400	961,000
Federal Transit Assistance	2,468,142	1,289,211	381,354
Measure B	783,987	796,358	866,334
Bridge tolls			58,000
Fare Revenue & Special Contract Revenue	1,798,519	1,730,775	1,818,670
Advertising & Ticket Concessions	176,550	165,748	185,066
Interest and Miscellaneous	3,097	35,143	64,636
Loss on disposal of capital assets	(380,523)	(156,330)	(12,950)
<b>Total Revenues</b>	<u>9,854,628</u>	<u>10,098,675</u>	<u>11,405,126</u>
<b>Expenses:</b>			
Board of Directors	63,044	65,585	14,166
General Manager	142,161	176,409	190,979
Administrative Services	767,569	660,188	702,453
Planning	305,121	272,449	127,899
Marketing	199,362	279,531	350,464
Operations	8,757,895	8,800,844	10,032,115
Depreciation	1,486,657	2,408,131	2,852,254
<b>Total Expenses</b>	<u>11,721,809</u>	<u>12,663,137</u>	<u>14,270,330</u>
<b>Add Capital contributions (grants)</b>			
STP/CMAQ Grant		30,883	
FTA Capital Assistance	10,872,374		1,075,862
Local Transportation Funds 4.0	791,050	424,798	241,507
AVL State	683,445	22,872	
Bridge Tolls	2,367,115	7,050	183,897
STIP			66,252
City of Livermore Park and Ride Facility	(742,644)		
	<u>13,971,340</u>	<u>485,603</u>	<u>1,567,518</u>
<b>Change in net assets</b>	<u>12,104,159</u>	<u>(2,078,859)</u>	<u>(1,297,686)</u>
<b>Net assets - beginning of period</b>	<u>14,846,591</u>	<u>26,950,750</u>	<u>24,871,891</u>
<b>Net assets - end of period</b>	<u>\$26,950,750</u>	<u>\$24,871,891</u>	<u>\$23,574,205</u>
<b>Statement of Net Assets</b>			
Invested in capital assets, net of related debt service	<u>\$26,950,750</u>	<u>\$24,871,891</u>	<u>\$23,574,205</u>

Source: LAVTA's basic financial statements.



**Statistical  
Section**

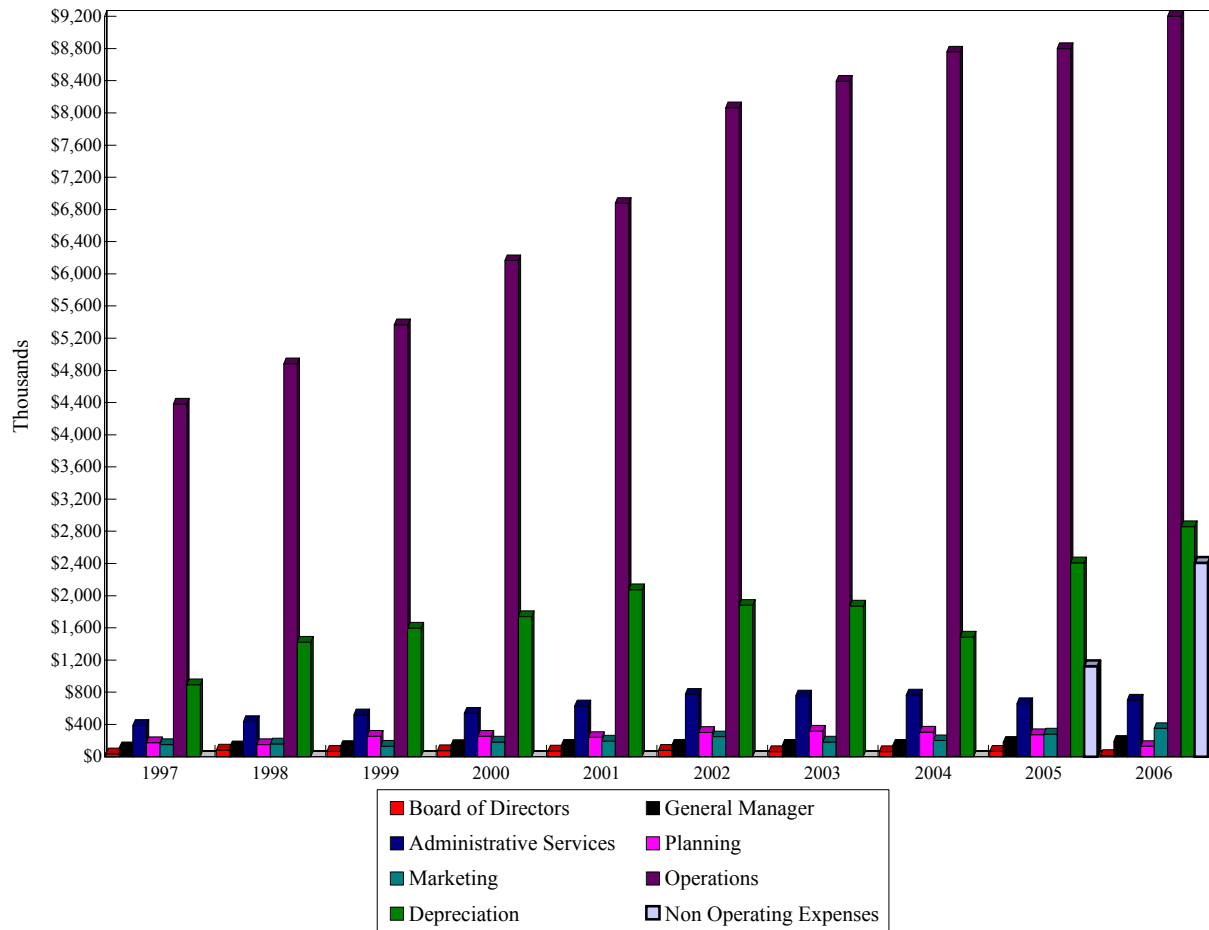
LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY  
OPERATING REVENUES BY SOURCE  
LAST TEN FISCAL YEARS



Fiscal Year	Local Transportation Funds	State Transit Assistance	Federal Transit Assistance	Measure B	Fare Revenues & Special Contract Revenue	Advertising & Ticket Concessions	Interest and Miscellaneous	Total
1997	\$3,343,514	\$262,687	\$406,066	\$45,910	\$1,055,948	\$125,376	\$125,376	\$5,239,501
1998	4,249,919	336,855	81,082	52,353	1,006,980	100,455	100,455	5,827,644
1999	4,660,575	324,465	56,547	62,182	1,195,189	\$65,723	95,466	6,460,147
2000	5,063,118	523,803	179,299	59,375	1,276,133	182,423	68,034	7,352,185
2001	5,417,019	530,901	179,229	57,812	1,610,507	262,131	94,876	8,152,475
2002	6,455,527	693,519	145,686	232,608	1,818,765	214,730	48,603	9,609,438
2003	6,490,560	479,960	210,902	724,659	1,722,791	208,553	13,977	9,851,402
2004	4,702,542	302,314	2,468,142	783,987	1,798,519	176,550	3,097	10,235,151
2005	5,642,370	595,400	1,289,211	796,358	1,730,775	165,748	35,143	10,255,005
2006	7,083,016	961,000	381,354	866,334	1,818,670	185,066	64,636	11,360,076

Source: Livermore/Amador Valley Transit Authority Audit Reports

**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY  
OPERATING EXPENSES BY FUNCTION  
LAST TEN FISCAL YEARS**

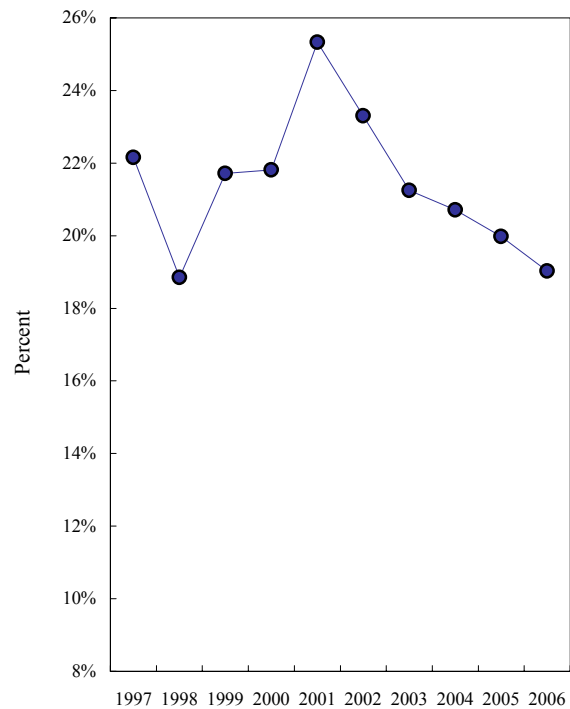
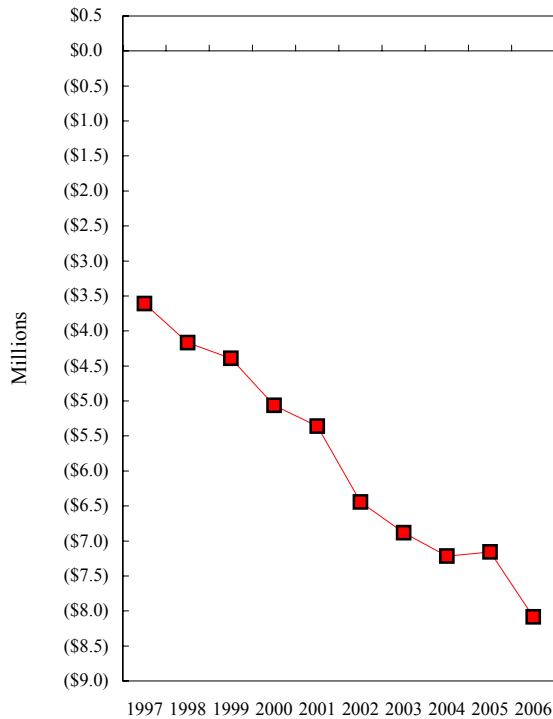


Fiscal Year	Board of Directors	General Manager	Administrative Services	Planning	Marketing	Operations	Depreciation	Total
1997	\$33,708	\$112,191	\$388,985	\$174,739	\$149,305	\$4,380,573	\$894,077	\$6,133,578
1998	81,220	121,296	435,136	149,777	156,572	4,883,643	1,421,081	7,248,725
1999	65,151	126,183	520,899	252,133	128,608	5,367,173	1,596,816	8,056,963
2000	75,463	136,166	539,808	253,420	182,152	6,165,176	1,740,473	9,092,658
2001	71,032	141,997	629,398	238,820	194,859	6,876,369	2,073,196	10,225,671
2002	77,399	143,432	776,597	301,000	247,375	8,063,635	1,881,662	11,491,100
2003	62,300	141,539	756,146	317,398	181,472	8,392,547	1,871,252	11,722,654
2004	63,044	142,161	767,569	305,121	199,362	8,757,895	1,486,657	11,721,809
2005	65,585	176,409	660,188	272,449	279,531	8,800,844	2,408,131	12,663,137
2006	14,166	190,979	702,453	127,899	350,464	10,032,115	2,852,254	14,270,330

Source: Livermore/Amador Valley Transit Authority Audit Reports



**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY  
FIXED ROUTE SERVICE-OPERATING DATA  
LAST TEN FISCAL YEARS**



—■— Operating Losses

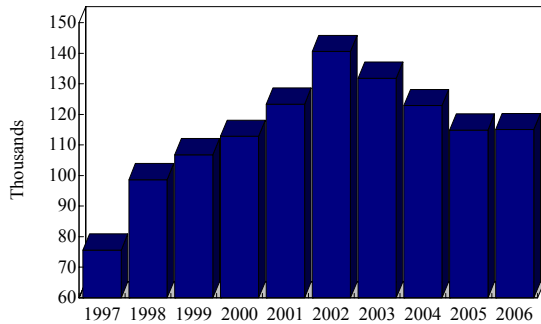
—●— Farebox Recovery Ratio

<u>Fiscal Year</u>	<u>Operating Expenses Excluding Insurance and Depreciation</u>	<u>Fare &amp; Auxiliary Transportation Revenues</u>	<u>Operating Loss Before Insurance and Depreciation</u>	<u>Farebox Recovery Ratio</u>
1997	\$4,638,635	\$1,027,940	(\$3,610,695)	22.2%
1998	5,136,683	968,124	(4,168,559)	18.8%
1999	5,611,326	1,218,368	(4,392,958)	21.7%
2000	6,476,794	1,412,568	(5,064,226)	21.8%
2001	7,177,651	1,818,063	(5,359,588)	25.3%
2002	8,403,068	1,958,218	(6,444,850)	23.3%
2003	8,737,747	1,856,536	(6,881,211)	21.2%
2004	9,103,569	1,885,093	(7,218,476)	20.7%
2005	8,945,946	1,787,615	(7,158,331)	20.0%
2006	9,985,794	1,899,860	(8,085,934)	19.0%

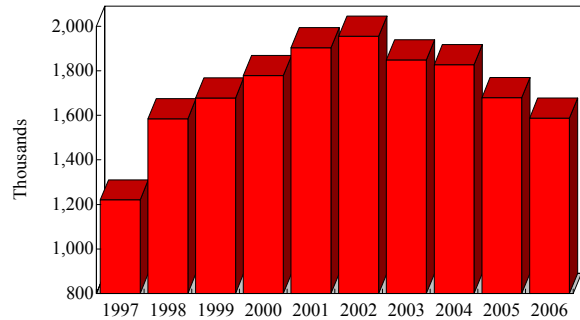
Source: Livermore/Amador Valley Transit Authority Audit Reports

Note: Fare & Auxiliary Transportation Revenues includes Fare Revenues, Special Contract Revenues, Advertising and Ticket Concession Revenues.

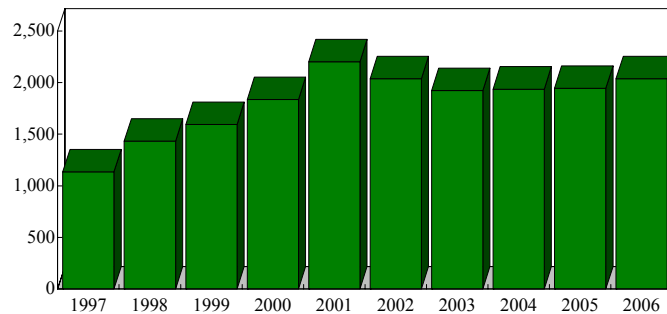
LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY  
FIXED ROUTE OPERATING STATISTICS  
LAST TEN FISCAL YEARS



■ Revenue Hours



■ Revenue Miles

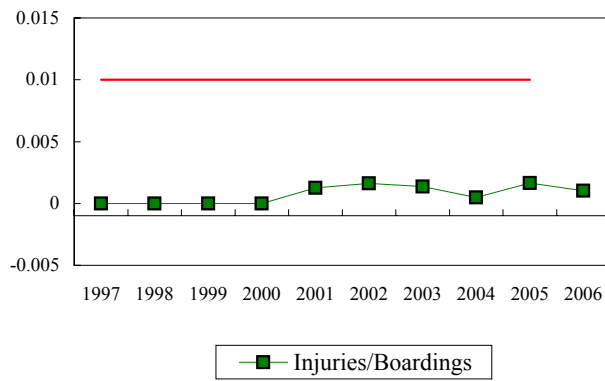
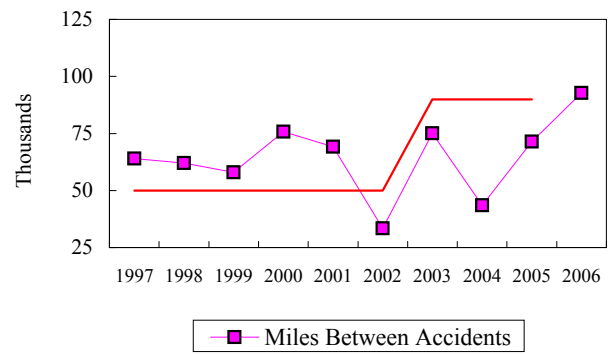
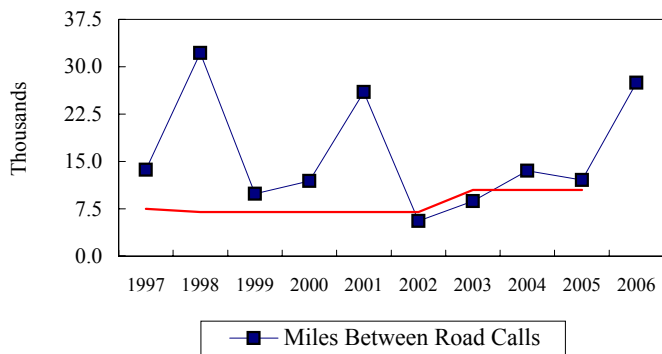


■ Passengers

<u>Fiscal Year</u>	<u>Revenue Hours</u>	<u>Revenue Miles</u>	<u>Passengers</u>
1997	75,611	1,220,227	1,134,518
1998	98,676	1,585,193	1,432,903
1999	106,814	1,678,070	1,594,350
2000	112,862	1,778,407	1,835,778
2001	123,369	1,903,792	2,201,525
2002	140,591	1,956,116	2,036,707
2003	131,855	1,849,844	1,921,891
2004	122,909	1,827,613	1,936,206
2005	114,885	1,680,240	1,943,310
2006	115,044	1,587,613	2,036,955

Source: National Transit Database Report (Formerly Section 15)

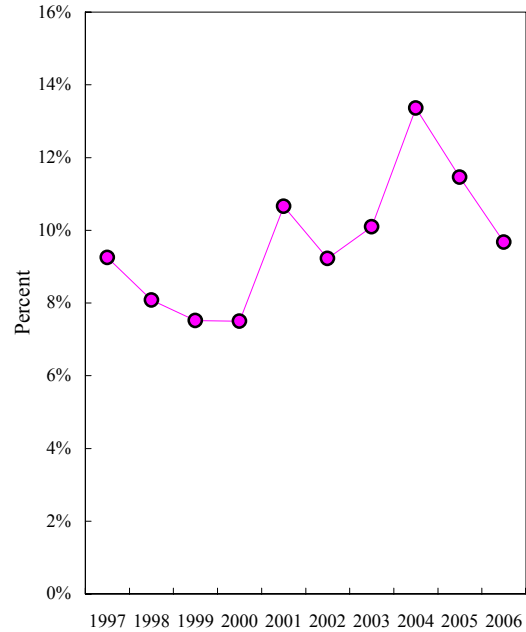
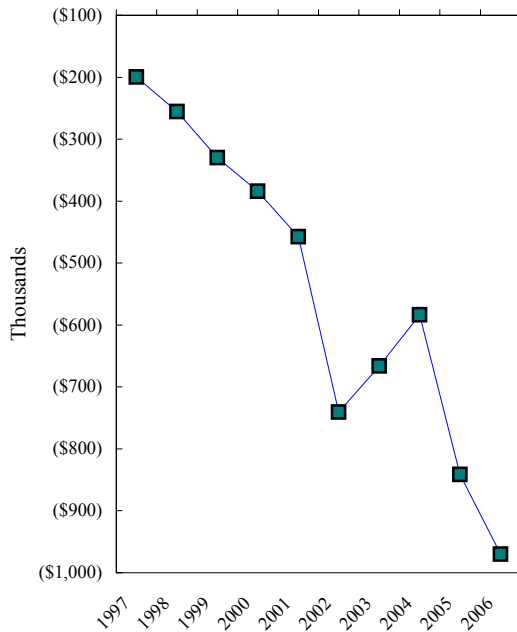
**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY  
FIXED ROUTE SAFETY STATISTICS  
LAST TEN FISCAL YEARS**



Fiscal Year	Miles Between Road Calls	Goal	Miles Between Accidents	Goal	Injuries/Boardings	Goal
	1997	13,695	7,500	64,056	50,000	0/1,134,518
1998	32,164	7,000	61,963	50,000	0/1,432,903	0.00001
1999	9,891	7,000	57,904	50,000	2/1,594,350	0.00001
2000	11,890	7,000	75,774	50,000	3/1,835,778	0.00001
2001	25,985	7,000	69,227	50,000	3/2,201,525	0.00001
2002	5,589	7,000	33,359	50,000	1/2,036,707	0.00001
2003	8,691	10,500	75,058	90,000	2/1,921,891	0.00001
2004	13,540	10,500	43,515	90,000	3/1,936,206	0.00001
2005	12,041	10,500	71,355	90,000	2/1,944,493	0.00001
2006	27,459	17,000-20,000	92,804	85,000-100,000	0/2,036,955	N/A

Source: Livermore/Amador Valley Transit Authority Short Range Transit Plans Contractor Service Quality Standards Index and NTD Safety and Security Deposit

LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY  
 PARATRANSIT SERVICES-OPERATING DATA  
 LAST TEN FISCAL YEARS



—■— Operating Losses

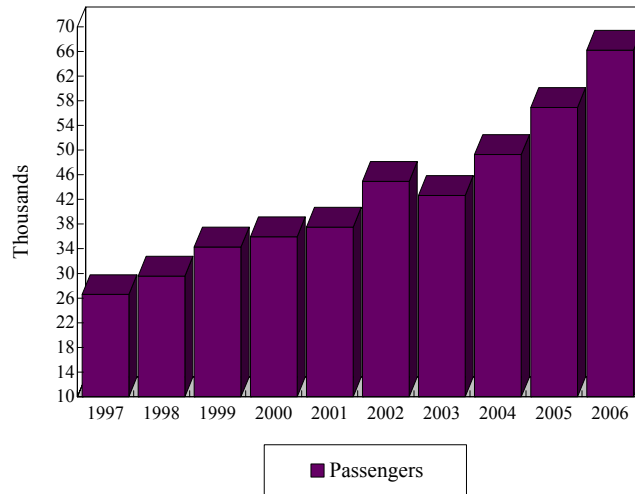
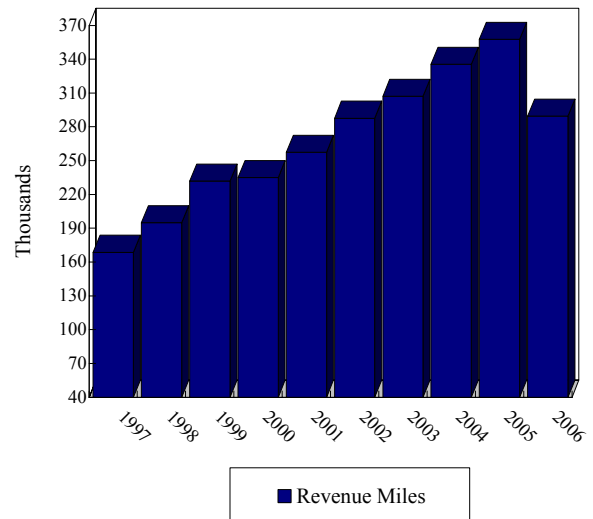
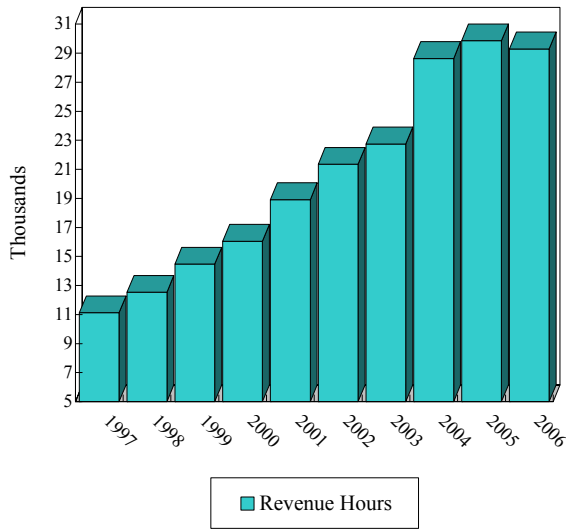
—●— Farebox Recovery Ratio

Fiscal Year	Operating Expenses Excluding Insurance and Depreciation	Fare & Auxiliary Transportation Revenues	Operating Loss Before Insurance and Depreciation	Farebox Recovery Ratio
1997	\$220,001	\$20,348	(\$199,653)	9.2%
1998	278,099	22,472	(255,627)	8.1%
1999	356,693	26,810	(329,883)	7.5%
2000	415,513	31,167	(384,346)	7.5%
2001	512,105	54,576	(457,529)	10.7%
2002	815,923	75,277	(740,646)	9.2%
2003	741,022	74,808	(666,214)	10.1%
2004	673,602	89,976	(583,626)	13.4%
2005	950,426	108,908	(841,518)	11.5%
2006	1,074,075	103,876	(970,199)	9.7%

Source: Livermore/Amador Valley Transit Authority

Note: Fare & Auxiliary Transportation Revenues includes Fare Revenues, Special Contract Revenues, Advertising and Ticket Concession Revenues

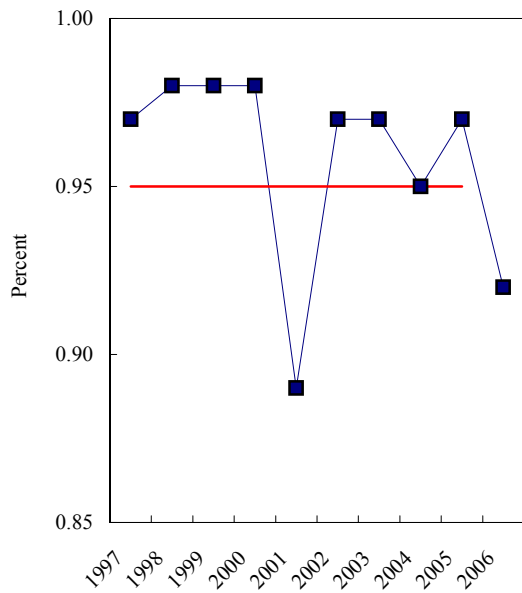
LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY  
 PARATRANSIT OPERATING STATISTICS  
 LAST TEN FISCAL YEARS



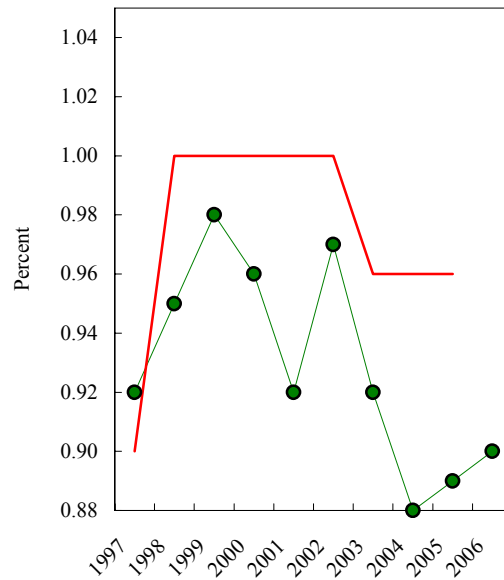
Fiscal Year	Revenue Hours	Revenue Miles	Passengers
1997	11,126	168,669	26,591
1998	12,534	195,004	29,569
1999	14,471	231,842	34,300
2000	16,052	234,943	35,950
2001	18,910	257,382	37,519
2002	21,351	287,640	44,912
2003	22,754	307,066	42,630
2004	28,634	335,554	49,283
2005	29,859	357,744	56,934
2006	29,294	289,595	66,198

Source: National Transit Database Report (Formerly Section 15)

LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY  
 PERCENT OF ON-TIME DEPARTURES  
 LAST TEN FISCAL YEARS



■ Fixed Route On-Time



● Paratransit On-Time

Fiscal Year	Fixed Route		Paratransit	
	On-Time Departure	Goal	On-Time Departure	Goal
1997	0.97	0.95	0.92	0.90
1998	0.98	0.95	0.95	1.00
1999	0.98	0.95	0.98	1.00
2000	0.98	0.95	0.96	1.00
2001	0.89	0.95	0.92	1.00
2002	0.97	0.95	0.97	1.00
2003	0.97	0.95	0.92	0.96
2004	0.95	0.95	0.88	0.96
2005	0.97	0.95	0.89	0.96
2006	0.92	.90-.95	0.90	.91-.93

Source: Livermore/Amador Valley Transit Authority Short Range Transit Plans or Contractor Service Quality Standards Index

Note: Charts include all available data

**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY**  
**Full-Time Equivalent Authority Employees by Function**  
**Last Ten Fiscal Years**

	<b>Adopted for Fiscal Year Ended June 30,</b>			
	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
<b>Function</b>				
General Manager	1.00	1.00	1.00	1.00
Administrative Services	4.00	4.00	4.00	4.00
Planning	2.00	3.00	3.00	3.00
Marketing	1.00	1.00	1.00	1.00
Operations	0.00	0.00	0.00	1.00
<b>Total</b>	<b>8.00</b>	<b>9.00</b>	<b>9.00</b>	<b>10.00</b>

	<b>Adopted for Fiscal Year Ended June 30,</b>					
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Function</b>						
General Manager	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Services	5.00	5.00	5.00	3.00	3.00	4.00
Planning	3.00	3.00	4.00	1.00	1.00	1.00
Marketing	1.00	1.00	1.00	1.50	1.50	2.00
Operations	2.00	2.00	2.00	1.50	2.50	2.00
<b>Total</b>	<b>12.00</b>	<b>12.00</b>	<b>13.00</b>	<b>8.00</b>	<b>9.00</b>	<b>10.00</b>

Source: Livermore/Amador Valley Transit Authority

**LIVERMORE/AMADOR VALLEY TRANSIT AUTHORITY**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>			
	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
<b>Fixed Route</b>				
Total Vehicles	46	48	60	67
Average Fleet Age	5.93	6.15	8.53	9.76
Vehicles Operated In Maximum Service	40	40	48	50
<b>Paratransit</b>				
Total Vehicles	9	14	14	18
Average Fleet Age	3.33	2.5	3.5	2.67
Vehicles Operated In Maximum Service	5	8	8	8
<b>Shared Stations Maintenance Facilities</b>	1	2	2	2

\*Six vehicles on loan/leased to other agencies.

Source: Livermore/Amador Valley Transit Authority  
Note: n/a denotes information is not available.



<b>Fiscal Year</b>					
<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
67	75	75	75	74*	74*
10.21	11.21	11.1	8.82	6.37	7.16
50	60	54	49	44	44
18	18	18	18	18	18
3.67	4.67	5	5.17	6.17	7.17
10	10	10	12	15	16
2	2	2	2	2	2