



A G E N D A

MEASURE A – INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

SACRAMENTO COUNTY ADMINISTRATION BUILDING
700 H STREET -- HEARING ROOM 1
SACRAMENTO, CALIFORNIA

THURSDAY

DECEMBER 4, 2014

4:00 P.M.

MEMBERS: JOAN BORUCKI; RUSSELL DAVIS; MAUREEN PASCOE;
SUSAN PETERS; BRIAN WILLIAMS

1. **Call to Order / Introductions**
2. **Comments from the Public Regarding Matters Not on the Agenda**
3. **Status Report of Measure A On-going Programs, 1st Quarter FY 2014-15 ***
4. **Status Reports of Measure A Capital Projects, 1st Quarter FY 2014-15 ***
5. **Cumulative FY 2014-15 Measure A Revenue Report ***
6. **FY 2013-14 Comprehensive Annual Financial Report ***
7. **Results of Independent Audit for FY 2013-14 ***
8. **Comments from Committee Members**

* Staff report and associated materials can be viewed or downloaded at www.sacta.org
For a paper copy of all associated materials, please contact Jennifer Doll: 916-323-0897; jennifer@sacta.org

MEASURE A INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

December 4, 2014
Item #3

Subject: Status Report of Measure A On-Going Programs, 1st Quarter FY 2014-15

Recommendation

Receive and file the Measure A on-going annual program status report for the quarter ended September 30, 2014.

Discussion

Contracts between the STA and Measure A entities require that the entities submit quarterly status reports. The purpose of these reports is to provide the STA Board and the public with timely information on the progress of Measure A projects and programs.

The status information attached hereto shows revenues and expenditures for on-going Measure A programs for the quarter ended September 30, 2014. The affected funds are distributed to local transportation agencies according to the formula set forth in the Measure A Ordinance. The funds are distributed monthly as they are received from the Board of Equalization. A summary sheet of all related expenditures (green) is followed by a more detailed breakout of eligible program expenditures for each of the Measure A entities.

Attachments

Staff Contact: Lisa Valine

**SACRAMENTO TRANSPORTATION AUTHORITY
MEASURE A ON-GOING ANNUAL PROGRAMS - DISTRIBUTIONS & EXPENDITURES**

AS OF SEPTEMBER 30, 2014

JURISDICTION	DISTRIBUTION			EXPENDITURES		TOTAL UNEXPENDED
	<i>Unexpended FY 2013/14</i>	<i>1st Qtr 2015</i>	<i>Year to Date FY 14 & FY 15</i>	<i>1st Qtr 2015</i>	<i>Year to Date FY 15</i>	
Citrus Heights	\$ 2,156,472	\$ 526,194	\$ 2,682,666	\$ 234,862	\$ 234,862	\$ 2,447,804
Elk Grove	3,546,307	1,050,358	4,596,665	154,125	154,125	4,442,540
Folsom	1,652,106	512,761	2,164,866	384,736	384,736	1,780,130
Rancho Cordova	2,514,589	488,215	3,002,804	644,194	644,194	2,358,610
City of Sacramento	9,058,313	3,057,334	12,115,647	722,222	722,222	11,393,425
County of Sacramento	2,457,907	4,028,932	6,486,839	3,263,021	3,263,021	3,223,818
Isleton	47,216	10,646	57,862	-	-	57,862
Galt	2,458,829	266,157	2,724,986	280,136	280,136	2,444,850
SMAQMD	201,525	391,334	592,859	388,080	388,080	204,779
Paratransit	-	913,113	913,113	913,113	913,113	-
Sacramento Regional Parks	121,421	250,000	371,421	195,440	195,440	175,981
Regional Transit	-	9,000,680	9,000,680	9,000,680	9,000,680	-
Sub - Total	\$ 24,214,685	\$ 20,495,724	\$ 44,710,408	\$ 16,180,609	\$ 16,180,609	\$ 28,529,799
Neighborhood Shuttle	5,042,455	250,000	5,296,863	-	-	5,296,863
CTSA Set Aside	4,493,777	260,889	4,758,542	-	-	4,758,542
Total	\$ 33,750,917	\$ 21,006,613	\$ 54,765,813	\$ 16,180,609	\$ 16,180,609	\$ 38,585,204

MEASURE A INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

December 4, 2014
Item #4

Subject: Status Reports of Measure A Capital Projects, 1st Quarter FY 2014-15

Recommendation

Receive and file status reports of active Measure A capital projects.

Discussion

Status reports of Measure A capital projects currently in progress are attached hereto. The reports provide an overview of the delivery and construction status for each of the “active” Measure A capital projects effective September 30, 2014. The project summaries were prepared by the project managers at the responsible local agencies, and reviewed by STA staff.

The status reports are preceded by a cumulative one-page summary (green) of the allocation and expenditure progress of pay-go revenues and Measure A bond proceeds (Series 2012) for all active capital projects. The summary sheet is current through November 3, 2014.

Attachments

Staff Contact: *Lisa Valine*

SACRAMENTO TRANSPORTATION AUTHORITY
New Measure A Capital Projects - Series 2012
FY 14/15
Status through November 3, 2014

Sponsor	Project	Capital Project Allocation (FY 09/10 thru FY 14/15)	Total Expended	Balance Remaining	Project Phase
County	Hazel Ave: County Line to Folsom Blvd	22,473,497	21,175,011	1,298,486	Phase I - Complete Phase II - Final Design / ROW
	Hazel Ave: US Highway 50 to Folsom Blvd	3,086,000	142,345	2,943,655	In Design
	Watt Ave / US 50 Interchange	11,265,000	8,596,517	2,668,483	In Construction
Caltrans	US 50 Bus / Carpool Lanes - Phase I	29,186,000	25,783,797	3,402,203	Complete
	US 50 Bus / Carpool Lanes - Phase II	5,551,000	2,677,469	2,873,531	Planning / Environmental
Caltrans	I 80 Bus / Carpool Lanes	500,000	483,162	16,838	In Construction
Sacramento	Downtown Intermodal Station (Phase I and II)	37,969,000	20,045,147	17,923,853	In Construction
	Cosumnes River Blvd (Freeport - Franklin & I-5 Interchg)	10,204,000	5,254,750	4,949,250	In Construction
Rancho Cordova	Folsom Blvd Streetscape (Bradshaw to Sunrise)	5,928,000	4,308,391	1,619,609	Phase III - Complete Phase IV - In Design
Citrus Heights	Sunrise Blvd: Antelope to North City Limits, west side	4,528,000	3,825,921	702,079	In Construction
Regional Transit	Downtown Natomas Airport - Green Line to the Airport	35,728,510	34,509,946	1,218,564	Phase I - Complete Phase II - Planning
	South Sacramento LRT Corridor Phase II	16,429,490	15,913,033	516,457	In Construction
Connector JPA	I-5 / SR 99 US 50 Connector <small>(Capital Southeast Connector expenditures & balance remaining include "Pay Go")</small>	10,942,546	9,477,171	1,465,375	Planning
		\$ 211,004,130	\$ 169,872,662	\$ 41,598,380	

SACRAMENTO TRANSPORTATION AUTHORITY
New Measure A Capital Projects - Series 2012
FY 14/15
11/3/14

Sponsor	Project	Capital Project	Bond Year	Expended in FY 14/15 (2)	Remaining	Project Phase
		Allocation (1) FY 09/10 thru FY 14/15				
County	Hazel Ave: County Line to Folsom Blvd	1,752,529	2012	454,043	1,298,487	Phase I - Complete Phase II - Final Design / ROW
	Hazel Ave: US Highway 50 to Folsom Blvd	2,943,655	2012	-	2,943,655	In Design
	Watt Ave / US 50 Interchange	3,802,423	2012	1,133,941	2,668,483	In Construction
Caltrans	US 50 Bus / Carpool Lanes - Phase I	3,626,134	2012	223,932	3,402,203	Complete
	US 50 Bus / Carpool Lanes - Phase II	3,305,816	2012	432,286	2,873,531	Planning / Environmental
Caltrans	I 80 Bus / Carpool Lanes	16,838	2012	-	16,838	In Construction
Sacramento	Downtown Intermodal Station (Phase I and II)	18,535,102	2012	611,249	17,923,853	In Construction
	Cosumnes River Blvd (Freeport - Franklin & I-5 Interchg)	5,609,369	2012	660,119	4,949,250	In Construction
Rancho Cordova	Folsom Blvd Streetscape (Bradshaw to Sunrise)	1,630,437	2012	10,828	1,619,609	Phase III - Complete Phase IV - In Design
Citrus Heights	Sunrise Blvd: Antelope to North City Limits, west side	702,079	2012	-	702,079	In Construction
Regional Transit	Downtown Natomas Airport - Green Line to the Airport	1,291,372	2012	72,808	1,218,564	Phase I - Complete Phase II - Planning
	South Sacramento LRT Corridor Phase II	516,457	2012	-	516,457	In Construction
Connector JPA	I-5 / SR 99 US 50 Connector <small>(Capital Southeast Connector expenditures & balance remaining include "Pay Go")</small>	1,846,057	2012	380,682	1,465,374	Planning
		<u>\$ 45,578,267</u>		<u>\$ 3,979,886</u>	<u>\$ 41,598,381</u>	
<i>Reconciliation Items between GL versus spreadsheet</i>						
1) Plus: JPA Connector's "Adm" wire for FY 14/15				200,000		
2) Less: JPA "Pay Go" claims for FY 14/15				<u>(21,146)</u>		
Total Capital Expenditures per STA GL @ 8/31/14				<u>\$ 4,158,740</u>		

(1) This column includes the all allocation (FY 09/10 - FY 14/15 less all expenditures for the same fiscal years)

(2) This column only includes FY 14/15 expenditures

New Measure A Project Status Report

Quarter Ending September 30, 2014

**Project: Hazel Avenue – Phase I
County Line to Folsom Boulevard**

Design, engineering, environmental clearance, Right of Way acquisition, and construction to widen the segment between US 50 and Madison Avenue—including the American River Bridge—from four lanes to six lanes

Sponsoring Agency: County of Sacramento

Project Managers: Stephen White, Senior Civil Engineer

Status Report Date: October 31, 2014

Project Status:

Project's inception date was July 1998. NEPA and CEQA environmental clearance for the widening from Folsom Boulevard to Madison Avenue was secured in September 2006. Final design on Phase 1 (from Folsom Boulevard to Curragh Downs Drive) is complete. Right of way acquisition for Phase 1 is complete; the County has possession of required properties. The Streambed Alteration agreement for the bridge widening across the American River is in place as is the Section 401 Water Quality Certification from the Regional Water Quality Control Board. The Nationwide Permit from the Army Corps of Engineers has also been secured. A Certification No. 2 was issued for the Phase 1 right of way in December 2009. Bids were opened on February 26, 2009. Flatiron West was the low bidder; they were awarded the contract on March 24, 2009. Notice to proceed was issued on May 11, 2009. Construction of the Phase I project is complete.

Phase 2 will widen Hazel Avenue from four to six lanes between Curragh Downs Drive and Sunset Avenue with traffic signal modifications proposed at Curragh Downs, Winding Way, La Serena Drive and Sunset Avenue. Phase 3 will widen Hazel Avenue from four to six lanes between Sunset Avenue and Madison Avenue with new traffic signals proposed at Roediger Lane and Phoenix Avenue and a traffic signal modification at Madison Avenue. Both phases of work will improve existing and projected traffic congestion; enhance pedestrian and bicycle mobility; improve safety; and improve the aesthetics of the corridor. Field surveys and preliminary design are complete and final design is underway for both phases. Right of way acquisition is proceeding for Phase 2 and Phase 3. Approximately 45 total purchase properties have been acquired. An additional 90 properties require partial acquisitions. This acquisition effort is underway and ten of the 90 partial acquisitions are complete.

Pedestrian and Bike Accommodation:

Per County Standards, bike lanes and sidewalks will be provided on both sides of the roadway within the project limits and Americans with Disabilities Act (ADA) compliant ramps will be installed at all intersections. In addition to these enhancements, signalized intersections will be upgraded to include pedestrian countdown heads and audible pedestrian signals. Phase 1 also included improved bike and pedestrian facilities across the bridge and adjacent to the American River. All proposed

pedestrian and bike facility improvements will provide accommodations of bicycles and pedestrians as required by the New Measure A Ordinance.

Actual Expenditures Incurred To Date (Total Project through end of quarter):

<u>Quarter – Year</u>	<u>Amount</u>
October – December 2009	\$ 3,124,931.69
January – March 2010	\$ 2,596,808.27
April – June 2010	\$ 2,183,419.75
July – September 2010	\$ 3,782,589.02
October – December 2010	\$ 0.00
January – March 2011	\$ 0.00
April – June 2011	\$ 1,875,488.06
July – September 2011	\$ 0.00
October – December 2011	\$ 1,679,763.21
October – December 2012	\$ 1,165,974.69
January – March 2013	\$ 0.00
April – June 2013	\$ 1,728,497.27
July – September 2013	\$ 55,998.46
October – December 2013	\$ 184,549.27
January – March 2014	\$ 1,317,607.27
April – June 2014	\$ 1,025,341.20
July – September 2014	\$ 0.00
Total To Date	\$20,720,968.16

Estimated Drawn Down Schedule:

<u>Quarter – Year</u>	<u>Amount</u>
October – December 2014	\$ 750,000.00
January – March 2015	\$ 1,002,529.32

Estimated Project Completion Date:

The Phase 1 project was completed in October 2011. The Phase 2 project, widening from Curragh Downs Drive to Sunset Avenue, is expected to be complete in 2016. The Phase 3 project, widening from Sunset Avenue to Madison Avenue, is scheduled for completion in 2018.

Changes in Estimates since last report and reasons for changes:

On August 23, 2012, the Sacramento Transportation Authority (STA) Board approved a bond note in the amount of \$2,000,000 to cover ongoing design, rights-of-way, and construction costs for the subject project. In addition, there was an allocation from other project's 2009 bond notes in the amount of \$1,230,497.48 to cover costs on this project in order to meet the October 1, 2012 expenditure deadline for the 2009 Bond notes.

On January 9, 2014, the STA approved a re-allocation of \$4,000,000 from the Watt Ave @ US Highway 50 Project to the Hazel Avenue Phase I project with \$2,500,000 programming in fiscal year 2014 and \$1,500,000 in fiscal year 2015.

New Measure A Project Status Report

Quarter Ending September 30, 2014

Project: Hazel Avenue
US Highway 50 to Folsom Boulevard

Design, engineering, environmental clearance, Right of Way acquisition, and construction to upgrade the Highway 50/Hazel Avenue interchange, grade separation and associated roadway improvements and connections for the Hazel Avenue and Folsom Boulevard intersection. Improvements also include safety enhancements, landscape/streetscape, transit access, upgraded traffic signals, and intelligent transportation system improvements.

Sponsoring Agency: County of Sacramento

Project Managers: John Jaeger, Senior Civil Engineer

Status Report Date: October 31, 2014

Project Status:

Project's inception date was November 2009. The County of Sacramento Department of Transportation (SacDOT) is currently under contract for specialized professional engineering design services that are necessary to prepare the Project Study Report (PSR) for improvements at the Hazel Avenue and State Route 50 interchange and Folsom Boulevard grade separation. The scope of work for this contract proposes to perform all work necessary to define the project, produce all necessary documents required to obtain approval of the PSR and prepare cost estimates, all acceptable to the County of Sacramento, Caltrans, and FHWA. In addition, the contract work is responsible for the preparation, submittal and approval of all accompanying documents. The work also includes evaluating improvements that include modifications to the interchange structure, freeway ramps, and corresponding roadway and connection improvements with the Hazel Avenue and Folsom Boulevard grade separation. After the PSR is approved, the project will move into the project development stage to allow engineering and environmental studies to evaluate the feasibility of a preferred alternative and to determine the programming of right-of-way and construction capital costs.

Pedestrian and Bike Accommodation:

Per County Standards, bike lanes and sidewalks will be provided within the project limits and Americans with Disabilities Act (ADA) compliant ramps will be installed at all intersections. In addition to these enhancements, signalized intersections will be upgraded to include pedestrian countdown heads and audible pedestrian signals. All proposed pedestrian and bike facility improvements will provide accommodations of bicycles and pedestrians as required by the New Measure A Ordinance.

Actual Expenditures Incurred To Date (Total Project through end of quarter):

<u>Quarter – Year</u>		<u>Amount</u>
July – September 2012	\$	0.00
October – December 2012	\$	0.00
January – March 2013	\$	0.00
April – June 2013	\$	0.00

July – September 2013	\$	0.00
October – December 2013	\$	0.00
January – March 2014	\$	0.00
April – June 2014	\$	142,345.38
July – September 2014	\$	0.00
Total To Date	\$	142,345.38

Estimated Drawn Down Schedule:

<u>Quarter – Year</u>		<u>Amount</u>
October – December 2014	\$	508,000.00
January – March 2015	\$	522,000.00
April – June 2015	\$	522,000.00
July – September 2015	\$	522,000.00
October – December 2015	\$	869,654.62

Estimated Project Completion Date:

Construction schedule for the project is to be determined once funding is secured for the construction phase.

Changes in Estimates since last report and reasons for changes:

No changes in estimates.

New Measure A Project Status Report

Quarter Ending September 30, 2014

Project: Watt Ave / US 50 Interchange

Design, engineering, environmental clearance, and construction to upgrade the interchange to a L-9 partial cloverleaf configuration

Sponsoring Agency: County of Sacramento

Project Managers: John Jaeger, Senior Civil Engineer

Status Report Date: October 31, 2014

Project Status:

Project's inception date was July 2000. The Project Report and Environmental Document are complete. Caltrans approved both documents in December 2009. 100% plans, specifications, and estimates (PS&E) were completed and have been approved by Caltrans. Right-of-Way certification is complete. The construction contract was awarded on September 25, 2012. The Highway 50 Community Enhancements, consisting of bicycle, pedestrian, and landscaping improvements, are included as part of the construction of the interchange. The construction is underway and anticipated to be completed by November 2014.

Pedestrian and Bike Accommodation:

The proposed project will reconstruct the U.S. Highway 50 at Watt Avenue interchange to an L-9 partial cloverleaf configuration to reduce congestion, improve safety and traffic operations of the interchange; install the initial working segment of a dedicated Bus Rapid Transit (BRT) facility; construct one separated bicycle and pedestrian pathway along the east side of Watt Avenue through the US 50 interchange to La Riviera Drive; and construct related ADA and transit access improvements. All proposed pedestrian and bike facility improvements will provide accommodations of bicycles and pedestrians as required by the New Measure A Ordinance.

Actual Expenditures Incurred To Date (Total Project through end of quarter):

<u>Quarter – Year</u>	<u>Amount</u>
October – December 2009	\$ 13,887.60
January – March 2010	\$ 43,269.37
April – June 2010	\$ 41,973.42
July – September 2010	\$ 47,844.58
October – December 2010	\$ 283,726.35
January – March 2011	\$ 114,256.26
April – June 2011	\$ 29,328.41
July – September 2011	\$ 0.00
October – December 2011	\$ 0.00
January – March 2012	\$ 357,263.38
April – June 2012	\$ 519,802.67
July – September 2012	\$ 0.00

October – December 2012	\$ 52,829.08
January – March 2013	\$ 0.00
April – June 2013	\$1,197,757.65
July – September 2013	\$ 0.00
October – December 2013	\$ 825,474.36
January – March 2014	\$ 637,022.51
April – June 2014	\$2,172,493.05
July – September 2014	\$ 0.00
Total To Date	\$6,336,928.69

Estimated Drawn Down Schedule:
Quarter – Year

Amount

October – December 2014	\$ 3,749,594.27
-------------------------	-----------------

Estimated Project Completion Date: November 2014

Changes in Estimates since last report and reasons for changes:

The remaining balance of \$1,125,647.96 from the 2009 Bond notes was allocated to the Hazel Avenue project to meet the October 1, 2012 expenditure deadline.

On August 23, 2012, the Sacramento Transportation Authority (STA) Board approved a bond note in the amount of \$12,688,000 to cover remaining rights-of-way and construction contract costs.

On January 9, 2014, the STA approved a re-allocation of \$4,000,000 from this project to the Hazel Avenue Phase I project with \$2,500,000 programmed in fiscal year 2014 and \$1,500,000 in fiscal year 2015.

New Measure A Project Status Report

Quarter Ending Sep 30, 2014

Project: Highway 50 Bus/Carpool Lane Phase I and Community Enhancements

Design, engineering, environmental clearance, Right-of-Way acquisition, and construction to add one westbound and one eastbound high occupancy vehicle lane in the existing median.

Sponsoring Agency: State of California, Department of Transportation (Caltrans)

Project Managers: Jess Avila

Status Report Date: Sep 30, 2014

Project Status:

- Project completed. Closeout in process

Future Work:

- Closeout

Pedestrian and Bike Accommodation:

- The Department will maintain pedestrian and bicycle accessibility during and after construction.

Actual Expenditures Incurred to Date (Total Proj through end of Quarter):

- \$25,559,865.72

Estimated Drawn Down Schedule: (quarter ending: 12-31-2014)

- \$300,000.00

Estimated Project Completion Date:

Project has been completed. Currently in closeout.

Changes in Estimates since last report and reasons for changes:

New Measure A Project Status Report

Quarter Ending Sep 30, 2014

Project: Highway 50 Bus/Car Pool Lanes from SR99 to Watt Ave – Phase II

Design, engineering, environmental clearance and Right-of-Way certification to construction high occupancy vehicle lane in the existing median and soundwalls.

Sponsoring Agency: State of California, Department of Transportation (Caltrans)

Project Manager: Sutha Suthahar

Status Report Date: Sep 30, 2014

Project Status:

- The target PA&ED date has been revised from Aug 1, 2014 to Feb 15, 2015. The reason for the revision is due to securing a Task Order to perform traffic studies (volumes and speeds). The traffic studies are a major component that feed into the noise and air quality analysis as part of the environmental process. The revised PA&ED date should have no impacts on the target RTL and Begin Construction dates (Feb 15, 2017 and Aug 15, 2017 respectively).

Future Work:

- Traffic volumes and speeds in support of PA&ED development.
- Survey request for Right of Way retracement for design of soundwalls.
- Advanced Planning Studies (APS) for Elmhurst Viaduct, Brighton OH, Folsom Blvd UC and State College UC
- Right of Way Datasheet request.
- Railroad mapping to begin Heavy and Light Rail coordination.

Pedestrian and Bike Accommodation:

- The Department will maintain pedestrian and bicycle accessibility during and after construction. Additional pedestrian and bike accommodations are being proposed at the 65th Street Interchange.

Actual Expenditures Incurred to Date (Total Project through end of quarter):

- \$2,538,858.02

Estimated Drawn Down Schedule (quarter ending 12-31-2014):

- \$500,000.00

Estimated Project Completion Date:

Project will be finished in Dec 1, 2019

Changes in Estimates since last report and reasons for changes: None

New Measure A Project Status Report

Quarter Ending Sep 30, 2014

Project: Interstate 80 Bus/Carpool Lanes

Design, engineering, environmental clearance and right of Way acquisitions to add one westbound and one eastbound high occupancy vehicle lane in the existing median between Interstate 5 and the Capital City Freeway

Sponsoring Agency: State of California, Department of Transportation (Caltrans)

Project Manager: Jess Avila

Status Report Date: Sep 30, 2014

Project Status:

Plant establishment work continues within the project limits. Drainage work is essentially complete from Norwood Avenue to Del Paso Park OH structures. Streamwork continues at the NEMDC structure as well as finish work on the deck surface. Work continues on the Del Paso OH structures and the Rio Linda UC.

Future Work:

Construction paving work of the HOV will continue between Norwood Avenue and Del Paso Park OH structure. Restoration of the Rio Linda bike path is expected to be completed in late Oct 2013.

Pedestrian and Bike Accommodation:

The Department will maintain pedestrian and bicycle accessibility during and after construction.

Actual Expenditures Incurred To Date (Total Project through end of quarter):

\$483,162.21

Estimated Drawn Down Schedule:

Quarter Ending Dec 31, 2014 - \$0.0

Estimated Project Completion Date: *Nov 2015*

Changes in Estimates since last report and reasons for changes: *None*

New Measure A Project Status Report

Quarter Ending: Oct. 20, 2014

Project: Downtown Intermodal Station

Project design, Right of Way acquisition, environmental clearance, and construction to relocate the inter-city rail tracks, construct new passenger platforms, and restore the historic Amtrak train station in downtown Sacramento into an intermodal passenger transfer facility.

Sponsoring Agency: City of Sacramento

Project Managers: Hinda Chandler, Senior Architect and Jon Blank, Supervising Engineer

Status Report Date: Oct. 20, 2014

Project Status: Construction on \$67 million Phase 1, track relocation, is complete. The newly relocated track and platforms are in operation. Phase I includes coordination of construction of all necessary bridges and tunnels. The 5th and 6th Street bridge structures were completed in advance of track relocation. Construction on the \$10 million structural retrofit to the historic Sacramento Valley Depot is complete. The upgrade and reuse for the station will begin in October, with a \$15 million federal TIGER grant for its construction matched with Measure A.

Pedestrian and Bike Accommodation: The Downtown Intermodal Station is designed to be an intermodal transportation facility to facilitate alternative modes of transportation and support bicycle and pedestrian connections. As part of Phase 1, the West Tunnel was constructed as a pedestrian and bicycle only facility. The project also includes a covered pedestrian walkway and tunnel for access to the train platforms and across the relocated tracks. Stairs were constructed with bicycle troughs. The station upgrade will include bike racks.

Actual Expenditures Incurred To Date (Total Project through end of quarter): To date, the City has requested and received reimbursements of \$20,045,147. Requests are coordinated with reimbursements for state and federal funds, to ensure proper match and coordination for multi-funded project reimbursements.

Estimated Drawn Down Schedule: Drawdowns are anticipated to average approximately \$500,000 per quarter, until early 2015 when they will increase to approximately \$1-2 million per quarter.

Estimated Project Completion Date: Phase 1 (Track Relocation) is complete, Phase 2 will be completed in December 2016. Completion of entire project is estimated for 2020. Timing for construction and completion of future phases is contingent upon funding availability.

Changes in Estimates since last report and reasons for changes: There have been no changes since the last report.

New Measure A Project Status Report
Quarter Ending: Oct. 20, 2014

Project: Cosumnes River Boulevard/I-5 Interchange and Extension Project

The project extends Cosumnes River Boulevard from its westerly terminus at Franklin Boulevard to an at-grade intersection with Freeport Boulevard, and includes the construction of a new interchange at I-5 and a new bridge crossing over Morrison Creek and Union Pacific Railroad (UPRR). It will include 3.5 miles of new roadway consisting of 4 to 6 lanes.

Sponsoring Agency: City of Sacramento

Project Manager: Nader Kamal, Special Projects Engineer

Status Report Date: Oct. 20, 2014

Project Status: Construction began in March 2013. The interchange and bridges and abutments on Morrison Creek Bridge are in progress, along with utility installations. The project is approximately 58 percent complete.

Pedestrian and Bike Accommodation: The roadway extension will include on-street bike lanes, 8 foot wide bifurcated sidewalks, street lights, and landscaping. The new extension will also parallel Regional Transit's new South Line Light Rail and provide direct access to two adjoining light rail transit stations.

Actual Expenditures Incurred to Date (Total Project through end of quarter):

The City has incurred \$5,254,751 in New Measure A expenditures to date.

Estimated Drawn Down Schedule: Drawdowns are anticipated to average approximately \$1 to \$1.5 million per quarter.

Estimated Project Completion Date: Construction is expected to be completed by November 20, 2015.

Changes in Estimates since last report and reasons for changes: None.

New Measure A Project Status Report

Quarter Ending September 30, 2014

Project: Folsom Boulevard Streetscape – Rod Beaudry to Horn Rd, Kilgore to Sunrise Blvd (Phase IV)

Construction of sidewalk infill on the north side of Folsom Boulevard and sidewalks and bike lanes on the south side of Folsom Boulevard and landscape medians from Rod Beaudry to Horn Rd. Construction of the south side sidewalk from Kilgore Rd. to Sunrise Blvd. and upgrade pedestrian and bicycle facilities at the intersection of Folsom Blvd. and Sunrise Blvd.

Sponsoring Agency: City of Rancho Cordova

Project Managers: Kathy Garcia

Status Report Date: October 29, 2014

Project Status:

The project is the initial design and environmental phases.

Pedestrian and Bike Accommodation:

Phase IV will construct missing bicycle and pedestrian facilities as well as update substandard facilities such as curb ramps that do not meet current ADA guidelines.

Actual Expenditures Incurred To Date (Total Project through end of quarter):

Billed and paid to date:	\$ 43,563.42
Outstanding invoice for Quarter Ended September 30, 2014	\$ 10,827.95
Total Billed through September 30, 2014	\$ 54,391.37

Total Bond Funding **\$ 1,674,000.00**

New Measure A Project Status Report

Quarter Ending September 30, 2014

Project: Sunrise Blvd – PH 3A – Antelope to North City Limits, west side

Design, engineering, environmental clearance, right of way acquisition, and construction of a “complete streets” treatment.

Sponsoring Agency: City of Citrus Heights

Project Managers: Stuart Hodgkins, Principal Civil Engineer

916-727-4734, shodgkins@citrusheights.net

Status Report Date: October 31, 2014

Project Status: Phase 1 complete and accepted by council in September 2013. Phase 3A at 90% design and under ROW acquisition, expect Cal Trans ROW cert Summer 2014 to begin construction in March 2015. Unspent Measure A funds for Sunrise Ph 1 will support as matching funds for Ph 3A.

Pedestrian and Bike Accommodation: Citrus Heights implements Complete Streets concepts to all Major Arterial Improvement Projects. Specifically for Sunrise Phases 1 (complete), and Phases 2 and 3A (under phased design), the City will address/construct the following: Replace existing/add new curb, gutter and sidewalk with new vertical curb and wider, ADA compliant sidewalk, pavement striping to provide wide bike lanes, bike detecting inductive loops at signalized intersections, upgrade pedestrian amenities (vibrotactile buttons, countdown pedestrian signal heads, traffic cameras and new ADA curb ramps) and fully accessible transit stops with shelters.

Actual Expenditures Incurred To Date:

FY 10/11 - \$279,628.50

FY 11/12 – \$94,994.58

FY 12/13 – Quarter 1: \$1,011,603.72

FY 12/13 – Quarter 2: \$1,150,899.40

FY 12/13 – Quarter 3: \$540,703.94

FY 12/13 – Quarter 4: \$327,924.58

FY 13/14 – Quarter 1: \$286,810.94

FY 13/14 – Quarter 2: \$48,437.19

FY 13/14 – Quarter 3: \$24,404.35

FY 13/14 – Quarter 4: \$60,514.09

FY 14/15 – Quarter 1: No expenses

Estimated Drawn Down Schedule: Construction of Phase 1 is complete; project was presented to City Council for acceptance in September 2013 and retention has been released. Minor incidentals were addressed in 2nd quarter. Design of Phase 3A (Antelope to north city limits/west side) is near completion. Right of Way acquisition near completion with staff submitting to Cal Trans Right of Way certification and RFA to construct with the intent to construct in spring 2015. Balance of Measure A funds will be expended as match for last remaining properties in escrow (right of way) and design (2014) and then for match for construction in 2015.

Estimated Project Completion Date: Phase 1 segment is complete; Phase 3A to be completed by end of 2015.

Changes in Estimates since last report and reasons for changes: None. No expenses this last quarter as staff was working with Cal Trans on the RFA to construct. Authorization has been received; staff is preparing to advertise in the second quarter.

New Measure A Project Status Report

Quarter Ending September 30, 2014

Project: Downtown Natomas Airport – Green Line to the River District

Design, engineering, environmental clearance, Right of Way acquisition, and construction to extend LRT service from 7th & I Streets near Sacramento Valley Station to Richards Blvd.

Sponsoring Agency: Sacramento Regional Transit District

Project Manager: Greg Gamble

Status Report Date: Final Report – Segment in Operation

Project Status: The Sacramento Regional Transit District (RT) Board of Directors awarded a Design/Build (DB) contract for the Green Line to the River District project to Stacy and Witbeck on September 14, 2009. Notice to Proceed (NTP) was delayed until the funding was made available after the sale of bonds. RT then issued the NTP to the DB Contractor on November 30, 2009.

Since NTP, the DB team has collaborated with RT staff to develop the design drawings and specifications. Locations of existing utilities have been confirmed by the DB team through potholing. The design and construction work has also been coordinated with the City of Sacramento Utilities and Transportation staff, as well as affected utility companies and stakeholders.

Design and construction efforts are essentially complete. **The Green Line to the River District project began revenue operation on June 15, 2012. All Green Line activities subsequent to the quarter ending September 30, 2012 are reported on the Downtown Natomas Airport – Green Line to Airport project summary.**

Significant Achievements:

July – September 2012 – Fined-tuned Operations, worked on punch list and Contract close-out.

April – June 2012 – Performed Integrated Train Testing, Operator Training and Safety Certification in anticipation of June 15th opening. Received CPUC permission to begin revenue service beginning June 15, 2012. Grand Opening for the Green Line to the River District ceremony was held on June 15, 2012.

January – March 2012 – Final inspections and testing underway, expect to be ready for integrated testing, followed by revenue service in late May/Early June.

October – December 2011 – Final utility work completed, OCS energized in segment 2, 3 and 4, OCS installed project wide. Traction Power Substation tested and readied for operation. Test train moved down 7th through T-9 Station, clearances checked. 8th and H Station readied for operation (Gold Line).

July – September 2011 – Final Paving, Signing and Striping, Train Signaling and Traffic Signaling work was installed, tested and readied for operation.

April – June 2011 – Track, Ductbank, Traction Power and OCS work continued along the alignment. Contact wire has been installed on 7th, 8th and G Streets, Special Trackwork at 8th and H and 7th and H have been installed. Curb, gutter and sidewalk have been installed. Intermediate and final paving have been performed

January – March 2011 – Additional Track, Ductbank, Traction Power and OCS work was completed in various segments along the alignment. Utility undergrounding on 7th between No. B and Richards Blvd. was completed. Special Trackwork installation began and cut-over planning was implemented for 3 cut-overs.

October - December 2010 – Track, Ductbank, Traction Power and OCS work was completed in various segments along the alignment. Utility undergrounding performed on 7th St. between No. B and Richards Blvd.

July – September 2010 – Utility work continued and right of way access activities completed. Track construction in the T9 station area completed

June 2010 Utility relocation work continued

May 2010 Major utility relocation work underway

Apr 2010 Release for Construction (RFC) design packages delivered by DB

Mar 2010 ESOCs started

Feb 2010 Early Start of Construction (ESOCs) package approved for construction

Feb 2010 Intermediate design effort completed

Nov 2009: NTP issued

Oct 2009: Groundbreaking Ceremony

Sept 2009: DB contract was awarded to Stacy & Witbeck

Aug 2009: Three proposal were received

June 2009: Request for Proposals was released to four qualified teams

Apr 2009: RT Board certified FEIR

Feb 2009: RT published Request for Qualifications to over 90 firms

Dec 2008: Board approved Design/Build process for DNA MOS-1

Nov 2008: Issued NOP for MOS-1 FEIR

Oct 2008: Refined MOS-1 alignment through meetings with stakeholders

Upcoming Work:

October – December – Complete punchlist work and Contract Closeout

Pedestrian and Bike Accommodation:

The Project's design and construction will include bicycle and pedestrian facilities.

Bicycle travel through the Project area was taken into consideration during the course of the design. Shared bicycle and pedestrian facilities will be located on the west edge of the project area.

Actual Expenditures Incurred To Date: \$33,957,434

Swap: \$8,713,035

Total: \$42,670,469

Estimated Project Completion Date: 2012

Changes in Estimates since last report and reasons for changes: (change in draw down estimates or change in completion date)

The T-9 development project has been delayed due to developer cashflow issues. Development of the station platform at T-9 (by developer) impacted the revenue operations date. The project began revenue operations on June 15, 2012.

New Measure A Project Status Report

Quarter Ending September 30, 2014

Project: Downtown Natomas Airport – Green Line to the Airport

Sponsoring Agency: Sacramento Regional Transit District

Project Manager: Jeffrey Damon

Status Report Date: October 01, 2014

Project Status:

The RT/AECOM Team continued technical work on the project during this quarter. Key efforts were focused in two areas:

- 1) Meetings with key stakeholders, decision-makers and resource agencies to bring everyone up to date and gather input on their concerns and considerations moving forward. Among the issues discussed, it was resolved with the Federal Transit Administration that two (2) environmental documents would be prepared as each project has independent utility, separate funding and different schedules. The two documents will be for the Sacramento Intermodal Transportation Facility (SITF) segment [from 7th/8th Streets & H Street through the SITF to F Street to 7th Street] and for the remainder of the corridor [from Township 9 Station north to the Sacramento International Airport].
- 2) Technical work focused on developing refined concepts for the SITF and the American River Bridge Crossing. These concepts will be reviewed and discussed with the various stakeholders during the upcoming quarter.

Current Project Scope Identifies The Phases As Follows:

-- Expended funding for AA, Admin Draft EIS/R and Final EIR @ \$15.1M

-- Phase - 1 @ \$44.9M: From downtown to Richards Boulevard by 2010 - Single track with only the bypass element constructed. This is what RT would be able to operate by 2012 based on revenue projections. Initial operation will be with existing equipment.

-- Phase -1B (SITF Phase 3A) @ \$60.4M: The permanent/full build with loop & bypass segment of the Green Line from a connection segment on H Street north to connect with Phase 1. Utilizes Proposition 1A funding plus local match.

-- Phase - 2 @ \$545M - \$596M (YOE): From Richards to Natomas Town Center - Included required vehicles and maintenance facility.

-- Phase - 3 @ \$353M – \$386M (YOE): From Natomas Town Center to the Airport full build by 2035.

Significant Achievements:

2014

7/1/14 – 9/30/14

- Held multiple meetings with City of Sacramento staff and Rep. Matsui to discuss project, timing and phasing and key elements (SITF area, American River Bridge Crossing, Sacramento Airport)
- Met with Councilmember Ashby to discuss the alignment, issues and concerns and opportunities (Sleep Train Arena re-use, soccer stadium in Railyards, American River Bridge crossing)
- Held multiple meetings/presentations with River District Board, Downtown Sacramento Partnership, Save the American River Association, and Complete Streets Coalition to discuss project and issues.
- Met with multiple entities to discuss the options for the H Street double-tracking and potential constraints associated with the future County courthouse
- Continued coordination with state and federal resource agencies over the American River Crossing and conceptual design development

4/1/14 – 6/30/14

- Held meetings with Councilmembers, Ashby (6/18), Cohn, and Hansen; Supervisor Serna (5/12) to discuss project and issues/areas of concern.
- Held meetings with key stakeholders including the Lower American River Task Force (6/10), City of Sac DOT (6/13), and key land use and community groups (4/29, 6/2, 6/27).
- Held meetings with FTA and determined appropriate methodology for document preparation.
- Worked on technical concept design development for American River Crossing and the SITF alignment and integration of these elements into larger City of Sacramento planning efforts.
- Worked on travel forecasting model development efforts with AECOM Team

1/1/14 – 3/31/14

- Held Kickoff Meeting between RT and AECOM Team on 1/8/14
- Held review & discussion meeting with City Staff on SITF on 1/9/14
- Held multiple meetings with AECOM Team members to discuss on-going work efforts
- Produced Project Management Plan documenting roles, responsibilities, schedules, etc.
- Produced (draft) Outreach Plan
- Held update and check-in with RT Management and AECOM on 3/25/14 to review multiple features of the project including initial/prelim ridership forecasts, MOS segments, financial considerations, and outreach approaches
- Began Stakeholder outreach efforts

2013

10/1/13 – 12/31/13

- Completed negotiations with AECOM Team
- Provided Notice-to-Proceed to AECOM Team on 12/23/13
- Prepared for Kickoff Meeting in January 2014

7/1/13 – 9/30/13

- Received and reviewed consultant submittals
- Interviewed three teams
- Began negotiations with #1 ranked consultant team
- Negotiations almost completed
- Prepared Issue Paper for RT Board action authorizing a contract for professional services
- Coordinated with City of Sacramento on American River Bridge Crossing project

4/1/13 – 6/30/13

- Released RFP for Consultant Services

- Met with FTA and toured segments of Corridor
- Continued coordination with City of Sacramento on corridor-related issues
- Continued to meet with RT Board members to keep them informed

1/1/13 – 3/31/13

- Held multiple coordination meetings with FTA Administration, Rep. Matsui, City of Sacramento and local parties regarding the Green Line and the next steps
- Prepared revised RT Board Issue Paper for release of RFP
- Achieved authorization from RT Board to release RFP at March 25th Board meeting
- Finalized RFP components and awaiting final concurrence on materials from RT Legal

2012

10/1/12 – 12/31/12

- Prepared revised RT Board Issue Paper for release of RFP
- Reviewed MAP-21 conceptual Guidance and refined scope of services accordingly
- Participated in two American River Crossing Stakeholder meetings representing the Green Line's interests
- Met with City Council/RT Board member and City Staff to discuss Sacramento Intermodal-related issues.
- Developed and provided related materials to Representative Matsui's office regarding the Green Line

7/1/12 – 9/30/12

- Prepared a scope of services and budget allocation by task
- Coordinated efforts with City of Sacramento on the American River Bridge Crossing project
- Met multiple times with internal stakeholders to review and refine RFP and Scope
- Met with RT Board members with geographic coverage responsibility for the Green Line to review the projects, scope, schedule and options
- Prepared an Issue Paper for RT Board requesting authorization to release RFP; to be submitted in early 2014
- 6/30/12: Project 402 to be closed out and begin new fiscal year as Project R322
- 6/28/12: Attended the 1st American River Bridge Crossing (City of Sacramento) as a Stakeholder
- 6/13/12: Notification from FTA that Green Line Environmental Analysis funding has been awarded (CA-90-Y-366-04)
- 6/4/12: Internal discussion re: Green line "Next Steps"
- 5/3/12: Discussions with FTA re: Funding for Green Line
- 4/19/12: Internal Finance meeting discussing project 402 and remaining funds/re-allocation
- 3/31/12: Prepared revised Scope reflecting FTA comments for inclusion in SACOG OWP
- 3/9/12: Received from HDR final versions of CAD and source (WORD, EXCEL, Etc.) files from Transitional Analysis work efforts
- 2/24/12: Met with FTA Region IX to discuss project, funding and next phase scope of work
- 1/31/12: Received and reviewed final work documents from DKS on travel forecasts

2011

- 12/30/11: Draft Technical Reports prepared by DKS Associates on the travel model refinements and results submitted to RT for review
- 12/12/11: Monthly Coordination Meeting with City of Sacramento regarding the American River Crossing project
- 12/9/11: Meeting with SACOG regarding funding options and strategies with follow-on actions
- 11/14/11: Monthly Coordination Meeting with City of Sacramento regarding the American River Crossing project
- 11/5/11: Development of "Matrix of Environmental Issues Associated with Re-Starting the Green Line Draft EIS/R" and subsequent provision to SACOG
- 10/24/11: Development of DKS SOW for Travel Model Upgrades and Analysis and Contract
- 10/17/11: Monthly Coordination Meeting with City of Sacramento regarding the American River Crossing project

- 9/21/11: RT and DKS staff met with SACOG staff. The meeting resulted in general agreement on the model changes and the "next steps" as discussions between SACOG and FTA.
- 9/8/11 : Met with SACOG staff and discussed the pros and cons of streetcar technology application for the Green Line.
- 9/7/11: DKS prepared a working paper that details enhancements to the SACMET model, re-calibration efforts and the re-validation efforts completed.
- 4/1-30/11: Presentation of power point to SACOG.
- 3/1-31/11: Preparation of the "Streetcar for the Green Line?" paper and power point.
- 1/1-31/11: Meetings with SACOG to review their comments on the Transitional Analysis

2010

- 11/10/10: SACOG review of TA findings and recommendations
- 11/8/10; Presentation of TA findings and recommendations to RT Board of Directors
- 10/15/10: Final Draft Transitional Analysis Report completed
- 9/30/2010: Draft analysis results produced by HDR.
- 9/11/2010: Completed all public outreach activities including public safety workshop, community review (charrette), community outreach event at Celebrate Natomas.
- 8/20/2010: HDR completes deliverables on project cost reductions and design refinements that will be presented at community review (charrette).
- 7/26/2010: Amended HDR Contract to perform additional modeling
- 5/28/2010: Completed On-board survey in support of ridership estimation

2009

- 10/15/2009: Initiate Charrette process for project design
- 10/12/09: Ground breaking on MOS-1
- 9/15/09: RT selected Design/build firm
- 6/20/09: RT issued final Request for Proposals
- 2/12/09: RT published Request for Qualifications to over 90 firms
- 12/10/08: Board approved Design/Build process for DNA MOS-1
- 11/12/08: Issued NOP for MOS-1 FEIR
- 10/30/08: Identified technology options for rolling stock
- 8/15 to 10/15/08: Refined MOS-1 alignment through meetings with stakeholders
- 8/5 to 8/8/08: Held Project Definition Workshop
- 7/31/08: Issued Notice to Proceed to HDR/Hoyt and Sharon Greene & Associates
- 7/16/08: Amended the Metropolitan Transportation Plan and the OWP
- 4/24/08: Selected Contractor for Transitional Analysis

Actual Expenditures Incurred To Date: \$479,704

Estimated Drawn-Down Schedule: (By quarter – how much in New Measure A money you expect to spend)

Oct – Dec 2014	**\$147,527
Jan – Mar 2015	\$73,719
Apr – Jun 2015	\$79,066
Jul – Sep 2015	\$113,222
Oct – Dec 2015	\$304,424
Jan – Mar 2016	\$362,496
Apr – Jun 2016	\$139,785
Jul – Sep 2016	\$46,211
Oct – Dec 2016	\$16,442
Jan – Mar 2017	\$6,725
Apr – Jun 2017	\$1,755
Total	\$1,291,372

****Revised termination date based on discussions with Brian Williams to extend agreement one year. New termination date to be extended to June 30, 2017.***

**Include \$76,655 in cost incurred July-Sep 2014 – Not yet invoiced

Estimated Project Completion Date: 2027

Completion date could move to an earlier date but is dependent on a future local revenue source.

Changes in Estimates since last report and reasons for changes: (Change in draw down estimates or change in completion date)

Discussions with FTA over the project and the identified need for a future funding source to complete the environmental clearance plus the pending needs for a potential Streetcar project in downtown Sacramento resulted in the project being divided into 2 segments. The Sacramento Valley Station (aka SITF) segment will be advanced sooner with environmental clearance and PS&E completed by the beginning of 2016. The Airport Extension, including a potential New Start segment, will have the draft environmental document completed by the end of 2016 and the final environmental document completed by the end of 2017 (new funding source dependent) and a candidate New Start segment constructed by 2020-2025; full extension to the airport no later than 2035.

The schedule is now as follows:

- Through December 2013 complete negotiations on scope, schedule, budget refinements and prepare RT Issue Paper requesting approval of consultant contract **Completed**
- By end of December 2013 RT Board action authorizing consultant contract **Completed**
- Late December 2013 Notice-to-Proceed **Completed**
- Begin technical work in early January 2014 including multiple-day Kickoff Session reviewing the corridor, issues, etc. **Completed**
- Project Definition through December 2014 **Mostly completed; still on-going**
- For the Sacramento Valley Station segment (aka SITF), prepare final environmental clearance strategy and actions by December 2014

- For the Sacramento Valley Station segment (aka SITF), complete environmental clearance by June 2015
- For the Sacramento Valley Station segment (aka SITF), complete PS&E by January 2016
- For the Airport Extension, prepare Revised Admin Draft Environmental Document and New Starts Evaluation by December 2015 and Issue NOI/NOP
- For the Airport Extension, prepare Draft EIR/EIS and Complete New Starts Justification Measures for MOS by December 2016
- For the Airport Extension, prepare Draft EIR/EIS and Request Final EIR/EIS for MOS by December 2017

The draw down schedule is anticipated to increase significantly as the project moves forward into and through the technical analyses and environmental clearance efforts.

New Measure A Project Status Report

Quarter Ending September 30, 2014

Project: South Sacramento Corridor Phase II

Design, engineering, environmental clearance, Right of Way acquisition, and construction to extend light rail service from the current terminus at Meadowview Road to Cosumnes River College.

Sponsoring Agency: Sacramento Regional Transit District

Project Manager: John Valsecchi , Ed Scofield

Status Report Date: As of 9/30/2014

Project Status:

The environmental document was finalized and submitted to FTA in October 2008 with a Record of Decision (ROD) issued December 18, 2008. A FONSI (Finding of No Significant Impact) was issued in October 2011 for modifications to the project. An amended Biological Opinion was issued by US Fish and Wildlife on December 16, 2011 which addresses construction activities in environmentally sensitive areas within the project.

Preliminary engineering was completed in May 2012, and final design in December 2012. RT and FTA executed a Full Funding Grant Agreement (FFGA) on Dec. 27, 2012. This commits FTA to fund \$135 million or one half of the \$270 million anticipated project cost. Of this amount, approximately \$75 million has already been awarded to RT and is available to the project.

At this time, FTA-approved open activities include right of way (ROW) acquisitions, environmental mitigation monitoring, utility relocation, procurement of materials and equipment, and construction .

The Cosumnes River College (CRC) Parking Facility is open for public access. The CRC and Morrison Creek bridge structures are complete. An FTA Letter of No Prejudice (LONP) allowed these construction activities to start before the FFGA was executed. The balance of the construction effort is encompassed in the "Civil, Track, Structures, Stations, and Systems" (CTSSS) contract which was awarded in July 2013 and work is about two-thirds complete. Utility relocation work continues. Manufacture of traction power substations (TPSS) is progressing; 3 of 4 TPSSs have been delivered. Track material has been purchased and delivered; the remainder of the owner-furnished material will be delivered prior to when the contractor is scheduled to install it. RT has access to all project affected real property.

Pedestrian and Bike Accommodation:

Two pedestrian bridges over Union House Creek are planned which can also accommodate bike traffic. Bike racks and lockers are planned for the light rail stations. In addition, a pedestrian path is planned to connect the CRC light rail station with the parking facility..

Actual Expenditures Incurred To Date:

July 2009 – Sept 2014	\$ 15,913,033
Swap	\$ (8,713,035)
Total	\$ 7,199,998

Estimated Draw Down Schedule: for New Measure A Series 2012 Bonds:

Oct 2014 – Mar 2015	\$ 516,457
---------------------	------------

Total Actual + Estimated \$ 7,716,455

Estimated Project Completion Date: September 2015

Changes in Estimates since last report and reasons for changes:

All series 2012 New Measure A bonds funds are spent except for \$516,457 which is now anticipated to be spent between Oct 2014 and March 2015. It was previously forecast these funds would be spent between Sept 2014 and Dec 2014. The revised estimate pushes spending out to March 2015. In the interim the project will still be spending mostly federal funds in order to achieve parity with project match funds (including Measure A) on a cumulative basis. The project overall is funded 50% with federal New Starts funds and to date federal funds have paid for only 38% of total project expenditures.

**New Measure A Project Status Report
Quarter Ending September, 2014**

Project: Capital SouthEast Connector JPA

Design, engineering, environmental clearance, environmental mitigation, Right-of-Way acquisition, and construction of a multi-modal transportation corridor connecting the Cities of Elk Grove, Rancho Cordova, and Folsom in the southern and eastern portions of Sacramento County, including agency administrative functions as specified.

Sponsoring Agency: Capital SouthEast Connector JPA

Project Managers: Tom Zlotkowski

Status Report Date: October, 2014

Project Status: Project construction has not started. The project is currently in the development stage.

Pedestrian and Bike Accommodation: The Capital SouthEast Connector will provide efficient transportation options within the corridor that will enable flexibility among automobile, transit service, bicycle, and pedestrian uses as part of its project description.

Actual Expenditures Incurred To-Date (Total Project through end of quarter – October 2009 through September 2014):

Measure A Bond Proceeds:	\$ 8,270,820.66
Measure A Pay-Go Proceeds:	<u>1,040,748.57</u>
TOTAL	\$ 9,311,569.23

Estimated Drawn Down Schedule: (October through December 2014)

Measure A Bond Proceeds:	\$ 534,174
Measure A Pay-Go Proceeds:	<u>48,250</u>
TOTAL	\$ 582,424

Estimated Project Completion Date: 2035

Changes in Estimates since last report and reasons for changes:
(July through September 2014)

<u>Measure A Bond Proceeds:</u>	Estimated: \$ 571,986.00
	Actual: \$ 331,643.43

Expenditures for Professional Consulting Services were lower than projected for this quarter.

<u>Measure A Pay-Go Proceeds:</u>	Estimated: \$ 50,279.00
	Actual: \$ 39,203.57

Expenditures for allocated costs were lower than projected for this quarter. In addition, expenditures for the previous quarter were included in this quarter due to the exhaustion of pay-go funds at June 30, 2014.

MEASURE A INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

December 4, 2014
Item #5

Subject: Cumulative FY 2014-15 Measure A Revenue Report

Recommendation

Receive and file a summary report of cumulative FY 2014-15 Measure A sales tax revenues.

Discussion

The monthly Measure A sales tax revenue and distribution report for November is attached. This report also provides cumulative revenue and distribution figures for the first five months of FY 2015. At the top half of the page, the first two columns show the proportional allocation of sales tax revenue to each Measure A program. The first two columns at the bottom half of the page break out the allocations among the County and cities for the *Traffic Control & Safety*, *Streetscaping*, *Bike, Ped*, and *Road Maintenance* programs. The far right column shows the distribution of Measure A revenues for the month of November, while the second column from the right depicts cumulative distributions through the end of the prior month. Lastly, cumulative FY 2015 Measure A distributions to date are shown in the middle column.

In summary, the November sales tax revenues of **\$9,442,371** were 1.7% above the same month last year, and cumulative sales tax revenues through five months of FY 2015 are running about 4.13% above the prior year.

Attachment

Staff Contact: Lisa Valine

Measure A Sales Tax Revenue & Distribution - November 2014

<u>Measure A</u>		2014/15	YTD thru Oct 14	Nov 14
Cumulative Measure A Gross Revenue		\$ 43,149,203	\$ 33,706,832	\$ 9,442,371
Isleton	0.04%	\$ 17,260	\$ 13,483	3,777
Galt	1.00%	\$ 431,492	\$ 337,068	94,424
Neighborhood Shuttle	\$ 1,000,000	\$ 416,667	\$ 333,333	83,334
Subtotal		\$ 42,283,785	\$ 33,022,948	\$ 9,260,836
Sac Cnty Regl Parks Dept	\$ 1,000,000	\$ 416,667	\$ 333,333	83,334
Capital Projects	20.75%	\$ 8,773,885	\$ 6,852,262	1,921,623
		\$ 33,093,233	\$ 25,837,353	\$ 7,255,879
Program Administration	0.75%	\$ 317,128	\$ 247,672	69,453
SMAQMD	1.50%	\$ 634,257	\$ 495,344	138,913
Traffic Control & Safety	3.00%	\$ 1,268,514	\$ 990,688	277,826
Paratransit (CTSA)	3.50%	\$ 1,479,932	\$ 1,155,803	324,129
CTSA Set Aside	1.00%	\$ 422,838	\$ 330,229	92,609
Safety, Streetscaping	5.00%	\$ 1,697,523	\$ 1,317,814	379,709
Pedestrian & Bike Facilities	30.00%	\$ 12,685,135	\$ 9,906,884	2,778,251
Street & Road Maintenance	34.50%	\$ 14,587,906	\$ 11,392,917	3,194,989
		\$ 33,093,233	\$ 25,837,353	\$ 7,255,879
Net Revenue	78.25%	\$ 33,093,233	\$ 25,837,353	\$ 7,255,879

<u>Traffic Control & Safety</u>		2014/15	2013/14	
Citrus Heights	5.445%	\$ 69,071	\$ 53,943	15,129
Elk Grove	10.869%	\$ 137,875	\$ 107,678	30,197
Folsom	5.306%	\$ 67,307	\$ 52,566	14,741
Rancho Cordova	5.052%	\$ 64,085	\$ 50,050	14,035
Sacramento	31.637%	\$ 401,320	\$ 313,424	87,896
County	41.691%	\$ 528,856	\$ 413,028	115,828
Total	100.0%	\$ 1,268,514	\$ 990,688	\$ 277,826

<u>Safety, Streetscaping, Pedestrian & Bike Facilities</u>		2014/15	2013/14	
Citrus Heights	5.445%	\$ 92,430	\$ 71,755	20,675
Elk Grove	10.869%	\$ 184,504	\$ 143,233	41,271
Folsom	5.306%	\$ 90,071	\$ 69,923	20,148
Rancho Cordova	5.052%	\$ 85,759	\$ 66,576	19,183
Sacramento	31.637%	\$ 537,045	\$ 416,917	120,128
County	41.691%	\$ 707,714	\$ 549,410	158,304
Total	100.0%	\$ 1,697,523	\$ 1,317,814	\$ 379,709

<u>Street & Road Maintenance</u>		2014/15	2013/14	
Citrus Heights	5.445%	\$ 690,706	\$ 539,430	151,276
Elk Grove	10.869%	\$ 1,378,747	\$ 1,076,779	301,968
Folsom	5.306%	\$ 673,073	\$ 525,659	147,414
Rancho Cordova	5.052%	\$ 640,853	\$ 500,496	140,357
Sacramento	31.637%	\$ 4,013,196	\$ 3,134,241	878,955
County	41.691%	\$ 5,288,560	\$ 4,130,279	1,158,281
Total	100.0%	\$ 12,685,135	\$ 9,906,884	\$ 2,778,251

MEASURE A INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

December 4, 2014
Item #6

Subject: FY 2013-14 Comprehensive Annual Financial Report

Recommendation

Receive and file the FY 2013-14 Comprehensive Annual Financial Report.

Discussion

The Comprehensive Annual Financial Report (CAFR) for fiscal year 2013-14 has been completed and is enclosed with the agenda packet for your information.

The CAFR's contents are similar to last year's CAFR as there were no new Government Accounting Standards Board (GASB) pronouncements that affected the STA in FY 2013-14. Sales tax revenues for FY 2013-14 exceeded the prior year by 4.75%, and the Measure A mitigation fees increased by 11.5% compared to the prior year.

Please note the copy of the Certificate of Achievement for Excellence in Financial Reporting, which we were awarded for our FY 2012-13 CAFR. This is the nineteenth consecutive year in which we have received this award.

Of particular importance in the CAFR is the Financial Section which includes the Independent Auditor's Report. This is the first year that the financial and compliance audits were performed by Macias Gini & O'Connell, LLP. The report attests that our financial statements are presented fairly in accordance with generally accepted accounting principles (GAAP).

Enclosure

Staff Contact: Lisa Valine



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**SACRAMENTO
TRANSPORTATION
AUTHORITY**

Sacramento, California

*FOR THE
FISCAL YEAR ENDED JUNE 30, 2014*

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

SACRAMENTO TRANSPORTATION AUTHORITY

Sacramento, California

FOR THE

FISCAL YEAR ENDED JUNE 30, 2014

PREPARED BY

Lisa Valine
Accounting Manager

**SACRAMENTO TRANSPORTATION AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Transmittal Letter	i
List of Principal Officials	iv
Sacramento Transportation Authority Organization Chart	v
GFOA Certificate of Achievement	vi
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund	17
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Special Revenue Fund	18
Statement of Fiduciary Net Position – Agency Funds	19
Notes to the Basic Financial Statements	20
Supplemental Information	
Agency Funds	
Combining Schedule of Changes in Assets and Liabilities	38

**SACRAMENTO TRANSPORTATION AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

TABLE OF CONTENTS

Page

STATISTICAL SECTION

Net Position by Component	41
Changes in Net Position	42
Fund Balances of Governmental Funds	43
Changes in Fund Balances of Governmental Funds	44
Revenue Capacity – Revenue Base and Revenue Rate	45
Revenue Capacity – Principal Revenue Payers	46
Private Sector Principal Employers	47
Demographic and Economic Statistics	48
Operating Information – Employees	49
Operating Information – Demand for Services	50
Ratios of Outstanding Debt	51
Operating information – Abandoned Vehicle Abatements	52

INTRODUCTORY SECTION



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

October 17, 2014

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, 2014 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. In 2004, voters approved a 30 year extension of the original Measure. This extension began in the 2009-10 year. 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.

United States Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the independent auditor's report.

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 Controls 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 internal controls 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 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 unemployment rate for Sacramento County in June 2014 was 7.1%, which is a decrease from June 2013 at 8.7% and the declined housing market also appears to be rebounding since 2012. Sales tax revenues for the Authority increased by 4.75% in fiscal year 2013-14 from the prior year and sales tax revenue projections for fiscal year 2014-15 are estimated to be 5% higher than the prior year.

Long-term financial planning. The Authority adopted a Plan of Finance in 2006 that was intended to be a guiding document for the Authority's capital program through 2039. The three primary program components accounted for in the Plan of Finance include:

- STA Capital Program
- Other Jurisdictional Set-asides
- Formula/Other Measure A uses

In July 2012, the Authority issued \$53 million in tax revenue bonds at a fixed interest rate of 2.480997%. Interest payments occur semiannually beginning in October 2012, however, principal payments will not be due until 2016 which will range from \$3,450,000 in year 2016 to \$5,720,000 at maturity in 2027. This issue allows the Authority to expedite additional transportation projects funded under the "New Measure A" that was passed by voters in 2004. The Authority has pledged proceeds of New Measure A tax to repay the debt issue.

Other Information

An audit team from Macias Gini & O'Connell LLP has performed this year's audit. The independent auditor's unmodified opinion has been included in the Independent Auditor's Report.

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, 2013. 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 nineteenth 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 (CAFR), whose contents conform to program standards. Such CAFR must satisfy both GAAP 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 for their review.

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 policy direction.

Respectfully Submitted,

Concur,



Lisa Valine
Accounting Manager



Brian A. Williams
Executive Director

SACRAMENTO TRANSPORTATION AUTHORITY

LIST OF PRINCIPAL OFFICIALS

June 30, 2014

BOARD MEMBERS

CURT CAMPION, City of Galt and Isleton
STEVE COHN, City of Sacramento
GARY DAVIS, City of Elk Grove
DARRELL FONG, City of Sacramento
SUE FROST, City of Citrus Heights
KERRI HOWELL, City of Folsom
PATRICK HUME, City of Elk Grove
ROBERTA MACGLASHAN, County of Sacramento
KEVIN MCCARTY, City of Sacramento
ROBERT J. MCGARVEY, City of Rancho Cordova
DON NOTTOLI, County of Sacramento
BONNIE PANNELL, City of Sacramento
SUSAN PETERS, County of Sacramento
JAY SCHENIRER, City of Sacramento
PHIL SERNA, County of Sacramento
JIMMIE YEE, County of Sacramento

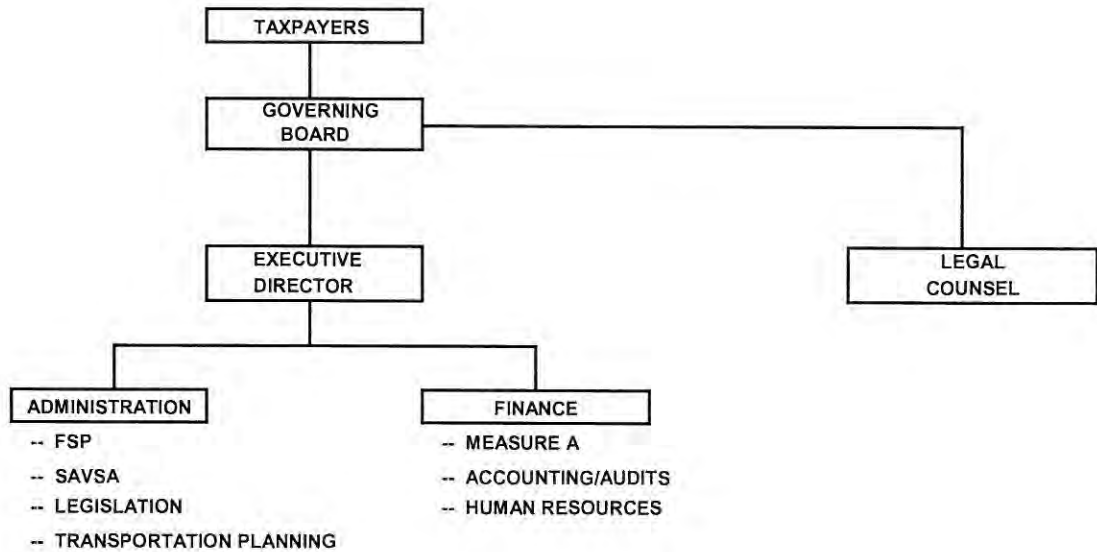
Alternates

ANGELIQUE ASHBY, City of Sacramento
NICK AVDIS, County of Sacramento
MARK CREWS, City of Galt and Isleton
STEVE HANSEN, City of Sacramento
KEVIN JOHNSON, City of Sacramento
STEVE MILLER, Citrus Heights
ANDY MORIN, City of Folsom
TERESA STANLEY, County of Sacramento
DONALD TERRY, Rancho Cordova
ROBERT TRIGG, City of Elk Grove
ALLEN WARREN, City of Sacramento

STAFF

BRIAN WILLIAMS, Executive Director
LISA VALINE, Accounting Manager
NORMAN HOM, Administrative Services Officer III
JENNIFER DOLL, Office Manager
BILL BURKE, General Counsel

Sacramento Transportation Authority
For the Year Ended June 30, 2014
Organization Chart





Government Finance Officers Association

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, 2013

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sacramento Transportation Authority
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sacramento Transportation Authority (Authority) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Authority as of June 30, 2014, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund and Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5–10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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, Combining Statement of Changes in Assets and Liabilities – All Agency Funds, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Statement of Changes in Assets and Liabilities – All Agency Funds is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statement of Changes in Assets and Liabilities – All Agency Funds is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2014, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Macias Gini E O'Connell LAP

Sacramento, California

October 16, 2014

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

Sacramento Transportation Authority

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, 2014. 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 sales tax revenues of \$100,448,637 for 2013/14 were short of original budgetary projections by \$466,270, a negative variance of .5%, however, actual Measure A revenues for 2013/14 did exceed the prior year by 4.75% (*using budgetary basis revenues*).
- Mitigation Fees for the 2013/14 year exceeded prior year by 11.5% which seems to confirm a modest increase in construction and housing.

Overview of the Financial Statements

This discussion and analysis is 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 basic 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 Position* presents information on all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the net of the four reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 11 - 12 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 and special revenue 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 13 – 18 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 19 of this report.

Notes to the Basic 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 basic financial statements can be found on pages 20 - 37 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, liabilities exceeded assets and deferred outflows of resources by \$288,831,950 at the close of the 2014 fiscal year.

SUMMARY OF NET POSITION
Governmental Activities

	<u>2014</u>	<u>2013</u>	<u>Variance</u>
Current and other assets	\$ 101,337,734	\$ 109,920,101	(\$ 8,582,367)
Deferred outflows of resources	<u>79,483,663</u>	<u>75,790,293</u>	<u>3,693,370</u>
Total assets and deferred outflows of resources	<u>180,821,397</u>	<u>185,710,394</u>	<u>(4,888,997)</u>
Long-term liabilities	461,065,953	458,129,305	2,936,648
Other liabilities	<u>8,587,394</u>	<u>6,832,388</u>	<u>1,755,006</u>
Total liabilities	<u>469,653,347</u>	<u>464,961,693</u>	<u>4,691,654</u>
Net position:			
Restricted	5,361,840	4,390,110	971,730
Unrestricted	<u>(294,193,790)</u>	<u>(283,641,409)</u>	<u>(10,552,381)</u>
Total net position	<u>(\$ 288,831,950)</u>	<u>(\$ 279,251,299)</u>	<u>(\$ 9,580,651)</u>

The decrease of \$8,582,367 in current and other assets in fiscal year 2013-14 is a direct result of the bond proceeds which are being spent down for reimbursement on capital project claims. Likewise, the increase of \$1,755,006 in other liabilities reflects the increase of capital project reimbursements submitted by the various jurisdictions, particularly in the 4th quarter of fiscal year 2013-14. The total net position decrease of \$9,580,651 is primarily explained by these two factors.

DETAIL OF DEFICIT NET POSITION

	<u>Authority</u>	<u>Recipients</u>	<u>Total</u>
Total assets and deferred outflows of resources	\$ 180,821,397	\$ -	\$ 180,821,397
Capitalized Assets	-	319,424,069	319,424,069
Total Liabilities	469,653,347	-	469,653,347
Total Net Position	<u>(\$ 288,831,950)</u>	<u>\$ 319,424,069</u>	<u>\$ 30,592,119</u>

Since the Authority issues bond debt to fund capital projects for other governments, the proceeds from those bonds create a deficit net position for the Authority. In turn, these improvements are shown as capitalized assets on the recipient government's financial statements since they are classified as capitalized assets for their purposes. The total reflects the substance of the combined transactions across entities. The debt and related deficit will be funded with future Measure A tax receipts.

SUMMARY OF CHANGE IN NET POSITION

	Governmental Activities		
	<u>2014</u>	<u>2013</u>	<u>Variance</u>
Revenues:			
Program revenues:			
Freeway Service Patrol	\$ 2,122,523	\$ 1,914,759	\$ 207,764
Abandoned Vehicle			
Service Authority	1,172,833	1,130,254	42,579
Mitigation Fees	3,540,542	3,176,382	364,160
Total program revenues	<u>6,835,898</u>	<u>6,221,395</u>	<u>614,503</u>
General Revenues:			
Sales taxes	100,063,237	97,390,177	2,673,060
Interest and investment earnings and other	430,908	662,384	(231,476)
Total revenues	<u>107,330,043</u>	<u>104,273,956</u>	<u>3,056,087</u>
Expenses:			
Governmental activities:			
Measure A (ongoing and set asides)	80,236,470	76,397,880	3,838,590
Transportation mitigation	2,680,549		2,680,549
Freeway Service Patrol	2,164,149	1,765,562	398,587
Abandoned Vehicle			
Service Authority	1,125,637	1,089,746	35,891
Measure A (construction)	14,507,501	17,826,692	(3,319,191)
Interest on long-term debt	16,196,388	16,257,749	(61,361)
Total expenses	<u>116,910,694</u>	<u>113,337,629</u>	<u>3,573,065</u>
Decrease in net position	(9,580,651)	(9,063,678)	(516,974)
Net position - beginning	(279,251,299)	(268,086,525)	(11,164,773)
Change in accounting principle	-	(2,101,096)	2,101,096
Net position – ending after change	<u>(\$288,831,950)</u>	<u>(\$279,251,299)</u>	<u>(\$ 9,580,651)</u>

The decrease in net position reflects the Measure A construction costs that vests in ownership to recipient government entities. The increasing negative position is a direct result of the arrangement that the Authority has with the various jurisdictions in which it funds their capital projects with its bond proceeds. This deficit related to the debt will be funded over the long-term through sales tax receipts. Note 10 in the Notes to the Basic Financial Statements on page 37 provides a more detailed explanation. Measure A sales tax revenues were \$2,673,060 more in fiscal year 2013/14 than fiscal year 2012/13 due to the continued improvement of the economy, in turn, Measure A (on-going and set asides) distributions were \$3,838,590 more in fiscal year 2013/14 than fiscal year

2012/13 because of the higher sales taxes. Measure A (construction) expenses, including Transportation mitigation expenses, were a combined \$638,642 less than the prior year as the jurisdictions did not spend down the bond proceeds allocated for project claims as quickly as in the prior year due to timing issues associated with construction on several of the capital projects.

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.

General Fund At the end of the current fiscal year, the Authority's general fund reported an ending fund balance of \$92,028,710, a decrease of \$10,059,987 in comparison with the prior year. This decrease is primarily due to the transfer out of \$16,660,053 for debt service and the Measure A expenditures of \$96,417,649 exceeding the sales tax revenues of \$100,063,237.

Special Revenue Fund At the end of the current fiscal year, the Sacramento Abandoned Vehicle Service Authority (SAVSA), which represents the Special Revenue Fund, reported an ending fund balance of \$107,455, an increase from the prior year of \$13,638. This modest increase is primarily due to the vehicle registration fee revenue of \$1,172,833 exceeding the payment of that revenue to the local jurisdictions of \$1,125,637 and the transfer out of \$33,956 for administration.

Debt Service Fund The ending fund balance on the Debt Service Fund in the 2013/14 year was \$4,125,528, which represents the amount available for the debt service on the 2009 and 2012 bond issues. Measure A sales tax revenues are initially wired to the Authority's trustee (U S Bank), who in turn, deducts all required debt service expenditures prior to forwarding the remaining balance to the Authority. The interfund transfers of \$16,660,053 between the General Fund and the Debt Service Fund represent the sales tax revenue needed to meet the \$16,880,820 of debt service expenditures on both the 2009 and the 2012 debt issuances. The difference between these two amounts is the primary reason fund balance decreased \$220,380 from the prior year.

General Fund Budgetary Highlights

There were no budget amendments during the year. The intergovernmental expenditures were less than anticipated due to decreases in construction activity and timing of projects in the various jurisdictions. A comparison of actual

revenues to budget in the 2013/14 year resulted in a negative variance due to a slight unanticipated downturn in sales tax revenue in the last quarter.

Debt Administration

During the 2009/10 year, the Authority issued \$318 million in bonds to accelerate New Measure A proceeds to participating jurisdictions for transportation projects and to refund the 2006 and 2007 sales tax revenue bonds. Since the proceeds from the 2009/10 issuance had been completely spent down by the 2012 year, the Authority issued \$53 million in fixed interest rate tax revenue bonds by July 2012 to continue to expedite Measure A transportation projects.

	<u>June 30, 2014</u>
2009 Series A	\$ 106,100,000
2009 Series B	106,100,000
2009 Series C	106,100,000
2012 Series	<u>53,355,000</u>
Total Outstanding Bonds	<u>\$ 371,655,000</u>

Additional information on the Authority's long-term debt can be found in Note 8 on pages 31 - 36 of this report.

Economic Factors and Next Year's Budget

Although the economic recovery has been quite slow in last few years, the housing market has begun to rebound and the unemployment rate in the 2013/14 year has decreased by 1.6% from the prior year. Sales tax revenue has increased in the last several years, resulting in a 4.47% increase in the 2012/13 year and an increase of 4.75% in the 2013/14 year. Accordingly, an increase of 5% is projected for sales tax revenue in the 2014/15 year (per budgetary basis).

Request for Information

This financial report is designed to provide a general overview of the 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.

BASIC
FINANCIAL STATEMENTS

**SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2014**

	Governmental Activities
ASSETS	
Cash and investments	\$ 16,757,477
Receivables:	
Interest	14,324
Due from other governments	18,403,968
Prepaid items	10,027
Restricted cash and investments	66,151,938
Total assets	101,337,734
 DEFERRED OUTFLOWS OF RESOURCES	
Fair value of hedging derivatives (long-term interest rates)	79,483,663
 LIABILITIES	
Accounts payable and other current liabilities	4,663,747
Deposits	412,294
Interest payable	3,511,353
Long-term liabilities:	
Due in more than one year	461,065,953
Total liabilities	469,653,347
 NET POSITION	
Restricted for transportation mitigation	5,254,385
Restricted for abandoned vehicles	107,455
Unrestricted	(294,193,790)
Total net position	\$ (288,831,950)

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

**SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) and Revenue Governmental Activities
Governmental Activities:			
Measure A (ongoing and set aside)	\$ 80,236,470	\$ -	\$ (80,236,470)
Transportation mitigation	2,680,549	3,540,542	859,993
Freeway Service Patrol	2,164,149	2,122,523	(41,626)
Abandoned Vehicle Service Authority	1,125,637	1,172,833	47,196
Measure A (construction)	14,507,501		(14,507,501)
Interest on long-term debt	16,196,388		(16,196,388)
Total governmental activities	<u>\$ 116,910,694</u>	<u>\$ 6,835,898</u>	<u>(110,074,796)</u>
General revenues:			
Sales taxes			100,063,237
Interest, investment earnings and other			430,908
Total general revenues			<u>100,494,145</u>
Change in net position			(9,580,651)
Net position - beginning			(279,251,299)
Net position - ending			<u>\$ (288,831,950)</u>

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

**SACRAMENTO TRANSPORTATION AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014**

	General	Special Revenue	Debt Service	Total Governmental Funds
ASSETS:				
Cash and investments	\$ 16,288,922	\$ 468,555	\$ -	\$ 16,757,477
Prepaid items	10,027			10,027
Receivables:				
Interest	13,926	398		14,324
Due from other governments	18,091,294	312,674		18,403,968
Restricted cash and investments	62,014,056		4,137,882	66,151,938
TOTAL ASSETS	\$ 96,418,225	\$ 781,627	\$ 4,137,882	\$ 101,337,734
 LIABILITIES and FUND BALANCES				
LIABILITIES:				
Accounts payable and other accrued liabilities	\$ 191,123	\$ -	\$ 12,354	\$ 203,477
Due to other governments	4,198,392	261,878		4,460,270
Deposits		412,294		412,294
Total liabilities	4,389,515	674,172	12,354	5,076,041
 FUND BALANCES:				
Nonspendable:				
Prepaid items	10,027			10,027
Restricted:				
New Measure A projects	62,014,056			62,014,056
Transportation mitigation	5,254,385			5,254,385
Other transportation projects	24,322,812			24,322,812
Debt service			4,125,528	4,125,528
Abandoned vehicles		107,455		107,455
Unassigned:				
General administration	427,430			427,430
Total fund balances	92,028,710	107,455	4,125,528	96,261,693
TOTAL LIABILITIES AND FUND BALANCES	\$ 96,418,225	\$ 781,627	\$ 4,137,882	\$ 101,337,734

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

**SACRAMENTO TRANSPORTATION AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014**

Ending Fund Balances per governmental fund balance sheet (page 13)		\$ 96,261,693
Amounts reported for the governmental activities in the statement of net position are different because:		
Long-term debt, including premium and hedging derivatives, are not due and payable in the current period and therefore are not reported in the funds.		
Sales tax bonds outstanding	\$(371,655,000)	
Unamortized bond premium	(9,878,926)	
Fair value of interest rate swap	(79,483,663)	
Deferred outflow of resources	<u>79,483,663</u>	(381,533,926)
Interest payable is not due and payable in the current period and therefore is not reported in the funds.		
		(3,511,353)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.		
		<u>(48,364)</u>
Net position of governmental activities (page 11)		<u><u>\$ (288,831,950)</u></u>

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

**SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	General	Special Revenue	Debt Service	Totals Governmental Fund
REVENUES:				
Taxes	\$ 100,063,237	\$ -	\$ -	\$ 100,063,237
Mitigation fees	3,540,542			3,540,542
Vehicle registration fees		1,172,833		1,172,833
State grant - freeway service	1,179,459			1,179,459
FSP / State / SHOPP	196,064			196,064
SAFE funds	747,000			747,000
Use of money and property - interest	429,411	398	387	430,196
Miscellaneous	712			712
Total revenues	<u>106,156,425</u>	<u>1,173,231</u>	<u>387</u>	<u>107,330,043</u>
EXPENDITURES:				
General government:				
Administrative	1,008,517			1,008,517
Freeway Service Patrol	2,164,149			2,164,149
Intergovernmental	96,417,649	1,125,637		97,543,286
Debt Service:				
Interest and other charges			16,880,820	16,880,820
Total expenditures	<u>99,590,315</u>	<u>1,125,637</u>	<u>16,880,820</u>	<u>117,596,772</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,566,110</u>	<u>47,594</u>	<u>(16,880,433)</u>	<u>(10,266,729)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	33,956		16,660,053	16,694,009
Transfers out	(16,660,053)	(33,956)		(16,694,009)
Total other financing sources (uses)	<u>(16,626,097)</u>	<u>(33,956)</u>	<u>16,660,053</u>	<u>-</u>
CHANGES IN FUND BALANCES	(10,059,987)	13,638	(220,380)	(10,266,729)
FUND BALANCES, JULY 1, 2013	<u>102,088,697</u>	<u>93,817</u>	<u>4,345,908</u>	<u>106,528,422</u>
FUND BALANCES, JUNE 30, 2014	<u>\$ 92,028,710</u>	<u>\$ 107,455</u>	<u>\$ 4,125,528</u>	<u>\$ 96,261,693</u>

The notes to the basic 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, 2014**

Changes in fund balances - total governmental funds (page 15)	\$ (10,266,729)
Amounts reported for governmental activities in the statement of activities are different because:	
Changes not reported in government funds:	
Interest payable	(70,645)
Change in compensated absences	1,646
Bond premium amortization	755,077
	755,077
Change in Net Position of governmental activities (page 12)	\$ (9,580,651)

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

**SACRAMENTO TRANSPORTATION AUTHORITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis) (See Note 1)	
REVENUES:				
Taxes	\$ 100,914,907	\$ 100,914,907	100,448,637	\$ (466,270)
Mitigation Fees	3,300,000	3,300,000	3,540,542	240,542
State grant - freeway service	1,168,729	1,168,729	1,179,459	10,730
FSP / State / SHOPP			196,064	196,064
SAFE funds	747,000	747,000	747,000	
Use of money and property - interest	600,000	600,000	429,411	(170,589)
Miscellaneous			712	712
Total revenues	<u>106,730,636</u>	<u>106,730,636</u>	<u>106,541,825</u>	<u>(188,811)</u>
EXPENDITURES:				
General government:				
Administrative	1,275,490	1,275,490	1,008,517	266,973
Freeway Service Patrol	2,023,917	2,023,917	2,164,149	(140,232)
Intergovernmental	105,359,849	105,359,849	96,417,649	8,942,200
Total expenditures	<u>108,659,256</u>	<u>108,659,256</u>	<u>99,590,315</u>	<u>9,068,941</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,928,620)</u>	<u>(1,928,620)</u>	<u>6,951,510</u>	<u>8,880,130</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	34,000	34,000	33,956	(44)
Transfers out	(16,620,000)	(16,620,000)	(16,660,053)	(40,053)
Total other financing sources (uses)	<u>(16,586,000)</u>	<u>(16,586,000)</u>	<u>(16,626,097)</u>	<u>(40,097)</u>
Changes in fund balance (budgetary basis)	(18,514,620)	(18,514,620)	(9,674,587)	8,840,033
BUDGETARY FUND BALANCE, JULY 1, 2013, as restated	<u>80,822,998</u>	<u>80,822,998</u>	<u>85,063,597</u>	<u>4,240,599</u>
BUDGETARY FUND BALANCE, JUNE 30, 2014	<u>\$ 62,308,378</u>	<u>\$ 62,308,378</u>	<u>75,389,010</u>	<u>\$ 13,080,632</u>
Taxes accrual - 6/30/14			<u>16,639,700</u>	
Ending fund balance - GAAP basis			<u>\$ 92,028,710</u>	

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

**SACRAMENTO TRANSPORTATION AUTHORITY
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis) (See Note 1)	Final Budget
REVENUES:				
Vehicle registration fees	\$ 1,100,000	\$ 1,100,000	\$ 1,159,638	\$ 59,638
Use of money and property - interest	1,000	1,000	398	(602)
Total revenues	<u>1,101,000</u>	<u>1,101,000</u>	<u>1,160,036</u>	<u>59,036</u>
EXPENDITURES:				
General government:				
Intergovernmental	1,101,000	1,101,000	1,125,637	(24,637)
Total expenditures	<u>1,101,000</u>	<u>1,101,000</u>	<u>1,125,637</u>	<u>(24,637)</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	34,399	34,399
OTHER FINANCING USES:				
Transfers out	(34,000)	(34,000)	(33,956)	44
Total other financing uses	<u>(34,000)</u>	<u>(34,000)</u>	<u>(33,956)</u>	<u>44</u>
Changes in fund balance (budgetary basis)	(34,000)	(34,000)	443	34,443
BUDGETARY FUND BALANCE, JULY 1, 2013, as restated	<u>73,092</u>	<u>73,092</u>	<u>(205,662)</u>	<u>(278,754)</u>
BUDGETARY FUND BALANCE, JUNE 30, 2014	<u>\$ 39,092</u>	<u>\$ 39,092</u>	<u>(205,219)</u>	<u>\$ (244,311)</u>
Vehicle registration fees accrual - 6/30/14			<u>312,674</u>	
Ending fund balance - GAAP basis			<u>\$ 107,455</u>	

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

**SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2014**

ASSETS:	
Cash and investments	\$ 33,218,251
Interest receivable	<u>23,278</u>
Total assets	<u>33,241,529</u>
LIABILITIES:	
Accounts payable	338,966
Deposits	<u>32,902,563</u>
Total liabilities	<u>33,241,529</u>
NET POSITION	<u><u>\$ -</u></u>

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

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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 the United States 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 requirements. 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 sixteen member Board of Directors made up of five members representing the County, five members representing the City of Sacramento, two members representing the City of Elk Grove, one member each from the Cities of Folsom, Citrus Heights, 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, Rancho Cordova, and Elk Grove, the Sacramento Regional Transit District, Paratransit, Inc., and the Sacramento Metropolitan Air Quality Management District according to the Measure A Ordinance.

The distribution of Measure A funds is prescribed in the ballot measure approved by the voters with the extension of Measure A. Per Ordinance No. STA 04-01, revenues are allocated as follows: 43% for local streets and roads, 38.25% for Sacramento Regional Transit, 12% for local interchange upgrades, safety projects, and congestion relief improvements on the local freeway system, including bus and carpool lane projects, 4.5% for senior and disabled transportation services, 1.50% for transportation-related air quality programs, and .75% for program administration. The sales tax is complemented by the Sacramento County Transportation Mitigation Fee Program. Fee revenues are also allocated to capital projects.

New Measure A Capital Projects are being funded via debt proceeds 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.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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

FINANCIAL REPORTING ENTITY

For financial reporting purposes, in conformance with the pronouncements of the Government Accounting Standards Board (GASB) and the United States 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 and the management of the Authority has operational responsibility for 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 position and the statement of 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 is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The transportation mitigation expenses presented in the Statement of Activities represents reimbursements of Measure A (construction) claims with mitigation fees. 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.

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 measurement focus 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.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The Authority considers revenues to be available if they are collectible within 60 days of the end of the current fiscal year. All of the Authority's revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. 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.

Special Revenue Fund – The Authority has one Special Revenue Fund. The Special Revenue Fund is the operating fund of SAVSA. It is used to account for all the financial resources of SAVSA.

Debt Service Fund – The fund accounts for the debt service associated with the 2009 and 2012 bond issues.

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, and the County of Sacramento. 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 "Original" Measure A revenue along with the allocated interest is recorded in the Measure A Agency Funds.

In addition, two fiduciary funds were approved by the Board in the 2009-10 year as future set asides from Measure A sales tax revenue. The Neighborhood Shuttle set aside will promote the development or expansion of shuttle routes in residential and commercial areas that have infrequent or no transit service. The Consolidated Transportation Services Agency (CTSA) set aside will be used to support the provision of Elderly and Handicapped Transportation (EHT) services in the urbanized portion of Sacramento County. The CTSA set aside funds will remain unspent until 2030.

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, and therefore, the agency funds have no measurement focus.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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

BUDGETARY PRINCIPLES

As required by the laws of the Public Utilities Code of the State of California, the Authority prepares and legally adopts a final operating budget each fiscal year. 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 any fiscal year certain budget amendments may be 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 population. 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 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. It is the Authority's policy to capitalize furniture and equipment exceeding \$5,000. The Authority has no capital assets that exceed the capitalization threshold.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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

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. The General Fund is used to liquidate compensated absences.

LONG-TERM DEBT

In the government-wide financial statements, long-term debt is recorded as a liability in the applicable governmental activities statement of net position. Bond premiums and discounts 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 and debt service funds.

FUND BALANCE CLASSIFICATION

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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

FUND BALANCE CLASSIFICATION (Continued)

The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Authority has classified funds for New Measure A projects, transportation mitigation, and other transportation projects as being restricted because their use is restricted by local ordinance for transportation-related expenditures. Debt service resources are to be used for future servicing of the bonds and are therefore restricted by debt covenants. The Authority has restricted funds for the Abandoned Vehicles program that are to be used for the operating expenditures of the various jurisdictions.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Authority's Board. These amounts cannot be used for any other purpose unless the Authority's Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. The Authority had no fund balances subject to committed constraints as of June 30, 2014.
- **Assigned:** This classification includes amounts that are constrained by the Authority's intent to be used for a specific purpose, but are neither restricted nor committed. This intent can be expressed by the Authority's Board or, as authorized by the Board, by its Executive Director. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Authority had no fund balances subject to assigned constraints as of June 30, 2014.
- **Unassigned:** This classification includes any residual fund balance for the General Fund which includes unassigned funds remaining for the use of general administrative expenditures of the Authority.

The Authority would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

INSURANCE

The Authority's employees are covered by commercial worker's compensation insurance. In addition, the Authority purchases commercial insurance for general liability claims. At June 30,

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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

2014, 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 are advanced from the outstanding debt issue. Restricted cash is invested in the California Asset Management Program (CAMP) and money market mutual funds. The fair value of the position in the County Pool is 100% of the pool shares, the fair value of the position in LAIF is 100% of the pool shares, and the fair value of the position in CAMP is 100% of the pool shares.

Cash and investments as of June 30, 2014 are classified in the accompanying financial statements as follows:

Governmental activities:	
Cash and investments	\$ 16,757,477
Restricted cash and investments	66,151,938
Agency funds:	
Cash and investments	<u>33,218,251</u>
Total cash and investments	<u>\$ 116,127,666</u>

As of June 30, 2014, the Authority's cash and investments consisted of the following:

Cash on hand	\$ 1,000
Deposits with financial institutions	<u>18,926</u>
Total cash and deposits	<u>19,926</u>
County Pool	28,255,802
LAIF	21,700,000
Money market mutual funds	4,137,882
CAMP	<u>62,014,056</u>
Total investments	<u>116,107,740</u>
Total cash and investments	<u>\$ 116,127,666</u>

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 2 - CASH AND INVESTMENTS (Continued)

The Authority did not directly or indirectly enter into any derivative investments related to its cash and investments. The Authority's total investment in LAIF at June 30, 2014 is \$21,700,000. The total amount invested by all public agencies in LAIF at June 30, 2014, was \$64,846,169,129 which is managed by the Treasurer for the State of California. Of that amount, 1.86% is invested in asset-backed securities and structured financial instruments. The Local Investment Advisory Board (LIAB) has oversight responsibility for LAIF. The LIAB consists of five members as designed by state statute. The County Pool and CAMP are 100% invested in non-derivative financial products. The government security fund that is held by the trustee is not rated.

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 AAAm by Standard and Poor. To maintain the AAAm rating, the portfolio's weighted average maturity may not exceed 70 days.

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, 2014, the Authority's permissible investments included the following instruments:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum % or Amount of the Portfolio</u>
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
County Pool	none	none
LAIF	none	none

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 - CASH AND INVESTMENTS (Continued)

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 2009 and 2012 Sales Tax Revenue Bonds debt agreements contain 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, 2014, the weighted average maturity of the investments contained in LAIF, the County Pool, CAMP, and mutual money market funds is approximately 247, 293, 41, and 51 days, respectively.

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 County Pool has a rating provided by a nationally recognized statistical rating organization. The money market mutual fund is rated AAAM by Standard and Poor.

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, 2014.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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 Accrual	Current Year Accrual	Budgetary Basis
Revenues	\$ 106,156,425	\$17,025,100	(\$16,639,700)	\$106,541,825
Expenditures	99,590,315	-	-	99,590,315
Excess of revenues over expenditures	\$ 6,566,110	\$17,025,100	(\$16,639,700)	\$ 6,951,510

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

	Modified Accrual Basis	Reversal of Prior Year Accrual	Current Year Accrual	Budgetary Basis
Revenues	\$ 1,173,231	\$299,479	(\$312,674)	\$ 1,160,036
Expenditures	1,125,637	-	-	1,125,637
Excess of revenues over expenditures	\$ 47,594	\$299,479	(\$312,674)	\$ 34,399

NOTE 4 - PENSION PLAN

Pension plan description - The Authority contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing 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. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. 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.

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 4 – PENSION PLAN (continued)

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, 2014, the employer contribution rate was 19.303%. The Authority, as part of its compensation to employees, pays 7% of the employees' contributions in addition to its own.

Annual Pension Cost - The Authority's annual pension costs for the years ended June 30, 2014, 2013, and 2012 were \$92,960, \$93,859, and \$89,722, respectively, which are equal to the required and actual contributions for each year. The required contribution for the year ended June 30, 2014 was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected annual salary increases depending on age, service and type of employment of 3.30% to 14.20%, (c) inflation of 2.75%, (d) payroll growth of 3.00%, and (e) individual salary growth varying by duration of employment coupled with an assumed inflation growth of 2.75% and an annual production growth of 0.25%. The actuarial value of CalPERS assets was determined using the techniques that smooth the effects of short-term volatility in the market value of the investments over a 15-year period (smoothed market value).

NOTE 5 – DEFERRED COMPENSATION PLAN

The Authority offers its regular employees a deferred compensation plan 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 a separate independent trust which is administered outside the Authority to hold the assets and earnings of its deferred compensation plans for the exclusive benefit of the participants that are not included in the Authority's financial statements.

NOTE 6 - OPERATING LEASES

The Authority leases certain premises under operating leases through September 30, 2017, at which time the lease expires. Rental expense for the year ended June 30, 2014 was \$51,094.

Future minimum lease payments under operating leases as of June 30, 2014 are as follows:

Fiscal Year Ending June 30	Amount
2015	\$ 52,285
2016	58,347
2017	59,646
Thereafter	14,939
Total	\$ 185,217

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7 – INTERFUND TRANSACTIONS

Interfund transfers are used to (1) reimburse the General Fund for services to and payments on behalf of the Special Revenue Fund in the amount of \$33,956, and (2) repay interest per the debt agreement in the amount of \$16,660,053.

NOTE 8 – LONG-TERM LIABILITIES

The activity of the Authority's long-term liabilities during the year ended June 30, 2014 are as follows:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014
Series 2009A Bonds	\$106,100,000	\$ -	\$ -	\$ 106,100,000
Series 2009B Bonds	106,100,000	-	-	106,100,000
Series 2009C Bonds	106,100,000	-	-	106,100,000
2009 Series Bonds	318,300,000	-	-	318,300,000
Fair Value (Loss) of Interest Rate Swap (2009 Series Bonds)	75,790,293	3,693,370	-	79,483,663
2012 Series Bonds	53,355,000	-	-	53,355,000
Unamortized Bond Premium (2012 Series Bonds)	10,634,003	-	755,077	9,878,926
Compensated absences	50,010	-	1,646	48,364
Total Long-term liabilities	<u>\$458,129,306</u>	<u>\$ 3,693,370</u>	<u>\$ 756,723</u>	<u>\$ 461,065,953</u>

Compensated absences are classified as long-term since employees normally take vacation benefits as they are earned, therefore, no amounts are considered to be due within one year.

In 2009, the Authority issued Measure A Sales Tax Revenue Bonds (Limited Tax Bonds) in the amount of \$318,300,000 of which \$182,320,000 of the proceeds were used to refund the 2006 and 2007 Bonds and the remaining balance will allow the Authority to expedite additional transportation projects under "New Measure A." The variable interest rates of the Bonds are fixed through an interest-rate swap. The fixed interest rates range from 3.666% to 3.736%. Principal payments range from \$22,300,000 which begins in the year 2029 to \$35,400,000 at maturity in the year 2039. No amounts are due within one year.

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Since the 2009 bond proceeds were completely spent down for “New Measure A” transportation projects by the 2012 year, the Authority again issued Measure A Sales Tax Revenue Bonds (Limited Tax Bonds) in the amount of \$53,355,000 at a fixed interest rate of 2.480997% in July 2012. Interest payments occur semiannually and principal payments do not occur until 2016 which will range from \$3,450,000 in year 2016 to \$5,720,000 at maturity in 2027. This bond issuance enabled the Authority to continue to expedite current “New Measure A” capital transportation projects. The 2012 bond issuance agreement did not include an interest rate swap as in the case of the 2009 bond issuance and no amounts are due within one year.

Long-term debt consists of the following at: June 30 2014

2009 Series A Bonds: In October 2009, the Authority issued variable rate Sales Tax Revenue Bonds in the amount of \$106,100,000. The Bonds will be used to finance the cost of certain transportation projects approved by the voters in 2004. In the floating-to-fixed rate swap, the Authority pays a fixed interest rate of 3.736% to Goldman Sachs Capital Markets, and in turn, receives a variable interest rate based on 67 percent of the one month London Interbank Offered Rate (LIBOR) which is reset on a weekly basis. In addition, the Authority pays ancillary fees consisting of liquidity facility fees at a rate of 0.55% and remarketing fees of 0.10%. Under the Indenture Agreement between the Authority and the Trustee (U S Bank), the Authority pledges future sales tax revenue as repayment for the 2009A Bonds. The 2009A Bonds mature on October 1, 2038. \$106,100,000

2009 Series B Bonds: In October 2009, the Authority issued variable rate Sales Tax Revenue Bonds in the amount of \$106,100,000. The Bonds will be used to finance the cost of certain transportation projects approved by the voters in 2004. In the floating-to-fixed rate swap, the Authority pays a fixed interest rate of 3.666% to JP Morgan Chase Bank N. A, and in turn, receives a variable interest rate based on 67 percent of three month London Interbank Offered Rate (LIBOR) which is reset on a weekly basis. In addition, the Authority pays ancillary fees consisting of liquidity facility fees at a rate of 0.78% and remarketing fees of 0.10%. Under the Indenture Agreement between the Authority and the Trustee (U S Bank), the Authority pledges future sales tax revenue as repayment for the 2009B Bonds. The 2009B Bonds mature on October 1, 2038. \$106,100,000

2009 Series C Bonds: In October 2009, the Authority issued variable rate Sales Tax Revenue Bonds in the amount of \$106,100,000. The Bonds will be used to finance the cost of certain transportation projects approved by the voters in 2004. In the floating-to-fixed rate swap, the Authority pays a fixed interest rate of 3.736% to Bank of America N.A., and in turn, receives a variable interest rate based on 67 percent of three month London Interbank Offered Rate (LIBOR) which is reset on a weekly basis. In addition, the Authority pays ancillary fees consisting of liquidity facility fees at a rate of 0.34% and remarketing fees of 0.10%. Under the Indenture Agreement between the Authority and the Trustee (U S Bank), the Authority pledges future sales tax revenue as repayment for the 2009C Bonds. The 2009C Bonds mature on October 1, 2038. \$106,100,000

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8 – LONG-TERM LIABILITIES (Continued)

2012 Series Bonds: In July 2012, the Authority issued fixed rate Sales Tax Bonds in the amount of \$53,355,000. The bond proceeds will be used to finance the cost of certain transportation projects approved by the voters in 2004. Interest payments are due semi-annually on April 1 and October 1, beginning in October 2012. The average coupon interest rate is 2.480997%. Principal payments on the 2012 Series Bonds will begin in 2016 at \$3,450,000 to \$5,720,000 at maturity in 2027. The Authority pledges future sales tax revenue as repayment for the 2012 Series Bonds. \$53,355,000

The Measure A one-half percent sales tax revenues approved by the electorate in 2004 are pledged for principal and interest payments. The 2006 and 2007 Series Bonds were repaid with proceeds from the 2009 Series bond issuance of \$318 million which allowed the Authority to expedite additional transportation projects under "New Measure A". Once the 2009 bond proceeds were completely spent down, the Authority issued the 2012 Series Bonds in order to continue to expedite the transportation projects which had been funded under the 2009 Series Bonds. The Authority has pledged future sales tax proceeds from the incremental tax which are projected to cover 100% of the debt service requirements over the life of the bonds. The total principal and interest remaining on both the 2009 and 2012 bonds is \$684,099,083, payable through October 1, 2038 and October 1, 2027, respectively. For the current year, the interest paid and total incremental sales tax revenues were \$16,880,820 and \$100,063,237, respectively. The 2009 Series bonds were issued at par, and therefore, no premium/discount is shown for the 2009 Series bonds. The 2012 Bonds were issued at a premium of \$11,326,155, which is amortized over the life of the fifteen year bonds that mature on October 1, 2027.

As of June 30, 2014, the future annual debt service requirements and net payments on associated hedging derivative instruments on the Authority's 2009 Series Bond obligations are detailed in the schedule below. These amounts assume that current interest rates on variable rate bonds will remain the same for their term. As these rates vary, interest payments on variable rate bonds and net payments on the hedging derivatives will vary. Included in the schedule are the future principal and fixed interest obligations on the 2012 Series Bonds.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Fiscal Year Ending June 30,	Principal (1)	Estimated Bond Interest (2)	Hedging Derivatives, Net (3)	Ancillary Fees (4)	Total
2014	\$ -	\$ 2,642,565	\$ 11,412,828	\$ 2,270,577	\$ 16,325,969
2015	-	2,642,565	11,412,828	2,178,371	16,233,763
2016	-	2,642,565	11,412,828	2,184,122	16,239,514
2017	3,450,000	2,573,565	11,412,828	2,177,716	19,614,108
2018	3,590,000	2,432,765	11,412,828	2,178,371	19,613,963
2019 - 2023	20,370,000	9,753,024	57,064,138	10,896,951	98,084,112
2024 - 2028	25,945,000	4,182,449	57,064,138	10,902,702	98,094,288
2029 - 2033	126,200,000	655,948	46,207,071	8,824,755	181,887,774
2034 - 2039	192,100,000	305,120	21,493,621	4,106,850	218,005,592
Total	<u>\$ 371,655,000</u>	<u>\$ 27,830,564</u>	<u>\$ 238,893,105</u>	<u>\$ 45,720,414</u>	<u>\$ 684,099,083</u>

- (1) Reflects principal amortization of the 2009 and 2012 bonds.
- (2) Based on average of Bond Rates for FY 2014 on all three 2009 series (.0509%). Based on average fixed interest rate of 2.480997% on the 2012 series.
- (3) Based on average fixed swap rate for the three swaps (3.7127%), less average receipts on the three floating legs for FY 2014 (.1271%); total rate = 3.5856% on the 2009 series only as the 2012 bonds do not include an interest rate swap.
- (4) Based on FY 2014 average liquidity rates of .59%, plus remarketing fees of 0.10% for FY 2014; total = 0.69% on the 2009 series only. Average liquidity rates are 0.57% and remarketing fees are 0.10% after FY 2014; total = 0.67%

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"), that were issued on October 1, 2009, and whose initial interest rate is variable.

Terms. The initial notional amounts of the swaps are \$106,100,000 each. Under two of the swaps, the Authority pays the counterparty a fixed payment of 3.7360% and receives a variable payment based on 67% of the one month London Interbank Offered Rate (LIBOR). Under the third swap, the Authority pays the counterparty a fixed payment of 3.666 percent and receives a variable payment based on 67% of the three month London Interbank Offered Rate (LIBOR). The notional amounts and maturity dates of the swaps match the principal amounts and the maturity dates of the bonds that were issued on October 1, 2009 and mature on October 1, 2038. The variable-rate coupons of the hedged bonds closely match the SIFMA and percentage of LIBOR rates paid monthly.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Fair value. Because long-term interest rates have decreased since execution of the swaps, the swaps had a total negative fair value of \$79,483,663 as of June 30, 2014. The Bank of America swap had a negative fair value of \$27,196,304, the Goldman Sachs Capital Markets swap had a negative fair value of \$27,197,456, and the JPMorgan Chase Financial Products swap had a negative fair value of \$25,089,903. The fair values were estimated by an independent third-party based on mid-market levels as of the close of business on June 30, 2014. 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. As of June 30, 2014, the negative fair value of these swaps was \$79,483,663, and is reported as a deferred outflow of resources.

Credit risk. This is the risk that the counterparty will fail to perform under the terms of the agreement. As of June 30, 2014, the Authority was not exposed to credit risk on these swaps because the fair values were negative. However, should interest rates change and the fair values of the swaps become positive, the Authority would be exposed to credit risk in the amount of the swaps' positive fair values. In order to mitigate this risk, the Authority diversified its exposure among three counterparties. As of June 30, 2014 the swap counterparties were rated A3 (Bank of America), A2 (Goldman Sachs Products), and Aa3 (JPMorgan Chase) by Moody's and A (Bank of America), A- (Goldman Sachs Capital Markets), and A+ (JPMorgan Chase) 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 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 that was 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.

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 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.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Arbitrage: The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax exempt bonds after August 31, 1986. Arbitrage regulations deal with investments of all tax-exempt bond proceeds at an interest yield greater than the interest paid to bondholders. Generally, all interest paid to bond holders can be retroactive if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. The Authority's arbitrage liability is currently estimated to be immaterial.

NOTE 9 – FUND BALANCE

The fund balance classification is described in Note 1. The details of the fund balances are included in the Governmental Funds Balance Sheet (page 13).

General Fund

The General Fund has Nonspendable, Restricted and Unassigned Funds as of June 30, 2014 consisting of the following:

- Prepaid Items (\$10,027) – represent amounts that are expected to be converted to cash
- New Measure A Projects (\$62,014,056) – to reflect bond reserve held in CAMP for 2009 bond issuance and the bond proceeds for the 2012 issuance.
- Transportation Mitigation (\$5,254,385) – to assist with funding road and transit system improvements needed to accommodate projected growth and development.
- Other Transportation Projects (\$24,322,812) – to reflect funds restricted by Local Ordinance for transportation-related projects.
- General Administration (\$427,430) – to reflect unassigned funds for the use of general administrative expenditures.

Other Major Funds

The Special Revenue Fund has Restricted Funds of \$107,455 at June 30, 2014 to fulfill the program objectives of the Abandoned Vehicles program. The Debt Service Fund has Restricted Funds of \$4,125,528 to reflect amounts held for debt service.

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 10 – GOVERNMENT WIDE NET POSITION

As of June 30, 2014, the Authority had negative net position of \$288,831,950. Under a typical bond financing arrangement, the public entity issues debt and expends the funds on capital projects that are reported on the statement of net position as capital assets. The capital assets generally offset the bonded debt. The Authority has facilitated the financing for the recipient jurisdictions. Since the Authority allocates the Measure A funds to the various jurisdictions for Measure A related projects, a deficit net position will result as the expenses are recorded in the Authority's books while the various jurisdictions will either record capital assets or expenses on their financial statements. The deficit will continue to grow as the projected expenses increase in the next few years, but will be recovered over time as the sales tax revenues eventually pay down the financing.

NOTE 11 – RESTATEMENT OF BUDGETARY BASIS

Beginning budgetary fund balance of the General and Special Revenue funds have been restated to properly reflect the exclusion of the respective revenue accruals.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Budgetary Fund Balance, July 1, 2013, as originally stated	\$ 104,993,475	\$ 104,014
Restatement	<u>(19,929,878)</u>	<u>(309,676)</u>
Budgetary Fund Balance, July 1, 2013, as restated	<u>\$ 85,063,597</u>	<u>\$ (205,662)</u>

NOTE 12 – SUBSEQUENT EVENTS

On September 3, 2014, the Authority issued \$106,100,000 Sales Tax Revenue Refunding Series 2014A Bonds (refunding bonds) to currently refund the outstanding \$106,100,000 Sales Tax Revenue Series 2009A Bonds (refunded bonds). The current refunding was undertaken (1) to free up approximately \$7.9 million that was reserved for the refunded bonds that will be made available to reimburse local jurisdictions for capital project claims and (2) to eliminate approximately 0.7% in ancillary fees the Authority was paying on the refunded bonds. The Authority has also elected not to terminate the interest rate swap associated with the refunded bonds, effectively transferring it to the refunding bonds.

SUPPLEMENTAL INFORMATION

SACRAMENTO TRANSPORTATION AUTHORITY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	July 1, 2013 Balance	Additions	Deletions	June 30, 2014 Balance
CITY OF SACRAMENTO				
Assets:				
Cash and Investments	\$ 25,941,913	\$ 3,560,492	\$ 7,783,792	\$ 21,718,613
Interest receivable	16,842	12,314	16,842	12,314
Total Assets	\$ 25,958,755	\$ 3,572,806	\$ 7,800,634	\$ 21,730,927
Liabilities:				
Accounts payable	\$ 1,154,502	\$ 267,873	\$ 1,154,502	\$ 267,873
Deposits	24,804,253	3,304,933	6,646,132	21,463,054
Total Liabilities	\$ 25,958,755	\$ 3,572,806	\$ 7,800,634	\$ 21,730,927
COUNTY OF SACRAMENTO				
Assets:				
Cash and Investments	\$ 24,158	\$ 966	\$ 1,308	\$ 23,816
Interest receivable	966	23	966	23
Total Assets	\$ 25,124	\$ 989	\$ 2,274	\$ 23,839
Liabilities:				
Accounts payable	\$ 548	\$ 760	\$ 1,308	\$ (0)
Deposits	24,576	229	966	23,839
Total Liabilities	\$ 25,124	\$ 989	\$ 2,274	\$ 23,839
SACRAMENTO REGIONAL TRANSIT				
Assets:				
Cash and Investments	\$ 1,168,963	\$ 2,997	\$ 310,197	\$ 861,763
Interest receivable	2,997	956	2,997	956
Total Assets	\$ 1,171,960	\$ 3,953	\$ 313,194	\$ 862,719
Liabilities:				
Deposits	\$ 1,171,960	\$ 3,953	\$ 313,194	\$ 862,719
Total Liabilities	\$ 1,171,960	\$ 3,953	\$ 313,194	\$ 862,719
CITY OF FOLSOM				
Assets:				
Cash and Investments	\$ 370	\$ 333	\$ 703	\$ -
Interest receivable	333	-	333	-
Total Assets	\$ 703	\$ 333	\$ 1,036	\$ -
Liabilities:				
Deposits	\$ 703	\$ 333	\$ 1,036	\$ -
Total Liabilities	\$ 703	\$ 333	\$ 1,036	\$ -
CITY OF ISLETON				
Assets:				
Cash and Investments	\$ 433,544	\$ 466	\$ -	\$ 434,010
Interest receivable	466	422	466	422
Total Assets	\$ 434,010	\$ 888	\$ 466	\$ 434,432
Liabilities:				
Deposits	\$ 434,010	\$ 888	\$ 466	\$ 434,432
Total Liabilities	\$ 434,010	\$ 888	\$ 466	\$ 434,432

SACRAMENTO TRANSPORTATION AUTHORITY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	July 1, 2013 Balance	Additions	Deletions	June 30, 2014 Balance
CITY OF GALT				
Assets:				
Cash and Investments	\$ 327,631	\$ 700	\$ 327,631	\$ 700
Interest receivable	700	83	700	83
Total Assets	\$ 328,331	\$ 783	\$ 328,331	\$ 783
Liabilities:				
Deposits	\$ 328,331	\$ 783	\$ 328,331	\$ 783
Total Liabilities	\$ 328,331	\$ 783	\$ 328,331	\$ 783
CITY OF CITRUS HEIGHTS				
Assets:				
Cash and Investments	\$ 1,035,746	\$ 2,597	\$ 634,582	\$ 403,761
Interest receivable	2,596	736	2,596	736
Total Assets	\$ 1,038,342	\$ 3,333	\$ 637,178	\$ 404,497
Liabilities:				
Accounts payable	\$ 25,776	\$ 67,878	\$ 25,776	\$ 67,878
Deposits	1,012,566	(64,545)	611,402	336,619
Total Liabilities	\$ 1,038,342	\$ 3,333	\$ 637,178	\$ 404,497
CITY OF ELK GROVE				
Assets:				
Cash and Investments	\$ 416,952	\$ 1,045	\$ 389,312	\$ 28,685
Interest receivable	1,045	94	1,045	94
Total Assets	\$ 417,997	\$ 1,139	\$ 390,357	\$ 28,779
Liabilities:				
Accounts payable	\$ 275,494	\$ -	\$ 275,494	\$ (0)
Deposits	142,503	1,139	114,863	28,779
Total Liabilities	\$ 417,997	\$ 1,139	\$ 390,357	\$ 28,779
CITY OF RANCHO CORDOVA				
Assets:				
Cash and Investments	\$ 389,691	\$ 1,007	\$ 180,027	\$ 210,671
Interest receivable	1,006	259	1,006	259
Total Assets	\$ 390,697	\$ 1,266	\$ 181,033	\$ 210,930
Liabilities:				
Accounts payable	\$ 49,322	\$ 3,215	\$ 49,322	\$ 3,215
Deposits	341,375	(1,949)	131,711	207,715
Total Liabilities	\$ 390,697	\$ 1,266	\$ 181,033	\$ 210,930
NEIGHBORHOOD SHUTTLE				
Assets:				
Cash and Investments	\$ 4,034,455	\$ 1,008,000	\$ -	\$ 5,042,455
Interest receivable	8,000	4,408	8,000	4,408
Total Assets	\$ 4,042,455	\$ 1,012,408	\$ 8,000	\$ 5,046,863
Liabilities:				
Deposits	\$ 4,042,455	\$ 1,012,408	\$ 8,000	\$ 5,046,863
Total Liabilities	\$ 4,042,455	\$ 1,012,408	\$ 8,000	\$ 5,046,863

SACRAMENTO TRANSPORTATION AUTHORITY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	July 1, 2013 Balance	Additions	Deletions	June 30, 2014 Balance
CTSA SET ASIDE				
Assets:				
Cash and Investments	\$ 3,503,623	\$ 990,154	\$ -	\$ 4,493,777
Interest receivable	6,896	3,876	6,896	3,876
Total Assets	\$ 3,510,519	\$ 994,030	\$ 6,896	\$ 4,497,653

Liabilities:				
Deposits	\$ 3,510,519	\$ 994,030	\$ 6,896	\$ 4,497,653
Total Liabilities	\$ 3,510,519	\$ 994,030	\$ 6,896	\$ 4,497,653

JPA CONNECTOR (Pay Go)

Assets:				
Cash and Investments	\$ 25,762	\$ 200,150	\$ 225,912	\$ 0
Interest receivable	150	107	150	107
Total Assets	\$ 25,912	\$ 200,257	\$ 226,062	\$ 107

Liabilities:				
Accounts payable	\$ 25,509	\$ 10,839	\$ 36,348	\$ (0)
Deposits	403	189,418	189,714	107
Total Liabilities	\$ 25,912	\$ 200,257	\$ 226,062	\$ 107

TOTAL AGENCY FUNDS

Assets:				
Cash and Investments	\$ 37,302,808	\$ 5,768,907	\$ 9,853,464	\$ 33,218,251
Interest receivable	41,997	23,278	41,997	23,278
Total Assets	\$ 37,344,805	\$ 5,792,185	\$ 9,895,461	\$ 33,241,529

Liabilities:				
Accounts payable	\$ 1,531,151	\$ 350,565	\$ 1,542,750	\$ 338,966
Deposits	35,813,654	5,441,620	8,352,711	32,902,563
Total Liabilities	\$ 37,344,805	\$ 5,792,185	\$ 9,895,461	\$ 33,241,529

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 Position by Component
(Accrual basis of Accounting)

	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
Governmental activities:										
Restricted for transportation mitigation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,073,658	\$ 5,447,348	\$ 1,204,207	\$ 4,390,110	\$ 5,254,385
Restricted for abandoned vehicles										107,455
Unrestricted	36,790,648	33,368,935	(16,051,271)	(101,589,627)	(143,010,032)	(197,736,342)	(246,561,887)	(269,290,732)	(283,641,409)	(294,193,790)
Total governmental activities net position	<u>\$ 36,790,648</u>	<u>\$ 33,368,935</u>	<u>\$ (16,051,272)</u>	<u>\$ (101,589,627)</u>	<u>\$ (143,010,032)</u>	<u>\$ (194,662,684)</u>	<u>\$ (241,114,539)</u>	<u>\$ (268,086,525)</u>	<u>\$ (279,251,299)</u>	<u>\$ (288,831,950)</u>

Source - Authority financials

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

	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
Program Revenues										
Operating grants and contributions	\$ 3,265,658	\$ 3,038,830	\$ 2,856,376	\$ 3,065,942	\$ 2,964,590	\$ 6,008,096	\$ 5,327,190	\$ 5,966,229	\$ 6,221,395	\$ 6,835,898
Expenses										
Governmental Activities:										
Measure A (ongoing and set asides)	\$ 98,303,111	\$ 113,885,339	\$ 118,452,646	\$ 100,930,099	\$ 95,829,982	65,408,282	68,293,582	72,891,458	76,397,880	80,236,470
Transportation mitigation										26,870,549
Freeway Service Patrol	1,495,634	1,555,435	1,643,363	1,824,305	1,770,438	1,836,329	1,880,031	1,729,539	1,765,562	2,164,149
Abandoned Vehicle Service Authority	1,093,842	1,178,658	1,199,866	1,135,591	1,092,942	1,057,667	1,376,979	1,079,593	1,089,746	1,125,637
Measure A (construction)			37,396,454	82,958,676	28,471,832	60,854,700	52,044,097	35,000,302	17,826,692	14,507,501
Interest on long-term debt			2,491,557	6,691,245	7,581,219	10,555,136	16,245,290	15,119,256	16,257,749	16,196,388
Collaborative	892,620	455,910	-	-	-	-	-	-	-	-
Total expenses	101,785,207	117,075,342	161,183,886	193,539,916	134,746,413	139,712,114	139,839,979	125,820,145	113,337,629	141,100,694
Net (expense) revenue	(98,519,549)	(114,036,512)	(158,327,510)	(190,473,974)	(131,781,823)	(133,704,018)	(134,512,790)	(119,853,918)	(107,116,239)	(134,264,796)
General revenues:										
Sales taxes	102,385,507	109,688,836	105,366,507	101,155,680	89,395,168	81,413,982	87,299,421	92,239,996	97,390,177	100,063,237
Unrestricted investment earnings	483,592	925,963	3,540,796	3,779,938	966,250	637,384	761,514	641,940	662,384	430,908
Total general revenues	102,869,099	110,614,799	108,907,303	104,935,618	90,361,418	82,051,366	88,060,935	92,881,936	98,052,561	100,494,145
Change in net position	\$ 4,349,550	\$ (3,421,713)	\$ (49,420,207)	\$ (85,538,356)	\$ (41,420,405)	\$ (51,652,652)	\$ (46,451,855)	\$ (26,971,986)	\$ (9,063,678)	\$ (33,770,651)

Source - Authority financials

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

	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
General fund:										
Nonspendable:										
Prepaid items							\$ 10,027	\$ 10,027	\$ 10,027	\$ 10,027
Restricted for:	\$ 10,000	\$ 10,000								
New Measure A projects			\$ 53,736,986	\$ 50,417,511	\$ 23,815,777	\$103,507,342	45,778,808	26,309,298	74,580,536	62,014,056
Transportation mitigation						3,073,658	5,447,348	1,204,207	4,390,110	5,254,385
Other transportation projects							21,962,603	19,008,492	22,368,024	24,322,812
Unreserved:										
Designated for:										
Revenue estimate adjustments	7,104,690	6,393,630	4,226,954							
Litigation contingency	476,689	497,542	516,689							
Administrative reserve	1,432,497									
FSP Radios										
Unreserved and undesignated	27,383,158	26,063,530	16,579,963	21,487,298	15,261,503	13,175,036				
Unassigned for:										
General administration							589,073	600,000	740,000	427,430
Total general fund	<u>\$ 36,407,034</u>	<u>\$ 32,964,702</u>	<u>\$ 75,060,592</u>	<u>\$ 71,904,809</u>	<u>\$ 39,077,280</u>	<u>\$119,756,036</u>	<u>\$ 73,787,859</u>	<u>\$ 47,132,024</u>	<u>\$102,088,697</u>	<u>\$ 92,028,710</u>
All other governmental funds										
Restricted										
Debt service			\$ 10,721,864	\$ 12,495,581	\$ 4,384,802	\$ 4,132,177	\$ 4,106,434	\$ 3,774,504	\$ 4,345,908	\$ 4,125,528
Abandoned vehicles - SAVSA										107,455
Assigned										
Abandoned vehicles - SAVSA							31,435	85,614	93,817	
Unreserved										
Unreserved, reported in										
Special revenue fund - SAVSA	\$ 429,074	\$ 390,322	336,904	324,850	349,268	369,217				
Special revenue fund - Collaborative	759	66,998								
Total all other governmental funds	<u>\$ 429,833</u>	<u>\$ 457,320</u>	<u>\$ 11,058,768</u>	<u>\$ 12,820,431</u>	<u>\$ 4,734,070</u>	<u>\$ 4,501,393</u>	<u>\$ 4,137,869</u>	<u>\$ 3,860,118</u>	<u>\$ 4,439,725</u>	<u>\$ 4,232,983</u>

Source - Authority financials

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

	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
Revenues										
Taxes	\$ 102,385,507	\$ 109,688,836	\$ 105,366,507	\$ 101,155,680	\$89,395,168	\$81,413,982	\$87,299,421	\$92,239,996	\$97,390,177	\$100,063,237
Development Impact Fees (Mitigation)						3,073,658	2,334,437	2,957,362	3,176,382	3,540,542
Vehicle registration fees	1,139,965	1,142,226	1,144,870	1,140,257	1,132,447	1,106,169	1,070,911	1,166,769	1,130,254	1,172,833
Contributions	655,968	405,595								
State grant	761,204	772,879	951,204	1,129,892	1,035,852	988,962	1,122,358	1,109,848	1,167,759	1,179,459
FSP / State / SHOPP										196,064
SAFE Funds	620,000	610,000	640,000	672,525	672,525	706,000	706,000	732,250	747,000	747,000
Use of money and property - interest	426,817	932,080	3,542,668	3,803,128	975,310	637,426	761,414	641,940	660,928	430,196
Unrealized gain/(loss)	56,775	(6,318)	(1,872)	(23,190)	(9,060)					
Miscellaneous	3,416	201				2,432	100		1,452	712
Yolo County	85,105	108,130	120,302	123,268	123,766	130,832	93,483			
Total Revenues	106,134,757	113,653,629	111,763,679	108,001,560	93,326,010	88,059,461	93,388,124	98,848,165	104,273,952	107,330,043
Expenditures										
General government:										
Administrative	1,814,604	1,235,780	493,837	554,092	643,936	599,424	542,380	658,391	745,552	1,008,517
Freeway service patrol	1,495,634	1,555,435	1,643,363	1,824,305	1,770,438	1,836,329	1,880,031	1,729,539	1,765,562	2,164,149
Intergovernmental	98,468,968	114,277,259	156,319,967	183,896,918	123,979,282	126,524,494	121,087,058	108,225,941	94,103,672	97,543,286
Debt Service:										
Interest and other charges			2,619,565	6,401,511	7,846,244	14,633,134	16,210,359	15,167,878	16,804,043	16,880,820
Total expenditures	101,779,206	117,068,474	161,076,732	192,676,826	134,239,900	143,593,381	139,719,828	125,781,749	113,418,829	117,596,772
Excess of Revenues over Expenditures	4,355,551	(3,414,845)	(49,313,053)	(84,675,266)	(40,913,890)	(55,533,920)	(46,331,704)	(26,933,584)	(9,144,877)	(10,266,729)
Other Financing Sources (Uses)										
Transfers in	255,200	139,674	11,970,833	7,147,055	589,465	12,031,436	16,215,856	14,869,554	16,950,657	16,694,009
Transfers out	(255,200)	(139,674)	(11,970,833)	(7,147,055)	(589,465)	(12,031,436)	(16,215,856)	(14,869,554)	(16,950,657)	(16,694,009)
Repayment 2006 and 2007 bond debt						(182,320,000)				
Premium from issuance of long term debt									11,326,155	
Issuance of long term debt			101,673,487	83,618,050		318,300,000			53,355,000	
Total other financing sources (uses)	-	-	101,673,487	83,618,050	-	135,980,000	-	-	64,681,155	-
Net change in fund balances	\$ 4,355,551	\$ (3,414,845)	\$ 52,360,434	\$ (1,057,216)	\$(40,913,891)	\$ 80,446,080	\$(46,331,704)	\$ (26,933,584)	\$ 55,536,278	\$ (10,266,729)
Debt Service as a Percentage of Noncapital Expenditures	-	-	1.63%	3.32%	5.84%	10.19%	11.60%	12.06%	14.82%	14.35%

Source - Authority financials

**SACRAMENTO TRANSPORTATION AUTHORITY
REVENUE CAPACITY - REVENUE BASE AND REVENUE RATE
FY 2005 through FY 2014 (in thousands)**

Fiscal Year	Authority Sales Tax Rate	Total Sales Tax Revenue	Total Taxable Sales
2014	0.5% \$	100,063	\$ 20,012,600*
2013	0.5%	97,390	19,478,000*
2012	0.5%	92,240	19,089,848
2011	0.5%	87,299	18,003,765
2010	0.5%	81,414	16,904,528
2009	0.5%	89,395	16,563,853
2008	0.5%	101,155	19,331,847
2007	0.5%	105,367	20,560,510
2006	0.5%	109,689	21,140,386
2005	0.5%	102,386	21,266,500

Source: Board of Equalization

* Estimate - actuals not available

**SACRAMENTO TRANSPORTATION AUTHORITY
REVENUE CAPACITY - PRINCIPAL REVENUE PAYERS
Calendar Year 2012 and 2004**

	2012*			2004		
	Rank	Amount	Percentage of Taxable Sales	Rank	Amount	Percentage of Taxable Sales
All Other Outlets	1	\$ 5,723,389	30.0%	1	\$ 5,367,915	26.6%
Automotive	2	2,266,802	11.9%	2	2,752,639	13.6%
General Merchandise Stores	3	2,076,421	10.9%	4	2,267,632	11.2%
All Other Retail Stores	4	2,027,143	10.6%	3	2,573,375	12.7%
Service Stations	5	1,935,830	10.1%	7	1,078,188	5.3%
Eating and Drinking Places	6	1,854,027	9.7%	6	1,488,882	7.4%
Building Materials	7	1,024,765	5.4%	5	1,630,292	8.1%
Food Stores	8	916,005	4.8%	9	850,531	4.2%
Apparel Stores	9	855,369	4.5%	11	591,633	2.9%
Household & Home Furnishings	10	278,066	1.5%	10	708,595	3.5%
Nonstore Retailers	11	132,031	0.8%	8	907,240	4.5%
Total All Outlets		<u>\$ 19,089,848</u>	<u>100.0%</u>		<u>\$ 20,216,922</u>	<u>100.0%</u>

Source: Board of Equalization

*Latest information available

**SACRAMENTO TRANSPORTATION AUTHORITY
PRIVATE SECTOR PRINCIPAL EMPLOYERS
Calendar Year 2012 and 2004**

	2012*			2004		
	Rank	Employees (a)	Percentage of Total County Employment	Rank	Employees (b)	Percentage of Total County Employment
Sutter Health Sacramento Sierra Region	1	6,507	1.06%	4	6,405	1.04%
Intel Corporation	2	6,000	0.98%	2	7,000	1.13%
Dignity Health	3	5,756	0.94%			
Kaiser Permanente	4	5,696	0.93%	1	7,694	1.24%
Raley's Inc / Bel Air	5	3,592	0.59%	3	6,632	1.07%
Health Net of California	6	2,305	0.38%	10	2,000	0.32%
VSP Global	7	2,223	0.37%			
Wells Fargo & Co	8	2,189	0.36%			
Apple Inc	9	1,800	0.30%			
GenCorp Inc (formerly Aerojet)	10	1,783	0.29%			
CHW / Mercy Health Care				5	6,002	0.97%
Hewlett Packard				7	4,500	0.73%
Wal-Mart				8	3,220	0.52%
EDS				9	2,870	0.46%
SBC Communications				6	5,180	0.84%
Total		37,851	6.20%		51,503	8.32%

(a) Source: Sacramento Business Journal, 2013 for 2012

(b) Source: Sacramento County 2013 CAFR used for 2004

*Latest information available

**SACRAMENTO TRANSPORTATION AUTHORITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
CALENDAR YEARS 2005-2014**

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2014	1,447,759	N/A	N/A	7.1%
2013	1,450,121	\$ 60,668,975	\$ 41,837	8.7%
2012	1,436,262	57,996,392	40,380	11.1%
2011	1,422,316	55,176,682	38,794	12.7%
2010	1,408,601	54,437,987	38,647	11.3%
2009	1,394,438	55,206,829	39,591	7.2%
2008	1,381,161	53,769,563	38,931	5.4%
2007	1,369,563	51,575,249	37,658	4.8%
2006	1,360,816	48,922,482	35,951	5.0%
2005	1,348,932	46,771,956	34,673	5.6%

Sources: Bureau of Economic Analysis, California State Employment Development Department
California Department of Finance for 2014 population estimate only

Personal Income and Per Capita Personal Income not available for 2014.

**SACRAMENTO TRANSPORTATION AUTHORITY
OPERATING INFORMATION - EMPLOYEES
FY 2005 through FY 2014**

Activity	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Measure A	2.6	2.45	2.45	2.45	2.45	2.45	2.45	2.45	2.45	2.5
Freeway Service Patrol	1.2	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.3
SAVSA	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2

Source - Authority records

**SACRAMENTO TRANSPORTATION AUTHORITY
OPERATING INFORMATION - DEMAND FOR SERVICES
MEASURE A - By Jurisdiction
FY 2005 through FY 2014**

Jurisdiction	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
SMAQMD	\$ 1,474,887	\$ 1,407,308	\$ 1,342,830	\$ 1,258,355	\$ 1,203,395	\$ 1,210,653	\$ 1,520,895	\$ 1,786,043	\$ 1,712,031	\$ 1,485,865
RT South Line	-	-	-	-	-	-	-	\$ 5,399,139	\$ 5,535,678	\$ 4,664,757
City of Folsom	\$ 1,978,191	\$ 1,905,848	\$ 1,816,009	\$ 1,667,429	\$ 1,627,374	\$ 3,962,307	\$ 4,954,655	\$ 370,298		
City of Rancho Cordova	\$ 1,803,645	\$ 1,711,239	\$ 1,627,805	\$ 1,401,876	\$ 1,321,950	\$ 2,081,152	\$ 2,533,060	\$ 2,948,026	\$ 2,715,086	\$ 2,334,479
City of Galt	\$ 1,003,696	\$ 958,170	\$ 914,734	\$ 857,824	\$ 820,800	\$ 1,312,785	\$ 1,639,684	\$ 1,946,664	\$ 1,849,731	\$ 1,609,751
City of Isleton	\$ 40,150	\$ 38,327	\$ 36,592	\$ 34,313	\$ 32,835	\$ 45,589	\$ 58,005	\$ 69,539	\$ 69,436	\$ 61,827
Paratransit	\$ 3,441,403	\$ 3,283,718	\$ 3,133,270	\$ 2,936,161	\$ 2,807,922	\$ 1,467,435	\$ 1,844,116	\$ 2,169,072	\$ 2,078,635	\$ 1,791,059
Regional Transit	\$ 33,922,401	\$ 32,368,073	\$ 30,885,085	\$ 28,942,154	\$ 27,678,086	\$ 25,680,118	\$ 32,272,033	\$ 37,888,003	\$ 36,376,101	\$ 31,343,525
City of Citrus Heights	\$ 1,985,463	\$ 1,891,987	\$ 1,802,800	\$ 1,726,097	\$ 1,655,413	\$ 3,066,507	\$ 3,905,241	\$ 4,680,394	\$ 4,407,218	\$ 4,028,138
City of Elk Grove	\$ 3,927,291	\$ 3,706,060	\$ 3,523,059	\$ 3,103,271	\$ 2,927,716	\$ 4,803,891	\$ 5,882,560	\$ 6,500,846	\$ 5,409,744	\$ 4,517,116
City of Sacramento	\$ 11,534,598	\$ 11,011,678	\$ 10,506,441	\$ 10,004,574	\$ 9,498,469	\$ 16,469,321	\$ 20,564,463	\$ 24,214,996	\$ 22,296,911	\$ 19,994,205
County of Sacramento	\$ 15,134,616	\$ 14,424,979	\$ 13,742,240	\$ 12,975,067	\$ 12,455,087	\$ 19,803,338	\$ 25,204,338	\$ 29,981,516	\$ 30,648,029	\$ 25,544,405
Sacramento Regional Parks*	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Neighborhood Shuttle Set Aside*	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
CTSA Set Aside*	\$ 983,258	\$ 938,205	\$ 895,220	\$ 838,903	\$ 802,264	\$ -	\$ -	\$ -	\$ -	\$ -

* Note: Set Asides / Sacramento Regional Parks began in FY 09/10
Source - Authority records

**SACRAMENTO TRANSPORTATION AUTHORITY
RATIOS OF OUTSTANDING DEBT
FISCAL YEARS 2007-2014**

<u>Fiscal Year</u>	<u>Sales Tax Revenue Bonds</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2014	\$ 381,533,926	N/A	N/A
2013	382,289,003	0.6%	\$ 264
2012	318,300,000	0.5%	222
2011	318,300,000	0.6%	224
2010	318,300,000	0.6%	226
2009	182,320,000	0.3%	131
2008	182,320,000	0.3%	132
2007	100,090,000	0.2%	73

Personal Income and Per Capita Personal Income not available for 2014.
No debt was issued prior to 2007

**SACRAMENTO TRANSPORTATION AUTHORITY
OPERATING INFORMATION -
ABANDONED VEHICLE ABATEMENTS
FY 2005 through FY 2014**

<u>Fiscal Year</u>	<u>Total Number of AbateMENTS</u>
2014	5,247
2013	6,222
2012	6,239
2011	7,334
2010	8,718
2009	11,575
2008	13,736
2007	14,690
2006	18,008
2005	20,848

Source: Authority records

MEASURE A INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

December 4, 2014
Item #7

Subject: Results of Independent Audit for FY 2013-14

Recommendation

Receive and file the attached audit reports for FY 2013-14 and direct staff to ensure correction of findings.

Discussion

The independent audit of the STA, SAVSA, and recipient entities for the fiscal year ended June 30, 2014, was completed in November. Our consulting auditors, *Macias Gini & O'Connell*, prepared the report (attached). The first two pages of the report provide general information about the audit process while the remainder of the report describes the tasks that the auditors performed and details the findings from agreed-upon procedures performed on the Measure A (on-going and capital) and SAVSA entities. The findings begin at the bottom of page two.

There was one Measure A finding for Caltrans and one SAVSA finding each for the City of Sacramento and the City of Galt. There were no findings for the other jurisdictions or for the STA and SAVSA administration. A listing of this year's findings, the auditor's recommendations, and the process for correcting the findings are attached.

Attachments

Staff Contact: Lisa Valine

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors and Management
Sacramento Transportation Authority
Sacramento, California

We have performed the procedures enumerated below, which were agreed to by the Sacramento Transportation Authority (Authority), solely to assist you in (1) monitoring recipient compliance with applicable Memorandums of Understanding for Measure A funds between the Authority and the respective entities, as it relates to the entities' allocation; and (2) monitoring applicable recipient compliance with the *Abandoned Vehicle Abatement Handbook*, issued by the California Highway Patrol as it relates to the Sacramento Abandoned Vehicle Service Authority (SAVSA) for the year ended June 30, 2014. The Authority's management is responsible for monitoring the recipient entities' compliance with laws and regulations applicable to the requirements mentioned above. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in 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.

Our procedures and results are as follows:

MEASURE A

At your request, we have performed certain procedures as of and for the year ended June 30, 2014, with respect to recipient compliance with the applicable Memorandums of Understanding between the Authority and the respective recipient entities. Such procedures performed were as follows:

1. We read the recipient's accounting system narrative as it specifically relates to the accounting for, and control over, Measure A receipts and expenditures.

Results: Procedure performed without exception.

2. We read the recipients indirect cost allocation methodology, if any.

Results: Procedure performed without exception.

3. We read the recipient's methodology for allocating and recording interest related to Measure A receipts and recomputed reported interest income for one quarter of the year ended June 30, 2014 based on the amount set forth in the supporting schedules provided by the recipient entities, if interest was allocated to Measure A funds.

Results: Procedure performed without exception,

4. For the fiscal year ended June 30, 2014, you selected the following recipient entities for verification of Measure A expenditures:

- Original Measure A:
 - City of Sacramento

- On-going Measure A:
 - County of Sacramento
 - City of Sacramento
 - Sacramento Regional Transit District
 - Paratransit, Inc.
 - City of Rancho Cordova
 - City of Citrus Heights
- Measure A Capital Projects:
 - California Department of Transportation (Caltrans)
 - County of Sacramento
 - City of Sacramento
 - City of Rancho Cordova
 - City of Citrus Heights

For the recipient entities selected above, we performed the following procedures:

- a. Obtained the Original Measure A Status Reports, Measure A On-going Program Reporting, or the New Measure A Project Status Reports, as applicable for fiscal year ended June 30, 2014.
- b. From the detail of total recipient entity costs provided by the recipient entities, we haphazardly selected all or 10, whichever is less, expenditures for the fiscal year ended June 30, 2014, and agreed amounts to supporting documentation noting if the expenditure was consistent with the descriptions in the Expenditure Plan, the on-going Measure A Memorandum of Understanding of the Five-year Expenditure Plans for New Measure A, as applicable.
- c. We agreed the amounts in the applicable Measure A schedules provided by the Authority for the fiscal year ended June 30, 2014 to the expenditure detail for the fiscal year ended June 30, 2014 provided by the recipient.

Results: Except as noted as follows, the procedures were performed without exception.

Measure A – California Department of Transportation (Caltrans)

It was noted that \$668,924.35 in expenditures reported on the Caltrans' New Measure A Project Status Reports agreed to invoices, however these expenditures were not posted by Caltrans to its general ledger. Per agreement between Caltrans, the Authority, and the County of Sacramento, a portion of Caltrans Measure A funding is being utilized to reimburse the County of Sacramento for costs incurred for a qualified project. To expedite the reimbursement process, the County is to claim reimbursement for costs directly from the Authority, with Caltrans receiving copies of invoices being submitted for reimbursement. Caltrans is required by the Authority to report these expenditures on the quarterly status reports submitted to the Authority. However, Caltrans is not reporting the Measure A revenue and related expenditures in its general ledger system.

The Authority requests that copies of the community enhancement invoices submitted by the County also be sent directly to the accountant, Debbie De Leon, at Caltrans in addition to the Caltrans project managers to ensure that future invoices are properly posted to their general ledger.

SAVSA

We have performed certain procedures as of and for the year ended June 30, 2014 with respect to the applicable recipient's compliance with the *Abandoned Vehicle Abatement Handbook* (Handbook) as it relates to the Sacramento Abandoned Vehicle Service Authority (SAVSA) recipient entities. Such procedures were as follows:

1. We read the recipient's accounting system narrative as it specifically relates to the accounting for, and control over, abatement receipts and expenditures.

Results: No exceptions were noted as a result of this procedure.

2. We read the recipient's indirect cost allocation methodology, if any.

Results: No exceptions were noted as a result of this procedure.

3. We read the recipient's methodology for allocating and recording interest and recomputed reported interest income for the year ended June 30, 2014 based on the amount set forth in the supporting schedules provided by the recipient entities.

Results: No exceptions were noted as a result of this procedure.

4. For the fiscal year ended June 30, 2014, you selected the following recipient entities for verification of abandoned vehicle abatement expenditures:

- City of Galt
- County of Sacramento
- City of Sacramento

For the recipient entities selected above, we performed the following procedures:

- a. Obtained the Quarterly Status Reports for the fiscal year ended June 30, 2014.
- b. From the detail of total recipient entity costs provided by the recipient entities, we haphazardly selected all or 10 expenditures, whichever is less, for the fiscal year ended June 30, 2014 and agreed amounts to supporting documentation noting if the expenditure was consistent with the allowable expenditures stated in the Handbook.
- c. We agreed the amounts in the SAVSA schedule provided by the Authority for the fiscal year ended June 30, 2014 to the expenditure detail for one haphazardly selected Quarterly Status Report provided by each recipient.

Results: Except as noted as follows, the procedures were performed without exception.

City of Galt

For the quarter ended September 30, 2013, the City of Galt over claimed costs totaling \$432. Of the 137 Noticed and Voluntarily Moved (Public Property) abandoned vehicles reimbursed, the City was only able to support claims for 113. For the quarter ended December 31, 2013, the City over claimed costs totaling \$882. Of the 154 Noticed and Voluntarily Moved (Public Property) abandoned vehicles reimbursed, the City was only able to support claims for 105.

The Authority requests that the claim submitted for the 2nd quarter 2015 include a deduction of \$1,314 to account for the over claimed expenditures in the prior periods.

City of Sacramento

The City of Sacramento over claimed costs totaling \$30.82 relating to the purchase of business cards claimed for two Code Enforcement Officers that were not involved in the SAVSA program.

The Authority requests that the claim submitted for the 2nd quarter 2015 include a deduction of \$30.82 for the purchase of business cards for employees outside of the SAVSA program.

Prior Year Exceptions

2013-01 Paratransit – On-Going Measure A

Overhead Costs

As we did not test any indirect costs as part of Paratransit's Measure A procedure 4, we have no basis to report on the status of this exception.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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.

This report is intended solely for the information and use of the Board of Directors and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

Sacramento, California
November 19, 2014