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MANAGEMENT LETTER

To the Board of Directors
Sacramento Transportation Authority
Sacramento, California

In planning and performing our audit of the financial statements of the Sacramento Transit Authority (the Authority) as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

However, during our audit, we became aware of the following matters that have been included in this letter for your consideration:

Financial Review

Because of the small staff size, it is difficult for the Authority to ensure complete segregation of duties. To mitigate this risk, it is important that management provide a certain level of review and oversight. Accordingly, we recommend that budget to actual comparisons be reviewed by the Executive Director on a quarterly basis and also be included in the Board/ITOC packets for review quarterly.

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This communication is intended solely for the information and use of management, the Board of Directors and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Richardson & Company, LLP

December 23, 2016