



A G E N D A

MEASURE A – INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

SACRAMENTO TRANSPORTATION AUTHORITY
431 I STREET -- SUITE 106
SACRAMENTO, CALIFORNIA

THURSDAY

DECEMBER 3, 2015

4:00 P.M.

MEMBERS: JOAN BORUCKI; RUSSELL DAVIS; MAUREEN DALY-PASCOE;
STEVE HANSEN; 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 2015-16 ***
4. **Status Reports of Measure A Capital Projects, 1st Quarter FY 2015-16 ***
5. **Cumulative FY 2015-16 Measure A Revenue Report ***
6. **FY 2014-15 Comprehensive Annual Financial Report ***
7. **Results of Independent Audit for FY 2014-15 ***
8. **Status Report on Recruitment of New Executive Director**
9. **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 3, 2015
Item #3

Subject: Status Report of Measure A On-Going Programs, 1st Quarter FY 2015-16

Recommendation

Receive and file the Measure A on-going annual program status report for the quarter ended September 30, 2015.

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, 2015. 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, 2015

JURISDICTION	DISTRIBUTION			EXPENDITURES		TOTAL UNEXPENDED
	<i>Unexpended FY 2014/15</i>	<i>1st Qtr 2016</i>	<i>Year to Date FY 15 & FY 16</i>	<i>1st Qtr 2016</i>	<i>Year to Date FY 16</i>	
Citrus Heights	\$ 2,586,718	\$ 535,079	\$ 3,121,796	\$ -	\$ 217,858	\$ 2,903,938
Elk Grove	5,214,304	1,073,758	6,288,062	-	1,471,051	4,817,011
Folsom	2,111,043	523,462	2,634,505	-	1,481,182	1,153,323
Rancho Cordova	3,043,669	500,686	3,544,355	-	(50,317)	3,594,672
City of Sacramento	8,338,669	3,117,471	11,456,140	-	3,040,651	8,415,489
County of Sacramento	3,041,750	4,109,697	7,151,447	-	3,907,807	3,243,640
Isleton	-	10,855	10,855	-	10,251	604
Galt	2,049,009	271,379	2,320,388	-	65,363	2,255,025
SMAQMD	255,651	399,085	654,736	-	399,085	255,651
Paratransit	-	931,198	931,198	-	931,198	-
Sacramento Regional Parks	306,909	250,000	556,909	-	228,558	328,351
Regional Transit	-	9,178,955	9,178,955	-	9,178,955	-
Sub - Total	\$ 26,947,722	\$ 20,901,625	\$ 47,849,346	\$ -	\$ 20,881,643	\$ 26,967,703
<hr/>						
Neighborhood Shuttle	6,046,863	-	6,310,115	-	-	6,310,115
CTSA Set Aside	5,525,245	-	5,803,258	-	-	5,803,258
Total	\$ 38,519,829	\$ 20,901,625	\$ 59,962,719	\$ -	\$ 20,881,643	\$ 39,081,076

ON-GOING MEASURE A ANALYSIS - DISTRIBUTIONS & EXPENDITURES
PERIOD: FY 09/10 THROUGH FY 15/16
AS OF SEPTEMBER 30, 2015

JURISDICTION	DISTRIBUTION			EXPENDITURES	REMAINING FUNDS
	<i>Unexpended @ June 30, 2015</i>	<i>FY 2015/16 Distribution through September 30, 2015</i>	<i>Total Funds Available through September 30, 2015</i>	<i>Total Expended through September 30, 2015</i>	<i>Remaining Balance through September 30, 2015</i>
Citrus Heights					
<i>Traffic Control & Safety</i>	\$ 538,246	\$ 43,309	\$ 581,555	\$ 6,298	\$ 575,257
<i>Safety, Streetscaping, Pedestrian</i>	765,998	58,616	824,614	3,698	820,916
<i>Street & Road Maintenance</i>	1,282,473	433,154	1,715,627	207,862	1,507,765
Total	\$ 2,586,717	\$ 535,079	\$ 3,121,796	\$ 217,858	\$ 2,903,938
EIk Grove					
<i>Traffic Control & Safety</i>	\$ 299,599	\$ 86,921	\$ 386,520	\$ 11,080	\$ 375,440
<i>Safety, Streetscaping, Pedestrian</i>	976,858	117,643	1,094,501	25,492	1,069,009
<i>Street & Road Maintenance</i>	3,937,847	869,194	4,807,041	1,434,478	3,372,563
Total	\$ 5,214,304	\$ 1,073,758	\$ 6,288,062	\$ 1,471,051	\$ 4,817,011
Folsom					
<i>Traffic Control & Safety</i>	\$ 117,929	\$ 42,375	\$ 160,304	\$ 114,087	\$ 46,217
<i>Safety, Streetscaping, Pedestrian</i>	121,553	57,352	178,905	36,929	141,976
<i>Street & Road Maintenance</i>	1,871,561	423,735	2,295,296	1,330,165	965,131
Total	\$ 2,111,043	\$ 523,462	\$ 2,634,505	\$ 1,481,182	\$ 1,153,323
Rancho Cordova					
<i>Traffic Control & Safety</i>	\$ 451,679	\$ 40,531	\$ 492,210	\$ 21,345	\$ 470,865
<i>Safety, Streetscaping, Pedestrian</i>	854,162	54,857	909,019	35,596	873,423
<i>Street & Road Maintenance</i>	1,737,828	405,298	2,143,126	(107,258)	2,250,384
Total	\$ 3,043,669	\$ 500,686	\$ 3,544,355	\$ (50,317)	\$ 3,594,672

ON-GOING MEASURE A ANALYSIS - DISTRIBUTIONS & EXPENDITURES
PERIOD: FY 09/10 THROUGH FY 15/16
AS OF SEPTEMBER 30, 2015

JURISDICTION	DISTRIBUTION			EXPENDITURES	REMAINING FUNDS
	<i>Unexpended @ June 30, 2015</i>	<i>FY 2015/16 Distribution through September 30, 2015</i>	<i>Total Funds Available through September 30, 2015</i>	<i>Total Expended through September 30, 2015</i>	<i>Remaining Balance through September 30, 2015</i>
Sacramento					
<i>Traffic Control & Safety</i>	\$ 2,278,244	\$ 252,357	\$ 2,530,601	\$ 182,072	\$ 2,348,529
<i>Safety, Streetscaping, Pedestrian</i>	3,862,406	341,553	4,203,959	505,372	3,698,587
<i>Street & Road Maintenance</i>	2,198,019	2,523,561	4,721,580	2,353,207	2,368,373
Total	\$ 8,338,669	\$ 3,117,471	\$ 11,456,140	\$ 3,040,651	\$ 8,415,489
County					
<i>Traffic Control & Safety</i>	\$ 2,244,189	\$ 332,677	\$ 2,576,866	\$ 183,820	\$ 2,393,046
<i>Safety, Streetscaping, Pedestrian</i>	797,561	450,262	1,247,823	397,229	850,594
<i>Street & Road Maintenance</i>	-	3,326,758	3,326,758	3,326,758	-
Total	\$ 3,041,750	\$ 4,109,697	\$ 7,151,447	\$ 3,907,807	\$ 3,243,640
Isleton					
<i>Total Distribution/Expense</i>	\$ -	\$ 10,855	\$ 10,855	\$ 10,251	\$ 604
Total	\$ -	\$ 10,855	\$ 10,855	\$ 10,251	\$ 604
Galt					
<i>Total Distribution/Expense</i>	\$ 2,049,009	\$ 271,379	\$ 2,320,388	\$ 65,363	\$ 2,255,025
Total	\$ 2,049,009	\$ 271,379	\$ 2,320,388	\$ 65,363	\$ 2,255,025

ON-GOING MEASURE A ANALYSIS - DISTRIBUTIONS & EXPENDITURES
PERIOD: FY 09/10 THROUGH FY 15/16
AS OF SEPTEMBER 30, 2015

JURISDICTION	DISTRIBUTION			EXPENDITURES	REMAINING FUNDS
	<i>Unexpended @ June 30, 2015</i>	<i>FY 2015/16 Distribution through September 30, 2015</i>	<i>Total Funds Available through September 30, 2015</i>	<i>Total Expended through September 30, 2015</i>	<i>Remaining Balance through September 30, 2015</i>
SMAQMD					
<i>Total Distribution/Expense</i>	\$ 255,651	\$ 399,085	\$ 654,736	\$ 399,085	\$ 255,651
<i>Total</i>	<u>\$ 255,651</u>	<u>\$ 399,085</u>	<u>\$ 654,736</u>	<u>\$ 399,085</u>	<u>\$ 255,651</u>
Paratransit					
<i>Total Distribution/Expense</i>	\$ -	\$ 931,198	\$ 931,198	\$ 931,198	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ 931,198</u>	<u>\$ 931,198</u>	<u>\$ 931,198</u>	<u>\$ -</u>
Sac Regional Parks					
<i>Total Distribution/Expense</i>	\$ 306,909	\$ 250,000	\$ 556,909	\$ 228,558	\$ 328,351
<i>Total</i>	<u>\$ 306,909</u>	<u>\$ 250,000</u>	<u>\$ 556,909</u>	<u>\$ 228,558</u>	<u>\$ 328,351</u>
Regional Transit					
<i>Total Distribution/Expense</i>	\$ -	\$ 9,178,955	\$ 9,178,955	\$ 9,178,955	\$ -
<i>Total</i>	<u>\$ -</u>	<u>\$ 9,178,955</u>	<u>\$ 9,178,955</u>	<u>\$ 9,178,955</u>	<u>\$ -</u>
Sub - Total	\$ 26,947,721	\$ 20,901,625	\$ 47,849,346	\$ 20,881,643	\$ 26,967,703

ON-GOING MEASURE A ANALYSIS - DISTRIBUTIONS & EXPENDITURES
PERIOD: FY 09/10 THROUGH FY 15/16
AS OF SEPTEMBER 30, 2015

JURISDICTION	DISTRIBUTION			EXPENDITURES	REMAINING FUNDS
	<i>Unexpended @ June 30, 2015</i>	<i>FY 2015/16 Distribution through September 30, 2015</i>	<i>Total Funds Available through September 30, 2015</i>	<i>Total Expended through September 30, 2015</i>	<i>Remaining Balance through September 30, 2015</i>
Neighborhood Shuttle					
<i>Total Distribution/Expense</i>	\$ 6,046,863	\$ 250,000	\$ 6,296,863	\$ -	\$ 6,296,863
<i>Total</i>	<u>\$ 6,046,863</u>	<u>\$ 250,000</u>	<u>\$ 6,296,863</u>	<u>\$ -</u>	<u>\$ 6,296,863</u>
CTSA Set Aside					
<i>Total Distribution/Expense</i>	\$ 5,525,245	\$ 266,057	\$ 5,791,302	\$ -	\$ 5,791,302
<i>Total</i>	<u>\$ 5,525,245</u>	<u>\$ 266,057</u>	<u>\$ 5,791,302</u>	<u>\$ -</u>	<u>\$ 5,791,302</u>
Grand Total	<u>\$ 38,519,829</u>	<u>\$ 21,417,682</u>	<u>\$ 59,937,511</u>	<u>\$ 20,881,643</u>	<u>\$ 39,055,868</u>
Reconciliation to GL (Acct 3700S)					
<i>Less: FY 14/15 Unexpended Funds</i>			(38,519,829)		
<i>Less: FY 14/15 Interest on Neighborhood Shuttle fund</i>					
<i>Less: FY 14/15 Interest on CTSA Set Aside fund</i>					
Total Distributions for FY 15/16 Only - Per GL (Acct 3700S)		<u>\$ 21,417,682</u>	<u>\$ 21,417,682</u>		

MEASURE A INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

December 3, 2015
Item #4

Subject: Status Reports of Measure A Capital Projects, 1st Quarter FY 2015-16

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, 2015. 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 for all active capital projects. The summary sheet is current through November 5, 2015.

Attachments

Staff Contact: *Lisa Valine*

SACRAMENTO TRANSPORTATION AUTHORITY
New Measure A Capital Projects - Series 2012
FY 15/16
Status through November 19, 2015

Sponsor	Project	Capital Project Allocation (FY 09/10 thru FY 15/16)	Total Expended	Balance Remaining	Project Phase
County	Hazel Ave: County Line to Folsom Blvd	26,959,972	24,181,162	2,778,809	Phase I - Complete Phase II - Final Design / ROW In Design
	Hazel Ave: US Highway 50 to Folsom Blvd	3,486,000	356,293	3,129,707	
	Watt Ave / Antelope - Capital City Freeway	1,000,000	-	1,000,000	
	Greenback Lane - Phase I	1,000,000	-	1,000,000	
	Madison Ave- Phase I	3,200,000	-	3,200,000	
	South Watt / Elk Grove-Florin Rd	7,500,000	331	7,499,669	
	Sunrise Blvd - Jackson - GrantLine Rd	1,500,000	-	1,500,000	
Caltrans	US 50 Bus / Carpool Lanes - Phase I	29,202,838	26,326,285	2,876,553	Complete
	US 50 Bus / Carpool Lanes - Phase II	13,051,000	4,308,849	8,742,151	Planning / Environmental
Sacramento	Downtown Intermodal Station (Phase I and II)	57,792,000	26,144,874	31,647,126	In Construction
	Richards Blvd / I-5 (Interchange Upgrade)	1,500,000	-	1,500,000	
	Cosumnes River Blvd (Freeport - Franklin & I-5 Interchg)	10,204,000	8,142,551	2,061,449	In Construction
Rancho Cordova	Folsom Blvd Streetscape (Bradshaw to Sunrise)	5,928,000	4,487,188	1,440,812	Phase III - Complete Phase IV - In Design
	Sunrise Blvd (Gold Country - Jackson)	5,495,000	-	5,495,000	
Citrus Heights	Sunrise Blvd: Antelope to North City Limits, west side	4,528,000	4,001,794	526,206	In Construction
Regional Transit	Downtown Natomas Airport - Green Line to the Airport	35,728,510	34,572,581	1,155,929	Phase I - Complete Phase II - Planning
	South Sacramento LRT Corridor Phase II	16,429,490	16,429,490	(0)	Completed
Connector JPA	I-5 / SR 99 US 50 Connector <small>(Capital Southeast Connector expenditures & balance remaining include "Pay Go")</small>	36,582,653	12,162,119	24,420,534	Planning / Env
		\$ 278,300,549	\$ 178,793,516	\$ 99,973,946	

MEASURE A INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

December 3, 2015
Item #5

Subject: Cumulative FY 2015-16 Measure A Revenue Report

Recommendation

Receive and file a summary report of cumulative FY 2015-16 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 2016. 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 2016 Measure A distributions to date are shown in the middle column.

In summary, the November sales tax revenues of **\$9,850,400** were 4.2% above the same month last year, and cumulative sales tax revenues through five months of FY 2016 are running about 2.9% above the prior year.

Attachment

Staff Contact: Lisa Valine

Measure A Sales Tax Revenue & Distribution - November 2015

<u>Measure A</u>		<u>2015/16</u>	YTD thru Oct 15	Nov 15
Cumulative Measure A Gross Revenue		\$ 44,376,102	\$ 34,525,702	\$ 9,850,400
Isleton	0.04%	\$ 17,750	\$ 13,810	3,940
Galt	1.00%	\$ 443,761	\$ 345,257	98,504
Neighborhood Shuttle	\$ 1,000,000	\$ 416,667	\$ 333,333	83,334
Subtotal		\$ 43,497,923	\$ 33,833,301	\$ 9,664,622
Sac Cnty Regl Parks Dept	\$ 1,000,000	\$ 416,667	\$ 333,333	83,334
Capital Projects	20.75%	\$ 9,025,819	\$ 7,020,410	2,005,409
		\$ 34,055,438	\$ 26,479,558	\$ 7,575,879
Program Administration	0.75%	\$ 326,234	\$ 253,750	72,484
SMAQMD	1.50%	\$ 652,469	\$ 507,500	144,969
Traffic Control & Safety	3.00%	\$ 1,304,938	\$ 1,014,999	289,939
Paratransit (CTSA)	3.50%	\$ 1,522,427	\$ 1,184,166	338,261
CTSA Set Aside	1.00%	\$ 434,979	\$ 338,333	96,646
Safety, Streetscaping				
Pedestrian & Bike Facilities	5.00%	\$ 1,758,230	\$ 1,358,332	399,898
Street & Road Maintenance	30.00%	\$ 13,049,377	\$ 10,149,990	2,899,387
SRTD	34.50%	\$ 15,006,784	\$ 11,672,489	3,334,295
Net Revenue	78.25%	\$ 34,055,438	\$ 26,479,558	\$ 7,575,879

<u>Traffic Control & Safety</u>		<u>2015/16</u>	<u>2015/16</u>	
Citrus Heights	5.427%	\$ 70,817	\$ 55,082	15,732
Elk Grove	10.890%	\$ 142,108	\$ 110,533	31,575
Folsom	5.309%	\$ 69,279	\$ 53,886	15,393
Rancho Cordova	5.078%	\$ 66,265	\$ 51,542	14,723
Sacramento	31.617%	\$ 412,582	\$ 320,912	91,670
County	41.680%	\$ 543,898	\$ 423,052	120,846
Total	100.0%	\$ 1,304,938	\$ 1,014,999	\$ 289,939

<u>Safety, Streetscaping, Pedestrian & Bike Facilities</u>		<u>2015/16</u>	<u>2015/16</u>	
Citrus Heights	5.427%	\$ 95,417	\$ 73,715	21,700
Elk Grove	10.890%	\$ 191,471	\$ 147,922	43,549
Folsom	5.309%	\$ 93,344	\$ 72,114	21,230
Rancho Cordova	5.078%	\$ 89,283	\$ 68,976	20,307
Sacramento	31.617%	\$ 555,899	\$ 429,464	126,435
County	41.680%	\$ 732,830	\$ 566,153	166,677
Total	100.0%	\$ 1,758,230	\$ 1,358,332	\$ 399,898

<u>Street & Road Maintenance</u>		<u>2015/16</u>	<u>2015/16</u>	
Citrus Heights	5.427%	\$ 708,164	\$ 550,827	157,337
Elk Grove	10.890%	\$ 1,421,047	\$ 1,105,319	315,728
Folsom	5.309%	\$ 692,773	\$ 538,845	153,928
Rancho Cordova	5.078%	\$ 662,629	\$ 515,399	147,230
Sacramento	31.617%	\$ 4,125,804	\$ 3,209,104	916,700
County	41.680%	\$ 5,438,960	\$ 4,230,496	1,208,464
Total	100.0%	\$ 13,049,377	\$ 10,149,990	\$ 2,899,387

MEASURE A INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

December 3, 2015
Item #6

Subject: FY 2014-15 Comprehensive Annual Financial Report

Recommendation

Receive and file the FY 2014-15 Comprehensive Annual Financial Report.

Discussion

The Comprehensive Annual Financial Report (CAFR) for fiscal year 2014-15 has been completed and is enclosed with the agenda packet for your information.

The CAFR's contents are similar to last year's CAFR, with one important exception as the Government Accounting Standards Board (GASB) adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No 68*. These statements required the Authority to (1) recognize its proportional share of the net pension liability, the deferred outflows of resources, and the deferred inflows of resources related to the Authority's cost-sharing pension plan, and (2) it required contributions made after the June 30, 2014 measurement date to be reported as deferred outflows of resources in its government-wide financial statements. These changes that are reflected in the *Statement of Net Position and the Statement of Activities* for fiscal year 2014-15 will be explained in greater detail as we present the financial statements.

Sales tax revenues for fiscal year 2014-15 exceeded the prior year by 4.42%, and the Measure A mitigation fees increased by 30.6% compared to the prior year.

Please note the copy of the Certificate of Achievement for Excellence in Financial Reporting, which STA was awarded for its FY 2013-14 CAFR. This is the 20th 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. The financial and compliance audits were performed by *Richardson & Company*. The report attests that STA's financial statements are presented fairly and 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, 2015*

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

SACRAMENTO TRANSPORTATION AUTHORITY

Sacramento, California

FOR THE

FISCAL YEAR ENDED JUNE 30, 2015

PREPARED BY

Lisa Valine

Accounting Manager

**SACRAMENTO TRANSPORTATION AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**SACRAMENTO TRANSPORTATION AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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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 30, 2015

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, 2015 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 2015 was 5.8%, which is a decrease from June 2014 at 7.1% and the economy continues to slowly improve since 2012. Sales tax revenues for the Authority increased by 4.43% in fiscal year 2014-15 from the prior year and sales tax revenue projections for fiscal year 2015-16 are estimated to be 4.5% 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

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.

In addition, in March 2015, the Authority issued \$106,100,000 Sales Tax Revenue Refunding Series 2015A Bonds (refunding bonds) to refund the current outstanding \$106,100,000 Sales Tax Revenue Series 2009B bonds (refunding bonds) to free up approximately \$9.8 million that was reserved for the refunded bonds to also make these funds available for reimbursing local jurisdictions for capital project claims. As with the September 2014 issue, the Authority also elected not to terminate the interest rate swap associated with the refunded bonds.

Other Information

An audit team from Richardson and Company, 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, 2014. 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 twentieth 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 principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA 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, 2015

BOARD MEMBERS

CURT CAMPION, City of Galt and Isleton
GARY DAVIS, City of Elk Grove
SUE FROST, City of Citrus Heights
STEVE HANSEN, City of Sacramento
JEFF HARRIS, City of Sacramento
KERRI HOWELL, City of Folsom
PATRICK HUME, City of Elk Grove
LARRY CARR, City of Sacramento
PATRICK KENNEDY, County of Sacramento
RICK JENNINGS, City of Sacramento
ROBERTA MACGLASHAN, County of Sacramento
ROBERT J. MCGARVEY, City of Rancho Cordova
DON NOTTOLI, County of Sacramento
SUSAN PETERS, County of Sacramento
JAY SCHENIRER, City of Sacramento
PHIL SERNA, County of Sacramento

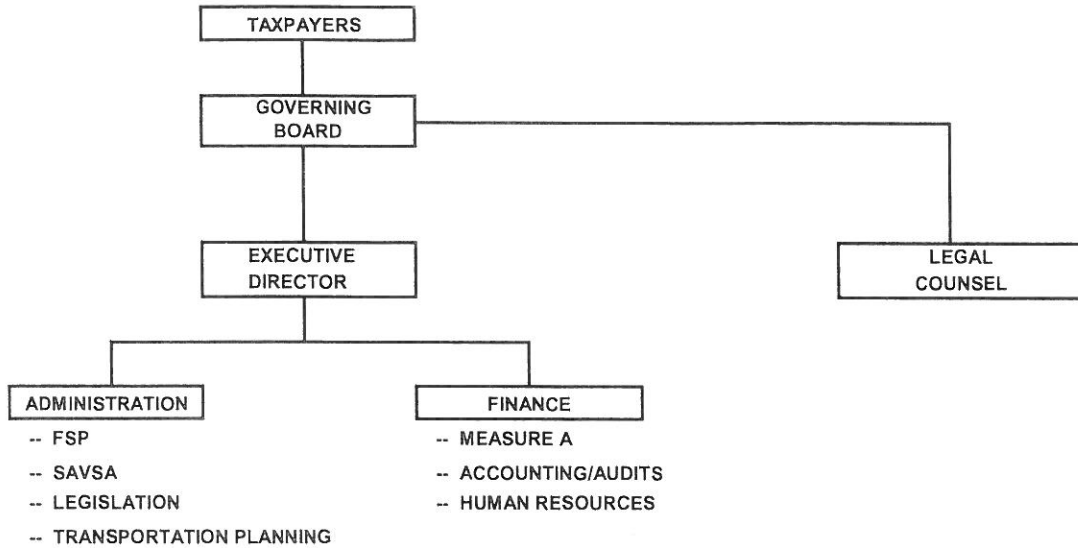
Alternates

NICK AVDIS, County of Sacramento
MARK CREWS, City of Galt and Isleton
STEVEN M. DETRICK, City of Elk Grove
STEVE MILLER, Citrus Heights
ANDY MORIN, City of Folsom
TERESA STANLEY, County of Sacramento
DONALD TERRY, Rancho Cordova

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, 2015
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, 2014

Executive Director/CEO

FINANCIAL SECTION



550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

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, 2015, 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 an opinion 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 of 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 opinion.

Opinion

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, 2015, and the respective changes in financial position and 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.

Change in Accounting Principle

As discussed in Note 11 to the basic financial statements, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68, during the year ended June 30, 2015. Due to the implementation of these Statements, the Authority recognized deferred outflows of resources, a pension liability and deferred inflows of resources for its cost-sharing pension plans in the financial statements as of July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions to Pension Plan as listed in the accompanying table of contents, 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 an opinion 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.

To the Board of Directors
Sacramento Transportation Authority

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 30, 2015 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.

Richardson & Company, LLP

October 30, 2015

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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, 2015. 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 \$104,885,347 for 2014/15 were short of original budgetary projections by \$1,075,305, a negative variance of .6%, however, actual Measure A revenues for 2014/15 did exceed the prior year by 4.42% (*using budgetary basis revenues*).
- Mitigation Fees for the 2014/15 year exceeded prior year by 30.6% which confirms an increase in construction and housing in the current fiscal year.

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 13 - 14 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 15 - 20 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 21 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 22 - 46 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, deferred outflows and deferred inflows of resources by \$299,071,068 at the close of the 2015 fiscal year.

SUMMARY OF NET POSITION Governmental Activities

	<u>2015</u>	<u>2014</u>	<u>Variance</u>
Current and other assets	\$ 91,107,664	\$ 101,337,734	(\$ 10,230,070)
Deferred outflows of resources	<u>90,916,865</u>	<u>79,483,663</u>	<u>11,433,202</u>
Total assets and deferred outflows of resources	<u>182,024,529</u>	<u>180,821,397</u>	<u>1,203,132</u>
Long-term liabilities	472,265,458	461,065,953	11,199,505
Other liabilities	<u>8,677,206</u>	<u>8,587,394</u>	<u>89,812</u>
Total liabilities	<u>480,942,664</u>	<u>469,653,347</u>	<u>11,289,317</u>
Deferred Inflows of resources	<u>(152,933)</u>	<u>-</u>	<u>(152,933)</u>
Net position:			
Restricted	10,007,690	5,361,840	4,645,850
Unrestricted	<u>(309,078,758)</u>	<u>(294,193,790)</u>	<u>(14,884,968)</u>
Total net position	<u>(\$ 299,071,068)</u>	<u>(\$ 288,831,950)</u>	<u>(\$ 10,239,118)</u>

The decrease of \$10,230,070 in current and other assets in fiscal year 2014/15 is a direct result of the bond proceeds which are being spent down for reimbursement on capital project claims. The increase of \$11,433,202 in deferred outflows of resources reflect an increase of the fair market value of the hedging derivatives (long-term interest rates) in fiscal year 2014/15 and the total pension contribution expense of \$97,366 incurred in FY 2014/15 that will be reflected in the subsequent year's net pension obligation. In compliance with GASB 68 requirements which have been implemented in FY 2014/15, the deferred inflows of resources of \$152,933 are mostly due to differences in earnings on plan investments that are recognized in future periods. Lastly, the variance of \$766,295 reflects the restatement of the beginning net position as of June 30, 2014 and represents the total net pension liability as required by GASB 68. See Note 11 in the Notes to the Financial Statements for additional information on the implementation of GASB 68.

DETAIL OF DEFICIT NET POSITION

	Authority	Recipients	Total
Total assets and deferred outflows of resources	\$ 182,024,529	\$ -	\$ 182,024,529
Capitalized Assets	-	341,094,284	341,094,284
Total Liabilities and deferred inflows of Resources	481,095,597	-	481,095,597
Total Net Position	(\$ 299,071,068)	\$ 341,094,284	\$ 42,023,216

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>2015</u>	<u>2014</u>	<u>Variance</u>
Revenues:			
Program revenues:			
Freeway Service Patrol	\$ 2,050,573	\$ 2,122,523	(\$ 71,950)
Abandoned Vehicle			
Service Authority	1,220,900	1,172,833	48,067
Mitigation Fees	4,624,139	3,540,542	1,083,597
Total program revenues	<u>7,895,612</u>	<u>6,835,898</u>	<u>1,059,714</u>
General Revenues:			
Sales taxes	105,564,247	100,063,237	5,501,010
Interest and investment earnings and other	556,829	430,908	125,921
Total revenues	<u>114,016,688</u>	<u>107,330,043</u>	<u>6,686,645</u>
Expenses:			
Governmental activities:			
Measure A (ongoing and set asides)	83,469,764	80,236,470	3,233,294
Transportation mitigation	6,676	2,680,549	(2,673,873)
Freeway Service Patrol	2,090,267	2,164,149	(73,882)
Abandoned Vehicle			
Service Authority	1,172,574	1,125,637	46,937
Measure A (construction)	21,211,857	14,507,501	6,704,356
Interest on long-term debt	15,538,373	16,196,388	(658,015)
Total expenses	<u>123,489,511</u>	<u>116,910,694</u>	<u>6,578,817</u>
Decrease in net position	(9,472,823)	(9,580,651)	107,828
Net position - beginning	(288,831,950)	(279,251,299)	(9,580,651)
Restatement of beginning net position – per GASB 68	(766,295)	-	(766,295)
Net position – ending after change	<u>(\$299,071,068)</u>	<u>(\$288,831,950)</u>	<u>(\$10,239,118)</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 45 provides a more detailed explanation. Measure A sales tax revenues were \$5,501,010 more in fiscal year 2014/15 than the prior fiscal year due to the continued improvement of the economy, in turn, Measure A (on-going and set asides) distributions were \$3,233,294 more in fiscal year 2014/15 than fiscal year 2013/14 because of the higher sales taxes. Measure A (construction) expenses, including Transportation mitigation expenses, were a combined \$4,030,483 more

than the prior year as the jurisdictions are spending down the bond proceeds allocated for project claims more rapidly than in the prior year since the bond funds allocated for current capital projects are required to be spent down in a three year period after issuance.

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 \$81,582,672, a decrease of \$10,446,038 in comparison with the prior year. Although Measure A revenues of \$105,564,547 exceeded Measure A expenditures of \$103,232,886, resulting in an increase of \$2,331,361, the total debt service expenditures of \$16,405,167 are the primary reason for the total decrease of \$10,446,038 from fiscal year 2013/14 to fiscal year 2014/15.

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 \$121,827, an increase from the prior year of \$14,372. This modest increase is primarily due to the vehicle registration fee revenue of \$1,220,900 exceeding the payment of that revenue to the local jurisdictions of \$1,172,574 and the transfer out of \$33,965 for administration.

Debt Service Fund The ending fund balance on the Debt Service Fund in the 2014/15 year was \$4,230,361, which represents the amount available for the debt service on the 2009, 2012, 2014A, and 2015A 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 \$16,405,167 between the General Fund and the Debt Service Fund represent the sales tax revenue recorded in the General Fund needed to meet the \$16,300,401 of debt service expenditures on all the bond issuances.

General Fund Budgetary Highlights

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

revenues to budget in the 2014/15 year resulted in a negative variance due to a slight unanticipated downturn in sales tax revenue in the third and four quarters of the fiscal year.

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.

In the 2014/15 fiscal year, the Authority issued \$106,100,000 Sales Tax Revenue Refunding Series 2014A Bonds (refund bonds) to refund the outstanding \$106,100,000 Sales Tax Revenue Series 2009A Bonds (refund bonds). The Authority also issued \$106,100,000 Sales Tax Revenue Refunding Series 2015A Bonds (refund bonds) to refund the outstanding \$106,100,000 Sales Tax Revenue Series 2009B Bonds (refund bonds). Both bond refunds resulted in freeing up approximately \$17.7 million in reserve funds that were made available to reimburse local jurisdictions for capital project claims and reduce ancillary fees by 0.7 %. The Authority elected not to terminate the interest rate swaps.

	<u>June 30, 2015</u>
2009 Series C	\$106,100,000
2012 Series	53,355,000
2014A Series A (formerly 2009A Series)	106,100,000
2015A Series B (formerly 2009B Series)	<u>106,100,000</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 39 - 44 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 2014/15 year has decreased by 1.3% from the prior year. Sales tax revenue has increased in the last several years, resulting in a 4.75% increase in the 2013/14 year and an increase of 4.43% in the 2014/15 year. An increase of 4.5% is projected for sales tax revenue in the 2015/16 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, 2015

	Governmental Activities
ASSETS	
Cash and investments	\$ 25,547,935
Receivables:	
Interest	52,019
Due from other governments	20,053,372
Prepaid items	10,027
Restricted cash and investments	45,444,311
Total assets	91,107,664
DEFERRED OUTFLOWS OF RESOURCES	
Fair value of hedging derivatives (long-term interest rates)	90,819,499
Pension related outflow per GASB 68	97,366
LIABILITIES	
Accounts payable and other current liabilities	4,653,357
Deposits	519,448
Interest payable	3,504,401
Long-term liabilities:	
Due within one year	9,880
Due in more than one year	472,255,578
Total liabilities	480,942,664
DEFERRED INFLOWS OF RESOURCES	
Pension related inflow per GASB 68	(152,933)
NET POSITION	
Restricted for transportation mitigation	9,885,863
Restricted for abandoned vehicles	121,827
Unrestricted	(309,078,758)
Total net position	\$ (299,071,068)

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, 2015**

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) and Revenue Governmental Activities
Governmental Activities:			
Measure A (ongoing and set aside)	\$ 83,469,764	\$ -	\$ (83,469,764)
Transportation mitigation	6,676	4,624,139	4,617,463
Freeway Service Patrol	2,090,267	2,050,573	(39,694)
Abandoned Vehicle Service Authority	1,172,574	1,220,900	48,326
Measure A (construction)	21,211,857		(21,211,857)
Interest on long-term debt	15,538,373		(15,538,373)
Total governmental activities	\$ 123,489,511	\$ 7,895,612	(115,593,899)
General revenues:			
Sales taxes			105,564,247
Interest, investment earnings and other			556,829
Total general revenues			106,121,076
Change in net position			(9,472,823)
Net position - beginning (as previously reported)			(288,831,950)
Restatement of beginning net position - per GASB 68 (1)			(766,295)
Net position - beginning (as restated)			(289,598,245)
Net position - ending			\$ (299,071,068)

(1) Per GASB 68, the pension liability must be included to restate the beginning fund balance. See Note 11 in Notes to the Financial Statements.

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

**SACRAMENTO TRANSPORTATION AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015**

	General	Special Revenue	Debt Service	Total Governmental Funds
ASSETS:				
Cash and investments	\$ 24,962,360	\$ 585,574	\$ -	\$ 25,547,935
Prepaid items	10,027			10,027
Receivables:				
Interest	50,775	1,244		52,019
Due from other governments	19,726,373	327,000		20,053,372
Restricted cash and investments	41,060,226		4,384,085	45,444,311
TOTAL ASSETS	\$ 85,809,761	\$ 913,818	\$ 4,384,085	\$ 91,107,664
 LIABILITIES and FUND BALANCES				
LIABILITIES:				
Accounts payable and other accrued liabilities	\$ 106,150	\$ -	\$ 153,724	\$ 259,874
Due to other governments	4,115,939	277,543		4,393,482
Deposits	5,000	514,448		519,448
Total liabilities	4,227,089	791,991	153,724	5,172,804
 FUND BALANCES:				
Nonspendable:				
Prepaid items	10,027			10,027
Restricted:				
New Measure A projects	41,060,226			41,060,226
Transportation mitigation	9,885,863			9,885,863
Other transportation projects	30,297,175			30,297,175
Debt service			4,230,361	4,230,361
Abandoned vehicles		121,827		121,827
Unassigned:				
General Administration	329,381			329,381
Total fund balances	81,582,672	121,827	4,230,361	85,934,860
TOTAL LIABILITIES AND FUND BALANCES	\$ 85,809,761	\$ 913,818	\$ 4,384,085	\$ 91,107,664

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, 2015**

Ending Fund Balances per governmental fund balance sheet (page 13)		\$ 85,934,860
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	(9,123,849)	
Fair value of interest rate swap	(90,819,499)	
Deferred outflow of resources	90,819,499	(380,778,849)
Pension liability per GASB 68 is not due and payable in the current period and is not reported in the funds.		
Deferred outflow of resources	\$ 97,366	
Pension liability	(608,865)	
Deferred inflow of resources	(152,933)	(664,432)
Interest payable is not due and payable in the current period and therefore is not reported in the funds.		
		(3,504,402)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.		
		(58,245)
Net position of governmental activities (page 11)		<u>\$ (299,071,068)</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, 2015**

	General	Special Revenue	Debt Service	Totals Governmental Fund
REVENUES:				
Taxes	\$ 105,564,247	\$ -	\$ -	\$ 105,564,247
Mitigation fees	4,624,139			4,624,139
Vehicle registration fees		1,220,900		1,220,900
Freeway Service Patrol Funding:				
State grant - freeway service	1,176,786			1,176,786
FSP / State / SHOPP	126,787			126,787
SAFE funds	747,000			747,000
Use of money and property - interest	607,814	1,243	67	609,123
Unrealized gain/(loss)	(52,477)	(1,232)		(53,709)
Miscellaneous	1,415			1,415
Total revenues	<u>112,795,711</u>	<u>1,220,911</u>	<u>67</u>	<u>114,016,688</u>
EXPENDITURES:				
General government:				
Administrative	805,331			805,331
Freeway Service Patrol	2,090,267			2,090,267
Intergovernmental	103,232,886	1,172,574		104,405,460
Debt Service:				
Interest and other charges	742,063		16,300,401	17,042,463
Total expenditures	<u>106,870,547</u>	<u>1,172,574</u>	<u>16,300,401</u>	<u>124,343,521</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,925,164</u>	<u>48,337</u>	<u>(16,300,334)</u>	<u>(10,326,833)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	33,965		16,405,167	16,439,131
Transfers out	(16,405,167)	(33,965)		(16,439,131)
Payment to refunded bonds - escrow agent	(212,200,000)			(212,200,000)
Issuance of refunding bonds	212,200,000			212,200,000
Total other financing sources (uses)	<u>(16,371,202)</u>	<u>(33,965)</u>	<u>16,405,167</u>	<u>-</u>
CHANGES IN FUND BALANCES	<u>(10,446,038)</u>	<u>14,372</u>	<u>104,833</u>	<u>(10,326,833)</u>
FUND BALANCES, JULY 1, 2014	<u>92,028,710</u>	<u>107,455</u>	<u>4,125,528</u>	<u>96,261,693</u>
FUND BALANCES, JUNE 30, 2015	<u>\$ 81,582,672</u>	<u>\$ 121,827</u>	<u>\$ 4,230,361</u>	<u>\$ 85,934,860</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, 2015**

Changes in fund balances - total governmental funds (page 15)	\$ (10,326,833)
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Amounts reported for governmental activities in the statement of activities are different because:

Changes not reported in government funds:

Interest payable	6,952
Change in compensated absences	(9,882)
Bond premium amortization	755,077
Pension related expense under GASB 68	101,863
	101,863

Change in Net Position of governmental activities (page 12)	\$ <u>(9,472,823)</u>
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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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis) (See Note 1)	Final Budget
REVENUES:				
Taxes	\$ 105,960,652	\$ 105,960,652	104,885,347	\$ (1,075,305)
Mitigation Fees	3,630,000	3,630,000	4,624,139	994,139
State grant - freeway service	1,100,000	1,100,000	1,176,786	76,786
FSP / State / SHOPP	180,000	180,000	126,787	(53,213)
SAFE funds	747,000	747,000	747,000	0
Use of money and property - interest	487,500	487,500	607,814	120,314
Unrealized gain/(loss)	-	-	(52,477)	(52,477)
Miscellaneous			1,415	1,415
Total revenues	<u>112,105,152</u>	<u>112,105,152</u>	<u>112,116,811</u>	<u>11,659</u>
EXPENDITURES:				
General government:				
Administrative	812,940	812,940	805,331	7,609
Freeway Service Patrol	2,204,417	2,204,417	2,090,267	114,150
Intergovernmental	96,124,040	96,124,040	103,232,886	(7,108,846)
Bond issue costs	0	0	742,063	(742,063)
Total expenditures	<u>99,141,397</u>	<u>99,141,397</u>	<u>106,870,547</u>	<u>(7,729,150)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>12,963,755</u>	<u>12,963,755</u>	<u>5,246,264</u>	<u>(7,717,491)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	34,000	34,000	33,965	(35)
Transfers out	(16,620,000)	(16,620,000)	(16,405,167)	214,833
Payment to refund bonds - escrow agent	0	0	(212,200,000)	(212,200,000)
Issuance of refunding bonds	0	0	212,200,000	212,200,000
Total other financing sources (uses)	<u>(16,586,000)</u>	<u>(16,586,000)</u>	<u>(16,371,202)</u>	<u>214,798</u>
Changes in fund balance (budgetary basis)	(3,622,245)	(3,622,245)	(11,124,938)	(7,502,693)
BUDGETARY FUND BALANCE, JULY 1, 2014	<u>62,308,378</u>	<u>62,308,378</u>	<u>92,028,710</u>	<u>29,720,332</u>
BUDGETARY FUND BALANCE, JUNE 30, 2015	<u>\$ 58,686,133</u>	<u>\$ 58,686,133</u>	<u>80,903,772</u>	<u>\$ 22,217,639</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, 2015**

	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	\$ 1,206,574	\$ 106,574
Use of money and property - interest	1,000	1,000	1,243	243
Unrealized gain/(loss)	0	0	(1,232)	(1,232)
Total revenues	1,101,000	1,101,000	1,206,585	105,585
EXPENDITURES:				
General government:				
Intergovernmental	1,143,000	1,143,000	1,172,574	(29,574)
Total expenditures	1,143,000	1,143,000	1,172,574	(29,574)
EXCESS OF REVENUES OVER EXPENDITURES	(42,000)	(42,000)	34,011	76,011
OTHER FINANCING USES:				
Transfers out	(34,000)	(34,000)	(33,965)	35
Total other financing uses	(34,000)	(34,000)	(33,965)	35
Changes in fund balance (budgetary basis)	(76,000)	(76,000)	46	76,046
BUDGETARY FUND BALANCE, JULY 1, 2014	133,817	133,817	107,455	(26,362)
BUDGETARY FUND BALANCE, JUNE 30, 2015	\$ 57,817	\$ 57,817	107,501	\$ 49,684

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, 2015**

ASSETS:	
Cash and investments	\$ 31,181,534
Interest receivable	41,748
Total assets	<u>31,223,282</u>
 LIABILITIES:	
Accounts payable	485,595
Deposits	30,737,687
Total liabilities	<u>31,223,282</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, 2015

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, 2015

**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, SAVSA is considered a component unit of the Authority and the management of the Authority has operational responsibility for SAVSA. 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. 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, 2015

**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, 2012, 2014A, and 2015A 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 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, 2015

**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).

RESTRICTED ASSETS

Certain proceeds from long-term debt are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Restricted cash includes the reserve account used to report resources set aside to make up potential future deficiencies in the bond's debt service. Restricted cash also includes unspent bond proceeds used to fund projects.

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, 2015

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 premiums or discounts. Bond issuance costs are recognized as an expense in the period incurred.

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.

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.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

- **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 assigned 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, 2015.
- **Assigned:** This classification includes amounts constrained by the Authority's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the Board or management and may be changed at the discretion of the Board or management. The Authority had no fund balances subject to committed constraints as of June 30, 2015.
- **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, 2015, 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.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 - CASH AND INVESTMENTS (Continued)

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, 2015 are classified in the accompanying financial statements as follows:

Governmental activities:	
Cash and investments	\$ 25,547,935
Restricted cash and investments	45,444,311
Agency funds:	
Cash and investments	<u>31,181,534</u>
Total cash and investments	<u><u>\$ 102,173,780</u></u>

As of June 30, 2015, the Authority's cash and investments consisted of the following:

Cash on hand	\$ 1,000
Deposits with financial institutions	<u>24,924</u>
Total cash and deposits	<u>25,924</u>
County Pool	38,003,545
LAIF	18,700,000
Money market mutual fund	4,384,085
CAMP	<u>41,060,226</u>
Total investments	<u>102,147,856</u>
Total cash and investments	<u><u>\$ 102,173,780</u></u>

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015 is \$18,700,000. The total amount invested by all public agencies in LAIF at June 30, 2015, was \$69,606,487,716 which is managed by the Treasurer for the State of California. Of that amount, 2.08% 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, 2015, 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, 2015

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, 2012, 2014A and 2015A 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, 2015, the weighted average maturity of the investments contained in LAIF, the County Pool, CAMP, and mutual money market funds is approximately 239, 262, 32, and 41 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 MMMF 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

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 2 – CASH AND INVESTMENTS (Continued)

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, 2015.

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	\$ 112,795,711	\$16,639,700	(\$17,318,600)	\$ 112,116,811
Expenditures	106,870,547	-	-	106,870,547
Excess of revenues over expenditures	\$ 5,925,164	\$16,639,700	(\$17,318,600)	\$ 5,246,264

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	\$ 1,220,911	\$312,674	(\$327,000)	\$ 1,206,585
Expenditures	1,172,574	-	-	1,172,574
Excess of revenues over expenditures	\$ 48,337	\$312,674	(\$327,000)	\$ 34,011

NOTE 4 - PENSION PLAN

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the Authority's cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). The Authority has the following cost-sharing Plans:

- Miscellaneous Plan
- PEPRA Miscellaneous Plan - Inactive

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 4 – PENSION PLAN (continued)

Benefit provisions under the Plans are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the 1959 Survivor Benefit level 4, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	<u>Miscellaneous</u>	<u>PEPRA Miscellaneous</u>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula (at full retirement)	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.00%	6.25%
Required employer contribution rates	9.067%	6.25%

The Miscellaneous Plan is closed to new members that are not already CalPERS participants

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 4 – PENSION PLAN (continued)

accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for the Miscellaneous Plan were as follows:

	Miscellaneous
Contributions - employer	\$ 68,932
Contributions – employee (made by Authority)	28,434

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the Authority reported a net pension liability for its proportionate share of the net pension liability of the Miscellaneous Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous Plan	\$ 608,865
Total Net Pension Liability	\$ 608,865

The Authority’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The Authority’s proportion of the net pension liability was based on a projection of the Authority’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Authority’s proportionate share of the net pension liability for the Miscellaneous Plan as of June 30, 2013 and 2014 was as follows:

	Miscellaneous
Proportion - June 30, 2013	0.02%
Proportion - June 30, 2014	0.02%
Change - Increase (Decrease)	0.00%

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 – PENSION PLAN (continued)

For the year ended June 30, 2015, the Authority had a reduction in pension expense of \$101,863 for all Plans combined. At June 30, 2015, the Council reported deferred outflows of resources and deferred inflows of resources related to all Plans combined from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 97,366	
Change in employer's proportion and differences between the employer's contribution and the employer's proportionate share of contributions		\$ (527)
Net differences between projected and actual earnings on plan investments	<u> </u>	<u>(152,406)</u>
Total	<u>\$ 97,366</u>	<u>\$ (152,933)</u>

The \$97,366 reported as deferred outflow of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources relate to pensions and will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2016	\$ (38,290)
2017	(38,290)
2018	(38,253)
2019	<u>(38,100)</u>
	<u>\$ (152,933)</u>

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 4 – PENSION PLAN (continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2013 actuarial valuations for each of the Plans were determined using the following actuarial assumptions:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
 Actuarial Assumptions:	
Discount Rate	7.5%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	Derived using CalPERS Membership data for all funds

(1) Depending on age and service

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 – PENSION PLAN (continued)

Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for the Plan. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 – PENSION PLAN (continued)

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.00%	(0.55)%	(1.05)%
Total	<u>100.0%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability for the Miscellaneous Plan, calculated using the discount rate for the Plan, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.50%
Net Pension Liability	\$ 983,992
Current Discount Rate	7.50%
Net Pension Liability	\$ 608,865
1% Increase	8.50%
Net Pension Liability	\$ 297,546

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 – PENSION PLAN (continued)

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

C. Payable to the Pension Plan

At June 30, 2015, the Authority did not have a payable for the outstanding amounts of contributions to the pension plan required for the year ended June 30, 2015.

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. An option to extend the lease for two consecutive five-year options is available upon six months prior notice. The rental rate for each renewal period would be at the current market rate. Rental expense for the year ended June 30, 2015 was \$52,285.

Future minimum lease payments under operating leases as of June 30, 2015 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2016	\$ 58,347
2017	59,646
Thereafter	<u>14,939</u>
Total	<u>\$ 132,932</u>

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 \$33,965, and (2) repay interest per the debt agreement in the amount of \$16,405,167.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – LONG-TERM LIABILITIES

The activity of the Authority's long-term liabilities during the year ended June 30, 2015 are as follows:

	Restated Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015
Series 2009A Bonds	\$106,100,000	\$ -	\$ 106,100,000	\$ -
Series 2009B Bonds	106,100,000		106,100,000	-
Series 2009C Bonds	<u>106,100,000</u>			<u>106,100,000</u>
2009 Series Bonds	318,300,000	-	212,200,000	106,100,000
Fair Value (Loss) of Interest Rate Swap (2009 Series Bonds)	79,483,663	90,819,499	79,483,663	90,819,499
2012 Series Bonds	53,355,000			53,355,000
Unamortized Bond Premium (2012 Series Bonds)	9,878,926		755,077	9,123,849
Series 2014A Bonds	-	106,100,000	-	106,100,000
Series 2015A Bonds	-	106,100,000	-	106,100,000
Pension liability – per GASB 68	766,295	-	157,430	608,865
Compensated absences	<u>48,364</u>	<u>29,989</u>	<u>20,108</u>	<u>58,245</u>
Total Long-term liabilities	<u>\$ 461,832,248</u>	<u>\$ 303,049,488</u>	<u>\$ 292,616,278</u>	472,265,458
Amount Due Within One Year				<u>(9,880)</u>
Amount Due in More Than One Year				<u>\$ 472,255,578</u>

Compensated absences are classified as long-term since employees normally take vacation benefits as they are earned. However, based on actual vacation taken in fiscal year 2014/15, it is estimated that approximately \$9,880 may be expended during the fiscal year 2015/16.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – LONG-TERM LIABILITIES (Continued)

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 2007 and 2008 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. Once the 2009 bond proceeds were completely spent down in 2012, 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 fiscal year 2017 which will range from \$3,450,000 in fiscal year 2017 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.

In the 2014/15 fiscal year, the Authority issued \$106,100,000 Sales Tax Revenue Refunding Series 2014A Bonds (refund bonds) to refund the outstanding \$106,100,000 Sales Tax Revenue Series 2009A Bonds (refund bonds). The Authority also issued \$106,100,000 Sales Tax Revenue Refunding Series 2015A Bonds (refund bonds) to refund the outstanding \$106,100,000 Sales Tax Revenue Series 2009B Bonds (refund bonds) at the same rate. The refunding of both bond series resulted in reducing the total ancillary fees by 0.7% in addition to freeing up approximately \$17.7 million in reserve funds that are now available to reimburse local jurisdictions for capital project claims. The Authority elected not to terminate the interest rate swaps. The variable interest rates on 2014A Series and the 2015A Series bonds are 3.736% and 3.666%, respectively and the principal payments range from \$14,800,000 which begins in the year 2029 to \$23,600,000 at maturity in 2039 which are the same terms as the refunded 2009A Series and 2009B Series bonds.

Long-term debt consists of the following at:

June 30, 2015

<u>2009 Series C Bonds:</u> In October 2009, the Authority issued variable rate Sales Tax Revenue Bonds in the amount of \$106,100,000. The Notes 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 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 0.34% and remarketing fees of .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 2009 bonds. The bonds mature on October 1, 2038.	\$106,100,000
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SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

2014A Series A Bonds: In September 2014, the Authority issued variable rate Sales Tax Revenue Bonds in the amount of \$106,100,000 to refund the outstanding \$106,100,000 Sales Tax Revenue Series 2009A bonds (refund bonds). The Notes 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 paid ancillary fees consisting of liquidity facility fees at a rate of 0.59% and remarketing fees of .10% prior to the September 2009 refunding under the 2009A Series bonds, however, there are no liquidity facility fees or remarketing fees on the 2014A Series bonds after fiscal year 2015. Under the Indenture Agreement between the Authority and the Trustee (US Bank), the Authority pledges future sales tax revenue as repayment for the 2014A bonds. The bonds mature on October 1, 2038. \$106,100,000
0

2015A Series B Bonds: In March 2015, the Authority issued variable rate Sales Tax Revenue Bonds in the amount of \$106,100,000 to refund the outstanding \$106,100,000 Sales Tax Revenue Series 2009B bonds (refund bonds). The Notes 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, 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 0.35% and remarketing fees of .10%. Under the Indenture Agreement between the Authority and the Trustee (US Bank), the Authority pledges future sales tax revenue as repayment for the 2015A bonds. The bonds mature on October 1, 2038. \$106,100,000

The Measure A one-half percent sales tax revenues approved by the electorate in 2004 are pledged for principal and interest payments. The 2007 and 2008 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 the 2009C, 2012, 2014A, and the 2015A bonds is \$652,413,661. Payments for the 2012 bonds are through October 1, 2027 while the payments on the 2009C, 2014A, and the

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – LONG-TERM LIABILITIES (Continued)

2015A bonds are through October 1, 2038. For the current year, the interest paid and total incremental sales tax revenues were \$16,300,401 and \$105,564,247, respectively. The 2009C, 2014A, and 2015A Series bonds were issued at par, and therefore, no premium/discount is shown. 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, 2015, the future annual debt service requirements and net payments on associated hedging derivative instruments on the Authority's 2009, 2014A, and 2015A 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.

Fiscal Year Ending June 30,	Principal (1)	Estimated Bond Interest (2)	Hedging Derivatives, Net (3)	Ancillary Fees (4)	Total
2015	\$ -	\$ 2,973,857	\$ 11,403,637	\$ 1,531,747	\$ 15,909,241
2016	-	2,980,512	11,403,637	965,248	15,349,397
2017	3,450,000	2,984,710	11,403,637	962,318	18,800,665
2018	3,590,000	2,843,910	11,403,637	962,755	18,800,302
2019	3,740,000	2,697,310	11,403,637	962,755	18,803,702
2020 - 2024	21,315,000	10,864,724	57,018,187	4,818,324	94,016,235
2025 - 2029	43,560,000	5,055,099	56,618,698	4,781,699	110,015,496
2030 - 2034	132,700,000	2,286,320	41,531,738	3,508,668	180,026,726
2035 - 2039	163,300,000	1,004,799	15,109,698	1,277,400	180,691,897
Total	<u>\$ 371,655,000</u>	<u>\$ 33,691,241</u>	<u>\$ 227,296,506</u>	<u>\$ 19,770,914</u>	<u>\$ 652,413,661</u>

- (1) Reflects principal amortization of the Series 2009C, 2014A, 2015A and 2012 bonds and notional amortization on the swaps for Series 2009C, 2014A and 2015A.
- (2) Series 2009C - based on average of Bond Rates for FY 2015 (.0392%).
Series 2012 - based on average fixed interest rate of 2.480997%.
Series 2014A – based on Average of Bond and Direct Purchase rates for FY 2015 (0.3857%). Average direct purchase rate after FY 2015 (0.461%).
Series 2015A – based on Average of Bond Rates for FY 2015 (0.0400%)
- (3) Series 2009C - based on average fixed swap rate for Bank of America swap (3.736%) less average receipts on the floating leg for FY 2015 (0.1110%); total rate = 3.6250%.
Series 2014A – based on average fixed rate swap for Goldman Sachs swap (3.736%) less average receipts on the floating leg for FY 2015 (0.1110%); total rate = 3.6250%.
Series 2015A – based on average fixed rate swap for JP Morgan (3.6660%) less average receipts on the floating leg for FY 2015 (0.1677%); total rate = 3.4983%.
- (4) Series 2009C – based on liquidity rate of 0.34% plus remarketing fees of 0.10% for FY 2015; total = 0.44%.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Series 2014A – based on average liquidity rates of 0.59% plus remarketing fees of 0.10% through Sep 2014; total =0.69%. After Sep 2014, the spread on the direct purchase of 0.35% and no liquidity or remarketing fees after refunding of Series 2009A bonds.

Series 2015A – based on average liquidity rates of 0.68% plus remarketing fees of 0.10% through Mar 2015; total = 0.78%. Average liquidity rates are 0.35% and remarketing fees are 0.10% after Mar 2015; total = 0.45%.

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.

Fair value. Because long-term interest rates have decreased since execution of the swaps, the swaps had a total negative fair value of \$90,819,499 as of June 30, 2015. The Bank of America swap had a negative fair value of \$31,145,656, the Goldman Sachs Capital Markets swap had a negative fair value of \$31,147,675, and the JP Morgan Chase Financial Products swap had a negative fair value of \$28,526,168. The fair values were estimated by an independent third-party based on mid-market levels as of the close of business on June 30, 2015. 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, 2015, the negative fair value of these swaps was \$90,819,499, 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, 2015, 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

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – LONG-TERM LIABILITIES (Continued)

its exposure among three counterparties. As of June 30, 2015 the swap counterparties were rated A1 (Bank of America), A1 (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.

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. The fund balance classification is described in Note 1. The details of the fund balances are included in the Governmental Funds Balance Sheet (page 15).

NOTE 9 – FUND BALANCE

General Fund

The General Fund has Nonspendable, Restricted, and Unassigned Funds as of June 30, 2015 consisted of the following:

- Prepaid Items (\$10,027) – represent amounts that are expected to be converted to cash
- New Measure A Projects (\$41,060,226) – to reflect bond reserve held in CAMP for 2009, 2014A, and 2015A bond issuances and the bond proceeds for the 2012 issuance.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – FUND BALANCE (Continued)

- Transportation Mitigation (\$9,885,863) – to assist with funding road and transit system improvements needed to accommodate projected growth and development.
- Other Transportation Projects (\$30,297,175) – to reflect funds restricted by Local Ordinance for transportation-related projects.
- General Administration (\$329,381) – to reflect unassigned funds for the use of general administrative expenditures.

Other Major Funds

The Special Revenue Fund has Restricted Funds of \$121,827 at June 30, 2015 to fulfill the program objectives of the Abandoned Vehicles program. The Debt Service Fund has Restricted Funds of \$4,230,361 to reflect amounts held for debt service.

NOTE 10 – GOVERNMENT WIDE NET POSITION

As of June 30, 2015, the Authority had negative net position of \$299,071,068. 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 expenditures are recorded in the Authority's books while the various jurisdictions will either record capital assets or expenditures on their financial statements. The deficit will continue to grow as the projected expenditures increase in the next few years but will be recovered over time as the sales tax revenues eventually pay down the financing.

NOTE 11 – GASB 68 – PENSION LIABILITY IMPLEMENTATION

During the year ended June 30, 2015, the Authority adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. These Statements required the Authority to recognize in its government-wide financial statements the proportional share of the net pension liability, deferred outflows of resources and deferred inflows of resources for the Authority's cost-sharing pension plans. These Statements also required contributions made after the June 30, 2014 measurement date used in the actuarial valuations for the pension plans to be reported as deferred outflows of resources.

Due to the implementation of these Statements, deferred outflows of resources of \$97,366, a pension liabilities of \$608,865 and deferred inflows of resources of \$152,933 were recorded in the Authority's financial statements as of June 30, 2015. Total net position as of July 1, 2014 was restated compared to the amounts reported in the June 30, 2014 financial statements, resulting in a decrease in net position of \$766,295.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 – SUBSEQUENT EVENTS

The Authority's management evaluated its 2014/15 financial statements for subsequent events through October 30 , 2015, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

SACRAMENTO TRANSPORTATION AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2015

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years**

	<u>June 30, 2014</u>
Proportion of the net pension liability	0.00978%
Proportionate share of the net pension liability	\$608,865
Covered - employee payroll	\$366,547
Proportionate share of the net pension liability as a percentage of covered payroll	166.11%
Plan fiduciary net position	\$10,639,461,174
Plan fiduciary net position as a percentage of the total pension liability	78.47%

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions: None.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years**

	<u>June 30, 2014</u>
Contractually required contribution (actuarially determined)	\$63,722
Contributions in relation to the actuarially determined contributions	-63,722
Contribution deficiency (excess)	<u>\$ -</u>
Covered - employee payroll	\$366,547
Contributions as a percentage of covered - employee payroll	17.38%

Notes to Schedule:

Valuation date: June 30, 2013

Methods and assumptions used to determine contribution rates:

Single Employers Example	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	3.0%, average, including inflation of 2.75%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	50 years

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

SUPPLEMENTAL INFORMATION

SACRAMENTO TRANSPORTATION AUTHORITY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	July 1, 2014 Balance	Additions	Deletions	June 30, 2015 Balance
CITY OF SACRAMENTO				
Assets:				
Cash and Investments	\$ 21,718,613	\$ 3,049,877	\$ 5,873,515	\$ 18,894,976
Interest receivable	12,314	14,223	12,314	14,223
Total Assets	\$ 21,730,927	\$ 3,064,100	\$ 5,885,829	\$ 18,909,198
Liabilities:				
Accounts payable	\$ 267,873	\$ 408,982	\$ 267,873	\$ 408,983
Deposits	21,463,054	2,655,118	5,617,956	18,500,217
Total Liabilities	\$ 21,730,927	\$ 3,064,100	\$ 5,885,829	\$ 18,909,198
COUNTY OF SACRAMENTO				
Assets:				
Cash and Investments	\$ 23,816	\$ 23	\$ 23,838	\$ (0)
Interest receivable	23	0	23	0
Total Assets	\$ 23,839	\$ 23	\$ 23,861	\$ (0)
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits	23,839	23	23,861	(0)
Total Liabilities	\$ 23,839	\$ 23	\$ 23,861	\$ (0)
SACRAMENTO REGIONAL TRANSIT				
Assets:				
Cash and Investments	\$ 861,763	\$ 956	\$ 862,719	\$ 0
Interest receivable	956	0	956	0
Total Assets	\$ 862,719	\$ 956	\$ 863,675	\$ 0
Liabilities:				
Deposits	\$ 862,719	\$ 956	\$ 863,675	\$ 0
Total Liabilities	\$ 862,719	\$ 956	\$ 863,675	\$ 0
CITY OF ISLETON				
Assets:				
Cash and Investments	\$ 434,010	\$ 422	\$ 912	\$ 433,520
Interest receivable	422	1,040	422	1,040
Total Assets	\$ 434,432	\$ 1,462	\$ 1,334	\$ 434,560
Liabilities:				
Deposits	\$ 434,432	\$ 1,462	\$ 1,334	\$ 434,560
Total Liabilities	\$ 434,432	\$ 1,462	\$ 1,334	\$ 434,560
CITY OF GALT				
Assets:				
Cash and Investments	\$ 700	\$ 83	\$ 783	\$ 0
Interest receivable	83	-	83	0
Total Assets	\$ 783	\$ 83	\$ 866	\$ 0
Liabilities:				
Deposits	\$ 783	\$ 83	\$ 866	\$ 0
Total Liabilities	\$ 783	\$ 83	\$ 866	\$ 0

SACRAMENTO TRANSPORTATION AUTHORITY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	July 1, 2014 Balance	Additions	Deletions	June 30, 2015 Balance
CITY OF CITRUS HEIGHTS				
Assets:				
Cash and Investments	\$ 403,761	\$ 736	\$ 204,694	\$ 199,802
Interest receivable	736	648	736	648
Total Assets	\$ 404,497	\$ 1,384	\$ 205,430	\$ 200,450
Liabilities:				
Accounts payable	\$ 67,878	\$ 38,786	\$ 67,878	\$ 38,786
Deposits	336,619	(37,402)	137,552	161,664
Total Liabilities	\$ 404,497	\$ 1,384	\$ 205,430	\$ 200,450
CITY OF ELK GROVE				
Assets:				
Cash and Investments	\$ 28,685	\$ 94	\$ 28,779	\$ (0)
Interest receivable	94	0	94	0
Total Assets	\$ 28,779	\$ 94	\$ 28,873	\$ (0)
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits	28,779	94	28,873	(0)
Total Liabilities	\$ 28,779	\$ 94	\$ 28,873	\$ (0)
CITY OF RANCHO CORDOVA				
Assets:				
Cash and Investments	\$ 210,671	\$ 259	\$ 122,553	\$ 88,377
Interest receivable	259	366	259	366
Total Assets	\$ 210,930	\$ 625	\$ 122,812	\$ 88,743
Liabilities:				
Accounts payable	\$ 3,215	\$ 26,674	\$ 3,214	\$ 26,674
Deposits	207,715	(26,049)	119,598	62,069
Total Liabilities	\$ 210,930	\$ 625	\$ 122,812	\$ 88,743
NEIGHBORHOOD SHUTTLE				
Assets:				
Cash and Investments	\$ 5,042,455	\$ 1,004,408	\$ 12,698	\$ 6,034,165
Interest receivable	4,408	13,252	4,408	13,252
Total Assets	\$ 5,046,863	\$ 1,017,660	\$ 17,106	\$ 6,047,417
Liabilities:				
Deposits	\$ 5,046,863	\$ 1,017,660	\$ 17,106	\$ 6,047,417
Total Liabilities	\$ 5,046,863	\$ 1,017,660	\$ 17,106	\$ 6,047,417
CTSA SET ASIDE				
Assets:				
Cash and Investments	\$ 4,493,777	\$ 1,031,468	\$ 11,603	\$ 5,513,642
Interest receivable	3,876	11,956	3,876	11,956
Total Assets	\$ 4,497,653	\$ 1,043,424	\$ 15,479	\$ 5,525,598
Liabilities:				
Deposits	\$ 4,497,653	\$ 1,043,424	\$ 15,479	\$ 5,525,598
Total Liabilities	\$ 4,497,653	\$ 1,043,424	\$ 15,479	\$ 5,525,598

SACRAMENTO TRANSPORTATION AUTHORITY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	July 1, 2014 Balance	Additions	Deletions	June 30, 2015 Balance
JPA CONNECTOR (Pay Go)				
Assets:				
Cash and Investments	\$ -	\$ 200,107	\$ 183,055	\$ 17,052
Interest receivable	107	263	107	263
Total Assets	\$ 107	\$ 200,370	\$ 183,162	\$ 17,315
Liabilities:				
Accounts payable	\$ -	\$ 11,153	\$ -	\$ 11,153
Deposits	107	189,217	183,162	6,162
Total Liabilities	\$ 107	\$ 200,370	\$ 183,162	\$ 17,315
TOTAL AGENCY FUNDS				
Assets:				
Cash and Investments	\$ 33,218,251	\$ 5,288,766	\$ 7,325,853	\$ 31,181,534
Interest receivable	23,278	41,748	23,611	41,748
Total Assets	\$ 33,241,529	\$ 5,330,514	\$ 7,349,465	\$ 31,223,282
Liabilities:				
Accounts payable	\$ 338,966	\$ 485,595	\$ 338,965	\$ 485,595
Deposits	32,902,563	4,844,919	7,010,500	30,737,687
Total Liabilities	\$ 33,241,529	\$ 5,330,514	\$ 7,349,465	\$ 31,223,282

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 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	Fiscal Year 2015
Governmental activities:										
Restricted for transportation mitigation	\$ -	\$ -	\$ -	\$ -	\$ 3,073,658	\$ 5,447,348	\$ 1,204,207	\$ 4,390,110	\$ 5,254,385	\$ 9,885,863
Restricted for abandoned vehicles								107,455		121,827
Unrestricted	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)	(309,078,758)
Total governmental activities net position	\$ 33,368,935	\$ (16,051,272)	\$ (101,589,627)	\$ (143,010,032)	\$ (194,662,684)	\$ (241,114,539)	\$ (268,086,525)	\$ (279,251,299)	\$ (288,831,950)	\$ (299,071,068)

Source - Authority financials

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

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Revenues										
Operating grants and contributions	\$ 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	\$ 7,895,612
Expenses										
Governmental Activities:										
Measure A (ongoing and set asides)	\$ 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	83,469,764
Transportation mitigation									2,680,549	6,676
Freeway Service Patrol	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	2,090,267
Abandoned Vehicle Service Authority	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	1,172,574
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	21,211,857
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	15,538,373
Collaborative	455,910	-	-	-	-	-	-	-	-	-
Total expenses	117,075,342	161,183,886	193,539,916	134,746,413	139,712,114	139,839,979	125,820,145	113,337,629	116,910,694	123,489,511
Net (expense) revenue	(114,036,512)	(158,327,510)	(190,473,974)	(131,781,823)	(133,704,018)	(134,512,790)	(119,853,918)	(107,116,239)	(110,074,796)	(115,593,899)
General revenues:										
Sales taxes	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	105,564,247
Unrestricted investment earnings	925,963	3,540,796	3,779,938	966,250	637,384	761,514	641,940	662,384	430,908	556,829
Total general revenues	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	106,121,076
Change in net position	\$ (3,421,713)	\$ (49,420,207)	\$ (85,538,356)	\$ (41,420,405)	\$ (51,652,652)	\$ (46,451,855)	\$ (26,971,986)	\$ (9,063,678)	\$ (9,580,651)	\$ (9,472,823)

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

	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	Fiscal Year 2015
General fund:										
Nonspendable:										
Prepaid items						\$ 10,027	\$ 10,027	\$ 10,027	\$ 10,027	\$ 10,027
Restricted for:	\$ 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	41,060,226
Transportation mitigation					3,073,658	5,447,348	1,204,207	4,390,110	5,254,385	9,885,863
Other transportation projects						21,962,603	19,008,492	22,368,024	24,322,812	30,297,175
Unreserved:										
Designated for:										
Revenue estimate adjustments	6,393,630	4,226,954								
Litigation contingency	497,542	516,689								
Administrative reserve										
FSP Radios										
Unreserved and undesignated	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	329,381
Total general fund	\$ 32,964,702	\$ 75,060,592	\$ 71,904,809	\$ 39,077,280	\$ 119,756,036	\$ 73,787,859	\$ 47,132,024	\$ 102,088,697	\$ 92,028,710	\$ 81,582,672
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	\$ 4,230,361
Abandoned vehicles - SAVSA									107,455	121,827
Assigned										
Abandoned vehicles - SAVSA						31,435	85,614	93,817		
Unreserved										
Unreserved, reported in										
Special revenue fund - SAVSA	\$ 390,322	336,904	324,850	349,268	369,217					
Special revenue fund - Collaborative	66,998									
Total all other governmental funds	\$ 457,320	\$ 11,058,768	\$ 12,820,431	\$ 4,734,070	\$ 4,501,393	\$ 4,137,869	\$ 3,860,118	\$ 4,439,725	\$ 4,232,983	\$ 4,352,188

Source - Authority financials

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

	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	Fiscal Year 2015
Revenues										
Taxes	\$ 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	\$105,564,247
Development Impact Fees (Mitigation)					3,073,658	2,334,437	2,957,362	3,176,382	3,540,542	4,624,139
Vehicle registration fees	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	1,220,900
Contributions	405,595									
State grant	772,879	951,204	1,129,892	1,035,852	988,962	1,122,358	1,109,848	1,167,759	1,179,459	1,176,786
FSP / State / SHOPP									196,064	126,787
SAFE Funds	610,000	640,000	672,525	672,525	706,000	706,000	732,250	747,000	747,000	747,000
Use of money and property - interest	932,080	3,542,668	3,803,128	975,310	637,426	761,414	641,940	660,928	430,196	609,123
Unrealized gain/(loss)	(6,318)	(1,872)	(23,190)	(9,060)						(53,709)
Miscellaneous	201				2,432	100		1,452	712	1,415
Yolo County	108,130	120,302	123,268	123,766	130,832	93,483				
Total Revenues	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	114,016,688
Expenditures										
General government:										
Administrative	1,235,780	493,837	554,092	643,936	599,424	542,380	658,391	745,552	1,008,517	805,331
Freeway service patrol	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	2,090,267
Intergovernmental	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	104,405,460
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	17,042,463
Total expenditures	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	124,343,521
Excess of Revenues over Expenditures	(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)	(10,326,833)
Other Financing Sources (Uses)										
Transfers in	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	16,439,131
Transfers out	(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)	(16,439,131)
Refunding 2009A and 2009B Series Bonds					(182,320,000)					(212,200,000)
Premium from issuance of long term debt								11,326,155		
Issuance of 2014A and 2015 Series Bonds		101,673,487	83,618,050		318,300,000			53,355,000		212,200,000
Total other financing sources (uses)	-	101,673,487	83,618,050	-	135,980,000	-	-	64,681,155	-	-
Net change in fund balances	\$ (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)	\$(10,326,833)
Debt Service as a Percentage of Noncapital Expenditures										
	-	1.63%	3.32%	5.84%	10.19%	11.60%	12.06%	14.82%	14.35%	13.71%

Source - Authority financials

**SACRAMENTO TRANSPORTATION AUTHORITY
REVENUE CAPACITY - REVENUE BASE AND REVENUE RATE
FY 2006 through FY 2015 (in thousands)**

Fiscal Year	Authority Sales Tax Rate	Total Sales Tax Revenue	Total Taxable Sales
2015	0.5%	\$ 105,564	\$ 21,112,800*
2014	0.5%	100,063	20,012,600*
2013	0.5%	97,390	20,097,095
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

Source: Board of Equalization

* Estimate - actuals not available

**SACRAMENTO TRANSPORTATION AUTHORITY
REVENUE CAPACITY - PRINCIPAL REVENUE PAYERS
Calendar Year 2013 and 2005**

	2013*			2005		
	Rank	Amount	Percentage of Taxable Sales	Rank	Amount	Percentage of Taxable Sales
All Other Outlets	1	\$ 5,926,089	29.5%	1	\$ 5,565,157	26.2%
Automotive	2	2,586,596	12.9%	2	2,831,896	13.3%
General Merchandise Stores	3	2,124,820	10.6%	4	2,381,491	11.2%
All Other Retail Stores	4	2,106,796	10.5%	3	2,774,063	13.0%
Eating and Drinking Places	5	1,946,913	9.7%	6	1,606,306	7.6%
Service Stations	6	1,899,358	9.5%	7	1,284,524	6.0%
Building Materials	7	1,155,301	5.7%	5	1,666,931	7.8%
Food Stores	8	923,645	4.6%	9	885,721	4.2%
Apparel Stores	9	905,514	4.5%	11	646,188	3.0%
Household & Home Furnishings	10	307,647	1.4%	10	735,292	3.5%
Nonstore Retailers	11	214,417	1.1%	8	888,931	4.2%
Total All Outlets		<u>\$ 20,097,095</u>	<u>100.0%</u>		<u>\$ 21,266,500</u>	<u>100.0%</u>

Source: Board of Equalization

*Latest information available

**SACRAMENTO TRANSPORTATION AUTHORITY
PRIVATE SECTOR PRINCIPAL EMPLOYERS
Calendar Year 2013 and 2005**

	2013*			2005		
	Rank	Employees (a)	Percentage of Total County Employment	Rank	Employees (b)	Percentage of Total County Employment
Sutter Health Sacramento Sierra Region	1	8,817	1.38%	8	11,284	1.81%
Kaiser Permanente	2	6,464	1.01%	9	11,729	1.88%
Dignity Health	3	6,286	0.98%	4	5,229	0.84%
Intel Corp	4	6,200	0.97%	6	6,500	1.04%
Raley's Inc / Bel Air	5	3,264	0.51%	7	8,203	1.31%
Apple Inc	6	2,500	0.39%			
Health Net of California	7	2,415	0.38%			
Wells Fargo & Co	8	2,038	0.32%			
VSP Global	9	2,000	0.31%			
Aerojet Rocketdyne Holdings, Inc	10	1,700	0.27%			
CHW / Mercy Health Care						
Hewlett Packard				3	4,500	0.72%
Wal-Mart				1	3,300	0.53%
Target Corporations				2	3,693	0.59%
SBC Communications				5	5,753	0.92%
Total		41,684	6.52%		60,191	9.64%

(a) Source: Sacramento Business Journal, 2014 for 2013
(b) Source: Sacramento County 2014 CAFR used for 2005
*Latest information available

**SACRAMENTO TRANSPORTATION AUTHORITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
CALENDAR YEARS 2006 - 2015**

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2015	1,460,480	N/A	N/A	5.8%
2014	1,462,131	\$ 63,512,541	\$ 43,438	7.1%
2013	1,448,053	61,370,761	42,382	8.7%
2012	1,435,277	58,242,904	40,580	11.1%
2011	1,421,973	55,216,582	38,831	12.7%
2010	1,408,601	54,480,186	38,677	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%

Sources: Bureau of Economic Analysis, California State Employment Development Department
California Department of Finance for 2015 population estimate only

Personal Income and Per Capita Personal Income not available for 2015.

**SACRAMENTO TRANSPORTATION AUTHORITY
OPERATING INFORMATION - EMPLOYEES
FY 2006 through FY 2015**

Activity	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Measure A	2.6	2.6	2.45	2.45	2.45	2.45	2.45	2.45	2.45	2.45
Freeway Service Patrol	1.2	1.2	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
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
"ON-GOING" MEASURE A - By Jurisdiction
FY 2006 through FY 2015**

Jurisdiction	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
SMAQMD	\$ 1,541,388	\$ 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
RT South Line	-	-	-	-	-	-	-	-	\$ 5,399,139	\$ 5,535,678
City of Folsom	\$ 2,018,853	\$ 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	\$ 1,922,210	\$ 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
City of Galt	\$ 1,048,496	\$ 1,003,696	\$ 958,170	\$ 914,734	\$ 857,824	\$ 820,800	\$ 1,312,785	\$ 1,639,684	\$ 1,946,664	\$ 1,849,731
City of Isleton	\$ 41,940	\$ 40,150	\$ 38,327	\$ 36,592	\$ 34,313	\$ 32,835	\$ 45,589	\$ 58,005	\$ 69,539	\$ 69,436
Paratransit	\$ 3,596,572	\$ 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
Regional Transit	\$ 35,451,925	\$ 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
City of Citrus Heights	\$ 2,071,744	\$ 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
City of Elk Grove	\$ 4,135,491	\$ 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
City of Sacramento	\$ 12,037,403	\$ 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
County of Sacramento	\$ 15,862,799	\$ 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
Sacramento Regional Parks*	\$ 1,000,000	\$ 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	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
CTSA Set Aside*	\$ 1,027,592	\$ 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 2007-2015**

<u>Fiscal Year</u>	<u>Sales Tax Revenue Bonds</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2015	\$ 380,778,849	N/A	N/A
2014	381,533,926	0.6%	\$ 260
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 2015.
No debt was issued prior to 2007

**SACRAMENTO TRANSPORTATION AUTHORITY
OPERATING INFORMATION -
ABANDONED VEHICLE ABATEMENTS
FY 2006 through FY 2015**

<u>Fiscal Year</u>	<u>Total Number of AbateMENTS</u>
2015	5,037
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

Source: Authority records

MEASURE A INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE

December 3, 2015
Item #7

Subject: Results of Independent Audit for FY 2014-15

Recommendation

Receive and file the attached audit reports for FY 2014-15 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, 2015, was completed last month. Our consulting auditors, *Richardson & Company*, 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 the City of Isleton and two SAVSA findings each for the City of Sacramento and the City of Folsom. 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

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Sacramento Transportation Authority
Sacramento, California

We have performed the procedures described in Attachment I, as of June 30, 2015 and for the year then ended, which were agreed to by the Sacramento Transportation Authority (Authority), solely to assist you (1) with respect to the monitoring of recipient compliance with applicable Transportation Expenditure Agreements for Measure A funds between the Authority and the respective recipient entity as it relates to the Entity Allocation; and (2) with respect to the monitoring of 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). This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment I either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on any of the Measure A or SAVSA recipient entities. Accordingly, we do not express such an opinion on the recipient entities compliance, specified elements, accounts or items. 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 Authority and is not intended to be and should not be used by anyone other than the Sacramento Transportation Authority.

Richardson & Company, LLP

October 30, 2015

ATTACHMENT I
PROCEDURES PERFORMED

At your request, we have performed certain procedures as of June 30, 2015 and for the year then ended with respect to recipient compliance with the applicable Transportation Expenditure Agreement 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.
2. We read the recipient's indirect cost allocation methodology, if indirect costs are charged to the Measure A projects.
3. We read the recipient's methodology for allocating and recording interest related to Measure A receipts and recomputed reported interest income for the year ended June 30, 2015 based on the amount set forth in the supporting schedules provided by the recipient entities.
4. You selected certain projects from the Original Measure A Status Report, Measure A Distributions/Expenditures On-going Annual Programs (New Measure A) Schedule and the Measure A Capital Projects Schedule for the fiscal year ended June 30, 2015 as follows:

Original Measure A

City of Sacramento: Consumnes Boulevard Extension, Folsom Boulevard Widening-Hornet at 67th

On-going Measure A

County of Sacramento: County-wide street maintenance

City of Sacramento: Guy West Bridge Rehab, City street maintenance

Regional Transit: Transit operations salaries and benefits

Isleton: City street maintenance

Folsom: Traffic safety and control, pedestrian facilities and street maintenance

Measure A Capital Projects

Caltrans: Highway 50 Carpool Lanes

County of Sacramento: Hazel Avenue Widening, Watt Avenue/US 50 Interchange

City of Sacramento: Consumnes River Boulevard (Freeport to Franklin and I-5 Interchange)

JPA Connector: Capital Southeast Connector

For the projects selected above, we performed the following:

- a. Obtained the Quarterly Status Reports for fiscal year ended June 30, 2015.
- b. Obtained detail listing of project costs. Ensured amounts agreed to the Expenditure Status Report provided by the recipient to the Authority. Haphazardly selected all or 10 (in total), whichever is less, expenditures for the fiscal year ended June 30, 2015 and agreed amounts to supporting documentation.

- c. Determined that the expenditures are consistent with the project descriptions in the County Transportation Expenditure Plan.
- d. Determined that the expenditures are consistent with the project descriptions in the contract.

Further, we have performed certain procedures as of June 30, 2015 and for the year then ended 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.
- 2. Read the recipient's indirect cost allocation methodology, if indirect costs are charged to the program.
- 3. Read the recipient's methodology for allocating and recording interest related to Pre-92 receipts and recomputed reported interest income for the year ended June 30, 2015 based on the amount set forth in the supporting schedules provided by the recipient entities, if applicable.
- 4. For the fiscal year ended June 30, 2015, you selected the following recipient entities for verification of abandoned vehicle abatement expenditures:

City of Sacramento
 County of Sacramento
 City of Folsom

For the programs selected in the step above, we performed the following:

- a. Obtained the Expenditure Status Report for the fiscal year ended June 30, 2015.
- b. Obtained detail listing of program costs. Ensured amounts agree to the Quarterly Status Report provided by the recipient to the Authority.
- c. Haphazardly selected all or 10, whichever is less, expenditures for the fiscal year ended June 30, 2015 and agreed amounts to supporting documentation noting if the expenditure is related to the abatement, removal, and disposal as public nuisances of any abandoned, wrecked, dismantled or inoperative vehicles or parts thereof from private or public property.
- d. Agreed the amounts in the SAVSA Quarterly Status Report - All Entities provided by the Authority for the fiscal year ended June 30, 2015 to the amounts in the Quarterly Status report for the quarter ended December 31, 2014 provided by the recipient.
- e. Agreed abatement figures on the Quarterly Status Report for one sample quarter to the summary sheets and two documents provided by the City or County.
- f. Selected 10 tow reports or abatement tickets and agreed to quarterly status reports.

In connection with the procedures performed, the following items came to our attention:

Current Year Findings

City of Isleton: City of Isleton was unable to provide an accounting system narrative for Measure A projects.

City of Sacramento Abandoned Vehicles: The 2nd quarter SAVSA reimbursement amount charged to the Authority is \$1,242.87 higher than the calculated reimbursed amount obtained by multiplying total employee hours from the timesheet times the hourly pay (including salary and benefits). The City's payroll system does not provide sufficient detail of these differences so we could not determine their cause.

City of Folsom Abandoned Vehicles: The City of Folsom bills the Authority based on the number of abatements using the Abatement Officer's hourly rate from the payroll system plus benefits (\$61.24) times 1.5 hours for private or 2 hours for public abatements and are not based on the Officer's hours worked according to timesheets. By applying these rates to the number of abatements, the 2nd quarter 2014/15 claim amount of \$9,014.72 was overstated by approximately \$2,360. Charges to the SAVSA program should be based on actual time spent times the employee's hourly rate (including benefits).

Additionally, the 2014/15 claimed amounts are based on old hourly rates including benefits of \$61.24 for the Code Enforcement Officer. The 2014/15 amounts should be based on the Officer's current rate of \$65.30. This pay increase should be reflected in the 2014/15 City of Folsom's SAVSA claim amounts. By using the older hourly rate, the 2nd quarter claim amount was understated by \$369.

As a result of the above issues, the net overstatement of the City's 2nd quarter 2014/15 claim is \$1,991.

Prior Year Findings

Caltrans Measure A: During our June 30, 2010 audit, we recalculated five labor charges for the US 50 bus/carpool lane project. We noted differences between our calculation and the charges shown on Caltrans' reports ranging from 5% to 116% of the individual employee charge. While we contacted Caltrans regarding this issue, we did not receive a response.

During our June 30, 2015 audit, the above issue has continued. We noted differences between cash expenditures paid and the employee timesheet for four employees as there is a material difference due to the monthly benefit rate used to calculate time charged to the project. We have contacted Caltrans regarding this issue, and Caltrans representatives could not provide support for the rates used as of the date of our report. We also could not verify total expenditure amount to approved timesheets because timesheets did not include the proper project code to which time should have been charged.

Current Status: During our June 30, 2015 audit, we continue to be unable to agree charges shown on Caltrans' reports and our calculation of labor charges. We will consider these findings unresolved.

City of Sacramento SAVSA: During the Authority's June 30, 2014 audit, an overclaimed amount was noted for \$30.82 for the purchase of business cards for two Code Enforcement Officers that were not involved in the SAVSA program. The finding indicated that the Authority was requesting a deduction in the 2nd quarter 2015 claim of \$30.82.

Current Status: During our June 30, 2015 audit, we did not see where the 2nd quarter 2015 claim was reduced by \$30.82, nor has the Authority been able to determine that the claim has been reduced for this finding. The City of Sacramento needs to provide the Authority with proof that this item has been corrected.