



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**SACRAMENTO
TRANSPORTATION
AUTHORITY**

Sacramento, California

*FOR THE
FISCAL YEAR ENDED JUNE 30, 2007*

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

SACRAMENTO TRANSPORTATION AUTHORITY

Sacramento, California

FOR THE

FISCAL YEAR ENDED JUNE 30, 2007

PREPARED BY

Mona Stephens, CPA

Finance and Accounting Administrator

**SACRAMENTO TRANSPORTATION AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Transmittal Letter	i
List of Principal Officials	iii
Sacramento Transportation Authority Organization Chart	iv
GFOA Certificate of Achievement	v
FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Debt Service Fund	15
Statement of Fiduciary Net Assets – Fiduciary Fund	16
Notes to the Financial Statements	17

**SACRAMENTO TRANSPORTATION AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

TABLE OF CONTENTS

	Page
Supplemental Information	
Special Revenue Funds	
Combining Balance Sheet	33
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	34
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	35
Agency Funds	
Combining Schedule of Changes in Assets and Liabilities	37

STATISTICAL SECTION

Net Assets by Component	39
Changes in Net Assets	40
Fund Balances of Governmental Funds	41
Changes in Fund Balances of Governmental Funds	42
Revenue Capacity – Revenue Base and Revenue Rate	43
Revenue Capacity – Principal Revenue Payers	44
Private Sector Principal Employers	45
Operating Information – Employees	46
Operating Information – Demand for Services	47
Operating Information – Abandoned Vehicle Abatements	48



Sacramento Transportation Authority

431 I Street, Suite 106
Sacramento, CA 95814

(916) 323-0080 Telephone
(916) 323-0850 Fax

Email: info@sacta.org
Web: sacta.org

December 1, 2007

The Honorable Members of the Sacramento Transportation
Authority Governing Board

The Comprehensive Annual Financial Report for the Sacramento Transportation Authority (the "Authority") for the year ended June 30, 2007 is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief the enclosed data is accurate in all material aspects and is reported in a manner designed to fairly present the financial position and results of operations of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

The Authority was established under the Local Transportation and Improvement Act, California Public Utilities Code Division 19, during the 1988-89 fiscal year. The voters of Sacramento County passed an ordinance (Measure A) enacted by the Authority imposing a retail transactions and use (sales) tax increase throughout the County at a maximum rate of one half of one percent (1/2 of 1%) for a period of 20 years. The sales tax generated by Measure A must be used to fund public road improvements, public road maintenance, public transit functions, air quality, and elderly and handicapped transportation functions.

This report includes all funds, agencies, boards, commissions and authorities that are financially accountable to the Authority Governing Board. Such financial accountability was determined on the basis of budget adoption, taxing authority, imposition of will, funding, and appointment of the governing board. Based on this criteria, since the Authority Governing Board is also the Governing Board of the Sacramento Abandoned Vehicle Service Authority (SAVSA), SAVSA is considered a component unit of the Authority. SAVSA is represented in the Authority's Special Revenue Fund.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Authority operates.

Internal Control Structure. In developing and evaluating the Authority's accounting system, consideration is given to the adequacy of internal accounting controls. Management of the Authority is responsible for the establishment and maintenance of an internal control structure designed to (1) provide reasonable, but not absolute, assurance that assets of the Authority are protected against loss from unauthorized use or disposition and (2) that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with

generally accepted accounting principles (GAAP) and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Local economy. The local economy took a downturn in the 2006-07 year. Sales tax revenues decline 3.96% amid a declining housing market.

Cash Management. The Authority's cash, except for small amounts on hand and an imprest checking account, is deposited in the pooled account of the County of Sacramento, the State of California's Local Agency Investment Fund, and the California Asset Management Program. Cash surpluses in these accounts are invested and investment earnings are allocated to the Authority's funds on the basis of average daily cash balances.

Risk Management. The Authority purchases commercial insurance for workers' compensation and general liability to provide a risk management program. The program is designed to protect Authority property and personnel.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Sacramento Transportation Authority for its comprehensive annual financial report for the fiscal year ended June 30, 2006. This Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This is the thirteenth straight year the Authority has received this award.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

We want to thank the members of the Sacramento Transportation Authority Governing Board for your interest and support in planning and conducting the financial operation of the Authority. The preparation of this report could not have been accomplished without your leadership.

Respectfully Submitted,

Concur,



Mona Stephens
Sr. Transportation Administrator

Brian A. Williams
Executive Director

SACRAMENTO TRANSPORTATION AUTHORITY

LIST OF PRINCIPAL OFFICIALS

June 30, 2007

BOARD MEMBERS

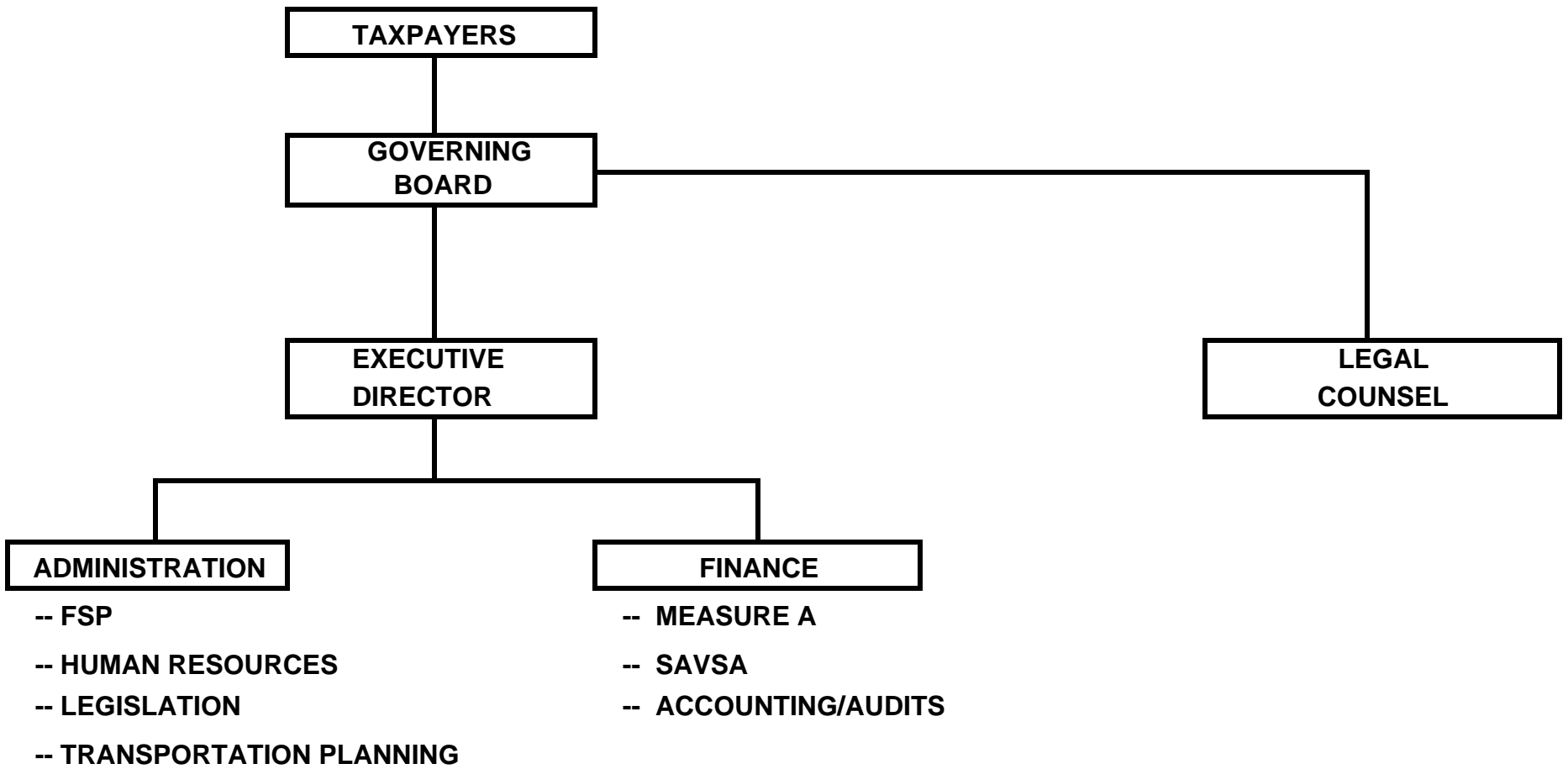
KEN COOLEY, City of Rancho Cordova
ROGER DICKINSON, County of Sacramento
ROBERT KING FONG, City of Sacramento
LAUREN HAMMOND, City of Sacramento
PATRICK HUME, City of Elk Grove
ERIC KING, City of Folsom
ROBERTA MACGLASHAN, County of Sacramento
KEVIN MCCARTY, City of Sacramento
DON NOTTOLI, County of Sacramento
BONNIE PANNELL, City of Sacramento
BARBARA PAYNE, Cities of Isleton and Galt
SUSAN PETERS, County of Sacramento
JEFF SLOWEY, City of Citrus Heights
RAY TRETHERWAY, City of Sacramento
JIMMY YEE, County of Sacramento

Alternates

LINDA BUDGE, City of Rancho Cordova
B. TERI BURNS, County of Sacramento
STEVE COHN, City of Sacramento
HEATHER FARGO, City of Sacramento
KERRI HOWELL, City of Folsom
LINDA KIMURA, County of Sacramento
SOPHIA SCHERMAN, City of Elk Grove
SANDY SHEEDY, City of Sacramento
JAMES SHELBY, City of Citrus Heights
TERESA STANLEY, Cities of Isleton and Galt
ROBBIE WATERS, City of Sacramento

STAFF

BRIAN WILLIAMS, Executive Director
MONA STEPHENS, Finance and Accounting Administrator
NORMAN HOM, Associate Planner
GLORIA BUSBY, Office Manager
DIANE BALTER, Legal Counsel



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sacramento Transportation Authority, California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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.



President

Executive Director

Richardson & Company

550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Sacramento Transportation Authority
Sacramento, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Sacramento Transportation Authority as of and for the year ended June 30, 2007. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority as of June 30, 2007 and the respective changes in financial position and the respective budgetary comparison for the General Fund, and the Debt Service Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, supplemental information and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in our audit of the basic financial statements, and, accordingly, we express no opinion on them.

Richardson & Company

November 27, 2007

Management's Discussion and Analysis

As management of the Sacramento Transportation Authority (Authority), we present to the readers of these financial statements this narrative overview and analysis of the Authority for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through iii of this report.

Financial Highlights

- Actual Measure A revenues for 2006-07 were short of projections by \$5,966,391.
- Measure A revenues declined by 3.9% from the 2005-06 fiscal year.
- The Authority was able to meet all expenditures to Measure A participating entities by dipping into existing fund balances.
- The Authority issued \$100 million in debt to advance New Measure A projects.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The *government-wide financial Statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The *Statement of net assets* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

The government-wide financial statements include not only the Authority itself, but also the Sacramento Abandoned Vehicle Service Authority (SAVSA). SAVSA, although legally separate from the Authority, functions for all practical

purposes as a department of the Authority and therefore has been included as an integral part of the Authority.

The government-wide financial statements can be found on pages 9 - 10 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Authority maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, a special revenue fund for SAVSA, and a debt service fund.

The Authority adopts an annual appropriated budget for its general fund, special revenue fund, and debt service fund. Budgetary comparison statements have been provided for those funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 11 - 16 of this report.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the

government-wide financial statements because the resources of those funds are not available to support the Authority's own programs.

The basic fiduciary fund financial statement can be found on page 17 of this report.

Notes to the financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 – 28 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Authority, liabilities exceeded assets by \$16,051,271 at the close of the 2007 fiscal year. This was a result of the issuance of debt to advance New Measure A projects. Although the New Measure A taxes will not be collected until the 2009-2010 fiscal year, construction on projects funded by those taxes was able to begin in the 2006-07 year because of the debt issue.

SACRAMENTO TRANSPORTATION AUTHORITY NET ASSETS

	Governmental Activities		
	2007	2006	2005
Current and other assets	<u>\$ 93,232,733</u>	<u>\$ 35,709,312</u>	<u>\$ 38,503,769</u>
Total assets	<u>93,232,733</u>	<u>35,709,312</u>	<u>38,503,769</u>
Long term liabilities	101,687,148	53,087	46,219
Other liabilities	<u>7,596,856</u>	<u>2,287,290</u>	<u>1,666,902</u>
Total liabilities	<u>109,284,004</u>	<u>2,340,377</u>	<u>1,713,121</u>
Net assets:			
Restricted	64,458,850		
Unrestricted	<u>(80,510,121)</u>	<u>33,368,935</u>	<u>36,790,648</u>
Total net assets	<u>(\$ 16,051,271)</u>	<u>\$ 33,368,935</u>	<u>\$ 36,790,648</u>

The decrease in net assets is due to the issuance of debt. The decrease from 2005 to 2006 was due to an increase in Measure A distributions to participating jurisdictions in the 2006 fiscal year.

Governmental activities.

Governmental activities decreased the Authority's 2007 net assets primarily due to the advancement of funds for New Measure A projects. The Authority spent \$37 million on projects in the New Measure A plan. The issuance of debt

allowed for those expenditures. The primary reason for the 2006 decrease was an increase in Measure A distributions to participating jurisdictions in the 2006 fiscal year. The Authority liquidated some of its reserves and also distributed more of its unrestricted fund balance to allow the jurisdictions to spend more money on transportation improvements.

SACRAMENTO TRANSPORTATION AUTHORITY Change in Net Assets

	Governmental Activities		
	2007	2006	2005
Revenues:			
Program revenues:			
Freeway Service Patrol	\$ 1,711,506	\$ 1,491,009	\$ 1,469,725
SAVSA	1,144,870	1,142,226	1,139,965
Collaborative	<u>-</u>	<u>405,595</u>	<u>655,968</u>
Total program revenues	2,856,376	3,038,830	3,265,658
General Revenues:			
Sales taxes	105,366,507	109,688,836	102,385,507
Other	<u>3,540,797</u>	<u>925,963</u>	<u>483,592</u>
Total revenues	<u>108,907,304</u>	<u>110,614,799</u>	<u>106,131,757</u>
Expenses:			
General government	<u>161,183,886</u>	<u>117,075,342</u>	<u>101,785,207</u>
Total expenses	<u>161,183,886</u>	<u>117,075,342</u>	<u>101,785,207</u>
Increase (decrease) in net assets	<u>(49,420,206)</u>	<u>(3,421,713)</u>	<u>4,349,550</u>
Net assets beginning	<u>33,368,935</u>	<u>36,790,648</u>	<u>32,441,098</u>
Net assets ending	<u>(\$16,051,271)</u>	<u>\$33,368,935</u>	<u>\$36,790,648</u>

Financial Analysis of the Government's Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$85,782,456, an increase of \$52,360,434 in comparison with the prior year. As of the end of the 2006 year,

the Authority's governmental funds reported combined ending fund balances of \$33,442,022, a decrease of \$3,414,845 in comparison with the 2005 year.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was due primarily to the issuance of debt in November 2006, increasing Authority operations by approximately \$100 million to increase the appropriation to the Measure A jurisdictions.

Debt Administration

During 2007 the Authority issued \$100.09 million in bonds to accelerate New Measure A proceeds to participating jurisdictions for transportation projects. This was the first debt issue for the Authority. Principal will be repaid on 10/1/09.

	<u>June 30, 2007</u>
2006 Series A	\$ 95,615,000
2006 Series B	<u>4,475,000</u>
Total Long - Term Debt	<u>\$ 100,090,000</u>

Economic Factors and Next Year's Budget

The area's sales tax took a downturn in 2007. Minimal growth is anticipated in 2008. During the 2008 year, the Authority will also pursue another debt financing to advance more transportation projects to be funded by the New Measure A that begins in 2009.

Request for Information

This financial report is designed to provide a general overview of the Sacramento Transportation Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Sacramento Transportation Authority, 431 I Street, Suite 106, Sacramento, CA 95814.

SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF NET ASSETS
JUNE 30, 2007

	Governmental Activities
ASSETS	
Cash and Investments	\$ 8,531,574
Prepays	12,768
Receivables:	
Interest	486,740
Due from other governments	18,852,231
Restricted cash and investments	64,458,850
Unamortized bond issue costs	890,570
Total assets	\$ 93,232,733
 LIABILITIES	
Accounts payable and other current liabilities	\$ 6,513,986
Deposits	45,720
Interest payable	1,037,150
Noncurrent liabilities:	
Due in more than one year	101,687,148
Total liabilities	109,284,004
 NET ASSETS	
Restricted for Debt Service	10,721,864
Restricted for Measure A projects	53,736,986
Unrestricted	(80,510,121)
Total net assets	\$ (16,051,271)

The notes to the financial statements are an integral part of this statement

**SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007**

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net Expense and Changes in Net Assets Governmental Activities
Governmental Activities:			
Measure A	\$ 118,452,646		\$ (118,452,646)
Freeway Service Patrol	1,643,363	\$ 1,711,506	68,143
Abandoned Vehicle Service Authority	1,199,866	1,144,870	(54,996)
New Measure A	37,396,454		(37,396,454)
Interest on long-term debt	2,491,557		(2,491,557)
Total governmental activities	<u>\$ 161,183,886</u>	<u>\$ 2,856,376</u>	<u>(158,327,508)</u>
General revenues:			
Sales taxes			105,366,507
Interest and investment earnings			3,540,797
Total general revenues			<u>108,907,304</u>
Change in net assets			(49,420,206)
Net assets - beginning			33,368,935
Net assets - ending			<u>\$ (16,051,271)</u>

The notes to the financial statements are an integral part of this statement

SACRAMENTO TRANSPORTATION AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2007

	General	Special Revenue	Debt Service	Total Governmental Funds
ASSETS:				
Cash and Investments	\$ 8,187,400	\$ 344,174		\$ 8,531,574
Prepaid expenditures	12,768			12,768
Receivables:				
Interest	468,040	18,700		486,740
Due from other governments	18,067,784	296,360		18,364,144
Due from other funds	488,086			488,086
Restricted cash and investments	53,736,986		\$ 10,721,864	64,458,850
TOTAL ASSETS AND OTHER DEBITS	\$ 80,961,064	\$ 659,234	\$ 10,721,864	\$ 92,342,162
LIABILITIES and FUND BALANCE				
LIABILITIES:				
Accounts payable and other accrued liabilities	\$ 1,646,307	\$ 287,819		\$ 1,934,126
Due to other funds	4,579,860			4,579,860
Deposits	11,209	34,511		45,720
Total liabilities	6,237,376	322,330		6,559,706
FUND BALANCE:				
Reserved for:				
new measure a projects	53,736,986			53,736,986
debt service			\$ 10,721,864	10,721,864
Unreserved:				
Designated for:				
Revenue estimate adjustments	4,226,954			4,226,954
Litigation contingency	516,689			516,689
Unreserved and undesignated	16,243,059	336,904		16,579,963
Total fund balance	74,723,688	336,904	10,721,864	85,782,456
TOTAL LIABILITIES AND FUND BALANCE	\$ 80,961,064	\$ 659,234	\$ 10,721,864	\$ 92,324,162

Amounts reported for the governmental activities in the statement of net assets are different because:

Long term liabilities net of premiums and discounts, and interest payable thereon, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(102,724,298)
Debt issuance costs are reported as expenditures in the funds, whereas these amounts are deferred and amortized in the Statement of Net Assets	<u>890,570</u>
Net assets of governmental activities	<u>\$ (16,051,212)</u>

The notes to the financial statements are an integral part of this statement

**SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND
FISCAL YEAR ENDED JUNE 30, 2007**

	General	Special Revenue	Debt Service	Totals Governmental Fund
REVENUES:				
Taxes	\$105,366,507			\$105,366,507
Vehicle registration fees		\$1,144,870		1,144,870
State grant	951,204			951,204
SAFE Funds	640,000			640,000
Use of money and property - interest	3,157,219	35,084	\$ 350,365	3,542,668
Unrealized gain/(loss)	(2,596)	724		(1,872)
Yolo County	120,302			120,302
Total revenues	<u>110,232,636</u>	<u>1,180,678</u>	<u>350,365</u>	<u>111,763,679</u>
EXPENDITURES:				
Current				
General government:				
Administrative	493,837			493,837
Freeway service patrol	1,643,363			1,643,363
Intergovernmental	155,120,101	1,199,866		156,319,967
Debt Service				
Interest and other charges	1,121,459		1,498,106	2,619,565
Total expenditures	<u>158,378,760</u>	<u>1,199,866</u>	<u>1,498,106</u>	<u>161,076,732</u>
EXCESS OF REVENUES OVER EXPENDITURES	(48,146,124)	(19,188)	(1,147,741)	(49,313,053)
OTHER FINANCING SOURCES (USES):				
Transfers in	101,228		11,869,605	11,970,833
Transfers out	(11,869,605)	(101,228)		(11,970,833)
Issuance of long term debt	101,673,487			101,673,487
Total other financing sources (uses)	<u>89,905,110</u>	<u>(101,228)</u>	<u>11,869,605</u>	<u>101,673,487</u>
NET CHANGES IN FUND BALANCES	41,758,986	(120,416)	10,721,864	52,360,434
FUND BALANCE, JULY 1, 2006	<u>32,964,702</u>	<u>457,320</u>		<u>33,422,022</u>
FUND BALANCE, JUNE 30, 2007	<u>\$74,723,688</u>	<u>\$336,904</u>	<u>\$10,721,864</u>	<u>85,782,456</u>

The notes to the financial statements are an integral part of this statement

SACRAMENTO TRANSPORTATION AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

Amounts reported for governmental activities in the statement of activities (page 10)
are different because:

Net change in fund balances - total governmental funds (page 12)	\$ 52,360,434
Changes not reported in government funds:	
Issuance of long term debt	(101,673,487)
compensated absences	(4,273)
unamortized bond issue costs	890,570
interest payable	(1,037,150)
bond premium amortization	43,699
	(101,400,141)
Change in Net Assets of governmental activities	\$ (49,420,207)

The notes to the financial statements are an integral part of this statement

**SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis) (See Note 1)	Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 111,500,000	\$ 111,500,000	\$ 105,533,607	\$ (5,966,393)
State grant	1,008,922	1,008,922	951,204	(57,718)
SAFE Funds	640,500	640,500	640,000	(500)
Use of money and property - interest	150,000	1,150,000	3,157,219	2,007,219
Unrealized gain/(loss)			(2,596)	(2,596)
Yolo County	143,610	143,610	120,302	(23,308)
Total revenues	<u>113,443,032</u>	<u>114,443,032</u>	<u>110,399,736</u>	<u>(4,043,296)</u>
EXPENDITURES:				
Current:				
General government:				
Administrative	785,375	860,375	493,837	366,538
Freeway service patrol	1,861,825	1,861,825	1,643,363	218,462
Intergovernmental	112,885,000	206,604,337	155,120,101	51,484,236
Debt Service				
Bond issue costs		1,155,000	1,121,459	33,541
Total expenditures	<u>115,532,200</u>	<u>210,481,537</u>	<u>158,378,760</u>	<u>52,102,777</u>
EXCESS OF REVENUES OVER EXPENDITURES	(2,089,168)	(96,038,505)	(47,979,024)	48,059,481
OTHER FINANCING SOURCES (USES):				
Transfers in	32,000	32,000	101,209	69,209
Transfers out		(11,200,000)	(11,869,605)	(669,605)
Issuance of long term debt		100,500,000	101,673,487	1,173,487
Total other financing sources (uses)	<u>32,000</u>	<u>89,332,000</u>	<u>89,905,091</u>	<u>573,091</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(2,057,168)	(6,706,505)	41,926,067	48,632,572
BUDGETARY FUND BALANCE, JULY 1, 2006	<u>30,048,376</u>	<u>22,420,975</u>	<u>28,447,244</u>	<u>6,026,269</u>
BUDGETARY FUND BALANCE, JUNE 30, 2007	<u>\$27,991,208</u>	<u>\$15,714,470</u>	<u>\$70,373,311</u>	<u>\$54,658,841</u>

The notes to the financial statements are an integral part of this statement

**SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property - interest		\$ 200,000	\$ 350,365	\$ 150,365
Total revenues		200,000	350,365	150,365
EXPENDITURES:				
Current:				
Debt Service				
Principal		1,476,000		1,476,000
Interest		106,700	1,498,106	(1,391,406)
Total expenditures		1,582,700	1,498,106	84,594
EXCESS OF REVENUES OVER EXPENDITURES		(1,382,700)	(1,147,741)	234,959
OTHER FINANCING SOURCES (USES):				
Transfers in		11,200,000	11,869,605	669,605
Total other financing sources (uses)		11,200,000	11,869,605	669,605
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES		9,817,300	10,721,864	904,564
BUDGETARY FUND BALANCE, JULY 1, 2006		-	-	-
BUDGETARY FUND BALANCE, JUNE 30, 2007		\$9,817,300	\$10,721,864	\$904,564

The notes to the financial statements are an integral part of this statement

SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2007

	<u>TOTALS</u>
ASSETS:	
Cash and Investments	\$ 107,177,863
Due from other funds	4,579,860
Interest receivable	<u>2,221,008</u>
total assets	<u><u>\$ 113,978,731</u></u>
LIABILITIES	
Accounts payable	\$ 4,778,620
Due to other funds	488,086
Held in trust for Measure A	<u>108,712,025</u>
total liabilities	<u><u>\$ 113,978,731</u></u>

The notes to the financial statements are an integral part of this statement

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2007

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sacramento Transportation Authority (Authority), which include the Authority and the Sacramento Abandoned Vehicle Service Authority (SAVSA), have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

ORGANIZATION

The Authority was established under the Local Transportation and Improvement Act, Public Utilities Code Division 19, during the 1988-89 fiscal year. The voters of Sacramento County (the County) passed an ordinance (Measure A) enacted by the Authority imposing a retail transactions and use tax (sales tax) increase throughout the County at a maximum rate of one half of one percent (1/2 of 1%) for a period of 20 years. In 2004, the taxpayers approved a 30 year extension of the tax beginning in fiscal year 2009 (New Measure A).

SAVSA, a separate legal entity, was established under California Vehicle Code Section 22710, during the 1991-92 fiscal year. The code establishes a \$1 vehicle registration fee to be used for the abatement of abandoned vehicles for counties electing to impose the fee. The County Board of Supervisors, by a two-thirds vote, and the City Councils of a majority of the cities within the County having a majority of the incorporated population, adopted resolutions providing for the establishment of SAVSA.

The Authority and SAVSA are governed by a fourteen member Board of Directors made up of five members representing the County, four members representing the City of Sacramento, one member each from the Cities of Folsom, Citrus Heights, Elk Grove, Rancho Cordova, and one member representing the Cities of Isleton and Galt. The Authority distributes sales tax proceeds to the County of Sacramento, the Cities of Sacramento, Folsom, Galt, Isleton, Citrus Heights, and Elk Grove, the Sacramento Regional Transit District, Paratransit, Inc., and the Sacramento Metropolitan Air Quality Management District according to the Transportation Expenditure Agreement.

The Sacramento Transportation and Air Quality Collaborative (Collaborative) was a multi-year collaborative effort to develop a long-range plan for the Sacramento county-wide area to improve transportation and air quality within a regional context, including relevant land use and economic development strategies. The participating agencies were the cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova and Sacramento, the County of Sacramento, Regional Transit, and the Sacramento Area Council of Governments, Sacramento Metropolitan Air Quality Management District, and Caltrans. It is considered a special revenue fund of the STA. The Collaborative ceased its operations in 2006 and remaining funds were transferred to the STA General Fund in 2007.

The distribution of Measure A funds is prescribed in the ballot measure approved by the voters with the passage of Measure A. The distribution is made in three tiers. In tier one, one percent (1%) of the sales tax proceeds goes for administration and one and one-half percent (1&1/2%) is required to be spent to mitigate motor vehicle emissions. Of the remaining tier two funds, the cities of Folsom, Isleton, and Galt receive a percentage based on their populations relative to the entire County. The remaining funds represent tier three and must be used to fund public road

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2007

**NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONT)**

ORGANIZATION (CONT)

improvements (35%), public road maintenance (28%), public transit functions (35%), and elderly and handicapped transportation functions (2%).

New Measure A funds are being advanced via debt based on a Board adopted Plan of Finance.

SAVSA distributes the \$1 vehicle registration fees collected to the County, and the Cities of Sacramento, Galt, Isleton, Folsom, Elk Grove, and Citrus Heights based upon the Sacramento Abandoned Vehicle Abatement Plan.

FINANCIAL REPORTING ENTITY

For financial reporting purposes, in conformance with the pronouncements of the Government Accounting Standards Board (GASB) and generally accepted accounting principles (GAAP), the Authority includes all funds, agencies, boards, commissions and authorities that are financially accountable to the Authority's Governing Board. Such financial accountability is determined on the basis of budget adoption, taxing authority, imposition of will, funding, and appointment of governing boards. Based on these criteria, since the Authority Governing Board is also the Governing Board of SAVSA, SAVSA is considered a component unit of the Authority. SAVSA is presented using the blending method and is represented in the Authority's Special Revenue Fund. Component unit financial statements for SAVSA are not separately issued.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2007

**NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONT)**

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund statements. Revenues are recorded when earned and expenses are reported when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources concept and the modified accrual basis of accounting. Under this concept, sources and uses of financial resources, including capital outlays, loan proceeds and debt retirement are reflected in operations. Revenues are recognized in the accounting period in which they become measurable and available. The Authority considers revenues to be available if they are collectible within 60 days of the end of the current fiscal year. Expenditures are recorded when a liability has been incurred, as under accrual accounting.

The Authority reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required or designated by the Board to be accounted for in another fund.

Funds – The Authority has two Special Revenue Funds. One Special Revenue Fund is the operating fund of SAVSA. It is used to account for all the financial resources of SAVSA. The other Special Revenue Fund is for the operations of the Sacramento Transportation and Air Quality Collaborative (Collaborative).

Debt Service Fund – The fund accounts for the debt service associated with the 2006 bond issue.

Additionally, the Authority reports the following fund types:

Fiduciary Funds:

Measure A Agency Funds - These funds are used to account for assets held by the Authority as an agent for other organizations and governmental units.

The Authority holds the construction allocations for the Cities of Folsom, Rancho Cordova, Galt, Isleton, Citrus Heights, Elk Grove, and Sacramento, the Sacramento Regional Transit District, the County of Sacramento, and the Sacramento Metropolitan Air Quality Management District. The monies are disbursed to each entity when the entity requests reimbursement of expenditures made on projects authorized by the Authority. The amount of unexpended Measure A sales tax revenue along with the allocated interest is recorded in the Measure A Agency Funds.

BUDGETARY PRINCIPLES

As required by the laws of the Public Utility Code of the State of California, the Authority prepares and legally adopts a final operating budget each fiscal year.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2007

**NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONT)**

BUDGETARY PRINCIPLES (CONT)

Operating budgets are adopted for the Governmental Fund Types on the modified accrual basis of accounting, except that the budget for the General Fund does not include accrued sales tax and the budget for the Special Revenue Fund does not include accrued vehicle registration fees. Budgetary control and the legal level of control are at the program level which classifies expenditures by program; i.e., administration, and freeway service patrol. Significant amendments, appropriation transfers between programs and transfers from contingencies must be approved by the Authority's Governing Board. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board. During the year certain amendments were approved by the Governing Board.

The Authority is subject to an annual appropriations limit, Article XIII B of the State Constitution. Under the terms of the Article, the State and each of its local government units may appropriate no more than it appropriated the year before being adjusted for changes in the cost of living and the population unit. The limitation applies to appropriations of specified "proceeds of taxes" revenue and may be changed in certain circumstances or by a vote of the electorate. The Authority's budget is in compliance with the provisions of Article XIII B.

CASH AND INVESTMENTS

The Authority's cash, except for small amounts on hand and an imprest checking account, is deposited in the pooled account of the County of Sacramento and in the State of California's Local Agency Investment Fund. Cash surpluses in these accounts are invested and investment earnings are allocated to the Authority's funds on the basis of average daily cash balances. All investments are reported at fair value with changes in fair value reported in the statement of revenues, expenditures, and changes in fund balance. Bond proceeds and debt service funds are deposited with California Asset Management Program (CAMP).

CAPITAL ASSETS

Capital assets for governmental fund types are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements. Capital assets owned by the Authority are valued at historical cost. Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Office Equipment	5
Computers	5

It is the Authority's policy to capitalize furniture and equipment exceeding \$5,000. As of July 1, 2002, all capital assets of the Authority had been fully depreciated, and, as such, have been written off.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2007

**NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONT)**

COMPENSATED ABSENCES

The Authority compensates employees upon termination for unused vacation pay, up to a maximum of 400 hours. Accumulated sick leave is not paid upon termination.

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is recorded in the government funds only if they have matured, for example, as a result of employee resignations and retirements.

LONG-TERM DEBT

In the government-wide financial statements and in the fund financial statements, long-term debt is recorded as a liability in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Issuance costs are reported as unamortized bond issuance costs and are amortized over the life of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, incurred during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

INTERFUND TRANSACTIONS

Transactions between funds during the year consisted of operating transfers between the general fund and the special revenue funds.

RESERVATIONS AND DESIGNATIONS OF FUND BALANCE AND RESTRICTIONS OF NET ASSETS

In the fund financial statements, the term "reserved" is used to indicate that a portion of reported fund equity is (1) legally restricted to a specific use or (2) not available for appropriation or expenditure. The management of the Authority will sometimes designate portions of fund equity based on tentative future spending plans. Designated portions of fund equity represent financial resources legally available for uses other than those tentatively planned.

The Authority has "reserved" fund balance and restricted net assets as follows:

- New Measure A projects - to reflect bond proceeds held in CAMP for New Measure A project delivery.
- Debt Service – to reflect bond proceeds held for debt service.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2007

**NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONT)**

**RESERVATIONS AND DESIGNATIONS OF FUND BALANCE AND RESTRICTIONS OF NET
ASSETS (CONT)**

The Authority has "designated" fund balance as follows:

- Designated for revenue estimate adjustments to reflect resources available in case of a revenue shortfall.
- Designated for litigation contingency to reflect resources available in case of litigation.

INSURANCE

The Authority's employees are covered by a commercial worker's compensation insurance. In addition, the Authority purchases commercial insurance for general liability claims. At June 30, 2007, there were no claims outstanding. There were no reductions in coverage during the year. The amount of settlements did not exceed insurance coverage for each of the past three fiscal years.

NOTE 2 - CASH AND INVESTMENTS

The Authority's cash and investments are carried at fair value and are included within the County of Sacramento Treasury Pool (County Pool) and the State of California's Local Agency Investment Fund (LAIF). Restricted cash is restricted for the repayment of principal and interest on the related outstanding debt and New Measure A projects that were advanced from the outstanding debt issue. Restricted cash is invested in the California Asset Management Program (CAMP). The fair value of the position in the County pool is 100.38% of the pool shares, the fair value of the position in the LAIF is 99.95% of the pool shares, the fair value position in CAMP is 100% of the pool shares.

Cash and investments as of June 30, 2007 are classified in the accompanying financial statements as follows:

Governmental activities	
Cash and investments	\$ 8,531,574
Restricted cash	64,458,850
Agency funds	
Cash and investments	<u>107,177,863</u>
Total cash and investments	<u>\$180,168,287</u>

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO BASIC FINANCIAL STATEMENT
 JUNE 30, 2007

NOTE 2 - CASH AND INVESTMENTS (CONT)

As of June 30, 2007, the Authority's cash and investments consisted of the following:

Cash on hand	\$	1,000
Deposits with financial institutions		<u>11,302</u>
Total cash		<u>12,302</u>
County Pool		85,712,136
LAIF		29,984,999
CAMP		<u>64,458,850</u>
Total investments		<u>\$180,155,985</u>

The Authority did not directly enter into any derivative investments. The Authority's total investment in LAIF at June 30, 2007 is \$29,984,999. The total amount invested by all public agencies in LAIF at June 30, 2007, was \$65,643,489,036 managed by the Treasurer for the State of California. Of that amount, 96.5% is invested in non-derivative financial products and 3.5% in derivative financial products and structured financial instruments. The County Pool and CAMP are 100% invested in non-derivative financial products.

Investment in CAMP: CAMP was created under the provisions of the California Joint Exercise of Powers Act to provide professional investment management services and allows the participants to combine the use of a money market portfolio with an individually managed portfolio. CAMP is governed by a board of seven trustees, all of whom are officials or employees of public agencies. The money market portfolio offers daily liquidity and is rated Aam by Standard and Poors. To maintain the Aam rating, the portfolio's weighted average maturity may not exceed 70 days. The fair value of the Authority's position in CAMP is the same as the value of the pool shares.

Investment policy: California statutes authorize public agencies to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, and Chapter 4 - Financial Affairs. The table below identifies the investment types that are authorized for the Authority by the California Government Code (or the Authority's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the Authority rather than the general provisions of the California Government Code or the Authority's investment policy. During the year ended June 30, 2007, the Authority's permissible investments included the following instruments:

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2007

NOTE 2 - CASH AND INVESTMENTS (CONT)

Authorized Investment Type	Maximum Maturity	Maximum % or Amount of the Portfolio
US Treasury Bonds/Notes/Bills	5 years	100%
Bonds issued by local agencies	5 years	80%
Registered State Warrants and Municipal Notes	5 years	80%
Bankers Acceptances	180 days	40%
Commercial Paper	270 days	40%
Negotiable Certificate of Deposit	180 days	30%
CRA Bank Deposit/Certificate of Deposit	1 year	30%
Repurchase Agreements	1 year	30%
Reverse Repurchase Agreement	92 days	20%
Medium Term Corporate Notes	180 days	30%
Shares of Money Market Mutual Fund	90 days	20%
Collateralized Mortgage Obligations	180 days	20%
California Asset Management Program (CAMP)	none	none

Investments Authorized by Debt Agreements: Investment of debt proceeds held by the bond trustees are governed by the provisions of the debt agreements, rather than the general provisions of the California Government Code or the Authority's investment policy. The 2006 Sales Tax Revenue Bonds debt agreement contains certain provisions that address interest rate risk and credit risk, but not concentration of credit risk.

Authorized Investment Type	Maximum Security	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Bonds or Obligations	None	None	None
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Bankers Acceptances	1 year	None	None
Commercial Paper	270 days	None	None
Money Market Fund	None	None	None
Certificates of Deposit	None	None	None
Investment Agreements	None	None	None
Repurchase Agreements	None	None	None
Mutual Funds	N/A	None	None
LAIF	N/A	None	None

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. As of June 30, 2007, the weighted average maturity of the investments contained in the LAIF investment pool, the Sacramento County investment pool, and CAMP is approximately 176, 197, and 41 days, respectively.

NOTE 2 - CASH AND INVESTMENTS (CONT)

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO BASIC FINANCIAL STATEMENT
 JUNE 30, 2007

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. Neither LAIF nor the Sacramento County investment pool has a rating provided by a nationally recognized statistical rating organization.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The Authority's deposits were covered by federal depository insurance at June 30, 2007.

NOTE 3 - RECONCILIATION OF THE MODIFIED ACCRUAL BASIS TO BUDGETARY BASIS OF ACCOUNTING

The reconciliation of General Fund excess of revenues over expenditures to the budgetary basis of accounting is as follows:

	Modified Accrual Basis	Reversal of Prior Year Sales Tax Accrual	Current Year Sales Tax Accrual	Budgetary Basis
Revenues	\$110,232,636	\$17,551,800	(\$17,384,700)	\$110,399,736
Expenditures	158,378,760			158,378,760
Excess of revenues over expenditures	(\$48,146,124)	\$17,551,800	(\$17,384,700)	(\$47,979,024)

The reconciliation of SAVSA Fund excess of revenues over expenditures to the budgetary basis of accounting is as follows:

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO BASIC FINANCIAL STATEMENT
 JUNE 30, 2007

NOTE 3 - RECONCILIATION OF THE MODIFIED ACCRUAL BASIS TO BUDGETARY BASIS OF ACCOUNTING (CONT)

	Modified Accrual Basis	Reversal of Prior Year Vehicle Registration Fee Accrual	Current Year Vehicle Registration Fee Accrual	Budgetary Basis
Revenues	1,177,503	\$300,304	(\$296,360)	\$1,184,712
Expenditures	1,199,866			1,199,866
Excess of revenues over expenditures	(\$22,363)	\$300,304	(\$296,360)	(\$18,419)

NOTE 4 - PENSION PLAN

Pension plan description - The Authority contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating entities within the State of California. CalPERS requires agencies with less than 100 active members in the plan to participate in the risk pool. The benefits for the public agencies are established by contract with CalPERS in accordance with the provisions of the Public Employees Retirement Law. CalPERS issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for CalPERS. A copy of that report may be obtained by writing to CalPERS, Central Supply, P.O. Box 942715, Sacramento, CA 94229-2715.

Funding Policy - Employees are required to contribute 8% of covered salary to CalPERS. The Authority is required to contribute the remaining amounts necessary to fund the benefits for its members, using the actuarial basis recommended by CalPERS actuaries and actuarial consultants and adopted by the CalPERS Board of Administration. For the fiscal year ended June 30, 2007 the employer contribution rate was 13.754%. The Authority, as part of its compensation to employees, pays 7% of the employees' contributions in addition to its own.

Annual Pension Cost - For fiscal year ended June 30, 2007, the Authority's annual pension cost of \$67,384 for CalPERS was equal to the Authority's required and actual contributions. The required contribution was determined as part of the June 30, 2005 actuarial valuation using the entry age normal actuarial cost method. (This is the latest information available.) The actuarial assumptions included (a) 7.75% investment rate of return, and (b) projected salary increases that vary by duration of service. Both (a) and (b) included an inflation component of 3.00%. The actuarial value of the Authority's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three year period. The difference between the Actuarial Value of Assets and the Actuarial Accrued Liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2005 was 16 years.

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO BASIC FINANCIAL STATEMENT
 JUNE 30, 2007

NOTE 4 - PENSION PLAN (CONT)

3 Year Trend Information

Fiscal Year End	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/05	\$42,048	100%	\$0
6/30/06	\$52,935	100%	\$0
6/30/07	\$67,384	100%	\$0

REQUIRED SUPPLEMENTARY INFORMATION
 Plan's Risk Pool History of Funded Status and Funding Progress

Valuation Date	Accrued Liabilities	Actuarial Assets	Unfunded Liabilities (UL)	Funded Ratio	Annual Covered Payroll	UL as a percentage of Covered Payroll
6/30/03	\$2,596,966,545	\$2,372,879,034	\$224,087,511	89.6	\$725,020,458	30.9%
6/30/04	\$2,746,095,668	\$2,460,944,656	\$285,151,012	80.2%	\$743,691,970	38.3%
6/30/05	\$579,279,103	\$500,388,523	\$78,887,580	%86.4	\$129,379,492	61.0%

NOTE 5 - DEFERRED COMPENSATION PLAN

The Authority offers its regular employees a deferred compensation under the provisions of Internal Revenue Code (IRC) Section 457. The plan permits these employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

The Authority has established separate independent trusts to hold the assets and earnings of its deferred compensation plans for the exclusive benefit of the participants that are not included in the Balance Sheet.

NOTE 6 - OPERATING LEASES

The Authority leases certain equipment and premises under operating leases through the year ending June 30, 2007. Rental expense for the year ended June 30, 2007 was \$38,479

Future minimum lease payments under operating leases as of June 30, 2007 are as follows:

Fiscal Year Ending June 30,	Amount
2008	\$59,795
2009	59,538
2010	60,833
2011	62,135
2012	10,392
	\$252,693

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2007

NOTE 7 – INTERFUND TRANSACTIONS

Interfund balances at June 30, 2007 are as follows:

Due to General Fund from:	
Agency Fund	<u>\$488,086</u>
Total due to General Fund	<u>\$488,086</u>
Due to Agency Fund from:	
General Fund	<u>\$4,579,860</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended June 30, 2007 were as follows:

Transfers to General Fund from:	
Collaborative Special Revenue Fund	\$ 68,516
SAVSA Special Revenue Fund	<u>32,712</u>
Total transfers to General Fund	<u>\$101,228</u>
Transfers to Debt Service Fund from:	
General Fund	<u>\$11,869,605</u>

Transfers are used to (1) reimburse the General Fund for services to and payments on behalf of the Special Revenue Funds, and (2) fund the Debt Service Fund per the debt agreement.

NOTE 8 – LONG-TERM LIABILITIES

Long-term debt consists of the following at:

	<u>June 30</u> <u>2007</u>
<u>2006 Series A Notes</u> : In 2006, the Authority issued fixed rate Sales Tax Revenue Notes in the amount of \$95,615,000. The Notes will be used to finance the cost of certain transportation projects approved by the voters in November 2004. Interest payments are due semi-annually on April 1 and October 1, beginning on April 1, 2007. The average coupon interest rate is 4.15%. Principal of the Series A 2006 Notes is expected to be paid from the proceeds of the Take-Out Bonds. The Authority has covenanted to use its best efforts to issue the Take-Out Bonds on or before the Maturity Date to provide funds to pay the principal of the Series 2006 Notes due on the Maturity Date – October 1, 2009.	\$95,615,000

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2007

NOTE 8 – LONG-TERM LIABILITIES (CONT)

2006 Series B Notes: In 2006, the Authority issued fixed rate Sales Tax Revenue Notes in the amount of \$4,475,000. The Notes will be used to fund the capitalized interest on the Series 2006B Notes and a portion of the capitalized interest on the Series 2006A Notes from the date of their delivery to the date of their maturity and to pay the costs of issuance of the Series 2006B Notes. Interest payments are due semi-annually on April 1 and October 1, beginning on April 1, 2007. The average coupon interest rate is 4%. Principal of the Series B 2006 Notes is expected to be paid from the proceeds of the Take-Out Bonds. The Authority has covenanted to use its best efforts to issue the Take-Out Bonds on or before the Maturity Date to provide funds to pay the principal of the Series 2006 Notes due on the Maturity Date – October 1, 2009.

\$4,475,000

The Measure A one-half percent sales tax revenues approved by the electorate in 2004 are pledged for principal and interest payments. The tax begins April 1, 2009 and expires March 31, 2039.

The activity of the Authority's long-term liabilities during the year ended June 30, 2007 are as follows:

	Balance July 1, <u>2006</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2007</u>
2006 Series A Notes		\$95,615,000		\$95,615,000
2006 Series B Notes		4,475,000		4,475,000
Plus unamortized note premium		<u>1,583,487</u>	<u>(\$ 43,699)</u>	<u>1,539,788</u>
		<u>\$101,673,487</u>	<u>(\$ 43,699)</u>	<u>\$101,629,788</u>
Compensated absences	<u>\$ 53,087</u>	<u>\$ 24,950</u>	<u>(\$20,677)</u>	<u>\$ 57,360</u>
No amounts are due within one year				

The following is a schedule of maturities for long-term debt:

	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
Year Ended June 30,			
2008		\$4,148,600	\$4,148,600
2009		4,148,600	104,238,600
2010		<u>\$100,090,000</u>	<u>102,164,300</u>
Total		<u>\$100,090,000</u>	<u>\$ 110,461,500</u>

Interest Rate Swaps Effective Date of October 1, 2009

Objective of the interest rate swaps. On October 18, 2006, the Sacramento Transportation Authority (the "Authority") entered into three forward interest rate swaps for \$106,100,000 each in order to hedge the interest rate risk associated with the Sacramento Transportation Authority Sales Tax Revenue Bonds, Series 2009 (the "Bonds"), to be issued on or before October 1, 2009, and whose initial interest rate mode will be variable.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2007

NOTE 8 – LONG-TERM LIABILITIES (CONT)

Terms. The initial notional amounts of the swaps were \$106,100,000 each. Under two of the swaps, the Authority pays the counterparty a fixed payment of 3.7360 percent and receives a variable payment based on 67 percent of the one month London Interbank Offered Rate (LIBOR). Under the third swap, the Authority pays the counterparty a fixed payment of 4.3825 percent and receives a variable payment based on the SIFMA Municipal Swap Index (formerly the Bond Market Association or BMA Municipal Swap Index). The notional amounts and maturity dates of the swaps match the principal amounts and the maturity dates of the bonds expected to be issued. The variable-rate coupons of the hedged bonds are expected to closely match the SIFMA and percentage of LIBOR rates paid monthly.

Fair value. Because long term interest rates have increased since execution of the swaps, the swaps had a total positive fair value of \$5,839,023 as of June 30, 2007. The Bank of America swap had a positive fair value of \$2,631,310, the Goldman Sachs Capital Markets swap had a fair value of \$2,631,431, and the Bear Stearns Financial Products swap had a fair value of \$576,282. The fair values were estimated by an independent third-party based on mid-market levels as of the close of business on June 29, 2007. The fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of the swaps. The fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement payment on the swaps.

Since the end of June, as the sub-prime crisis has spread and the market anticipates a weaker economy, long-term interest rates have fallen, causing a reduction in the value of the swaps.

Credit risk. This is the risk that the counterparty will fail to perform under the terms of the agreement. As of June 30, 2007, the Authority was exposed to credit risk on these swaps in the amount of \$5,839,023 which is the derivatives' fair value. However, should interest rates change and the fair value of the swap becomes negative, the Authority would not be exposed to any credit risk. In order to mitigate this risk, the Authority diversified its exposure among three counterparties. As of June 30, 2007 the swap counterparties were rated Aaa (Bank of America and Bear Stearns Financial Products) and Aa3 (Goldman Sachs Capital Markets) by Moody's and AA+ (Bank of America), AA- (Goldman Sachs Capital Markets), and AAA (Bear Stearns Financial Products) by Standard & Poor's. The swap agreements contain varying collateral agreements with the counterparties. The swaps require collateralization of the fair value of the swap should the counterparty's credit rating fall below the applicable thresholds.

Basis risk. This is the risk of a mismatch between the variable rate received from the counterparty and the variable rate paid on the variable rate debt expected to be issued in October 2009. The Authority is exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the Authority pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the effective fixed rate on the debt will vary. Based on current and historical experience, we expect the payments received under the agreements to approximate the expected bond payments over the 29 year term of the swaps.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2007

Termination risk and termination payments. This is the risk that the transaction is terminated in a market dictating a termination payment by the Authority. The Authority can terminate a swap at the fair market value by providing notice to the counterparty, while the counterparty may only

NOTE 8 – LONG-TERM LIABILITIES (CONT)

terminate the swap upon certain termination events under the terms of the agreement. The Authority or the counterparties may terminate the swap if the other party fails to perform under the terms of the contracts, such as the failure to make swap payments. If the swap is terminated, the expected variable-rate bonds would no longer be hedged. Given the positive fair value as of June 30, 2007, the Authority was in a favorable termination position relative to the market.

NOTE 9 – SUBSEQUENT EVENTS

In October, the Authority issued approximately \$80 million in tax revenue notes. This issue allows the Authority to expedite transportation projects to be funded under the “New Measure A” that the voters passed in 2004. This new tax begins in 2009. Proceeds of the new tax will be used to repay the debt issue.

SACRAMENTO TRANSPORTATION AUTHORITY
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 JUNE 30, 2007

	SAVSA	COLLABORATIVE	TOTALS
ASSETS			
Cash and investments	\$ 344,174		\$ 344,174
Interest receivable	17,043	\$ 1,657	18,700
Due from other governmental agencies	296,360		296,360
TOTAL ASSETS	<u>\$ 657,577</u>	<u>\$ 1,657</u>	<u>\$ 659,234</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 287,819		\$ 287,819
Due to other funds	-		0
Deposits	34,511		34,511
Total liabilities	<u>322,330</u>		<u>322,330</u>
FUND BALANCE:			
Unreserved and undesignated	<u>335,247</u>	<u>\$ 1,657</u>	<u>336,904</u>
Total fund balance	<u>335,247</u>	<u>1,657</u>	<u>336,904</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 657,577</u>	<u>\$ 1,657</u>	<u>\$ 659,234</u>

SACRAMENTO TRANSPORTATION AUTHORITY
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2007

	SAVSA	COLLABORATIVE	TOTALS
REVENUES:			
Vehicle registration fees	\$ 1,144,870		\$ 1,144,870
Use of money and property - interest	32,533	\$ 2,551	35,084
Unrealized gain/(loss)	100	624	724
Total revenues	<u>1,177,503</u>	<u>3,175</u>	<u>1,180,678</u>
EXPENDITURES:			
Current:			
General government:			
Intergovernmental	1,199,866		1,199,866
Total expenditures	<u>1,199,866</u>	<u>0</u>	<u>1,199,866</u>
EXCESS OF REVENUES OVER EXPENDITURES	(22,363)	3,175	(19,188)
OTHER FINANCING SOURCES (USES):			
Operating transfers in			0
Operating transfers out	(32,712)	(68,516)	(101,228)
Total other financing sources (uses)	<u>(32,712)</u>	<u>(68,516)</u>	<u>(101,228)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(55,075)	(65,341)	(120,416)
FUND BALANCE, JULY 1, 2007	<u>390,322</u>	<u>66,998</u>	<u>457,320</u>
FUND BALANCE, JUNE 30, 2007	<u>\$ 335,247</u>	<u>\$ 1,657</u>	<u>\$ 336,904</u>

**SACRAMENTO TRANSPORTATION AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Vehicle license fee	\$ 1,175,000	\$ 1,175,000	\$ 1,148,814	\$ (26,186)
Use of money and property - interest	5,000	5,000	32,633	27,633
Total revenues	<u>1,180,000</u>	<u>1,180,000</u>	<u>1,181,447</u>	<u>1,447</u>
EXPENDITURES:				
Current:				
General government:				
Intergovernmental	1,231,767	1,231,767	1,199,866	31,901
Total expenditures	<u>1,231,767</u>	<u>1,231,767</u>	<u>1,199,866</u>	<u>31,901</u>
EXCESS OF REVENUES OVER EXPENDITURES	(51,767)	(51,767)	(18,419)	33,348
OTHER FINANCING SOURCES (USES):				
Transfers out	(32,000)	(32,000)	(32,712)	(712)
Total other financing sources (uses)	<u>(32,000)</u>	<u>(32,000)</u>	<u>(32,712)</u>	<u>(712)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(83,767)	(83,767)	(51,131)	32,636
BUDGETARY FUND BALANCE, JULY 1, 2006	<u>99,040</u>	<u>99,040</u>	<u>89,929</u>	<u>(9,111)</u>
BUDGETARY FUND BALANCE, JUNE 30, 2007	<u>\$15,273</u>	<u>\$15,273</u>	<u>\$38,798</u>	<u>\$23,525</u>

The notes to the financial statements are an integral part of this statement

SACRAMENTO TRANSPORTATION AUTHORITY
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	July 1, 2006			June 30, 2007
	Balance	Additions	Deletions	Balance
SACRAMENTO AIR QUALITY MANAGEMENT DISTRICT				
Assets:				
Cash and Investments	\$ 3,152,667	\$ 1,828,733	\$ 1,020,939	\$ 3,960,461
Due from other funds	-	113,543		113,543
Interest receivable	61,574	88,726	61,574	88,726
Total Assets	\$ 3,214,241	\$ 2,031,002	\$ 1,082,513	\$ 4,162,730
Liabilities:				
Warrants payable		\$ 463,598		\$ 463,598
Deposits	\$ 3,214,241	1,567,404	\$ 1,082,513	3,699,132
Total Liabilities	\$ 3,214,241	\$ 2,031,002	\$ 1,082,513	\$ 4,162,730

CITY OF SACRAMENTO

Assets:				
Cash and Investments	\$ 39,626,835	\$ 14,778,874	\$ 11,382,481	\$ 43,023,228
Due from other funds	129,380	1,568,327	129,380	1,568,327
Interest receivable	688,045	888,258	688,045	888,258
Total Assets	\$ 40,444,260	\$ 17,235,459	\$ 12,199,906	\$ 45,479,813
Liabilities:				
Deposits	\$ 40,444,260	\$ 17,235,459	\$ 12,199,906	\$ 45,479,813
Total Liabilities	\$ 40,444,260	\$ 17,235,459	\$ 12,199,906	\$ 45,479,813

COUNTY OF SACRAMENTO

Assets:				
Cash and Investments	\$21,192,971	\$ 17,806,656	\$13,510,265	\$25,489,362
Due from other funds	1,283,204	1,079,918	1,283,204	1,079,918
Interest receivable	287,332	564,674	287,332	564,674
Total Assets	\$22,763,507	\$19,451,248	\$15,080,801	\$27,133,954
Liabilities:				
Deposits	\$ 22,763,507	\$ 19,451,248	\$ 15,080,801	\$ 27,133,954
Total Liabilities	\$ 22,763,507	\$ 19,451,248	\$ 15,080,801	\$ 27,133,954

SACRAMENTO REGIONAL TRANSIT

Assets:				
Cash and Investments	\$ 26,921,053	\$ 7,142,687	\$ 13,576,152	\$ 20,487,588
Due from other funds	117,337		117,337	-
Interest receivable	544,761	386,835	544,761	386,835
Total Assets	\$ 27,583,151	\$ 7,529,522	\$ 14,238,250	\$ 20,874,424
Liabilities:				
Due to other funds		\$ 488,086		\$ 488,086
Deposits	\$ 27,583,151	7,041,436	\$ 14,238,250	20,386,338
Total Liabilities	\$ 27,583,151	\$ 7,529,522	\$ 14,238,250	\$ 20,874,424

CITY OF FOLSOM

Assets:				
Cash and Investments	\$ 39,279	\$ 2,164		\$ 41,443
Due from other funds		605,153		605,153
Interest receivable	1,076	1,028	\$ 1,076	1,028
Total Assets	\$ 40,355	\$ 608,345	\$ 1,076	\$ 647,624
Liabilities:				
Deposits	\$ 40,355	\$ 608,345	\$ 1,076	\$ 647,624
Total Liabilities	\$ 40,355	\$ 608,345	\$ 1,076	\$ 647,624

CITY OF ISLETON

Assets:				
Cash and Investments	\$ 53,072	\$ 67,252	\$ 65,544	\$ 54,780
Due from other funds	-	4,463		4,463
Interest receivable	1,146	992	1,146	992
Total Assets	\$ 54,218	\$ 72,707	\$ 66,690	\$ 60,235
Liabilities:				
Deposits	\$ 54,218	\$ 72,707	\$ 66,690	\$ 60,235
Total Liabilities	\$ 54,218	\$ 72,707	\$ 66,690	\$ 60,235

SACRAMENTO TRANSPORTATION AUTHORITY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	July 1, 2006		June 30, 2007	
	Balance	Additions	Deletions	Balance
CITY OF GALT				
Assets:				
Cash and Investments	\$ 2,658,965	\$ 1,934,062	\$ 2,064,323	\$ 2,528,704
Due from other funds	-	124,942		124,942
Interest receivable	53,002	55,460	53,002	55,460
Total Assets	\$ 2,711,967	\$ 2,114,464	\$ 2,117,325	\$ 2,709,106
Liabilities:				
Deposits	\$ 2,711,967	\$ 2,114,464	\$ 2,117,325	\$ 2,709,106
Total Liabilities	\$ 2,711,967	\$ 2,114,464	\$ 2,117,325	\$ 2,709,106
CITY OF CITRUS HEIGHTS				
Assets:				
Cash and Investments	\$ 2,127,393	\$ 2,554,094	\$ 1,932,850	\$ 2,748,637
Due from other funds	-	303,191		303,191
Interest receivable	54,795	59,452	54,795	59,452
Total Assets	\$ 2,182,188	\$ 2,916,737	\$ 1,987,645	\$ 3,111,280
Liabilities:				
Warrants payable		\$ 222,616		\$ 222,616
Deposits	\$ 2,182,188	2,694,121	\$ 1,987,645	2,888,664
Total Liabilities	\$ 2,182,188	\$ 2,916,737	\$ 1,987,645	\$ 3,111,280
CITY OF ELK GROVE				
Assets:				
Cash and Investments	\$ 4,057,845	\$ 3,569,703	\$ 1,976,251	\$ 5,651,297
Due from other funds	-	420,740		420,740
Interest receivable	96,144	103,927	96,144	103,927
Total Assets	\$ 4,153,989	\$ 4,094,370	\$ 2,072,395	\$ 6,175,964
Liabilities:				
Warrants payable	\$ 1,960,330	\$ 3,536,556	\$ 1,960,330	\$ 3,536,556
Deposits	2,193,659	557,814	112,065	2,639,408
Total Liabilities	\$ 4,153,989	\$ 4,094,370	\$ 2,072,395	\$ 6,175,964
CITY OF RANCHO CORDOVA				
Assets:				
Cash and Investments	\$ 2,925,720	\$ 2,714,692	\$ 2,448,049	\$ 3,192,363
Due from other funds	-	359,583		359,583
Interest receivable	47,777	71,656	47,777	71,656
Total Assets	\$ 2,973,497	\$ 3,145,931	\$ 2,495,826	\$ 3,623,602
Liabilities:				
Warrants payable		\$ 555,850		\$ 555,850
Deposits	\$ 2,973,497	2,590,081	\$ 2,495,826	3,067,752
Total Liabilities	\$ 2,973,497	\$ 3,145,931	\$ 2,495,826	\$ 3,623,602
TOTAL AGENCY FUNDS				
Assets:				
Cash and Investments	\$ 102,755,800	\$ 52,398,917	\$ 47,976,854	\$ 107,177,863
Due from other funds	1,529,921	4,579,860	1,529,921	4,579,860
Interest receivable	1,835,652	2,221,008	1,835,652	2,221,008
Total Assets	\$ 106,121,373	\$ 59,199,785	\$ 51,342,427	\$ 113,978,731
Liabilities:				
Warrants payable	\$ 1,960,330	\$ 4,778,620	\$ 1,960,330	\$ 4,778,620
Due to other funds		488,086		488,086
Deposits	\$ 104,161,043	53,933,079	49,382,097	108,712,025
Total Liabilities	\$ 106,121,373	\$ 59,199,785	\$ 51,342,427	\$ 113,978,731

STATISTICAL SECTION

This part of the Sacramento Transportation 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 government's overall financial health.

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.

Revenue Capacity – These schedules contain information to help the reader assess the Authority's most significant local revenue source - sales tax.

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 and to help make comparisons over time and with other governments.

Operating Information – These schedules contain information about the Authority's operation and resources to help the reader understand how the Authority's financial information relates to the services the Authority provides and the activities it performs.

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 2003; schedules presenting government-wide information include information beginning in that year.

SACRAMENTO TRANSPORTATION AUTHORITY

Net Asset by Component
(Accrual basis of Accounting)

	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities:					
Restricted for debt service					\$ 10,721,864
Restricted for New Measure A					53,736,986
Unrestricted	\$ 25,786,678	\$ 32,441,098	\$ 36,790,648	\$ 33,368,935	(80,510,121)
Total governmental activities net assets	<u>\$ 25,786,678</u>	<u>\$ 32,441,098</u>	<u>\$ 36,790,648</u>	<u>\$ 33,368,935</u>	<u>\$ (16,051,271)</u>

The Authority implemented GASB 34 during the Fiscal Year
June 30, 2003 - Information prior to that date is not available

Source - Authority financials

SACRAMENTO TRANSPORTATION AUTHORITY
Changes in Net Assets
(accrual basis of accounting)

	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Program Revenues					
Operating grants and contributions	\$ 2,987,944	\$ 3,258,656	\$ 3,265,658	\$ 3,038,830	\$ 2,856,376
Expenses					
Governmental Activities:					
Measure A	87,268,710	\$ 90,344,579	\$ 98,303,111	\$ 113,885,339	\$ 118,452,646
Freeway Service Patrol	1,431,379	1,572,890	1,495,634	1,555,435	1,643,363
Abandoned Vehicle Service Authority	994,979	1,110,975	1,093,842	1,178,658	1,199,866
New Measure A					37,396,454
Interest on long-term debt					2,491,557
Collaborative	951,076	904,957	892,620	455,910	
Total expenses	<u>90,646,144</u>	<u>93,933,401</u>	<u>101,785,207</u>	<u>117,075,342</u>	<u>161,183,886</u>
Net (expense) revenue	(87,658,200)	(90,674,745)	(98,519,549)	(114,036,512)	(158,327,510)
General revenues:					
Sales taxes	89,974,536	97,159,755	102,385,507	109,688,836	105,366,507
Unrestricted investment earnings	222,268	169,410	483,592	925,963	3,540,796
Total general revenues	<u>90,196,804</u>	<u>97,329,165</u>	<u>102,869,099</u>	<u>110,614,799</u>	<u>108,907,303</u>
Change in net assets	<u>\$ 2,538,604</u>	<u>\$ 6,654,420</u>	<u>\$ 4,349,550</u>	<u>\$ (3,421,713)</u>	<u>\$ (49,420,207)</u>

The Authority implemented GASB 34 during the Fiscal Year June 30, 2003 - Information prior to that date is not available

Source - Authority financials

SACRAMENTO TRANSPORTATION AUTHORITY
Fund Balances of Governmental Funds
(modified accrual basis of accounting)

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General fund										
Reserved	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	
Reserved for New Measure A Projects										\$ 53,736,986
Unreserved:										
Designated for:										
Revenue estimate adjustments	3,709,486	3,921,720	4,164,323	4,374,294	4,557,890	4,664,510	6,942,317	7,104,690	6,393,630	4,226,954
Litigation contingency	606,125	519,297	486,410	492,151	499,303	490,302	498,400	476,689	497,542	516,689
Administrative reserve	966,205	1,047,611	1,138,180	1,217,557	1,295,456	1,352,263	1,374,596	1,432,497		
FSP Radios				30,000	30,000	30,000				
Unreserved and undesignated	14,211,697	16,891,758	21,387,093	19,179,796	16,567,673	18,889,733	23,290,295	27,383,158	26,063,530	16,243,059
Total general fund	<u>\$ 19,503,513</u>	<u>\$ 22,390,386</u>	<u>\$ 27,186,006</u>	<u>\$ 25,303,798</u>	<u>\$ 22,960,322</u>	<u>\$ 25,436,808</u>	<u>\$ 32,115,608</u>	<u>\$ 36,407,034</u>	<u>\$ 32,964,702</u>	<u>\$ 74,723,688</u>
All other governmental funds										
Reserved for debt service										\$ 10,721,864
Unreserved										
Unreserved, reported in										
Special revenue fund - SAVSA	\$ 278,422	\$ 269,803	\$ 288,940	\$ 308,376	\$ 327,937	\$ 387,084	\$ 362,938	\$ 429,074	\$ 390,322	336,904
Special revenue fund - Collaborative					40	1,617	2,770	759	66,998	
Total all other governmental funds	<u>\$ 278,422</u>	<u>\$ 269,803</u>	<u>\$ 288,940</u>	<u>\$ 308,376</u>	<u>\$ 327,977</u>	<u>\$ 388,701</u>	<u>\$ 365,708</u>	<u>\$ 429,833</u>	<u>\$ 457,320</u>	<u>\$ 11,058,768</u>

Source - Authority financials

SACRAMENTO TRANSPORTATION AUTHORITY
Changes in Fund Balances of Governmental Funds
(modified accrual basis of accounting)

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
Taxes	\$ 65,056,187	\$ 69,163,509	\$ 77,964,580	\$ 87,928,731	\$ 84,500,999	\$ 89,974,536	\$ 97,159,755	\$ 102,385,507	\$ 109,688,836	\$ 105,366,507
Vehicle registration fees	927,306	957,994	1,003,192	1,038,861	1,051,175	1,074,183	1,112,098	1,139,965	1,142,226	1,144,870
Contributions					596,088	725,491	679,959	655,968	405,595	
State grant	419,352	500,878	431,064	719,801	950,477	702,200	759,840	761,204	772,879	951,204
Federal grant	553,875	325,225	612,161							
SAFE Funds		125,000	375,000	375,000	375,000	400,000	620,000	620,000	610,000	640,000
Planning services										
Use of money and property - interest	394,459	477,575	699,298	917,584	512,435	261,790	187,073	426,817	932,080	3,542,668
Unrealized gain/(loss)	56,156	(161)	(6,223)	108,501	(65,500)	(40,952)	(17,663)	56,775	(6,318)	(1,872)
Miscellaneous	18,447	13,052	51,349					3,416	201	
Yolo County				62,094	85,888	86,070	86,759	85,105	108,130	120,302
Total Revenues	67,425,782	71,563,072	81,130,421	91,150,572	88,006,562	93,183,318	100,587,821	106,134,757	113,653,629	111,763,679
Expenditures										
General government:										
Administrative	362,332	444,653	495,595	524,761	1,243,646	1,495,792	1,784,019	1,814,604	1,235,780	493,837
Freeway service patrol	965,580	1,008,595	1,070,904	1,186,809	1,353,067	1,431,379	1,572,890	1,495,634	1,555,435	1,643,363
Intergovernmental	63,751,423	67,231,570	74,749,166	91,301,773	87,733,690	87,718,971	90,575,105	98,468,968	114,277,259	156,319,967
Debt Service										
Interest and other charges										2,619,565
Total expenditures	65,079,335	68,684,818	76,315,665	93,013,343	90,330,403	90,646,142	93,932,014	101,779,206	117,068,474	161,076,732
Excess of Revenues over Expenditures	2,346,447	2,878,254	4,814,756	(1,862,771)	(2,323,841)	2,537,176	6,655,807	4,355,551	(3,414,845)	(49,313,053)
Other Financing Sources (Uses)										
Transfers in	26,736	23,724	28,087	28,335	250,380	249,907	255,089	255,200	139,674	11,970,833
Transfers out	(26,736)	(23,724)	(28,087)	(28,335)	(250,380)	(249,907)	(255,089)	(255,200)	(139,674)	(11,970,833)
Issuance of long term debt										101,673,487
Total other financing sources (uses)	0	0	0	0	0	0	0	0	0	101,673,487
Net change in fund balances	\$ 2,346,447	\$ 2,878,254	\$ 4,814,756	\$ (1,862,771)	\$ (2,323,841)	\$ 2,537,176	\$ 6,655,807	\$ 4,355,551	\$ (3,414,845)	\$ 52,360,434

Source - Authority financials

SACRAMENTO TRANSPORTATION AUTHORITY
REVENUE CAPACITY - REVENUE BASE AND REVENUE RATE
 FY 1998 through FY 2007 (in thousands)

Fiscal Year	Authority Sales Tax Rate	Total Sales Tax Revenue	Total Taxable Sales
2007	0.5%	105,367	21,073,400*
2006	0.5%	109,689	21,937,800*
2005	0.5%	102,386	21,266,500
2004	0.5%	97,160	20,216,922
2003	0.5%	89,975	18,506,466
2002	0.5%	84,501	17,557,559
2001	0.5%	87,929	17,221,801
2000	0.5%	77,965	16,593,725
1999	0.5%	69,164	14,979,393
1998	0.5%	65,056	13,328,646

Source: Board of Equalization

* Estimate - actuals not available

SACRAMENTO TRANSPORTATION AUTHORITY
REVENUE CAPACITY - PRINCIPAL REVENUE PAYERS
 Calendar Year 2006 and 1998

	2006 *			1998		
	Rank	Amount	Percentage of Taxable Sales	Rank	Amount	Percentage of Taxable Sales
All Other Outlets	1	4,093,482	23.8%	1	3,993,656	30.0%
Automotive	2	3,137,263	18.2%	2	2,269,922	17.0%
General Merchandise Stores	3	2,261,085	13.1%	3	1,663,856	12.5%
Specialty Stores	4	2,145,949	12.5%	4	1,449,835	10.9%
Eating & Drinking Places	5	1,261,012	7.3%	5	1,008,866	7.6%
Building Materials	6	1,162,138	6.8%	6	766,340	5.7%
Food Stores	7	912,311	5.3%	7	641,284	4.8%
Business & Personal	8	664,702	3.9%	8	619,589	4.6%
Apparel Stores	9	600,177	3.5%	10	364,544	2.7%
Household & Home Furnishings	10	480,644	2.8%	9	489,935	3.7%
All Other Retail Stores	11	477,616	2.8%	11	60,809	0.5%
Total All Outlets		<u>17,196,379</u>	<u>100.0%</u>		<u>13,328,636</u>	<u>100.0%</u>

Source: Board of Equalization

* through 3rd quarter - latest information available

SACRAMENTO TRANSPORTATION AUTHORITY
PRIVATE SECTOR PRINCIPAL EMPLOYERS
Calendar Year 2006 and 1998

	2006 *			1998		
	Rank	Employees	Percentage of Total County Employment	Rank	Employees	Percentage of Total County Employment
Kaiser Permanente	1	11,729	2.31%	2	5,156	1.01%
Sutter/California Health Services	2	11,284	2.22%	1	9,500	1.87%
Raley's Inc./Bel Air	3	8,203	1.61%	4	4,850	0.95%
University of California Davis Medical Center	4	8,000	1.57%			
Intel Corporation	5	6,500	1.28%	8	3,800	0.75%
SBC Communications (formerly Pacific Bell)	6	5,753	1.13%	6	4,433	0.87%
CHW/Mercy Health Care	7	5,229	1.03%	7	4,376	0.86%
Hewlett-Packard	8	4,500	0.89%	3	5,000	0.98%
Target Corporation	9	3,693	0.73%			
Wal-Mart Stores, Inc.	10	3,300	0.65%			
Packard Bell				5	4,500	0.89%
Albertson's, Inc.				9	3,500	0.69%
Bank of America				10	2,388	0.47%
Total		68,191	13.42%		47,503	100.0%

Source: Sacramento Business Journal

SACRAMENTO TRANSPORTATION AUTHORITY
OPERATING INFORMATION - EMPLOYEES
 FY 1998 through FY 2007

Activity	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Measure A *	2.45	2.45	2.5	2.5	2.6	2.6	2.4	2.4	2.4	2.4
Freeway Service Patrol	1.35	1.35	1.3	1.3	1.3	1.2	1.4	1.4	1.4	1.4
SAVSA	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2

* starting in 2007, includes New Measure A

Source - Authority records

SACRAMENTO TRANSPORTATION AUTHORITY
OPERATING INFORMATION - DEMAND FOR SERVICE
MEASURE A - By Jurisdiction
FY 1998 through FY 2007

Jurisdiction	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
SMAQMD	1,786,043	1,712,031	1,485,865	1,366,560	1,314,000	1,314,000	1,365,860	1,117,028	1,003,662	951,286
RT South Line	5,399,139	5,535,678	4,664,757	4,184,634	3,877,614	3,723,876	3,606,166	2,855,595	2,477,711	2,282,362
Folsom	370,298						33,358			
City of Rancho Cordova	2,948,026	2,715,086	2,334,479							
Galt	1,946,664	1,849,731	1,609,751	1,462,420	1,375,101	1,272,609	1,365,860	1,046,326	912,497	847,381
Isleton	69,539	69,436	61,827	61,668	59,787	59,787	3,606,166	50,862	48,304	44,534
Paratransit	2,169,072	2,078,635	1,791,059	1,647,777	1,601,950	1,607,075	33,358	1,374,174	1,236,663	1,173,567
Regional Transit	37,888,003	36,376,101	31,343,525	28,836,096	28,034,124	28,123,804	29,375,412	24,048,057	21,641,588	20,537,421
City of Citrus Heights	4,680,394	4,407,218	4,028,138	3,789,063	3,708,915	3,968,831	4,151,995	3,441,276	2,814,487	
City of Elk Grove	6,500,846	5,409,744	4,517,116	3,529,539	3,118,516	3,234,800				
City of Sacramento	24,214,996	22,296,911	19,994,205	18,472,980	17,898,667	18,062,233	18,850,627	15,505,225	14,013,621	13,348,913
County of Sacramento	29,981,516	30,648,029	25,544,405	26,113,391	25,735,326	25,356,985	29,873,115	24,339,999	22,126,747	23,618,445

Source - Authority records

SACRAMENTO TRANSPORTATION AUTHORITY
OPERATING INFORMATION -
ABANDONED VEHICLE ABATEMENTS
FY 1998 through FY 2007

Fiscal Year	Total Number of Abatement
2007	14,690
2006	18,008
2005	20,848
2004	17,554
2003	20,050
2002	19,880
2001	16,596
2000	17,047
1999	14,521
1998	10,919