NOVEMBER 14, 2024 AGENDA ITEM # 6

Receive A PRESENTATION FROM THE independent taxpayer oversight committee and approve the annual comprehensive financial report, Agreed Upon Procedures Reports, and Governance letter

Action Requested: Receive and Approve

Presenters: Dustin Purinton, Accounting Manager

 Robert Holderness, ITOC Chair

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**Recommendation**

1. Receive a presentation from the Independent Taxpayer Oversight Committee (ITOC).
2. Approve the Annual Comprehensive Financial Report, Agreed Upon Procedures Report and Governance Letter.

**Background Information**

Under the 2004 Measure A Ordinance, the Independent Taxpayer Oversight Committee (ITOC) is tasked with overseeing fiscal audits for all sales tax revenue expenditures. The Sacramento Transportation Authority’s (STA) Fiscal Year 2023/24 Annual Comprehensive Financial Report (ACFR) provides an overview of STA’s financial status and activities for the fiscal year ending June 30, 2024. As required by the 2004 Measure A Ordinance, an independent accounting firm, Lance, Soll & Lunghard, LLP (LSL), audited the ACFR financial statements. Additionally, LSL conducted the Agreed Upon Procedures (AUP) review of the Appropriations Limit Worksheets in compliance with Section 1.5 of Article XIII-B of the California Constitution.

**Discussion**

The ACFR has been prepared by STA in accordance with the standardized format recommended by the Government Finance Officers Association. The audit results showed no significant issues or disagreements with management regarding the FY 2023/24 financial statements.

However, a significant deficiency was noted in the internal control process for reviewing and approving manual journal entries. STA staff are working with LSL to implement a corrective action plan, which is scheduled for rollout in November 2024. Further details on this finding are available in the Report on Internal Controls and Compliance included in the ACFR.

The AUP review identified an issue in the appropriations limit calculation, which was initially understated by 0.36%. This discrepancy was corrected and approved by the Board at the September 2024 meeting.

**Recommendation**

1. Staff recommends the STA Governing Board receive a presentation from STA Staff and the Independent Taxpayer Oversight Committee and approve the Annual Comprehensive Financial Report, Agreed Upon Procedures Report and Governance Letter.

*Attachments*

1. *Annual Comprehensive Financial Report for the Year Ended June 30, 2024*
2. *Independent Accountants’ Report on Agreed-Upon Procedures Applied to the Appropriations Limit Worksheets*
3. *Governance Letter*