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INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT TESTING

Board of Directors
Sacramento Transportation Authority
Sacramento, California

We have applied the procedures enumerated below to the accompanying calculation of the Appropriation Limit of the Sacramento Transportation Authority for the year ended June 30, 2017. These procedures, which were agreed to by the Sacramento Transportation Authority and the League of California Cities (as presented in the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*) were performed solely to assist the Sacramento Transportation Authority in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution.

This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the Sacramento Transportation Authority's calculation of the 2016/2017 appropriations limit and compared the limit and annual adjustment factors included in the calculation to the limit and annual adjustment factors that were adopted by resolution of the Board of Directors.

Finding: No exceptions were noted as a result of our procedures.

2. We compared the methodology used to determine the cost of living adjustment component to Article XIII B which states that the Sacramento Transportation Authority may annually adjust the component for either the change in California per capita personal income or, the percentage change in the Sacramento Transportation Authority's assessed valuation which is attributable to non-residential new construction. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the methodology used to determine the population adjustment component to Article XIII B which states that the Sacramento Transportation Authority may annually choose to adjust the component for either the change in population in the County in which the Sacramento Transportation Authority is located, or the change in population within the unincorporated area of the County in which the Sacramento Transportation Authority is located. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Calculation to the prior year appropriations limit adopted by the Board of Directors for the prior year.

Finding: No exceptions were noted as a result of our procedures.

5. We recalculated the 2016/2017 Appropriation Limit by multiplying the product of the two above factors by the 2015/2016 appropriation limit.

Finding: No exceptions were noted as a result of our procedures.

6. We compared the Sacramento Transportation Authority's actual expenditures to the computed appropriation limit for fiscal year 2016/2017.

Finding: For the 2016/2017 fiscal year the Sacramento Transportation Authority's actual expenditures and actual revenues did not exceed the appropriation limit calculated by us.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit calculation. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*.

This report is intended solely for the use of the Sacramento Transportation Authority and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Richardson & Company, LLP

December 18, 2017

APPENDIX A

**SACRAMENTO TRANSPORTATION AUTHORITY
APPROPRIATION LIMIT CALCULATION**

Year Ended June 30, 2017

**APPROPRIATION LIMIT
ADOPTED BY CITY:**

Recorded in Final 2016/2017 Budget \$ 245,944,139

**APPROPRIATION LIMIT
COMPUTATION PER REVIEW:**

2015/2016 Appropriation Limit \$ 231,328,068

Cost of Living Factor:

Change in California per capita income 1.00900

Population Adjustment Factor:

Population change in Sacramento County 1.06318

Auditor computed limitation 245,944,139

Variance \$ 0