

AGENDA

Independent Taxpayer Oversight Committee

December 2, 2021 – 4:00 pm

Join the meeting virtually at:

<https://us02web.zoom.us/j/86909459693>

Voting Members: Joan Borucki, Chair
Robert Holderness

Ex-Officio Members: Joyce Renison (Sacramento County Auditor-Controller designee)
Sabrina Drago - STA Executive Director

Staff: Tim Jones, STA

1. Call to order.
2. Review and approve minutes from the September 16, 2021 meeting.
3. Completion of the financial audit for the fiscal year ending June 30, 2021
 - a. Presentation by Ingrid Shepline, Audit Partner, Richardson and Company
4. Review the Capital Project Status reports for the quarter ending September 30, 2021
5. Review the Budget to Actual analyses for the quarter ending September 30, 2021
6. Executive Director summary of the October and November STA Board meetings and any current initiatives.
7. Comments from the public

Agenda Item #2

Meeting Minutes

To: ITOC Committee Members
From: Tim Jones, ITOC Staff
Re: September 16, 2021 ITOC Meeting Minutes

Attendees:

Joan Borucki – Chair, Robert Holderness – voting members

Joyce Renison, Terri Kletzman, and Sabrina Drago – ex-officio members

Meeting called to order at 4:07 pm and adjourned at 4:54 pm

Agenda Item #2

- Reviewed and approved minutes from the July 15, 2021 and August 19, 2021 meetings
 - Staff asked to correct spelling for “Sabrina”.

Agenda Item #3

- Staff provided an overview of the Q4 FY 2020-21 budget to actual analyses.
 - The most notable variance was that sales tax revenue far exceeded expectations which provided more funding for the Measure A ongoing and capital programs.
 - The Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) generated more revenue than any other fiscal year since program inception.
 - Notable cause – increased residential construction in Folsom, Rancho Cordova, and Elk Grove.

Agenda Item #4

- Staff provided a summary of the SCTMFP for FY 2020-21
 - Revenues reached an all-time high
 - The additional revenue is dedicated to the region’s capital program

Agenda Item #5

- The Executive Director, Sabrina Drago summarized significant actions of the STA Governing Board during its September meeting.

- Dave Metz, President, FM 3 consulting presented the outcome of polling conducted in Sacramento County during August 2021.
 - Polling convincingly supported not moving forward with a sales tax measure as priorities in the County have shifted and there is less support for transportation improvements
- The Board voted unanimously not to move forward with a sales tax measure in 2022
- The STA is moving into a new season primarily in an administrative role for the foreseeable future

Agenda Item #6

- Comments from the public
 - Wesley Fagundes from MMS strategies listened in on the meeting but had no comments.
 - Glenda Marsh representing Sacramento Metro Advocates for Rail and Transit (SMART) attended the meeting. She advocated for positive messaging about the STA and ITOC in the public sector to offset some of the stigma that public agencies waste taxpayer money and don't fulfill promises.



2021

SACRAMENTO TRANSPORTATION AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30th, 2021

PREPARED BY STA STAFF - SACRAMENTO, CA

www.sacta.org

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

SACRAMENTO TRANSPORTATION AUTHORITY

Sacramento, California

FOR THE

FISCAL YEAR ENDED JUNE 30, 2021

PREPARED BY

Timothy Jones, CPA, CPFO
Chief Financial Officer

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**SACRAMENTO TRANSPORTATION AUTHORITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**SACRAMENTO TRANSPORTATION AUTHORITY
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INTRODUCTORY SECTION



Sacramento Transportation Authority

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November 4, 2021

**To the Sacramento Transportation Authority Governing Board
and Citizens of the County of Sacramento:**

Letter of Transmittal

State law requires that the Sacramento Transportation Authority (Authority) publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by independent certified public accountants. Pursuant to this requirement, we are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Authority for the fiscal year ended June 30, 2021.

Management assumes responsibility for the completeness and reliability of the information presented in this report based on the Authority's comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Measure A requires that an Independent Taxpayer Oversight Committee (ITOC) supervise fiscal and performance audits regarding the use of all transportation sales tax funds and perform periodic independent reviews to ensure that all Measure A funds are spent in accordance with the provisions in the Ordinance approved by voters. Under the supervision of the ITOC, the Authority engages an independent audit firm to perform the annual financial and compliance audit of all Measure A, Sacramento County Abandoned Vehicle Service Authority (SAVSA) and Sacramento Metropolitan Freeway Service Patrol (SacMetro FSP) funds.

The Authority's current audit firm, Richardson & Company, LLP has issued an unmodified opinion on the Authority's financial statements for the year ended June 30, 2021. The Independent Auditor's Report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Authority

The Authority was established in August 1988 under the Local Transportation Authority and Improvement Act, California Public Utilities Code Division 19. The Governing Board of the Authority (Board) consists of sixteen-members – five from the Sacramento County Board of Supervisors, five from the Sacramento City Council, one from the Citrus Heights City Council, two from the Elk Grove City Council, one from the Folsom City Council, one from the Rancho Cordova City Council, and one from the Galt City Council who also represents the City of Isleton. The Board is responsible for establishing ordinances, adopting an annual budget, and hiring and overseeing the Executive Director. The Executive Director is responsible for carrying

out the policies and ordinances of the Authority as well as overseeing day-to-day operations and Authority staff consisting of the Chief Financial Officer and the Special Programs Manager.

The Authority serves as the taxing and implementation agency for the voter-approved Measure A Transportation Improvement Program, which imposes a half-cent sales tax to fund transportation operations and improvements throughout the County. The original 20-year measure (Original Measure A) was approved in 1988 and began in April 1989. In 2004, voters approved a 30-year extension of Original Measure A beginning in April 2009 (Measure A). All sales tax revenue is restricted for public roadway improvements and maintenance, procuring open space mitigation, public transit, air quality, and elderly and handicapped transportation programs. However, 0.75% of the net sales tax revenue is allocated to the Authority for program administration costs.

Measure A also created the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). This program imposes a uniform transportation mitigation fee on new development in Sacramento County to assist in funding roadway and transit system improvements needed to accommodate projected growth and development.

In addition to the Measure A programs, the Board administers the SacMetro FSP program and acts concurrently as the authority over SAVSA which was established under California Vehicle Code Section 22710 in 1992. The code currently allows counties to impose a \$1 surcharge on vehicle registrations to help fund the abatement of abandoned vehicles. Participating jurisdictions include the County of Sacramento and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova, and Sacramento. Each participating jurisdiction has adopted a local ordinance which establishes procedures for the abatement, removal, and disposal of abandoned vehicles.

SacMetro FSP was established in 1992 through a Memorandum of Understanding (MOU) with the California Department of Transportation (Caltrans), California Highway Patrol (CHP) and the Authority. Additionally, in 2009 the Authority assumed responsibility for administering FSP for Yolo County. Funding for the program is through the State Highway Account and local match funds from the Capitol Valley Regional Service Authority for Freeways & Expressways (CVR-SAFE). The program consists of a system of roving tow trucks deployed at peak traffic times to assist motorists with stalled vehicles and remove related hazards from the roadway. This reduces freeway delays caused by minor accidents, stalled vehicles, and in-lane debris, improving highway safety, and reducing emissions by easing highway congestion.

This report includes all funds and jurisdictions that are financially accountable to the Authority. Accountability is determined through budget adoption, taxing authority, and imposition of will.

Local Economy

As of October 2021, the unemployment rate for Sacramento County decreased to 6.1%, down from 10.3% during the same month last year. State unemployment stands at 6.4% and the national unemployment rate is 4.6%. Recovery from the COVID pandemic has been remarkable as indicated by the largest sales tax revenue gain during fiscal year 2020-21 – both dollars and ratio – since the program’s inception. Consumer spending on electronics, home improvements, recreation goods and the full implementation of the *Wayfair Decision* which taxes internet sales are reasons for most of the sales tax growth. Recent sales tax forecasts by the Authority’s consultant indicate continued revenue growth, albeit in the single digits.

The population in Sacramento County is more than 1.5 million and continues growing at an annual rate of about one percent. Sacramento’s employment base is roughly 23% governmental since it is the State’s

capital where many governmental agencies are headquartered providing a relatively steady employment and tax base.

Regardless of future economic conditions, the Authority faces formidable ongoing challenges in terms of providing needed infrastructure funding to support a growing population and economy that has outgrown the capacity of its existing infrastructure. However, the regional economy continues to retain many of the fundamental positive attributes that fueled earlier growth, including a large pool of skilled workers, and increasing wealth and education levels.

Long Term Financial Planning

Proactive financial planning is a critical element for the success of the Authority as it looks to the future. Regularly projecting and updating revenues and expenditures ensures that the Authority's expectations are realistic and goals achievable. As the program nears its debt capacity and becomes increasingly reliant on pay-as-you-go funding, monitoring program objectives and working closely with Measure A partners to meet those objectives will be an ongoing endeavor.

The Authority annually updates its long-term revenue projections and cash flows to determine the availability of funding for capital projects programmed in the Measure A Transportation Expenditure Plan. This effort ensures that funding is available when and where needed based on the latest information provided to the Authority by Measure A partner agencies. As needed, Authority staff work with the Authority's financial advisors to identify opportunities to reduce bond program costs and take advantage of opportunities that present themselves as market conditions dictate.

Accomplishments

Over the last year, Authority staff worked diligently to increase transparency and public accountability. Those efforts have led to many reports and points of public contact including the following:

- Prepared quarterly budget-to-actual summary reports for each of the programs the Authority administers. These documents are reviewed and discussed during regular public meetings held by the Board and ITOC.
- Reformatted and expanded the budget presentation to provide more information in a user-friendly format. Staff included a robust discussion regarding the Authority's capital program including all voter-approved projects and a three-year financing plan by project and source.
- Received the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award. This award is in recognition that the Authority met the very highest quality standards that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting.
- Built trusting relationships with our partner agencies by keeping clear channels of communication open through sharing information early and often.
- Continued supporting the ITOC as it carries out its mission to oversee fiscal and performance audits and ensure that all Measure A funds are spent in accordance with the provisions of the Expenditure Plan and Ordinance.

- Successfully completed the transition from our previous Executive Director who retired in December 2020 to our current Executive Director.
- Affirmed AA+ credit ratings with Standard & Poor's and Fitch for the Authority's bond program.

In the coming fiscal year, staff will continue to identify and act on improvements in the way it does business. The business environment and transportation industry are continuously on the move – so are we.

Awards and Acknowledgements

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for the fiscal year ended June 30, 2020. This was the 26th consecutive year the Authority achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current ACFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for its next certification.

The ACFR each year is a collaborative effort by Authority staff and its independent auditors. The undersigned are grateful to all staff for their willingness to expend the effort necessary to ensure the financial information contained herein is accurate and completed within established deadlines.

In closing, without the leadership and the support of the Board, preparation of this report would not have been possible. Its prudent management must be credited for the strength of the Authority's sound fiscal condition, and its vision ensures that the Sacramento Transportation Authority will be on the move planning for and building a better future for Sacramento County residents and commuters.

Respectfully Submitted,



TIMOTHY JONES, CPA CPFO
Chief Financial Officer



SABRINA DRAGO, PE
Executive Director

SACRAMENTO TRANSPORTATION AUTHORITY

LIST OF PRINCIPAL OFFICIALS

June 30, 2021

BOARD MEMBERS

PATRICK KENNEDY, County of Sacramento
PHIL SERNA, County of Sacramento
RICH DESMOND, County of Sacramento
SUE FROST, County of Sacramento
DON NOTTOLI, County of Sacramento (Chair)
MIKE KOZLOWSKI, City of Folsom
KATIE VALENZUELA, City of Sacramento (Vice Chair)
ERIC GUERRA, City of Sacramento
MAI VANG, City of Sacramento
JEFF HARRIS, City of Sacramento
JAY SCHENIRER, City of Sacramento
STEVE MILLER, City of Citrus Heights
BOBBIE SINGH-ALLEN, City of Elk Grove
KEVIN SPEASE, City of Elk Grove
PAUL SANDHU, City of Galt and Isleton
DONALD TERRY, City of Rancho Cordova

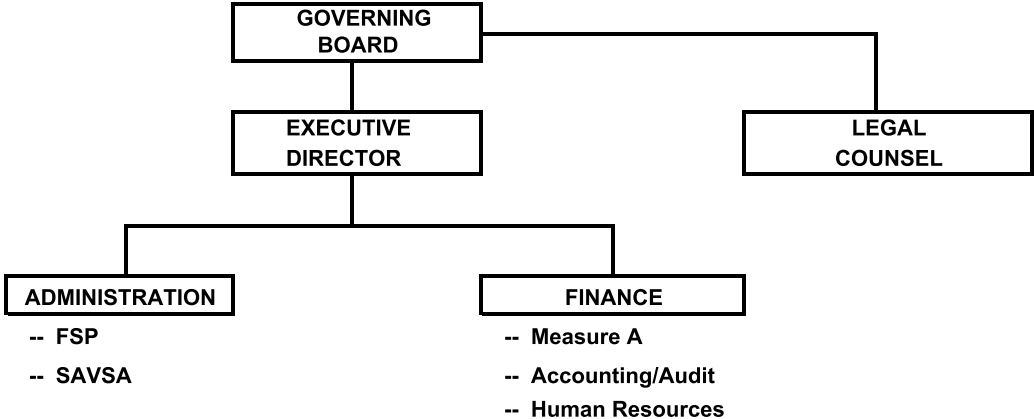
Alternates

NICK AVDIS, County of Sacramento
SHAWN FARMER, City of Galt
BRET DANIELS, City of Citrus Heights
ROSARIO RODRIGUEZ, City of Folsom
SIRI PULIPATI, City of Rancho Cordova
DARREN SUEN, City of Elk Grove

STAFF

SABRINA DRAGO, Executive Director
TIMOTHY JONES, Chief Financial Officer
JENNIFER DOLL, Special Programs Manager
WILLIAM BURKE, Legal Counsel

Sacramento Transportation Authority For the Year Ended June 30, 2021 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, 2020

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION



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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, 2021, 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.

To the Board of Directors
Sacramento Transportation Authority

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, 2021, and the respective changes in financial position and budgetary comparison for the General Fund and the Abandoned Vehicle Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions to Pension Plan and Schedule of Changes in the Total OPEB Liability and Related Ratios 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, Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund 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 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

To the Board of Directors
Sacramento Transportation Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2021 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

November 4, 2021

**SACRAMENTO TRANSPORTATION AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

As management of the Sacramento Transportation Authority (Authority) and the Sacramento Abandoned Vehicle Service Authority (SAVSA), collectively the Authority, we offer readers the Authority’s financial statements and this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information furnished in the transmittal letter and financial statements, which are included in this report.

Financial Highlights

- Total revenue increased to \$167.2 million in FY 2020-21 from \$147.6 million (13.3%) in the prior year, of which sales tax comprised most of the increase - \$153.6 million versus \$131.6 million (16.7%). Roughly \$10 million of the increase is due to full implementation of the *Wayfair Decision*, which created a new destination-based sales tax on internet sales. Additionally, consumer spending for electronics, home improvement projects, and recreation increased.
- Total expenditures increased \$25.1 million (17%) to \$172.5 million in FY 2020-21 from \$147.5 million in the prior year. Most of the increase, \$16.4 million, was attributed to ongoing allocations which are passed through to specific agencies based on a formula identified in the voter-approved Ordinance – as sales tax revenue increases, so do the allocations. The remaining increase, \$8.7 million, is comprised of a \$5.8 million increase in funding provided to capital project program partners on a reimbursement basis, expenditures of \$6.1 million recorded in a new Special Revenue fund created by the implementation of Governmental Accounting Standards Board (GASB) 84, offset by a reduction of \$3.2 million (-17.9%) in debt service costs.
- Net position was negative \$297.7 million (deficit). The deficit decreased by \$12.8 million (4.1%) when compared to the prior year. The deficit will continue since the Authority reports debt associated with its capital program, but the assets constructed are reported in the financial statements of the agencies building them.
- The Authority implemented GASB 84 during fiscal year 2020-21. As a result, programs that were previously reported as an Agency fund have been reclassified as a Special Revenue fund. As such, the Authority added \$12.9 million to its net assets.

Overview of the Financial Statements

This discussion and analysis serve as an introduction to the Authority’s basic financial statements, which are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* provide readers with a broad overview of the Authority’s finances, like a private sector business.

The *statement of net position* presents information on all the Authority's assets, liabilities, and deferred outflows/inflows of resources with the difference 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 Authority's net position changed during the 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 expenditures are reported for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements report the functions of the Authority principally supported by sales tax and mitigation fee revenues. The governmental activities of the Authority include Measure A formulaic allocations, capital program costs, Sacramento Metropolitan (SacMetro) Freeway Service Patrol (FSP) and SAVSA services, transit services, and general administration.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting ensures and demonstrates compliance with finance-related legal requirements.

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, governmental fund financial statements focus on near-term inflows/outflows of spendable resources and 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.

Since 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. As a result, 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 government-wide financial information.

The Authority's governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balance include four separate funds - the General Fund, two Special Revenue Funds, and a Debt Service Fund.

The Authority adopts an annual budget for the General Fund, SAVSA Special Revenue fund, and Debt Service fund. A budgetary comparison schedule for the General Fund and SAVSA are part of the basic financial statements, while the Debt Service budgetary comparison schedule can be found in the supplementary section.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

Within the *statement of net position*, the most significant change was a \$38.0 million (-7.6%) decrease in Non-Current Liabilities attributed primarily to the decrease of \$33.1 million (-24%) in the fair value of the Authority's interest rate hedging derivatives. Annually, an independent third party estimates the fair market value to exit the three forward interest rate swap agreements to hedge the variable interest rate risk associated with the Series 2009A, 2014A, and 2015A Measure A sales tax revenue bonds. During the past fiscal year federal interest rates have increased slightly from historic lows, which decreased the difference between the variable (amount of interest the Authority receives) and fixed interest rates (amount of interest the Authority pays) and in turn decreased the fair value of the hedging derivatives.

- Current and other assets and current liabilities increased by \$11.6 million (14.2%) and \$3.7 million (11.4%) respectively. Current and other assets increased primarily because the Authority implemented GASB 84 which added a new Special Revenue fund that was previously reported as an Agency fund. The new fund reports \$12.9 million in assets. Current liabilities increased primarily because of the accruals for sales tax revenue in the last two months of the fiscal year were higher than the previous fiscal year.
- Non-current liabilities decreased a total of \$38.0 million (-7.6%). The change was driven by the decreased value of the interest rate hedging derivatives reported as deferred outflows of resources.

SACRAMENTO TRANSPORTATION AUTHORITY				
STATEMENT OF NET POSITION				
			Variance	
	2021	2020	Dollar	Percent
Current and Other Assets	\$ 93,254,117	\$ 81,656,517	\$ 11,597,600	14.2%
Total assets	<u>93,254,117</u>	<u>81,656,517</u>	<u>11,597,600</u>	<u>14.2%</u>
Deferred outflows of resources	105,160,748	138,299,790	(33,139,042)	(24.0%)
Current Liabilities	36,449,451	32,718,171	3,731,280	11.4%
Non -Current Liabilities	459,572,968	497,594,801	(38,021,833)	(7.6%)
Total liabilities	<u>496,022,419</u>	<u>530,312,972</u>	<u>(34,290,553)</u>	<u>(6.5%)</u>
Deferred inflows of resources	73,823	97,994	(24,171)	(24.7%)
Net position				
Restricted for Measure A	43,075,725	48,179,584	(5,103,859)	(10.6%)
Restricted for debt service	6,714,470	6,884,105	(169,635)	(2.5%)
Restricted for Transit*	12,916,670	-	-	-
Restricted for Other	442,017	592,278	(150,261)	(25.4%)
Unrestricted	(360,830,259)	(366,110,626)	5,280,367	1.4%
Total net position (deficit)	<u>\$ (297,681,377)</u>	<u>\$ (310,454,659)</u>	<u>\$ 12,773,282</u>	<u>4.1%</u>

*New fund added as a result of implementing GASB 84

The majority of the Authority's deficit net position represents debt issued to fund capital projects constructed by other local agencies and reported in their financial statements. The Authority is a pass-through agency that exists to fund projects, not build them.

Within the *Statement of Activities*, the most significant changes were an increase of \$17.7 million (13%) in general revenue derived from a one-half cent countywide sales tax. As previously mentioned in the financial highlights section, increased internet sales tax is the biggest contributor to the increase, while consumer spending for electronics, home improvements, and recreation have improved, adding additional revenue. Program revenues increased \$1.9 million (16.4%), most of which is attributed the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). This program generates a fee on new development that is used to mitigate the impacts on transportation infrastructure.

Measure A expenditures increased by almost \$22 million (17.7%) because most of the sales tax revenue is formulaically allocated – for every dollar generated, roughly 79% is passed through. Debt service expenditures decreased \$3.2 million (-17.9%) because most of the Authority’s debt is variable rate and therefore sensitive to federal interest rates. Interest rates are near historic lows, so debt service costs have decreased.

SACRAMENTO TRANSPORTATION AUTHORITY				
STATEMENT OF ACTIVITIES				
	2021	2020	Variance	
			Dollar	Percent
Revenues:				
Program Revenue	\$ 13,472,954	\$ 11,574,361	\$ 1,898,593	16.4%
General Revenue	153,721,875	136,038,376	17,683,499	13.0%
Total revenues	<u>167,194,829</u>	<u>147,612,738</u>	<u>19,582,091</u>	<u>13.3%</u>
Expenses:				
Measure A	146,184,109	124,219,137	21,964,972	17.7%
Debt Service	14,881,164	18,124,579	(3,243,415)	(17.9%)
Transit Services*	6,140,147	-	6,140,147	0.0%
SAVSA	1,338,699	1,333,747	4,952	0.4%
Other	4,003,613	3,803,615	199,998	5.3%
Total expenses	<u>172,547,732</u>	<u>147,481,079</u>	<u>25,066,653</u>	<u>17.0%</u>
Change in net position	(5,352,903)	131,659	(5,484,562)	(4,165.7%)
Net position (deficit) - beginning as previously reported	(310,454,658)	(310,586,318)	131,660	0.0%
Restatement**	18,126,185	-	-	-
Net Position (deficit) - beginning as restated	(292,328,474)	-	-	-
Net position (deficit) - ending	<u>\$ (297,681,377)</u>	<u>\$ (310,454,658)</u>	<u>\$ 12,773,281</u>	<u>4.1%</u>

* This is a new Special Revenue Fund created as a result of implementing GASB 84

** The restatement is the result of implementing GASB 84

Governmental Funds Financial Analysis

As of June 30, 2021, the Authority’s governmental funds reported combined fund balances of \$64.4 million, an \$8 million (14.2%) increase from the prior year balance of \$56.4 million. The increase is directly attributed to the implementation of GASB 84 which brought in the Transit Services Special Revenue fund previously reported as an Agency fund. This increase was offset by a decrease in the General Fund as cash is being used to fund capital projects.

SACRAMENTO TRANSPORTATION AUTHORITY				
FUND BALANCE				
	2021	2020	Variance	
			Dollar	Percent
General Fund	\$ 44,616,768	\$ 49,335,166	\$ (4,718,398)	(9.6%)
SAVSA*	162,960	159,226	3,734	2.3%
Transit Service**	12,916,670	-	12,916,670	-
Debt Service	6,714,471	6,884,105	(169,634)	(2.5%)
Total	<u>\$64,410,869</u>	<u>\$56,378,497</u>	<u>\$8,032,372</u>	<u>14.2%</u>

* Sacramento Abandoned Vehicle Service Authority

**New fund added as a result of implementing GASB 84

All fund balances are restricted for specific purposes with exception of the amount available in the General Fund for program administration – about \$1.3 million as of June 30, 2021. The General Fund balance was expected to decrease during FY 2020-21 as the Authority increased spending on its capital improvement program using cash.

General Fund – This fund reports activity for the Measure A program, the SCTMFP, SacMetro FSP, and general administration. The General Fund ended the year with a fund balance of \$44.7 million, or \$4.7 million (-9.6%) less than the prior year.

- Cash and investments decreased by \$7.8 million (-19.8%) because capital improvement program expenditures were higher than program revenues. This trend is expected to continue in the coming fiscal year.
- Interest receivable decreased about \$256,000 (-74.1%) because the year-end accruals were based on lower cash balances than the previous year and generally low interest rates.
- Due from other governments increased \$6.7 million (23.2%) because sales tax revenue accruals for the last two months of the fiscal year were \$5.6 million higher than in the prior year. The remaining increase was attributed to the SCTMFP accruals.
- Due from other funds increased almost \$8,000 (53.6%) because overhead allocation costs from the SAVSA program increased year-over-year.
- Accounts payable increased more than \$14,000 (8.6%) because of invoices due to SacMetro FSP contractors were higher than the prior year.
- Due to Other Governments increased by \$3.4 million (13.8%). Sales tax pass-through allocations increased by \$16.3 million (15.7%), offset by decreased accruals for the capital program.
- SCTMFP fund balance decreased \$6.6 million (-38.1%) because capital program expenditures exceeded program revenue.
- SacMetro FSP fund balance decreased by almost \$154,000 (-11.6%) as program expenditures were greater than the associated program revenues.
- General Administration fund balance increased more than \$539,000 (74.7%) as one-time expenditures incurred in the prior year for consulting services related to pursuing a new sales tax initiative drew down fund balance, but this year consulting services were kept to a minimum.

**SACRAMENTO TRANSPORTATION AUTHORITY
BALANCE SHEET - GENERAL FUND**

	2021	2020	Variance	
			Dollar	Percent
Assets:				
Cash and Investments	\$ 31,537,830	\$ 39,312,834	(\$7,775,004)	(19.8%)
Interest Receivable	89,761	346,105	(256,344)	(74.1%)
Due From Other Governments	35,643,492	28,935,380	6,708,112	23.2%
Due From Other Funds	22,401	14,581	7,820	53.6%
Restricted Cash and Investments	5,658,662	5,634,252	24,410	0.4%
Total assets	<u>72,952,146</u>	<u>74,243,152</u>	<u>(1,291,006)</u>	<u>(1.7%)</u>
Liabilities:				
Accounts Payable	186,103	171,394	14,709	8.6%
Due to Other Governments	28,149,275	24,736,592	3,412,683	13.8%
Total liabilities	<u>28,335,378</u>	<u>24,907,986</u>	<u>3,427,392</u>	<u>13.8%</u>
Fund Balances:				
Restricted				
Measure A	32,366,900	30,876,253	1,490,647	4.8%
SCTMFP	10,708,825	17,303,331	(6,594,506)	(38.1%)
SacMetro FSP	279,056	433,052	(153,996)	(35.6%)
Unassigned				
General Administration	1,261,987	722,530	539,457	74.7%
Total fund balance	<u>44,616,768</u>	<u>49,335,166</u>	<u>(4,718,398)</u>	<u>(9.6%)</u>
Total Liabilities and Fund Balances	<u>\$ 72,952,146</u>	<u>\$ 74,243,152</u>	<u>\$ (1,291,006)</u>	<u>(1.7%)</u>

General Fund Budgetary Highlights

Revenues – Sales tax revenues increased by more than \$20 million (13.1%) - exceeding all expectations. Surprisingly, consumers throughout the County, continued spending throughout the pandemic. The shift to working from home prompted home improvement projects, stimulus checks provided funding for consumer goods such as electronics and recreational goods, and increased home equity leading to improved consumer confidence, despite the uncertainties surrounding the COVID. Additionally, SCTMFP revenues came in higher than expected – almost \$3 million (33%) – because applications for residential housing permits were robust. Funding for the SacMetro FSP program was lower than expected by almost \$1.2 million (38.1%) because the drawdown of state grant funding for towing contractors came in under expectations. Use of Money and Property revenue came in much lower than expected because the income from the Authority’s interest rate swap partners is directly related to federal interest rates which have been near historic lows.

Expenditures – Intergovernmental expenditures were much higher than budgeted because sales tax revenue came in over budget – of which roughly 79% is passed through formulaically. This increase amounted to \$16.3 million which was offset by spending for the capital program that was under budget by \$4.1 million.

SACRAMENTO TRANSPORTATION AUTHORITY BUDGET TO ACTUAL ANALYSIS GENERAL FUND				
	Adopted Budget	Actual	Variance	
			Dollar	Percent
Revenues:				
Taxes	\$ 133,513,377	\$ 153,560,355	20,046,978	13.1%
SCTMFP	6,000,000	8,956,992	2,956,992	33.0%
Grants for SacMetro FSP	4,351,113	3,151,282	(1,199,831)	(38.1%)
Use of Money and Property	4,000,000	230,145	(3,769,855)	(1,638.0%)
Total Revenues	<u>147,864,490</u>	<u>165,898,774</u>	<u>18,034,284</u>	<u>10.9%</u>
Expenditures:				
General Government:				
Administrative	581,544	592,818	(11,274)	(1.9%)
SacMetro FSP	3,247,315	3,305,277	(57,962)	(1.8%)
Intergovernmental	133,946,833	146,184,109	(12,237,276)	(8.4%)
Total Expenditures	<u>137,775,692</u>	<u>150,082,204</u>	<u>(12,306,512)</u>	<u>(8.2%)</u>
Other Financing Sources (Uses):				
Transfers out	(23,108,139)	(20,534,968)	2,573,171	(12.5%)
Total Other Financing Sources (Uses)	<u>(23,108,139)</u>	<u>(20,534,968)</u>	<u>2,573,171</u>	<u>(12.5%)</u>
Changes in Fund Balance	(13,019,341)	(4,718,398)	(8,300,943)	175.9%
Fund Balance Beginning of Year	49,335,166	49,335,166	-	-
Fund Balance End of Year	<u>\$36,315,825</u>	<u>\$44,616,768</u>	<u>\$8,300,943</u>	<u>18.6%</u>

Other Financing Sources (Uses) – Actual expenditures were lower than budgeted by almost \$2.6 million (-12.5%). These expenditures are for debt service. Given that most of the Authority’s debt has a variable interest rate, the public market drives the actual costs which can be difficult to forecast – in this case interest rates were historically low.

Long-term Debt

In October 2009, the Authority issued \$318.3 million in variable rate sales tax revenue bonds. The bonds issued were in three Series – 2009A, B, and C. Subsequently, Series 2014A and 2015A bonds refunded Series 2009A and 2009B bonds respectively. In July 2012, the Authority issued an additional \$53.4 million in fixed-rate sales tax revenue bonds to accelerate transportation construction projects. The Authority began making principal payments on the Series 2012 bonds in FY 2016-17. Below is a summary of the Authority’s bond portfolio as of June 30, 2021. For more detailed information on long-term debt, please refer to note 8.

SACRAMENTO TRANSPORTATION AUTHORITY LONG-TERM DEBT			
	Amount	Type	Maturity
Series 2009C	106,100,000	VRDB*	October 2038
Series 2012	34,635,000	Fixed	October 2027
Series 2014A	106,100,000	VRDB*	October 2038
Series 2015A	106,100,000	VRDB*	October 2038
Total	<u>352,935,000</u>		

* Variable Rate Demand Bond

The Series 2009C bonds are variable-rate with a weekly interest rate reset. The Authority entered into an interest rate swap agreement that synthetically fixed the interest rate at about 3.736%. The bonds are supported by a credit facility and remarketing agent agreement. The Series 2009C bondholders have the right to tender the bonds weekly. Upon tender, the remarketing agent attempts to remarket the bonds. If the remarketing is unsuccessful, the bank will draw upon the credit facility purchasing the bonds which enter a bank bond period in which they accrue interest charges. These AA+ bonds have always been remarketable, therefore the credit facility has never been used.

In September 2014, the Authority refunded \$106.1 million in Series 2009A bonds with Series 2014A variable rate sales tax revenue refunding bonds to release \$8.2 million held in a reserve fund for debt service. These bonds are hedged against interest rate risk with an interest rate swap agreement that synthetically fixes the interest rate at 3.736%. These bonds are also supported by a credit facility which has never been used since the bonds have always been remarketable.

In March 2015, the Authority refunded \$106.1 million in Series 2009B bonds with Series 2015A variable rate sales tax revenue refunding bonds to release \$10.3 million held in a reserve fund for debt service. The released funds were used to pay for capital projects and issuance costs. These bonds are hedged against interest rate risk with an interest rate swap agreement that synthetically fixes the interest rate at 3.666%. These bonds are also supported by a credit facility which has never been used since the bonds have always been remarketable.

Economic Indicators

As of October 2021, the unemployment rate in Sacramento County was 6.1%, down from 10.3% during the same month last year. This compares to the national unemployment rate of 4.6%. California's unemployment rate is 6.4%, which is down significantly from a rate of 11.6% percent during the same time last year. Sacramento County has fared a little better than the state, in part, because Sacramento is the state capital and home to a high concentration of government jobs. According to a September 2021 report published by the U.S. Bureau of Labor Statistics, government jobs in the four-county Sacramento region comprised 23.4% of the nonfarm labor force. Total nonfarm employment increased by 34,800 (3.6%) to 995,700 over the last year. The largest employment gains were in the construction sector - 12.7% - and leisure and hospitality and other services sectors - 11.2% and 13.9% - respectively. The population in Sacramento County has grown 1.1% over the last year to 1.58 million.

Contacting the Authority's Management

This financial report provides a general overview of the Authority's finances by showing the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer at 801 12th Street Floor 5, Sacramento, California 95814-2947. This report is available on the Authority's website at www.sacta.org.

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BASIC
FINANCIAL STATEMENTS

SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION
June 30, 2021

	Governmental Activities
ASSETS:	
Cash and investments	\$ 31,747,589
Receivables:	
Interest	130,162
Due from other governments	36,163,867
Restricted cash and investments	25,212,499
Total assets	93,254,117
 DEFERRED OUTFLOW OF RESOURCES	
Fair value of hedging derivatives (long-term interest rates)	104,901,354
Pension	233,188
OPEB	26,206
	105,160,748
 LIABILITIES:	
Accounts payable	186,103
Due to other governments	28,657,145
Interest payable	3,336,203
Long-term liabilities:	
Due within one year	4,270,000
Long-term debt, due in more than one year	458,194,741
Compensated absences, due in more than one year	27,051
Net pension liability	1,147,819
Net OPEB liability	203,357
Total liabilities	496,022,419
 DEFERRED INFLOW OF RESOURCES	
Pension	70,334
OPEB	3,489
	73,823
 NET POSITION:	
Restricted for Measure A projects	32,366,900
Restricted for transit services	12,916,670
Restricted for transportation mitigation	10,708,825
Restricted for freeway service patrol	279,056
Restricted for abandoned vehicle program	162,960
Restricted for debt service	6,714,470
Unrestricted	(360,830,258)
Total net position	\$ (297,681,377)

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, 2021

Functions/Programs	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Net (Expense) and Revenue Governmental Activities</u>
Governmental Activities:			
Measure A	\$ 130,680,444		\$ (130,680,444)
Sacramento Countywide			
Transportation Mitigation			
Fee Program	15,503,665	\$ 8,956,992	(6,546,673)
Transit services	6,140,147		(6,140,147)
Freeway Service Patrol			
Program	3,305,277	3,151,282	(153,995)
Sacramento Abandoned			
Vehicle Service Authority	1,338,700	1,364,680	25,980
Administration	698,335		(698,335)
Interest on long-term debt	14,881,164		(14,881,164)
Total governmental activities	<u>\$ 172,547,732</u>	<u>\$ 13,472,954</u>	(159,074,778)
General revenues:			
Sales taxes			153,560,355
Interest, investment earnings and other			161,520
Total general revenues			<u>153,721,875</u>
Change in net position			(5,352,903)
Net position - beginning, as previously reported			(310,454,659)
Restatement			<u>18,126,185</u>
Net position - beginning, as restated			<u>(292,328,474)</u>
Net position - ending			<u>\$ (297,681,377)</u>

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

SACRAMENTO TRANSPORTATION AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	General	Abandoned Vehicle Special Revenue	Transit Services Special Revenue	Debt Service	Total Governmental Funds
ASSETS:					
Cash and investments	\$ 31,537,830	\$ 209,759			\$ 31,747,589
Receivables:					
Interest	89,761	797	\$ 39,604		130,162
Due from other governments	35,643,492	353,708	166,667		36,163,867
Due from other funds	22,401				22,401
Restricted cash and investments	5,658,662		12,839,366	\$ 6,714,471	12,373,133
TOTAL ASSETS	\$ 72,952,146	\$ 564,264	\$ 13,045,637	\$ 6,714,471	\$ 93,276,518
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and other accrued liabilities	\$ 186,103				\$ 186,103
Due to other governments	28,149,275	\$ 378,903	\$ 128,967		28,657,145
Due to other funds		22,401			22,401
Total liabilities	28,335,378	401,304	128,967		28,865,649
FUND BALANCES:					
Restricted:					
Measure A projects	32,366,900				32,366,900
Transit services			12,916,670		12,916,670
Transportation mitigation	10,708,825				10,708,825
Freeway service patrol	279,056				279,056
Debt service				\$ 6,714,471	6,714,471
Abandoned vehicles		162,960			162,960
Unrestricted/unassigned:					
General administration	1,261,987				1,261,987
Total fund balances	44,616,768	162,960	12,916,670	6,714,471	64,410,869
TOTAL LIABILITIES AND FUND BALANCES	\$ 72,952,146	\$ 564,264	\$ 13,045,637	\$ 6,714,471	\$ 93,276,518

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, 2021

Ending Fund Balances per governmental fund balance sheet (page 14) \$ 64,410,869

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 fund statements.

Bonds, including premiums and hedging derivatives	(462,429,741)	
Fair value of hedging derivatives	104,901,354	(357,528,387)

Pension and OPEB liabilities is not due and payable in the current period and is not reported in the fund statements.

Deferred outflow of resources	259,394	
Pension liability	(1,147,819)	
OPEB liability	(203,357)	
Deferred inflow of resources	(73,823)	(1,165,605)

Interest payable is not due and payable in the current period and therefore is not reported in the fund statements. (3,336,203)

Compensated absences are not due and payable in the current period and therefore are not reported in the fund statements. (62,051)

Net position of governmental activities (page 12) \$ (297,681,377)

**SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021**

	General	Abandoned Vehicle Special Revenue	Transit Services Special Revenue	Debt Service	Totals Governmental Fund
REVENUES:					
Taxes	\$ 153,560,355				\$ 153,560,355
Mitigation fees	8,956,992				8,956,992
Vehicle registration fees		\$ 1,364,680			1,364,680
Grants for freeway services	3,151,282				3,151,282
Use of money and property	230,145	155	\$ (69,368)	\$ 588	161,520
Total revenues	<u>165,898,774</u>	<u>1,364,835</u>	<u>(69,368)</u>	<u>588</u>	<u>167,194,829</u>
EXPENDITURES:					
General government:					
Administrative	592,818	22,401			615,219
Freeway Service Patrol	3,305,277				3,305,277
Intergovernmental:					
Ongoing	120,103,241	1,338,700	6,140,147		127,582,088
Capital	26,080,868				26,080,868
Debt Service:					
Principal				4,050,000	4,050,000
Interest and other charges				15,655,190	15,655,190
Total expenditures	<u>150,082,204</u>	<u>1,361,101</u>	<u>6,140,147</u>	<u>19,705,190</u>	<u>177,288,642</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>15,816,570</u>	<u>3,734</u>	<u>(6,209,515)</u>	<u>(19,704,602)</u>	<u>(10,093,813)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in			1,000,000	19,534,968	20,534,968
Transfers out	(20,534,968)				(20,534,968)
Total other financing sources (uses)	<u>(20,534,968)</u>	<u>-</u>	<u>1,000,000</u>	<u>19,534,968</u>	<u>-</u>
CHANGES IN FUND BALANCES	(4,718,398)	3,734	(5,209,515)	(169,634)	(10,093,813)
FUND BALANCE, BEGINNING OF THE YEAR, AS PREVIOUSLY REPORTED	49,335,166	159,226		6,884,105	56,378,497
Restatement			18,126,185		18,126,185
Fund Balance, Beginning of year, as restated	<u>49,335,166</u>	<u>159,226</u>	<u>18,126,185</u>	<u>6,884,105</u>	<u>74,504,682</u>
FUND BALANCES, END OF YEAR	<u>\$ 44,616,768</u>	<u>\$ 162,960</u>	<u>\$ 12,916,670</u>	<u>\$ 6,714,471</u>	<u>\$ 64,410,869</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, 2021**

Changes in fund balances - total governmental funds (page 16) \$ (10,093,813)

Amounts reported for governmental activities in the statement of activities are different because:

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These are the amounts by which repayments exceed proceeds.

Principal payments	4,050,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not expenditures in the governmental funds.

Pension expense	(61,967)
OPEB expense	(2,316)
Change in compensated absences	(18,833)
Change in interest payable	18,949
Bond premium amortization	755,077
	755,077

Change in Net Position of governmental activities (page 13)	<u><u>\$ (5,352,903)</u></u>
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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 BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 133,513,377	\$ 133,513,377	\$ 153,560,355	\$ 20,046,978
Mitigation fees	6,000,000	6,000,000	8,956,992	2,956,992
Grants for freeway services	4,351,113	4,351,113	3,151,282	(1,199,831)
Use of money and property	4,000,000	4,000,000	230,145	(3,769,855)
Total revenues	<u>147,864,490</u>	<u>147,864,490</u>	<u>165,898,774</u>	<u>18,034,284</u>
EXPENDITURES:				
General government:				
Administrative	581,544	581,544	592,818	(11,274)
Freeway Service Patrol	3,247,315	3,247,315	3,305,277	(57,962)
Intergovernmental:				
Ongoing	104,321,537	104,321,537	120,103,241	(15,781,704)
Capital	<u>29,625,296</u>	<u>29,625,296</u>	<u>26,080,868</u>	<u>3,544,428</u>
Total expenditures	<u>137,775,692</u>	<u>137,775,692</u>	<u>150,082,204</u>	<u>(12,306,512)</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	<u>10,088,798</u>	<u>10,088,798</u>	<u>15,816,570</u>	<u>5,727,772</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(23,108,139)</u>	<u>(23,108,139)</u>	<u>(20,534,968)</u>	<u>2,573,171</u>
Total other financing sources (uses)	<u>(23,108,139)</u>	<u>(23,108,139)</u>	<u>(20,534,968)</u>	<u>2,573,171</u>
Changes in fund balance	(13,019,341)	(13,019,341)	(4,718,398)	8,300,943
FUND BALANCE, BEGINNING OF YEAR	<u>49,335,166</u>	<u>49,335,166</u>	<u>49,335,166</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 36,315,825</u>	<u>\$ 36,315,825</u>	<u>\$ 44,616,768</u>	<u>\$ 8,300,943</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 BALANCE - BUDGET AND ACTUAL
ABANDONED VEHICLE SPECIAL REVENUE FUND
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Vehicle registration fees	\$ 1,273,975	\$ 1,273,975	\$ 1,364,680	\$ 90,705
Use of money and property - interest	400	400	155	(245)
Total revenues	<u>1,274,375</u>	<u>1,274,375</u>	<u>1,364,835</u>	<u>90,460</u>
EXPENDITURES:				
General government:				
Intergovernmental	<u>1,252,334</u>	<u>1,252,334</u>	<u>1,338,700</u>	<u>(86,366)</u>
Total expenditures	<u>1,252,334</u>	<u>1,252,334</u>	<u>1,338,700</u>	<u>(86,366)</u>
Changes in fund balance	22,041	22,041	26,135	4,094
FUND BALANCE, BEGINNING OF YEAR	<u>159,226</u>	<u>159,226</u>	<u>159,226</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 181,267</u>	<u>\$ 181,267</u>	<u>\$ 185,361</u>	<u>\$ 4,094</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, 2021

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sacramento Transportation Authority (Authority) and the Sacramento Abandoned Vehicle Service Authority (SAVSA) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Organizations: In August 1988, the Authority was established under the Local Transportation and Improvement Act, California Public Utilities Code Division 19. In November 1988, Sacramento County voters approved an ordinance (Original Measure A) enacted by the Authority's Governing Board (Board) imposing a retail transactions and use tax (sales tax) increase throughout the County at a maximum rate of 0.5% for a period of 20 years. In November 2004, taxpayers approved a 30-year extension of the sales tax beginning in April 2009 (New Measure A).

In 1992, SAVSA was established as a separate legal entity under California Vehicle Code Section 22710. 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. SAVSA reimburses the County, and the Cities of Sacramento, Galt, Folsom, Elk Grove, Citrus Heights, and Rancho Cordova according to the Sacramento Abandoned Vehicle Abatement Plan. SAVSA is considered a blended component unit of the Authority as the board and management of the Authority are also the board of SAVSA. SAVSA is presented as the Abandoned Vehicle Special Revenue Fund. SAVSA sunsets in April 2022.

In 1992, the Authority entered into a Memorandum of Understanding (MOU) with the Department of Transportation (Caltrans) and the California Highway Patrol (CHP) to administer the Sacramento Metropolitan Freeway Service Patrol Program (SacMetro FSP). In 2009, the Authority began administering the SacMetro FSP program for Yolo County. Funding for the program is provided by a state grant from Caltrans and local matching funds from the Capitol Valley Regional Service Authority for Freeways & Expressways (CVR-SAFE).

The Authority's Board consists of sixteen-members – five from the Sacramento County Board of Supervisors, five from the Sacramento City Council, one from the Citrus Heights City Council, two from the Elk Grove City Council, one from the Folsom City Council, one from the Galt City Council, and one from the Rancho Cordova City Council. Under Measure A, the Authority distributes sales tax proceeds as prescribed by the ordinance 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., the Sacramento Metropolitan Air Quality Management District, and the Neighborhood Shuttle Program.

Basis of Presentation: Government-wide financial statements (the Statement of Net Position and the Statement of Activities) provide information on all of the nonfiduciary activities of the Authority.

The Statement of Net Position reports all financial resources of the Authority as a whole in a format in which assets and deferred outflows of resources equal liabilities and deferred inflows of resources, plus net position. The Statement of Activities demonstrates the degree to which the expenses of a given function are offset by program revenues. Sales tax and interest earnings are not program related, but reported as general revenues. Fund financial statements are provided for

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

governmental funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

The Authority maintains the minimum number of funds consistent with legal and managerial requirements. Major governmental funds are reported in separate columns in the fund financial statements.

Governmental fund types are used to account for activities primarily supported by taxes, grants, and similar revenue sources.

The Authority reports the following major governmental funds:

General Fund – The General Fund is the main operating fund of the Authority. It accounts for transactions related to resources obtained and used for those services, including FSP, that need not be accounted for in another fund.

Abandoned Vehicle Special Revenue Fund – Reports the vehicle registration fee revenue and related expenditures.

Transit Services Special Revenue Fund – Reports unspent Measure A funds allocated for Consolidated Transportation Services Agency services and Neighborhood Transit Services.

Debt Service Fund – Reports the debt service on the Authority's Measure A Sales Tax Revenue Bonds.

Basis of Accounting: The government-wide financial statements use the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Authority records revenue sources when earned or when due, provided they are measurable and available within 90-days after the end of the fiscal year. Those revenues susceptible to accrual at both the government-wide and fund level are sales taxes, mitigation fees, vehicle license fees, FSP grants and interest revenue. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Proceeds of governmental long-term debt are reported as other financing sources.

Non-exchange transactions, in which the Authority gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Certain indirect costs are included in program expenses reported for individual functions and activities.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

BASIS OF ACCOUNTING (Continued)

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the Authority may fund certain programs with a combination of cost-reimbursement grants and general revenues. Thus, funds included in restricted and unrestricted net position may be available to finance program expenditures. The Authority's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are exchange or exchange-like transactions between functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Budgetary Principles: As required by Public Utilities Code 180105 of the State of California, the Authority prepares and legally adopts an operating budget each fiscal year. Operating budgets are adopted for the governmental fund types on the modified accrual basis of accounting. The Authority does not budget for the Transit Services Fund. Budgetary control and the legal level of control are at the program level. Significant amendments, appropriation transfers between programs and transfers from contingencies must be approved by the Authority's Board.

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 accounts used to report resources set aside to make up potential future deficiencies in the bond's debt service. Restricted cash may also include 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.

Compensated Absences: The Authority compensates employees for unused vacation pay, up to a maximum of 400 hours, upon termination. It also pays one-half of unused sick leave at the time of retirement, up to a maximum of 500 hours pay, or applies any portion of sick leave toward retirement credit. The Authority has accrued sick leave to the extent it is expected to be paid out.

All vacation pay is accrued when earned by the employee 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 and is currently payable. 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.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

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.

Pensions: For purposes of measuring the net pension liability and deferred outflow/inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the California Public Employee's Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability is liquidated by the Authority's General Fund.

Other Postemployment Benefits (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The net OPEB liability is liquidated by the General Fund.

Deferred Outflows and Inflows of Resources: In addition to liabilities, the statement of net position reports separate sections for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net position by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earning process is complete. Deferred outflows and inflows of resources represent amounts deferred related to the Authority's pension and OPEB plan as described in Notes 3 and 5.

FUND BALANCE CLASSIFICATION:

Net Position - The government-wide financial statement includes the following categories of net position:

Restricted net position - This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – any amount that is not restricted.

Fund Balance - In the fund financial statements, fund balance amounts are reported based on the Authority's constraints on the use of funds.

Nonspendable fund balances are not expected to be converted to cash within the next operating cycle and are typically comprised of prepaid items. As of June 30, 2021, the Authority had no nonspendable fund balances.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

FUND BALANCE CLASSIFICATION (Continued)

Restricted fund balances are subject to external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose.

Committed fund balances are subject to constraints imposed by formal action of the Authority's Board which may be altered only by formal action of the Authority's Board consisting of an ordinance or resolution. As of June 30, 2021, the Authority had no committed fund balances.

Assigned fund balances are 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 Authority's Board or management and may be changed at their discretion. As of June 30, 2021, the Authority had no assigned fund balances.

Unassigned is the residual amount of the General Fund not included in the four classifications described above. In other governmental funds in which expenditures incurred for specific purposes exceeded amounts restricted, committed, or assigned to those purposes, a negative unassigned fund balance is reported. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

The Authority typically spends resources in the following order when an expenditure is incurred: restricted, committed, assigned, and unassigned.

Insurance: The Authority provides employees with commercial worker's compensation insurance. In addition, the Authority purchases commercial insurance for general liability claims. At June 30, 2021, there were no claims outstanding. There were no reductions in coverage during the year. The amount of settlements did not exceed insurance coverage for each of the past three fiscal years.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

Governmental activities:	
Cash and investments	\$ 31,745,862
Restricted cash and investments	25,214,226
	<hr/>
Total cash and investments	\$ 56,960,088
	<hr/>

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - CASH AND INVESTMENTS (Continued)

As of June 30, 2021, the Authority's cash and investments consisted of the following:

Deposits with financial institutions	\$ 1,136,282
Total cash and deposits	1,136,282
Pooled Funds	
County Treasury	43,450,673
CAMP pool	5,658,663
Investments with fiscal agent	
Money market mutual fund (governmental obligations)	6,714,470
Total investments	55,823,806
Total cash and investments	\$ 56,960,088

Investment policy: Investments are stated at fair value. 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. During the year ended June 30, 2021, the Authority's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum % or Amount of the Portfolio
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 Agreements	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 Assets Management Program (CAMP)	none	none
County Pool	none	none
LAIF	none	none

Investments Authorized by Debt Agreements: Investment of debt proceeds held by the bond trustee is 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 Measure A Sales Tax Revenue Bonds debt agreements contain certain provisions that address interest rate risk and credit risk, but not concentration of credit risk.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

Investment in County Treasury: The Authority's investments in the Sacramento County pooled investment funds are managed by the Sacramento County Treasurer and stated at fair value or amortized cost, which approximates fair value. The total amount invested by all public agencies as of June 30, 2021 was \$4.6 billion. The Authority's share of the pool is stated at market value in the Authority's financial statement. Sacramento County does not invest in any derivative financial products directly. The Sacramento County Treasury Investment Oversight Committee (Committee) oversees the County's cash and investment pool. The Committee consists of ten members as required by State law. The value of pooled shares that may be withdrawn from the County is determined on an amortized cost basis, which is different than the fair value of the Authority's position in the pool.

Investment in CAMP: California Asset Management Program (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.

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, 2021, the weighted average maturity of the investments contained in the County Pool and money market mutual funds is approximately 300 and 36 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 CAMP or the County Pool is rated by a nationally recognized statistical rating organization. The Money Market Mutual Fund is rated AAA by Standard and Poor's.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - CASH AND INVESTMENTS (Continued)

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2021, the carrying amount of the Authority's deposits was \$1,136,282 and the balance in financial institutions was \$1,181,278 of which \$250,000 was covered by federal depository insurance and \$931,278 was covered by the pledging financial institution with assets held in a common-pool for the Authority and other governmental agencies.

Fair Value of Financial Instruments: The following methods and assumptions were used by the Authority to estimate the fair value of its financial instruments as of June 30, 2021.

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are active; or other inputs that are observable can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or a liability.

The fair values of U.S. Treasury Notes and money market funds that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 2 - CASH AND INVESTMENTS (Continued)

The Authority reports the following recurring fair value measurements as of June 30, 2021:

		Fair Value Measurements Using		
	June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Money market mutual fund	\$ 6,714,470		\$ 6,714,470	
Total investments by fair value level	6,714,470	\$ -	\$ 6,714,470	
Investments measured at net asset value				
County pool	43,450,673			
CAMP pool	5,658,663			
	\$ 55,823,806			

NOTE 3 - PENSION PLAN

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 rate plans:

- Miscellaneous Plan
- PEPRM Miscellaneous Plan

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 PEPRM 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.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - PENSION PLAN (Continued)

The Plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

Hire Date	Miscellaneous	PERPA Miscellaneous
	Prior to January 1, 2013	On or after January 1, 2013
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%	6.75%
Required employer contribution rates	11.742%	7.732%

In addition to the contribution rate above, the Authority was also required to make a payment of \$92,189 towards its unfunded actuarial liability during the fiscal year ended June 30, 2021.

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

The contributions to the Plan were \$126,347 for the year ended June 30, 2021.

Pension Liabilities, Pension Expenses and Deferred Outflow/Inflow of Resources Related to Pensions: As of June 30, 2021, the Authority reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$1,147,819.

The Authority's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability as of June 30, 2021 is measured as of June 30, 2020 and the total pension liability is determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The Authority's proportion of the net pension liability is 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 as of June 30, 2021 and 2020 is as follows:

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - PENSION PLAN (Continued)

	Miscellaneous
Proportion - June 30, 2021	0.027210%
Proportion - June 30, 2020	0.026880%
Change - Increase (Decrease)	0.000330%

For the year ended June 30, 2021, the Authority recorded pension expense of \$188,314. At June 30, 2021, the Authority reported deferred outflow of resources and deferred inflow of resources related to the Plan from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Pension contributions subsequent to measurement date	\$ 126,347	
Change in employer's proportion	13,593	\$ 5,115
Net differences between the employer's contribution and the employer's proportionate share of contributions		57,032
Net differences between projected and actual earnings on plan investments	34,097	
Changes in assumption		8,187
Difference between expected and actual experience	59,151	
Total	\$ 233,188	\$ 70,334

The \$126,347 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 fiscal year ended June 30, 2022. Other amounts reported as deferred inflow and outflow of resources relate to pensions and will be recognized as pension expense as follows:

Year Ended June 30		
2022	\$	(13,931)
2023		16,724
2024		17,360
2025		16,354
	\$	36,507

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 3 - PENSION PLAN (Continued)

Actuarial Assumptions: The total pension liabilities in the actuarial valuations for the Plan were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase (1)	Varies
Mortality	Derived using CalPERS Membership data for all funds

(1) Depending on age and service

The underlying mortality assumptions and all other actuarial assumptions used in June 30, 2021 were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 7.15%. 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 discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate 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.

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 as of the measurement date of June 30, 2020. 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, 2021

NOTE 3 - PENSION PLAN (Continued)

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.0%	(.92)%
Total	<u>100.00%</u>		

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% 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 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 one-percentage point lower or higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$ 1,783,828
Current Discount Rate	7.15%
Net Pension Liability	\$ 1,147,819
1% Increase	8.15%
Net Pension Liability	\$ 622,305

Pension Plan Fiduciary Net Position: Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 4 – 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.

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description: The Authority’s defined benefit OPEB plan provides OPEB benefit for all permanent full-time employees of the Authority. Benefits are set by the Board and may be amended by the Board. The Plan is a single employer defined benefit OPEB plan administered by the Authority. No assets are accumulated in a trust.

Benefits Provided: The Plan provides healthcare benefits to all permanent full-time employees who retire directly from the Authority, at a minimum age of 52, with a minimum of five years of service. Eligible employees’ surviving spouses are also eligible for benefits. The Authority participates in the Public Employees’ Medical and Hospital Care Act (PEMHCA) provided through the California Public Employees’ Retirement System (CalPERS).

Employees Covered by Benefit Terms: As of the June 30, 2020 measurement date, the following employees were covered by the Plan’s benefit terms:

Active employees	3
Inactive employees or beneficiaries currently receiving benefit payments	1
	4
	4

OPEB Liability: The Authority’s OPEB liability of \$203,357 was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions: The net OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date:	June 30, 2019
Measurement date:	June 30, 2020
Actuarial Cost Method:	Entry-Age Normal, Level % of Pay
Actuarial assumptions:	
Discount rate	2.66%
Inflation	2.50%
Aggregate salary increase	3.00%
Healthcare cost trend rates	5.40% in 2021 decreasing to 4.00% by 2076
Mortality rates	CalPERS 2017 Experience Study
Mortality improvement	Macleod Watts Scale 2020

Mortality information was based on the MacLeod Watts Scale 2020 which was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2019 Report, published October 2019 and (2) the demographic assumptions used in the 2019 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published April 2019.

Discount Rate: The discount rate used to measure the total OPEB liability was 2.66%, which is a decrease from the 2.79% used at the June 30, 2019 measurement date. The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index rate for tax-exempt general obligations bonds with an average rating of AA/Aa or higher at June 30, 2020 as published by the Federal Reserve.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Total OPEB Liability: The change in the total OPEB liability for the plan is as follows:

	Total OPEB Liability
Balance at July, 1, 2020	\$ 202,316
Changes for the year:	
Service cost	6,042
Interest on the total OPEB liability	5,614
Change of assumptions	3,687
Benefit payments	(14,302)
Net changes	1,041
Balance at June 30, 2021	\$ 203,357

The changes in assumptions from the prior valuation to the current valuation include a change in the discount rate from 2.79% to 2.66%, demographic assumptions changes from those provided in the 2014 CalPERS experience study to the 2017 CalPERS experience study, salary increases decreased from 3.25% per year to 3.0% per year, and inflation rate decreased from 2.75% per year to 2.5% per year. There were no changes between the measurement date and the year ended June 30, 2021 which had a significant effect on the Authority's total OPEB liability.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB 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 discount rate:

	1% Decrease 1.66%	Discount Rate 2.66%	1% Increase 3.66%
Total OPEB liability	\$ 235,902	\$ 203,357	\$ 177,704

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	Current Healthcare Cost Trend Rates		
	1% Decrease (4.40% decreasing to 3.00%)	1% Increase (6.40% decreasing to 5.00%)	
Total OPEB liability	\$ 178,060	\$ 203,357	\$ 235,383

OPEB Plan Fiduciary Net Position: The Plan does not have fiduciary net position as the Authority does not contribute to a qualified trust fund on behalf of the participants.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2021, the Authority recognized OPEB expense of \$18,158. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$ 15,842	
Differences between expected and actual experience	5,446	
Changes of assumptions	4,918	\$ 3,489
Total	\$ 26,206	\$ 3,489

The \$15,842 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2022	\$ 6,501
2023	279
2024	(113)
2025	208
2026	-
Thereafter	-
	\$ 6,875

Recognition of Deferred Outflows and Deferred Inflows of Resources: Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years. All other amounts are recognized over the expected average remaining service lifetime (EARSL), which was 3.0 years at June 30, 2021.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - OPERATING LEASES

The Authority leases certain premises under an operating lease through November 30, 2027, at which time the lease expires. The rental rate increases \$100 per month each year of the lease beginning every December 1. In addition, as a condition of the Authority executing this new lease certain tenant improvements were made by the landlord, the cost of which plus interest (\$159,264) is to be repaid as part of the rental payments beginning December 1, 2020 through the remainder of the lease term. Rental expense for the year ended June 30, 2021 was \$ 47,416.

Future minimum lease payments under operating leases as of June 30, 2021 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2022	\$ 55,781
2023	59,298
2024	63,215
2025	67,608
2026	72,566
2027-2028	<u>111,780</u>
	<u>\$ 430,248</u>

NOTE 7 – INTERFUND TRANSACTIONS

Interfund transfers from the General Fund to the Debt Service Fund were used to repay principal and interest per the debt agreement in the amount of \$19,534,968. Interfund transfers from the General Fund to the Transit Services Fund of \$1,000,000 represents the Neighborhood Shuttle annual Measure A allocation.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 – LONG-TERM LIABILITIES

The activity of the Authority's long-term liabilities during the year ended June 30, 2021 are as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
2009 Series C Bonds	\$ 106,100,000			\$ 106,100,000	
Fair Value (Loss) of Interest Rate Swap (2009 Series Bonds)	138,024,376		\$ (33,123,022)	104,901,354	
2012 Series Bonds	38,685,000		(4,050,000)	34,635,000	\$ 4,235,000
Unamortized Bond Premium (2012 Series Bonds)	5,348,464		(755,077)	4,593,387	
Series 2014A Bonds	106,100,000			106,100,000	
Series 2015A Bonds	106,100,000			106,100,000	
Total debt	500,357,840	-	(37,928,099)	462,429,741	4,235,000
Compensated absences	43,219	48,411	(29,579)	62,051	35,000
Net Pension liability	1,076,426	71,393		1,147,819	
Net OPEB liability	202,316	1,041		203,357	
Total Long-term liabilities	<u>\$ 501,679,801</u>	<u>\$ 120,845</u>	<u>\$ (37,957,678)</u>	<u>\$ 463,842,968</u>	<u>\$ 4,270,000</u>
Amount Due Within One Year				<u>(4,270,000)</u>	
Amount Due in More Than One Year				<u>\$ 459,572,968</u>	

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Long-term debt consists of the following at:

2009 Series C Bonds - In October 2009, the Authority issued Measure A Sales Tax Revenue Bonds in the amount of \$106.1 million to finance transportation projects approved by voters in 2004. The bond's variable interest rate is fixed through an interest-rate swap, whereby, the Authority pays a fixed interest rate of 3.736% 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. Principal payments of \$7.5 million begin in 2029 and increase to \$11.8 million in 2039 when they mature. These bonds are a direct placement. \$ 106,100,000

2012 Series Bonds - In July 2012, the Authority issued fixed rate Measure A Sales Tax Bonds in the amount of \$53.4 million to finance transportation projects approved by voters in 2004. The average coupon interest rate is 2.480997%. Principal payments in the amount of \$3.5 million began in 2017 and increase to \$5.7 million in 2028, when the bonds mature. These bonds are a direct placement. \$ 34,635,000

2014A Series A Bonds - In September 2014, the Authority issued Measure A Sales Tax Revenue Refunding Bonds in the amount of \$106.1 million to refund the outstanding series 2009A bonds and finance transportation projects approved by voters in 2004. Interest rate swaps were retained. In the floating-to-fixed rate swap, the Authority pays a fixed interest rate of 3.736% and in turn, receives a variable interest rate based on 67 percent of the one month LIBOR which is reset on a weekly basis. Principal payments range from \$7.4 million in 2029 to \$11.8 million in 2039, when the bonds mature. These bonds are a direct placement. \$ 106,100,000

2015A Series B Bonds - In March 2015, the Authority issued Measure A Sales Tax Revenue Refunding Bonds in the amount of \$106.1 million to refund the outstanding Measure A Sales Tax Revenue Series 2009B bonds and finance transportation projects approved by voters in 2004. Interest rate swaps were retained. In the floating-to-fixed rate swap, the Authority pays a fixed interest rate of 3.666% and in turn, receives a variable interest rate based on 67 percent of the three month LIBOR which is reset on a weekly basis. Principal payments range from \$7.4 million in 2029 to \$11.8 million in 2039, when the bonds mature. These bonds are a direct placement. \$ 106,100,000

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 – LONG-TERM LIABILITIES (Continued)

The Authority has pledged all of the future sales tax proceeds to cover all debt service requirements. The total principal and interest remaining on the 2009C, 2012, 2014A, and the 2015A bonds is \$514.4 million. For the current year, the principal and interest paid and total incremental sales tax revenues were \$19.7 million and \$153.6 million, respectively.

The 2014A and 2015A Measure A Sales Tax Revenue Refunding Bonds were issued to refund the 2009A and 2009B Measure A Sales Tax Revenue Bonds, respectively. The advance refunding resulted in no differences between the reacquisition price and the net carrying amount of the outstanding debt.

As of June 30, 2021, 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	Bond Interest	Estimated Derivatives, Net	Hedging Ancillary Fees	Total
2022	\$ 4,235,000	\$ 1,781,148	\$ 10,454,514	\$ 1,376,907	\$ 17,847,569
2023	4,455,000	1,563,898	10,454,514	1,376,907	17,850,319
2024	4,685,000	1,335,398	10,454,514	1,380,556	17,855,468
2025	4,925,000	1,095,148	10,454,514	1,376,536	17,851,198
2026	5,175,000	842,648	10,454,514	1,376,907	17,849,069
2027 - 2031	83,260,000	1,290,114	48,820,949	6,433,875	139,804,938
2032 - 2036	144,200,000	430,493	28,982,488	3,821,909	177,434,890
2037 - 2039	102,000,000	76,001	5,116,500	674,477	107,866,978
Total	<u>\$ 352,935,000</u>	<u>\$ 8,414,848</u>	<u>\$ 135,192,507</u>	<u>\$ 17,818,074</u>	<u>\$ 514,360,429</u>

Events of Default: Events of default with financial consequences may occur under the Indenture that allow that the Trustee may enforce its rights by any one or more of the remedies. Significant remedies under the indenture include:

- The Authority shall immediately transfer to the Trustee all revenues held by the Authority.
- Bring legal action upon the Bonds.
- Limit the Authority's ability to issue new bonds unless the issuance of those bonds will remedy the default.

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.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Interest Rate Swaps

Objective of the interest rate swaps and terms: On October 18, 2006, the Authority entered into three forward interest rate swaps for \$106.1 million each in order to hedge the interest rate risk associated with the Series 2009 Measure A Sales Tax Revenue Bonds issued on October 1, 2009, and whose initial interest rate is variable.

Terms: The swap agreement requires that the Authority pay each financial institution semi-annual fixed-rate payments based on an annual rate; the financial institution, in turn, is required to pay the Authority a series of future variable-rate payments equal to 67% of the 1-month or 3-month LIBOR. The notional amounts and maturity dates of the swaps match the principal amounts and the maturity dates of the hedged bonds. The variable-rate coupons of the hedged bonds closely match the Securities Industry and Financial Markets Association (SIFMA) and percentage of LIBOR rates paid monthly. A summary of the terms are as follows:

	Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Value	Swap Term Date	Counterparty Credit Rating (1)	Valuation Level
Series 2009C	\$ 106,100,000	October 18, 2009	3.736%	67% USD LIBOR	\$ (35,649,265)	October 1, 2038	Aa2/A+/AA-	Level 2
Series 2014A	\$ 106,100,000	October 18, 2009	3.736%	67% 3 month LIBOR	\$ (35,653,746)	October 1, 2038	A1/A+/A+	Level 2
Series 2015A	\$ 106,100,000	October 18, 2009	3.666%	67% USD LIBOR	\$ (33,598,343)	October 1, 2038	Aa2/A+/AA	Level 2
					\$ (104,901,354)			

(1) (Moody's Investor Services, Standard and Poor's Rating Services, and Fitch IBCA, Inc.)

Fair value: The swaps had a total fair value of negative \$104,901,354 as of June 30, 2021, which is reported as a deferred outflow of resources. The fair values were estimated by an independent third-party based on mid-market levels as of the close of business on June 30, 2021. 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.

Credit risk: This is the risk that the counterparty will fail to perform under the terms of the agreement. As of June 30, 2021, the Authority was not exposed to credit risk on these swaps because the fair values were negative. However, should interest rates change and the fair values of the swaps become positive, the Authority would be exposed to credit risk in the amount of the swaps' positive fair values. In order to mitigate this risk, the Authority diversified its exposure among three counterparties. 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. If the Authority's credit rating falls below certain thresholds or is withdrawn, a termination event may result, in which case the Authority could immediately owe (or be owed) the fair market value of the swap.

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

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Interest Rate Swaps (Continued)

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, the payments received under the agreements are expected to approximate the expected bond payments over the life 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.

Tax Risk: The swap exposes the Authority to tax risk if a permanent mismatch occurs between the variable-rate received from the swap and the variable-rate paid on the bonds due to tax law changes such that the federal or state tax exemption on municipal debt is eliminated or its value reduced.

NOTE 9 – FUND BALANCES

The Authority's net position and fund balance are restricted for the following purposes:

Measure A Projects – bond proceeds and sales tax revenues restricted by local ordinance for transportation-related projects.

Sacramento Countywide Mitigation Fee Program – represents the fund balance of the SCTMFP to assist with funding road and transit system improvements needed to accommodate projected growth and development.

Freeway Service Patrol Program – to reflect funds restricted by the Department of Transportation for urban traffic congestion mitigation.

Sacramento Abandoned Vehicle Service Authority – represents the fund balance of SAVSA to fulfill the program objectives of the Abandoned Vehicles program.

Transit Services – represents the unspent Measure A funds allocated to CTSA and Neighborhood Shuttle.

Debt Service – represents debt service reserves required by the related debt covenants.

NOTE 10 – GOVERNMENT-WIDE NET POSITION

As of June 30, 2021, the Authority had negative net position of \$297.7 million. 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. However, the Authority issues bonds that pay for assets reported in other jurisdictions' financial statements, resulting in a deficit net position. Therefore, the deficit will continue, but decrease over time as the Authority makes bond principal payments.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – IMPACT OF COVID-19

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. In March 2020, the State of California issued a statewide shelter-in-place order that continues to have a significant impact on the State of California and local economy. The extent to which the coronavirus may impact economic activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. Management has not included any contingencies in the financial statements specific to this recent event.

NOTE 12 – NEW PRONOUNCEMENTS

In June 2017, the GASB issued Statement No. 87, Leases. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This Statement enhances disclosures about capital assets and the cost of borrowing for a reporting period and simplifies the accounting for interest cost incurred before the end of a construction period. Interest cost incurred before the end of a construction period will be recognized as an expense rather than being recorded as part of the cost of capital assets in a business-type activity or enterprise fund and interest cost incurred by a fund using the current financial resources measurement focus before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2020.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. This Statement addresses a number of practice issues identified during the implementation of certain GASB Statements, including 1) the effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-03, Leases, for interim financial statements; 2) reporting of intra-entity transfers between a primary government employer and a component unit defined benefit pension plan or defined benefit OPEB plan; 3) the applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits; 4) the applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements; 5) measurement

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 – NEW PRONOUNCEMENTS (CONTINUED)

of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; 6) reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; 7) reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and 8) terminology used to refer to derivative instruments. This Statement is applicable for items 1) and 7) above upon its issuance and is effective for the other items above for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. This Statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR), such as the London Interbank Offered Rate (LIBOR), with another reference rate due to global reference rate reform. LIBOR will cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments with LIBOR reference rates by either changing the reference rate or adding or changing fallback provisions related to the reference rate. This Statement addresses the effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

The Authority will analyze the impact of these new Statements prior to the effective dates listed above.

NOTE 13 – RESTATEMENTS TO IMPLEMENT GASB STATEMENT NO. 84

During the year ended June 30, 2021, the Authority implemented GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this Statement, the Authority reevaluated whether its fiduciary funds met the revised definition of fiduciary activities. The Authority determined that the former Measure A Agency Fund met the criteria to be reported as part of the Authority's operations and reclassified it into a Special Revenue Fund. Due to this change, the July 1, 2020 total assets, total liabilities and fund balance/net position of \$19,422,012, \$1,295,827 and \$18,126,185 were reclassified to the Transit Services Special Revenue Fund. Government-wide net position increased by \$18,126,185 as of July 1, 2020 as a result of this reclassification.

REQUIRED SUPPLEMENTARY INFORMATION

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**SACRAMENTO TRANSPORTATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021
SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years**

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.02721%	0.02688%	0.02659%	0.02650%	0.02616%	0.02734%	0.02463%
Proportionate share of the net pension liability	\$ 1,147,819	\$ 1,076,426	\$ 1,002,151	\$ 1,044,537	\$ 908,590	\$ 750,078	\$ 608,865
Covered - employee payroll - measurement period	\$ 388,487	\$ 348,630	\$ 352,622	\$ 451,635	\$ 351,909	\$ 363,473	\$ 366,547
Proportionate share of the net pension liability as a percentage of covered payroll	295.46%	308.76%	284.20%	231.28%	258.19%	206.36%	166.11%
Plan fiduciary net position as a percentage of the total pension liability	75.98%	74.53%	75.44%	72.49%	75.57%	78.40%	79.82%
Reporting Valuation Date:	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Reporting Measurement Date:	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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, 2014 as they have minimal cost impact.

Changes in assumptions:

Discount rate changes in accounting valuation	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%
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**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years**

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 126,347	\$ 115,317	\$ 108,775	\$ 91,285	\$ 89,707	\$ 76,574	\$ 69,181
Contributions in relation to the actuarially determined contributions	(126,347)	(115,317)	(108,775)	(91,285)	(89,707)	(76,574)	(69,181)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered - employee payroll - fiscal year	\$ 451,405	\$ 388,487	\$ 348,630	\$ 352,622	\$ 451,635	\$ 351,909	\$ 363,473
Contributions as a percentage of covered - employee payroll	27.99%	29.68%	31.20%	25.89%	19.86%	21.76%	19.03%
Valuation date:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012

Methods and assumptions used to determine contribution rates:

Actuarial method							
Amortization method				Entry age normal			
Remaining amortization period				Level percentage of payroll, closed			
				Varies, not more than 30 years			
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15-year smoothed market
Inflation	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases				Varies by entry age and service			
Payroll growth	2.75%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Future years will be added prospectively as they become available.

SACRAMENTO TRANSPORTATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY
AND RELATED RATIOS (UNAUDITED)

	2021	2020	2019	2018
Total OPEB liability:				
Service cost	\$ 6,042	\$ 11,244	\$ 10,559	\$ 11,232
Interest	5,614	5,427	5,308	4,497
Changes in assumptions	3,687	18,668	3,160	(9,257)
Benefit payments	(14,302)	(7,808)	(6,521)	(1,518)
Net change in total OPEB liability	1,041	27,531	12,506	4,954
Total OPEB liability - beginning	202,316	174,785	162,279	157,325
Total OPEB liability - ending (a)	<u>\$ 203,357</u>	<u>\$ 202,316</u>	<u>\$ 174,785</u>	<u>\$ 162,279</u>
Covered-employee payroll - measurement period	<u>\$ 345,777</u>	<u>\$ 405,975</u>	<u>\$ 352,622</u>	<u>\$ 348,630</u>
Total OPEB liability as percentage of covered-employee payroll	<u>58.81%</u>	<u>49.83%</u>	<u>49.57%</u>	<u>46.55%</u>

Notes to schedule:

Valuation date	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Note: No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4, to pay related benefits.

Benefit changes. None.

Assumptions:

Actuarial cost method		Entry age normal, level % of pay		
Discount rates	2.66%	2.79%	2.98%	3.13%
Inflation	2.50%	2.50%	2.75%	2.75%
Salary increases	3.00%	3.00%	3.25%	3.25%
Healthcare cost trend rates	5.4% decreasing to 4% by 2076	5.4% decreasing to 4% by 2076	7.5% decreasing to 5% by 2024	7.5% decreasing to 5% by 2024
CalPERS Experience Study	2017 Study	2017 Study	2014 Study	2014 Study
Mortality	MW Scale 2020	MW Scale 2020	MW Scale 2017	MW Scale 2017

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

SUPPLEMENTARY INFORMATION

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**SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest	\$ 80,000	\$ 80,000	\$ 588	\$ (79,412)
Total revenues	<u>80,000</u>	<u>80,000</u>	<u>588</u>	<u>(79,412)</u>
EXPENDITURES:				
Principal	4,050,000	4,050,000	4,050,000	-
Interest and other charges	18,058,139	18,058,139	15,655,190	2,402,949
Total expenditures	<u>18,058,139</u>	<u>18,058,139</u>	<u>19,705,190</u>	<u>2,402,949</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(17,978,139)</u>	<u>(17,978,139)</u>	<u>(19,704,602)</u>	<u>2,323,537</u>
OTHER FINANCING USES:				
Transfers in	22,108,139	22,108,139	19,534,968	(2,573,171)
Total other financing uses	<u>22,108,139</u>	<u>22,108,139</u>	<u>19,534,968</u>	<u>(2,573,171)</u>
Changes in fund balance	4,130,000	4,130,000	(169,634)	(249,634)
FUND BALANCE, BEGINNING OF YEAR	<u>6,884,105</u>	<u>6,884,105</u>	<u>6,884,105</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 11,014,105</u>	<u>\$ 11,014,105</u>	<u>\$ 6,714,471</u>	<u>\$ (249,634)</u>

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

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the Sacramento Transportation Authority's annual comprehensive financial report presents detailed information as context for understanding the information in the financial statements, note disclosures, and required supplementary information of the government's overall financial health.

Financial Trends – These schedules contain trend information to help the reader understand how the Authority's financial performance 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 annual comprehensive financial reports for the relevant year.

SACRAMENTO TRANSPORTATION AUTHORITY
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities:				
Restricted: Measure A*	-	-	-	-
Restricted: Transit Services**	-	-	-	-
Restricted: transportation mitigation	\$ 1,204,207	\$ 4,390,110	\$ 5,254,385	\$ 9,885,863
Restricted: for abandoned vehicles	-	-	107,455	121,827
Restricted: freeway service patrol	-	-	-	-
Restricted: debt service	-	-	-	-
Unrestricted	(269,290,732)	(283,641,409)	(294,193,790)	(309,078,758)
Total governmental activities net position	<u>\$ (268,086,525)</u>	<u>\$ (279,251,299)</u>	<u>\$ (288,831,950)</u>	<u>\$ (299,071,068)</u>

Source: Audited Financial Statements

* Amounts for Measure A prior to 2017 were reported as unrestricted

** New fund added as a result of implementing GASB 84

Fiscal Year						
2016	2017	2018	2019	2020	2021	
-	\$ 42,991,554	\$ 23,381,713	\$ 31,053,300	\$ 30,876,253	\$ 32,366,900	
-	-	-	-	-	12,916,670	
\$ 13,296,991	4,692,718	23,315,012	21,083,317	17,303,331	10,708,825	
154,549	-	160,919	167,490	159,226	162,960	
164,338	-	331,181	388,196	433,052	279,056	
6,362,460	6,588,099	6,923,116	6,919,991	6,884,105	6,714,470	
(365,923,547)	(379,947,580)	(374,969,271)	(370,198,612)	(366,110,626)	(360,830,258)	
<u>\$ (345,945,209)</u>	<u>\$ (325,675,209)</u>	<u>\$ (320,857,330)</u>	<u>\$ (310,586,318)</u>	<u>\$ (310,454,659)</u>	<u>\$ (297,681,377)</u>	

SACRAMENTO TRANSPORTATION AUTHORITY
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental Activities:				
Measure A	\$ 107,891,760	\$ 94,224,572	\$ 94,743,971	\$ 103,968,271
Transportation mitigation*	-	-	2,680,549	6,676
Transit Services**	-	-	-	-
Freeway Service Patrol	1,729,539	1,765,562	2,164,149	2,090,267
Abandoned Vehicle Service Authority	1,079,593	1,089,746	1,125,637	1,172,574
Administration***	-	-	-	713,350
Interest on long-term debt	15,119,256	16,257,749	16,196,388	15,538,373
Total governmental activities expenses	<u>125,820,148</u>	<u>113,337,629</u>	<u>116,910,694</u>	<u>123,489,511</u>
Program Revenues				
Operating grants and contributions	5,966,229	6,221,395	6,835,898	7,895,612
Net (expense) revenue	<u>(119,853,919)</u>	<u>(107,116,234)</u>	<u>(110,074,796)</u>	<u>(115,593,899)</u>
General Revenues and Other Changes in Net Position				
Sales taxes	92,239,996	97,390,177	100,063,237	105,564,247
Investment earnings	641,940	662,384	430,908	556,829
Total general revenues	<u>92,881,936</u>	<u>98,052,561</u>	<u>100,494,145</u>	<u>106,121,076</u>
Change in Net Position	<u>\$ (26,971,983)</u>	<u>\$ (9,063,673)</u>	<u>\$ (9,580,651)</u>	<u>\$ (9,472,823)</u>

Source: Audited Financial Statements

* Amounts for transportation mitigation expenses prior to 2014 are included in Measure A

** New fund added as a result of implementing GASB 84

*** Amounts for administration expenses prior to 2015 are included in Measure A

Fiscal Year

2016	2017	2018	2019	2020	2021
\$ 112,324,300	\$ 92,332,335	\$ 105,146,632	\$ 110,900,345	\$ 112,506,367	\$ 130,680,444
1,004,034	16,547,233	2,126,292	3,727,641	11,712,770	15,503,665
-	-	-	-	-	6,140,147
2,000,559	2,271,606	2,126,051	1,986,738	2,658,784	3,305,277
1,216,517	1,400,871	1,118,297	1,316,666	1,333,747	1,338,699
1,387,221	979,254	633,150	813,062	1,144,831	698,336
15,208,203	16,227,155	17,662,386	18,570,877	18,124,579	14,881,164
133,140,834	129,758,454	128,812,808	137,315,329	147,481,078	172,547,732
7,628,294	11,196,129	11,396,632	10,044,457	11,574,361	13,472,954
(125,512,540)	(118,562,325)	(117,416,176)	(127,270,872)	(135,906,717)	(159,074,778)
110,707,633	116,877,996	119,187,748	131,757,081	131,591,165	153,560,355
956,364	1,954,329	3,202,114	5,784,803	4,447,211	161,520
111,663,997	118,832,325	122,389,862	137,541,884	136,038,376	153,721,875
\$ (13,848,543)	\$ 270,000	\$ 4,973,686	\$ 10,271,012	\$ 131,659	\$ (5,352,903)

SACRAMENTO TRANSPORTATION AUTHORITY
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 10,027	\$ 10,027	\$ 10,027	\$ 10,027
Restricted	46,521,997	101,338,670	91,591,253	81,243,264
Unassigned	600,000	740,000	427,430	329,381
Total general fund	<u>47,132,024</u>	<u>102,088,697</u>	<u>92,028,710</u>	<u>81,582,672</u>
All Other Governmental Funds				
Restricted	3,860,118	4,439,725	4,232,983	4,352,188
Total all other governmental funds	<u>3,860,118</u>	<u>4,439,725</u>	<u>4,232,983</u>	<u>4,352,188</u>
Total Governmental Funds	<u>\$ 50,992,142</u>	<u>\$ 106,528,422</u>	<u>\$ 96,261,693</u>	<u>\$ 85,934,860</u>

Source: Audited Financial Statements

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 10,027	\$ 4,763	\$ -	\$ -	\$ -	\$ -
51,973,251	47,684,272	47,027,906	52,524,813	48,612,636	43,354,781
(195,546)	(38,522)	664,031	861,894	722,530	1,261,987
<u>51,787,732</u>	<u>47,650,513</u>	<u>47,691,937</u>	<u>53,386,707</u>	<u>49,335,166</u>	<u>44,616,768</u>
6,517,009	6,588,099	7,084,035	7,087,481	7,043,331	19,794,101
<u>6,517,009</u>	<u>6,588,099</u>	<u>7,084,035</u>	<u>7,087,481</u>	<u>7,043,331</u>	<u>19,794,101</u>
<u>\$ 58,304,741</u>	<u>\$ 54,238,612</u>	<u>\$ 54,775,972</u>	<u>\$ 60,474,188</u>	<u>\$ 56,378,497</u>	<u>\$ 64,410,869</u>

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

	Fiscal Year			
	2012	2013	2014	2015
Revenues				
Taxes	\$ 92,239,996	\$ 97,390,177	\$ 100,063,237	\$ 105,564,247
Mitigation Fees	2,957,362	3,176,382	3,540,542	4,624,139
Vehicle registration fees	1,166,769	1,130,254	1,172,833	1,220,900
State grant	1,842,098	1,914,759	2,122,523	2,050,573
Planning services				
Use of money and property	641,940	660,928	430,196	555,414
Miscellaneous	-	1,452	712	1,415
Total Revenues	98,848,165	104,273,952	107,330,043	114,016,688
Expenditures				
General government:				
Administrative	658,391	745,552	1,008,517	805,331
Freeway service patrol	1,729,539	1,765,562	2,164,149	2,090,267
Intergovernmental:				
Ongoing	73,978,158	78,028,181	80,178,967	84,573,836
Capital	34,247,783	16,075,491	17,364,319	19,831,624
Debt Service:				
Principal	-	-	-	-
Interest and other charges	15,167,878	16,804,043	16,880,820	17,042,463
Total expenditures	125,781,749	113,418,829	117,596,772	124,343,521
Excess of Expenditures over Reven	(26,933,584)	(9,144,877)	(10,266,729)	(10,326,833)
Other Financing Sources (Uses)				
Transfers in	14,869,554	16,950,657	16,694,009	16,439,131
Transfers out	(14,869,554)	(16,950,657)	(16,694,009)	(16,439,131)
Refunding Bonds	-	-	-	(212,200,000)
Bond Premium	-	11,326,155	-	-
Issuance of Bonds		53,355,000		212,200,000
Total other financing sources (uses)	-	64,681,155	-	-
Net change in fund balances	\$ (26,933,584)	\$ 55,536,278	\$ (10,266,729)	\$ (10,326,833)
Debt Service as a Percentage of Noncapital Expenditures*	19.86%	20.86%	20.25%	19.48%

Source: Audited Financial Statements

* Principal and interest/administrative, freeway service patrol, and ongoing intergovernmental expenditures

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 110,707,633	\$ 116,877,996	\$ 119,187,748	\$ 131,757,081	\$ 131,591,165	\$ 153,560,355
4,363,650	7,848,175	7,621,753	6,684,039	7,551,556	8,956,992
1,272,697	1,282,433	1,275,901	1,316,666	1,319,166	1,364,680
1,991,947	2,065,521	2,498,978	2,043,752	2,703,639	3,151,282
941,859	1,795,119	3,081,259	5,784,803	4,447,211	161,520
14,505	159,210	120,855	-	-	-
<u>119,292,291</u>	<u>130,028,454</u>	<u>133,786,494</u>	<u>147,586,341</u>	<u>147,612,737</u>	<u>167,194,829</u>
1,342,300	977,515	542,737	794,117	1,133,643	615,219
2,000,559	2,271,606	2,126,051	1,986,738	2,658,784	3,305,277
88,688,421	93,578,879	95,096,646	105,217,067	105,116,994	127,582,088
25,848,672	16,701,560	13,250,240	10,705,881	20,410,835	26,080,868
-	3,450,000	3,590,000	3,740,000	3,890,000	4,050,000
16,016,860	17,115,023	18,643,460	19,444,322	18,498,171	15,655,190
<u>133,896,812</u>	<u>134,094,583</u>	<u>133,249,134</u>	<u>141,888,125</u>	<u>151,708,427</u>	<u>177,288,642</u>
<u>(14,604,521)</u>	<u>(4,066,129)</u>	<u>537,360</u>	<u>5,698,216</u>	<u>(4,095,690)</u>	<u>(10,093,813)</u>
18,182,376	20,823,804	22,520,621	23,096,608	22,290,456	20,534,968
(18,182,376)	(20,823,804)	(22,520,621)	(23,096,608)	(22,290,456)	(20,534,968)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (14,604,521)</u>	<u>\$ (4,066,129)</u>	<u>\$ 537,360</u>	<u>\$ 5,698,216</u>	<u>\$ (4,095,690)</u>	<u>\$ (10,093,813)</u>
17.40%	21.24%	22.74%	21.47%	20.56%	14.98%

SACRAMENTO TRANSPORTATION AUTHORITY
Revenue Capacity - Revenue Base and Revenue Rate
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Sales Tax Rate</u>	<u>Total Sales Tax Revenue (000's)</u>	<u>Total Taxable Sales (000's)</u>
2020*	0.5%	\$ 131,591	\$ 27,173,405
2019	0.5%	131,757	26,351,416
2018	0.5%	119,188	25,443,669
2017	0.5%	116,878	24,610,617
2016	0.5%	110,708	23,368,174
2015	0.5%	105,564	22,218,348
2014	0.5%	100,063	21,061,901
2013	0.5%	97,390	20,097,095
2012	0.5%	92,240	19,089,848
2011	0.5%	87,299	18,003,765

Source: California Department of Tax and Fee Administration

*Latest information available

SACRAMENTO TRANSPORTATION AUTHORITY
Revenue Capacity - Principal Revenue Payers
Calendar Years 2020 and 2011

Business Type:	2020*			2011		
	Rank	Amount (000's)	Percentage of Taxable Sales	Rank	Amount (000's)	Percentage of Taxable Sales
All Other Outlets	1	\$ 8,685,299	32.0%	1	\$ 5,500,957	30.6%
Motor Vehicle and Parts Dealers	2	3,775,094	13.9%	4	1,875,269	10.4%
Other Retail Group	3	3,561,468	13.1%	3	1,973,583	11.0%
General Merchandise Stores	4	2,560,717	9.4%	2	2,016,537	11.2%
Food Services and Drinking Places	5	2,191,265	8.1%	6	1,743,327	9.7%
Building Material and Garden Equipment and Supplies Dealers	6	1,849,437	6.8%	7	994,959	5.5%
Gasoline Stations	7	1,405,189	5.2%	5	1,831,391	10.2%
Food and Beverage Stores	8	1,151,690	4.2%	8	900,349	5.0%
Home Furnishings and Appliance Stores	9	1,103,903	4.1%	10	366,441	2.0%
Clothing and Clothing Accessories Stores	10	889,343	3.3%	9	800,952	4.4%
Total All Outlets		<u>\$ 27,173,405</u>	<u>100.0%</u>		<u>\$ 18,003,765</u>	<u>100.0%</u>

Source: California Department of Tax and Fee Administration

SACRAMENTO TRANSPORTATION AUTHORITY
Principal Employers
June 30, 2020 and 2011

Employer:	2020*			2011		
	Rank	Employees	Percentage of Total County	Rank	Employees	Percentage of Total County
Kaiser Permanente	1	15,585	2.27%	1	9,903	1.68%
UC Davis Health System	2	14,510	2.11%			
Sutter/California Health Services	3	10,764	1.57%	2	7,262	1.23%
Dignity/Mercy Healthcare	4	7,871	1.15%	3	6,976	1.19%
Intel Corporation	5	6,200	0.90%	4	5,900	1.00%
Amazon - Sacramento Fulfillment C	6	4,500	0.66%			
Raley's Inc/Belair	7	3,500	0.51%			
Health Net of California Inc.	8	3,227	0.47%	8	2,400	0.41%
VSP Global	9	2,429	0.35%			
Safeway	10	1,878	0.27%			
Wells Fargo & Co.				5	3,905	0.66%
Hewlett Packard				6	3,500	0.59%
Union Pacific Railroad				7	2,620	0.45%
Cache Creek Casino Resort				9	2,376	0.40%
Pacific Gas and Electric Co.				10	2,034	0.35%
Total		<u>70,464</u>	<u>10.26%</u>		<u>46,876</u>	<u>7.96%</u>

Source: Sacramento County June 30, 2020 Annual Comprehensive Financial Report (ACFR)

*Latest information available

SACRAMENTO TRANSPORTATION AUTHORITY
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (000's)	Per Capita Personal Income	Unemployment Rate
2020	1,552,000	\$85,775,621	\$55,266	3.7%
2019	1,541,000	80,969,087	52,544	3.8%
2018	1,531,000	76,832,120	50,197	4.6%
2017	1,514,000	72,878,458	48,122	5.4%
2016	1,497,000	70,110,138	46,845	6.0%
2015	1,478,000	65,486,553	44,303	7.3%
2014	1,460,000	61,654,690	42,229	8.9%
2013	1,447,000	59,775,785	41,303	10.5%
2012	1,435,000	57,498,308	40,068	12.1%
2011	1,422,000	54,666,004	38,443	12.6%

Source: Sacramento County June 30, 2020 Annual Comprehensive Financial Report (ACFR)

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SACRAMENTO TRANSPORTATION AUTHORITY
Operating Information - Employees
Last Ten Fiscal Years

Activity:	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Measure A/SAVSA	2.07	2.07	2.07	1.95	2.95	2.65	2.6	2.6	2.45	2.45
Freeway Service Patrol	0.93	0.93	0.93	1.05	1.05	1.15	1.2	1.2	1.35	1.35
Source - Adopted Budget										

SACRAMENTO TRANSPORTATION AUTHORITY
Operating Information - Demand for Services
Measure A - By Jurisdiction
Last Ten Fiscal Years

Jurisdiction	Fiscal Year			
	2021	2020	2019	2018
City of Citrus Heights	\$ 3,017,591	\$ 2,589,796	\$ 2,594,616	\$ 2,347,540
County of Sacramento	23,142,052	19,780,254	19,824,716	17,951,156
CTSA Set Aside*	-	-	1,078,447	1,168,157
City of Elk Grove	6,275,989	5,356,571	5,367,420	4,780,559
City of Folsom	3,081,437	2,600,243	2,603,896	2,335,123
City of Galt	1,535,604	1,315,912	1,317,357	1,191,381
City of Isleton	61,424	52,636	52,694	47,656
Neighborhood Shuttle	1,000,000	1,000,000	1,000,000	1,083,334
Paratransit	2,038,005	5,815,018	4,743,008	4,088,549
Sacramento Regional Parks	1,000,000	1,000,000	1,000,000	1,083,334
City of Rancho Cordova	2,904,098	2,492,262	2,497,862	2,239,524
Regional Transit	56,837,693	44,581,803	44,631,157	40,301,412
City of Sacramento	17,944,897	15,285,468	15,270,445	13,652,724
SMAQMD	2,264,450	1,938,339	1,940,485	1,752,235
Debt Service	19,705,190	22,388,171	23,184,323	22,233,460
Administration	1,132,225	969,170	970,243	1,033,547
Total allocations	\$ 141,940,655	\$ 127,165,643	\$ 128,076,669	\$ 117,289,690

Source: Authority accounting records

* Per Authority Ordinance, allocations to this fund were discontinued June 30, 2019

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ 2,302,514	\$ 2,152,319	\$ 2,071,744	\$ 1,985,463	\$ 1,891,987	\$ 1,802,800
17,620,170	16,530,072	15,862,799	15,134,616	14,424,979	13,742,240
1,146,027	1,069,997	1,027,592	983,258	938,205	895,220
4,739,611	4,318,918	4,135,491	3,927,291	3,706,060	3,523,059
2,294,486	2,105,522	2,018,853	1,978,191	1,905,848	1,816,009
1,168,176	1,091,347	1,048,496	1,003,696	958,170	914,734
46,727	43,654	41,940	40,150	38,327	36,592
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
4,011,094	3,744,989	3,596,572	3,441,403	3,283,718	3,133,270
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
2,201,648	2,013,909	1,922,210	1,803,645	1,711,239	1,627,805
39,537,925	36,914,890	35,451,925	33,922,401	32,368,073	30,885,085
13,390,589	12,539,139	12,037,403	11,534,598	11,011,678	10,506,441
1,719,040	1,604,995	1,541,388	1,474,887	1,407,308	1,342,830
20,565,023	22,202,434	21,322,534	20,402,604	19,467,754	18,575,812
899,939	802,498	770,694	737,444	703,654	671,415
\$ 113,642,969	\$ 109,134,683	\$ 104,849,641	\$ 100,369,647	\$ 95,817,000	\$ 91,473,312

SACRAMENTO TRANSPORTATION AUTHORITY
Ratios of Outstanding Debt
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Sales Tax Revenue Bonds</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2020*	\$356,985,000	0.4%	\$230
2019	360,875,000	0.4%	234
2018	364,615,000	0.5%	238
2017	368,205,000	0.5%	243
2016	371,655,000	0.5%	248
2015	371,655,000	0.6%	251
2014	371,655,000	0.6%	255
2013	371,655,000	0.6%	257
2012	318,300,000	0.6%	222
2011	318,300,000	0.6%	224

Source: Audited Financial Statements and the Bureau of Economic Analysis

* Latest information available

SACRAMENTO TRANSPORTATION AUTHORITY
Operating Information - Abandoned Vehicle Abatements
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Abatements</u>
2021	19,790
2020	22,518
2019	18,877
2018	14,670
2017	13,019
2016	8,586
2015	5,037
2014	5,247
2013	6,222
2012	6,239

Source: Authority records

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OTHER



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

To the Board of Directors
Sacramento Transportation Authority
Sacramento, California

We have audited, 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, the 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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 4, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations,

To the Board of Directors
Sacramento Transportation Authority

contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

November 4, 2021



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GOVERNANCE LETTER

To the Board of Directors
Sacramento Transportation Authority
Sacramento, California

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Sacramento Transportation Authority for the year ended June 30, 2021, and have issued our report thereon dated November 4, 2021. Professional standards require that we provide you with the information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards

As stated in our engagement letter dated June 22, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We noted no material weaknesses in internal control as a result of our audit. However, material weaknesses may exist that have not been identified.

We performed the audit according to the planned scope previously communicated to you in our engagement letter dated June 22, 2021.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. The Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. The implementation of GASB Statement No. 84 resulted in a reevaluation of whether Agency Funds met the revised definitions of fiduciary activities. This resulted in funds held by the Authority for certain Measure A programs being reclassified from an agency fund to a special revenue fund, called the Transit Services Fund. The application of existing policies was not changed during the year. We noted no transaction entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements is the accrual of the unfunded pension liability. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole. The accrual for the unfunded pension liability was determined by an actuarial valuation performed by CalPERS.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the following:

- Information on the Authority's pension plans, including the Authority's share of the unfunded pension liability, is shown in Note 3. The Authority's share of the unfunded pension liability at June 30, 2020, the most recent measurement date, was \$1,147,819, which is reflected as a liability in the Authority's financial statements as of June 30, 2021.
- The postemployment benefit (OPEB) disclosure in Note 5 shows that the Authority's postemployment benefits liability has increased to \$203,357 as of June 30, 2021. Retiree premium payments are being made on a pay-as-you-go basis and no contributions are made to a trust.
- The Authority has interest rate swaps that were entered into when the Series 2009 bonds were issued with a variable interest rate, to hedge the interest rate risk. Because of the decrease in interest rates since these bonds and related swaps were issued, the swaps have a negative fair value, which is described in Note 8 of the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted no material misstatements during our audit.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter November 4, 2021.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and Schedule of Proportionate Share of the Net Pension Liability, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has 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 it.

Restriction of Use

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

Richardson & Company, LLP

November 4, 2021



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MANAGEMENT LETTER

To the Board of Directors
Sacramento Transportation Authority
Sacramento, California

In planning and performing our audit of the financial statements of the Sacramento Transportation Authority (Authority) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, we did note the following matters that have been presented below for your consideration.

Board Oversight over Claimed Costs: With the small staff size at the Authority and increased claimant projects and activity over the years, it is important that the Board closely monitor claims submitted by the jurisdictions for capital projects to ensure proper oversight. It is the responsibility of the Board to prevent, deter, and protect against fraud, abuse, and waste in the Authority, and to ensure tax revenue is being used for the proper purposes.

Review of Actuarial Reports: We noted that the Authority does not retain documents showing review of the data used by the Actuary in the valuation of the OPEB and pension liabilities. We recommend the Authority document the reconciliation of contributions from the actuarial report to the general ledger to show that this information used in the valuation is complete and accurate. Reconciliation of pension contributions for the year to CalPERS information should also be documented.

* * * * *

To the Board of Directors
Sacramento Transportation Authority
Page 2

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us during the course of the audit. This report is intended solely for the information and use of the Board, of Directors, management, and others within the organization and does not affect our report dated November 4, 2021, on the financial statements of the Sacramento Transportation Authority.

Richardson & Company, LLP

November 4, 2021



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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, 2021 and for the year then ended, which were agreed to by the Sacramento Transportation Authority (Authority), solely to assist you 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. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged by Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on any of the Measure A entities. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

November 4, 2021

ATTACHMENT I
PROCEDURES PERFORMED

At your request, we have performed certain procedures as of June 30, 2021 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, 2021 based on the amount set forth in the supporting schedules provided by the recipient entities.
4. Selected certain projects from the Measure A on-going annual program report, and the Measure A capital projects general ledger detail for the fiscal year ended June 30, 2021 as follows:

On-going Measure A

County of Sacramento: Street and Road maintenance program

City of Sacramento: Street and Road maintenance program

Elk Grove: Street and Road maintenance program

Galt: General Measure A expenditures program

Isleton: General Measure A expenditures program

Regional Transit: Transit Operations

Measure A Capital Projects

County of Sacramento: Hazel Avenue/US-50 to Madison

Caltrans: I-5 HOV lanes

Connector JPA: Capital/Southeast Connector

For the projects selected above, we performed the following:

- a. Obtained the on-going annual program report and capital projects general ledger detail for fiscal year ended June 30, 2021.
- b. Obtained detail listing of project costs. Ensured amounts agreed to the reports provided by the recipient to the Authority. From the period selected for testing we Haphazardly selected a maximum sample of 5, or 50% coverage, whichever is less, expenditures for the fiscal year ended June 30, 2021 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.

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

Current Year Findings

None noted.

Prior Year Findings

None noted.



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

Board of Directors
Sacramento Transportation Authority
Sacramento, California

We have performed the procedures enumerated below to the accompanying calculation of the Appropriations Limit of the Sacramento Transportation Authority (Authority) for the year ended June 30, 2021. The Authority's management is responsible for complying with the Appropriations Limit Calculation. The Authority and the League of California Cities (as presented in the publication entitled Agreed-Upon Procedures applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution) have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to assist the Agency in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We obtained the Authority's calculation of the 2020/2021 appropriations limit and compared the limit and annual adjustment factors included in the calculation to the limit and annual adjustment factors that were adopted by resolution of the Board of Directors.

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

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

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

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

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

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

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

5. We recalculated the 2020/2021 Appropriation Limit by multiplying the product of the two above factors by the 2019/2020 appropriation limit.

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

6. We compared the Authority's actual expenditures to the computed appropriation limit for fiscal year 2020/2021.

Finding: For the 2020/2021 fiscal year the Authority's actual expenditures and actual revenues did not exceed the appropriation limit calculated by us.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on accompanying calculation of the Appropriation Limit. Accordingly, we do not express such an opinion or conclusion. No procedures have been performed with respect to the determination of the Appropriations Limit for the base year, as defined by *Article XIII-B* of the California Constitution.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Richardson & Company, LLP

November 4, 2021

APPENDIX A

**SACRAMENTO TRANSPORTATION AUTHORITY
APPROPRIATION LIMIT CALCULATION**

Year Ended June 30, 2021

**APPROPRIATION LIMIT
ADOPTED BY AUTHORITY:**

Recorded in Final 2020/2021 Budget \$ 296,919,442

**APPROPRIATION LIMIT
COMPUTATION PER REVIEW:**

2019/2020 Appropriation Limit \$ 283,689,389

Cost of Living Factor:

Change in California per capita income 1.00900

Population Adjustment Factor:

Population change in Sacramento County 1.03730

Auditor computed limitation 296,919,442

Variance \$ 0

Measure A Capital Projects Quarterly Status Report



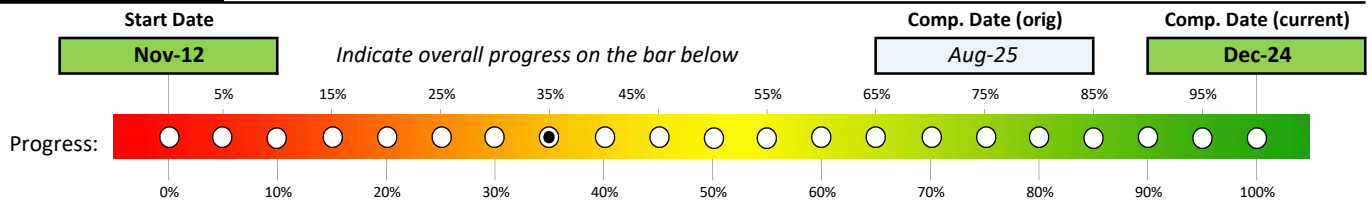
PROJECT INFO

Quarter Ended:	September 30, 2021	Fiscal Year:	2021-22	Reporting Quarter:	1
Agency:	California Department of Transportation	Project Mgr:	Jim K Rogers		
		Contact Info:	916-826-6052		
Project Name:	US Highway 50 Bus & Carpool Lanes - phase 2				
Sponsor Project ID Number:	03-3F360/03-0H08U	STA Project ID Number:	A-47-CT		
Original Est. Project Cost:	\$ 68,315,000.00	Current Est. Project Cost:	\$ 147,480,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 15,945,604.00	Projected Spending	2Q:	\$ 875,000.00
Previous Contract(s) Spending:	\$ 15,310,227.98		3Q:	\$ 875,000.00
Current Contract Amount:	\$ 12,500,000.00		4Q:	\$ 875,000.00
Current Contract Spending:	\$ 2,721,992.47		1Q:	\$ 875,000.00
Expended This Quarter:	\$ 177,485.30			
Total Remaining:	\$ 10,235,898.25	Funds leveraged using local match	\$ 442,000,000.00	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|--|--|--|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input checked="" type="checkbox"/> Under Construction |
| <input type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

Caltrans District 3 successfully competed and received State funding from the SB1 Gas/Diesel Tax programs under the Solutions for Congested Corridor Program for construction of this HOV Lanes project. The project is utilizing Design-Build instead of traditional Caltrans delivery method of Design-Bid-Build. This will expedite delivery of the project to the travelling public. The HOV lanes project has been combined with the US 50 Rehabilitation project that has already been funded by State Highway Operation and Protection Program (SHOPP).

- Coordination continued with Union Pacific Rail Road and Sacramento Regional Transit.
- Coordination continued with City of Sacramento on adjacent projects, parking impacts and utility work.
- Flatiron West Inc. with their design partner WSP have completed over 90% of the design packages.
- Construction work on soundwalls, retaining walls, bridge widening, drainage and traffic staging are ongoing at a rapid pace.

Measure A Capital Projects Quarterly Status Report



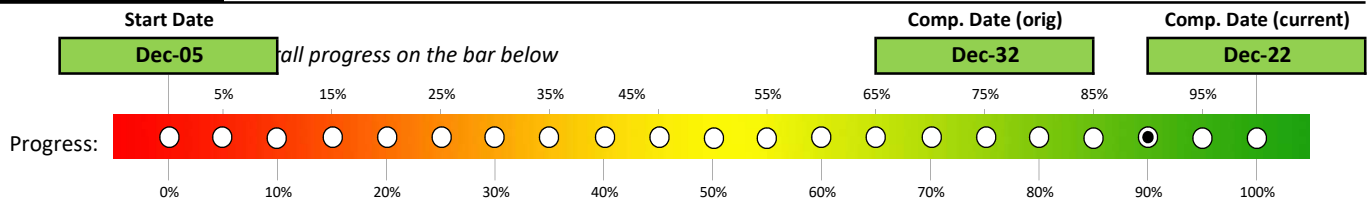
PROJECT INFO

Quarter Ended:	September 30, 2021	Fiscal Year:	2021-22	Reporting Quarter:	1
Agency:	California Department of Transportation	Project Mgr:	Jess Avila		
		Contact Info:	530-741-4533		
Project Name:	Interstate 5 Bus & Carpool Lanes				
Sponsor Project ID Number:	03-3C000 and 03-3C001	STA Project ID Number:	A-45-CT		
Original Est. Project Cost:	\$ 188,479,000.00	Current Est. Project Cost:	\$ 125,530,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 3,185,454.00	Projected Spending	2Q:	\$ 1,200,000.00
Previous Contract(s) Spending:	\$ 3,185,454.00		3Q:	\$ 750,000.00
Current Contract Amount:	\$ 30,000,000.00		4Q:	\$ 750,000.00
Current Contract Spending:	\$ 18,574,735.85		1Q:	\$ -
Expended This Quarter:	\$ 1,611,745.52			
Total Remaining:	\$ 9,813,518.63	Funds leveraged using local match	\$ 332,000,000.00	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|--|--|--|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input checked="" type="checkbox"/> Under Construction |
| <input type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

Casilada Pedestrian Overcrossing is 98% complete. Continued fabrication of ornamental fencing for Casilada POC. Removed OH sign structures and replaced with temporary signing in preparation to complete median barrier and drainage work. Continued drainage work in the median at various locations. Completed outside widening of roadway between Pocket Road and Broadway. Completed retaining wall construction at overcrossing locations between Pocket Road and Broadway except at NB Gloria Drive OC, NB South Land Park OC and NB Sutterville OC. Completed final paving SB between Broadway and Pocket Rd. Started final paving NB between Elk Grove and Broadway.

Measure A Capital Projects Quarterly Status Report



PROJECT INFO

Quarter Ended: **September 30, 2021** Fiscal Year: **2021-22** Reporting Quarter: **1**

Agency: **Citrus Heights** Project Mgr: **Regina Cave**
 Contact Info: rcave@citrusheights.net

Project Name: **Geenback Lane/Sunrise Blvd. to Fair Oaks Blvd.**

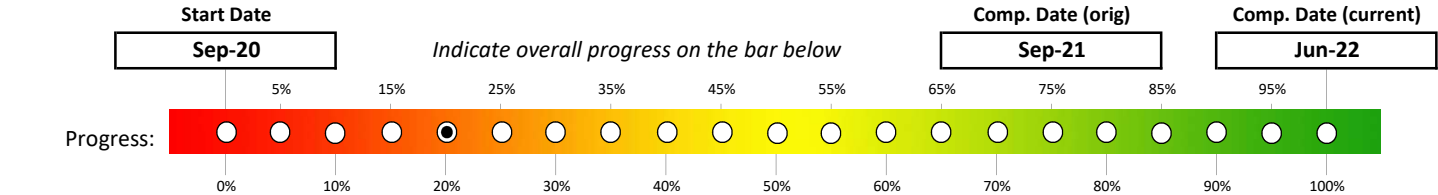
Sponsor Project ID Number: **45-20-002** STA Project ID Number: **A-18-CH**

Original Est. Project Cost: \$ **1,500,000.00** Current Est. Project Cost: \$ **2,200,000.00**

MEASURE A FUNDING

Previous Contract(s) Amount:	\$	-	Projected Spending	2Q:	\$	-
Previous Contract(s) Spending:	\$	-		3Q:	\$	100,000.00
Current Contract Amount:	\$	600,000.00		4Q:	\$	500,000.00
Current Contract Spending:	\$	-		1Q:	\$	
Expended This Quarter:	\$	-				
Total Remaining:	\$	600,000.00	Funds leveraged using local match	\$	1,600,000.00	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- Not Started
- Right-of-Way Acquisition
- Bidding and/or Contracting
- Pending or On-Hold
- Environmental Review
- Under Construction
- Design and/or Engineering
- Planning/Financing/Approval
- Completed

Explanation of Activities this Quarter and Additional Notes

PS&E is at 100%. Advertising for CON and CM/Insp. scheduled for November 2021, with construction planned for early 2022.

Measure A Capital Projects Quarterly Status Report



PROJECT INFO

Quarter Ended: **September 30, 2021** Fiscal Year: **2021-22** Reporting Quarter: **1**

Agency: **Capital SouthEast Connector** Project Mgr: **Matt Lampa**
Contact Info: LampaM@SacCounty.net

Project Name: **Capital SouthEast Connector**

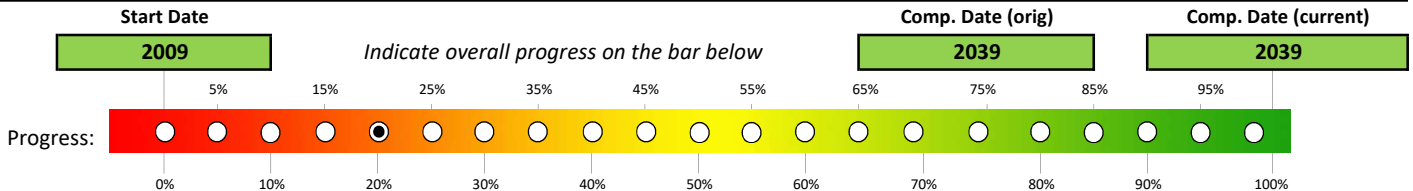
Sponsor Project ID Number: **N/A** STA Project ID Number: **A-16-JP**

Original Est. Project Cost: \$ **1,006,014,000** Current Est. Project Cost: \$ **588,190,000**

MEASURE A FUNDING

Previous Contract(s) Amount:	\$	12,788,762.00	Projected Spending	2Q:	\$	1,741,500
Previous Contract(s) Spending:	\$	12,788,762.00		3Q:	\$	1,251,000
Current Contract Amount:	\$	26,640,000.00		4Q:	\$	1,030,000
Current Contract Spending:	\$	21,107,718.03		1Q:	\$	341,750
Expended This Quarter:		1,417,993.57				
Total Remaining:		4,114,288.40	Funds leveraged using local match	\$	150,300,000.00	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- Not Started
- Right-of-Way Acquisition
- Bidding and/or Contracting
- Pending or On-Hold
- Environmental Review
- Under Construction
- Design and/or Engineering
- Planning/Financing/Approval
- Completed

Explanation of Activities this Quarter and Additional Notes

Explanation of activities:

- **Segment A:** A1 - continued coordination with City and Caltrans on I-5/ Hood Franklin interchange agreements. A2 Project construction is ongoing.
- **Segment B:** B2 Project construction is ongoing.
- **Segment C:** Continued coordination w/ the City of Elk Grove on conceptual intersection designs and traffic study work for various intersections along the alignment.
- **Segment D2:** Coordination with SACOG on programming and MTIP amendment.
- **Segment D3:** D3a Project construction is ongoing. D3b rail crossing planning is ongoing. Preparation and submittal of grant funding application. Preparation of final design construction documents for the Scott Rd realignment.

Measure A Capital Projects Quarterly Status Report



PROJECT INFO

Quarter Ended: **September 30, 2021** Fiscal Year: **2021-22** Reporting Quarter: **1**

Agency: **Capital SouthEast Connector** Project Mgr: **Derek Minnema**
 Contact Info: minnemad@saccounty.net

Project Name: **Capital SouthEast Connector**

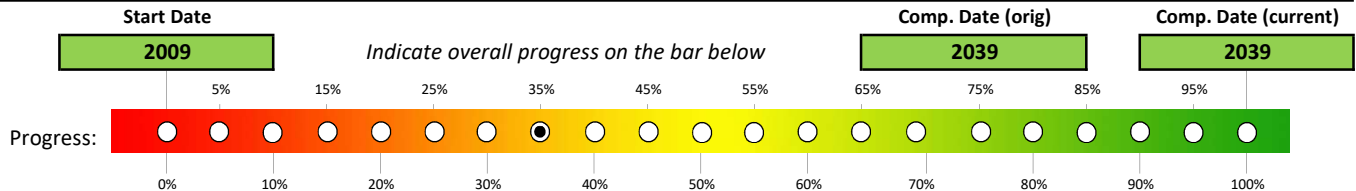
Sponsor Project ID Number: **N/A** STA Project ID Number: **A-16-JPM**

Original Est. Project Cost: \$ **1,006,014,000** Current Est. Project Cost: \$ **588,190,000**

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ -	Projected Spending	2Q:	\$ 1,366,667
Previous Contract(s) Spending:	\$ -		3Q:	\$ 1,366,667
Current Contract Amount:	\$ 5,000,000.00		4Q:	\$ 1,366,666
Current Contract Spending:	\$ -		1Q:	\$ 900,000
Expended This Quarter:	\$ -			
Total Remaining:	\$ 5,000,000.00	Funds leveraged using local match	\$ -	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- Not Started
- Right-of-Way Acquisition
- Bidding and/or Contracting
- Pending or On-Hold
- Environmental Review
- Under Construction
- Design and/or Engineering
- Planning/Financing/Approval
- Completed

Explanation of Activities this Quarter and Additional Notes

Explanation of activities:

- Project environmental mitigation purchased through the South Sacramento Habitat Conservation Plan.
- Evaluation of project environmental impact and mitigation strategies.

The projected spending identified in 2Q - 1Q is based on the newly awarded Smart Growth Incentive Allocation and Expenditure Contract for Environmental Mitigation.

Measure A Capital Projects Quarterly Status Report



PROJECT INFO

Quarter Ended: **September 30, 2021** Fiscal Year: **2021-22** Reporting Quarter: **1**

Agency: **County of Sacramento** a **Jenny Singh, Senior Civil Engineer**
 Contact Info: **(916) 874-6092**

Project Name: **Bradshaw Road, Phase 2**

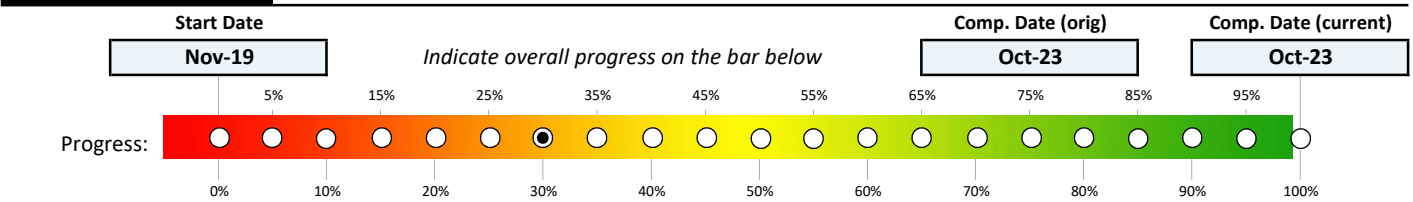
Sponsor Project ID Number: **RF0DGL** STA Project ID Number: **A-08-SC**

Original Est. Project Cost: \$ **197,000,000.00** Current Est. Project Cost: \$ **200,000,000.00**

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ -	Projected Spending	2Q:	\$ 100,000.00
Previous Contract(s) Spending:	\$ -		3Q:	\$ 100,000.00
Current Contract Amount:	\$ 3,300,000.00		4Q:	\$ 150,000.00
Current Contract Spending:	\$ -		1Q:	\$ 100,000.00
Expended This Quarter:	\$ -			
Total Remaining:	\$ 3,300,000.00	Funds leveraged using local match	\$ -	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- Not Started
- Right-of-Way Acquisition
- Bidding and/or Contracting
- Pending or On-Hold
- Environmental Review
- Under Construction
- Design and/or Engineering
- Planning/Financing/Approval
- Completed

Explanation of Activities this Quarter and Additional Notes

This project is the first phase of a larger overall project. This first phase will include traffic signal modification and widening of Bradshaw Road and Jackson Road to include an additional through lane and dual lefts in each direction through the intersection.

The project is currently in the preliminary design and environmental review phase of work. Environmental clearance is anticipated in late 2021. Right-of-way acquisition is anticipated to begin in winter of 2021-2022.

Measure A Capital Projects Quarterly Status Report



PROJECT INFO

Quarter Ended: **September 30, 2021** Fiscal Year: **2021-22** Reporting Quarter: **1**

Agency: **County of Sacramento** a **Spencer Ord, Senior Civil Engineer**
 Contact Info: **(916) 874-6601**

Project Name: **Folsom Blvd. Watt Ave. to Bradshaw Road**

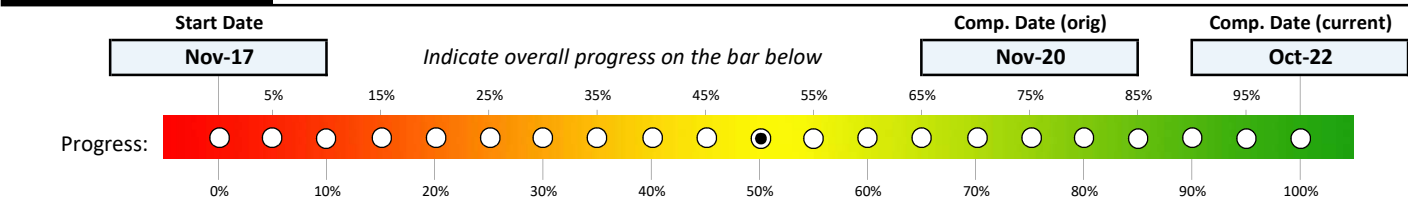
Sponsor Project ID Number: **RFODGE** STA Project ID Number: **A-13-SC**

Original Est. Project Cost: \$ **40,698,159.00** Current Est. Project Cost: \$ **40,698,159.00**

MEASURE A FUNDING

Previous Contract(s) Amount:	\$	-	Projected Spending	2Q:	\$	250,000.00
Previous Contract(s) Spending:	\$	-		3Q:	\$	250,000.00
Current Contract Amount:	\$	9,450,000.00		4Q:	\$	300,000.00
Current Contract Spending:	\$	1,009,909.48		1Q:	\$	500,000.00
Expended This Quarter:	\$	-				
Total Remaining:	\$	8,440,090.52		Funds leveraged using local match	\$	1,836,279.51

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- Not Started
- Right-of-Way Acquisition
- Bidding and/or Contracting
- Pending or On-Hold
- Environmental Review
- Under Construction
- Design and/or Engineering
- Planning/Financing/Approval
- Completed

Explanation of Activities this Quarter and Additional Notes

The California Environmental Quality Act (CEQA) approval for the Mayhew Road to Bradshaw Road segment on Folsom Boulevard was issued in January 2019. The project is currently in the right-of-way and final design phases of work for a Phase 1 complete streets improvement project. All right of way acquisitions are from Sacramento Regional Transit (SacRT). The Board of Supervisors approved the easement agreements which were recently approved and executed by RT. The right of way certification was in April with allocation received in June 2021. The project is currently out to bid with a bid opening date of October 28, 2021. Construction is scheduled to begin in early 2022.

Measure A Capital Projects Quarterly Status Report



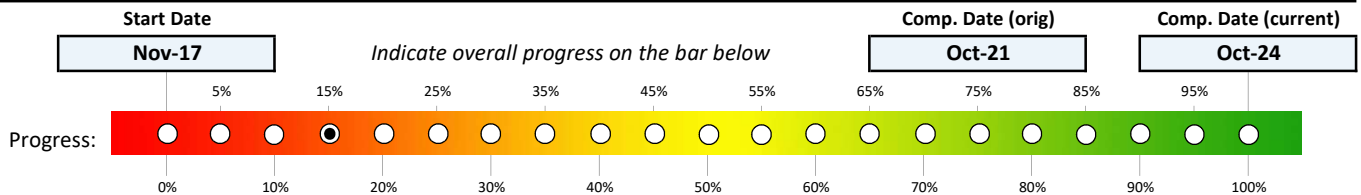
PROJECT INFO

Quarter Ended:	September 30, 2021	Fiscal Year:	2021-22	Reporting Quarter:	1
Agency:	County of Sacramento	a	Tim Stevens, Senior Civil Engineer		
		Contact Info:	(916) 874-6291		
Project Name:	Greenback Lane Phase I - Fair Oaks Blvd. to Main Street				
Sponsor Project ID Number:	STOXEB	STA Project ID Number:	A-17-SC		
Original Est. Project Cost:	\$ 41,716,000.00	Current Est. Project Cost:	\$ 41,716,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 116,829.91	Projected Spending	2Q:	\$ 100,000.00
Previous Contract(s) Spending:	\$ 116,829.91		3Q:	\$ 100,000.00
Current Contract Amount:	\$ 2,500,000.00		4Q:	\$ 100,000.00
Current Contract Spending:	\$ 257,066.95		1Q:	\$ 100,000.00
Expended This Quarter:	\$ 17,250.93			
Total Remaining:	\$ 2,225,682.12	Funds leveraged using local match	\$	-

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input checked="" type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

The project limits are Greenback Lane from Chestnut Ave to the Folsom City/Sacramento County Boundary. The project includes sidewalk infill, ADA improvements (curb ramps and bus stops), Class II bike lanes and streetscape design and environmental review are underway.

Public outreach and community input on the proposed alignment will be solicited through public meetings. The project was presented to the Sacramento County Bicycle Advisory Committee (SacBAC) in March 2021 and obtained CEQA in January 2021.

Funding was applied for and a grant received for Phase 1 of this project, installing improvements between Chestnut and Walnut. Design is underway, B-plans for the project are 35% complete, and properties that will need right-of-way acquisition are being identified. Once the preliminary design is approved, right of way acquisition can begin.

Measure A Capital Projects Quarterly Status Report



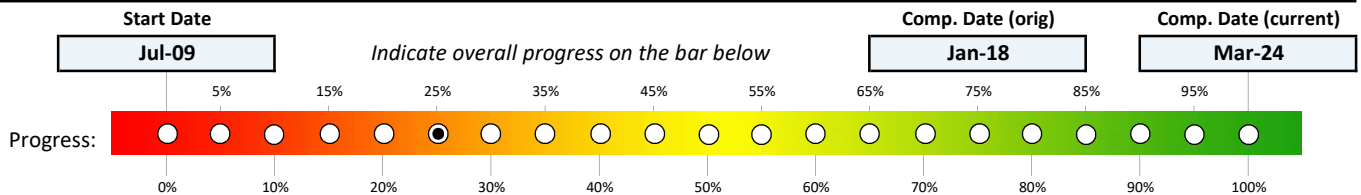
PROJECT INFO

Quarter Ended:	September 30, 2021	Fiscal Year:	2021-22	Reporting Quarter:	1
Agency:	County of Sacramento	a	Tim Stevens, Senior Civil Engineer		
		Contact Info:	(916) 874-6291		
Project Name:	Hazel Avenue Improvements – US Highway 50 to Folsom Blvd				
Sponsor Project ID Number:	STRL41	STA Project ID Number:	A-23-SC		
Original Est. Project Cost:	\$ 61,268,182.00	Current Est. Project Cost:	\$ 82,735,257.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 1,679,031.22	Projected Spending	2Q:	\$ 500,000.00
Previous Contract(s) Spending:	\$ 1,679,031.22		3Q:	\$ 500,000.00
Current Contract Amount:	\$ 6,953,000.00		4Q:	\$ 500,000.00
Current Contract Spending:	\$ 253,172.30		1Q:	\$ 500,000.00
Expended This Quarter:	\$ -			
Total Remaining:	\$ 6,699,827.70	Funds leveraged using local match	\$ -	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input checked="" type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

The project was on the County Board agenda for certification of the FEIR/EA and the Board found the FEIR/EA adequate and complete on 9/22/2020.

The Notice of Determination was filed on 10/5/2020 and CEQA/NEPA completed in 2021.

The Project Report has been completed and approved by Caltrans.

A Request For Qualifications (RFQ) for engineering services was released and one proposal was received. Attempts were made, including re-advertisement, to seek out more candidates, but ultimately only the one bidder proposed and proceeding with a sole-source contract that was approved by Caltrans.

Final steps to preparing a contract are being made with approval of a consultant contract by the Board in December 2021. Next steps will be to begin Rights-of-way acquisitions once the consultant is under contract.

Measure A Capital Projects Quarterly Status Report



PROJECT INFO

Quarter Ended: **September 30, 2021** Fiscal Year: **2021-22** Reporting Quarter: **1**

Agency: **County of Sacramento** a **Tim Stevens, Senior Civil Engineer**
Contact Info: **(916) 874-6291**

Project Name: **Hazel Avenue Improvements, Phase 1 – US Highway 50 to Madison Avenue**

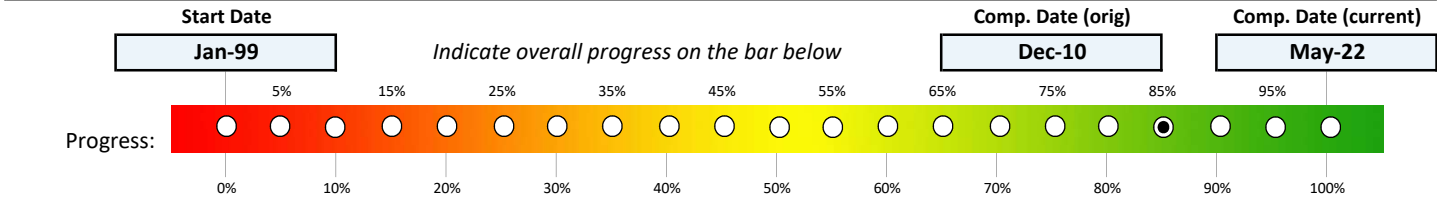
Sponsor Project ID Number: **ST0XCC;ST0XCJ;DV2L43;STRL43** STA Project ID Number: **A-21-SC**

Original Est. Project Cost: \$ **79,292,680.00** Current Est. Project Cost: \$ **110,000,000.00**

MEASURE A FUNDING

Previous Contract(s) Amount:	\$	33,999,043.75	Projected Spending	2Q:	\$	1,000,000.00
Previous Contract(s) Spending:	\$	33,999,043.75		3Q:	\$	1,000,000.00
Current Contract Amount:	\$	11,287,409.00		4Q:	\$	1,000,000.00
Current Contract Spending:	\$	6,741,202.52		1Q:	\$	1,000,000.00
Expended This Quarter:	\$	1,025,446.94				
Total Remaining:	\$	3,520,759.54	Funds leveraged using local match	\$	12,903,777.41	

PROJECT STATUS



- Current Status (as of last day of reporting quarter; check only one):
- Not Started
 - Pending or On-Hold
 - Design and/or Engineering
 - Right-of-Way Acquisition
 - Environmental Review
 - Planning/Financing/Approval
 - Bidding and/or Contracting
 - Under Construction
 - Completed

Explanation of Activities this Quarter and Additional Notes

Hazel Avenue Widening Phase 1, US 50 to Curragh Downs Drive: Construction completed in Spring 2011.
(Current Status : Completed)

Hazel Avenue Widening Phase 2, Curragh Downs Drive to Sunset Avenue: Construction Completed in July 2018.
(Current Status: Completed)

Hazel Avenue Widening Phase 3, Sunset Avenue to Madison Avenue: Right of way acquisition is complete for the Phase 3 project. The project opened bids on August 20, 2020, and the contract was awarded to Teichert. Construction began on November 16, 2020 and joint trench construction for utility relocation and sound wall installation has been completed. Utility undergrounding is underway and scheduled to be complete by November 2021. Concurrently, water main and storm drain improvements are in progress, to be followed by roadway

Measure A Capital Projects Quarterly Status Report



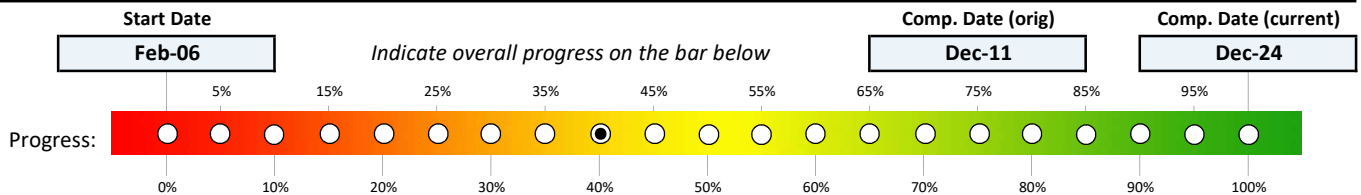
PROJECT INFO

Quarter Ended:	September 30, 2021	Fiscal Year:	2021-22	Reporting Quarter:	1
Agency:	County of Sacramento	a	Jenny Singh, Senior Civil Engineer		
		Contact Info:	(916)874-6291		
Project Name:	Madison Avenue Improvements, Phase 1 – Sunrise Blvd to Hazel Avenue				
Sponsor Project ID Number:	STOXAG	STA Project ID Number:	A-24-SC		
Original Est. Project Cost:	\$ 19,929,143.00	Current Est. Project Cost:	\$ 28,872,280.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 1,280,274.94	Projected Spending	2Q:	\$ 50,000.00
Previous Contract(s) Spending:	\$ 1,280,274.94		3Q:	\$ 50,000.00
Current Contract Amount:	\$ 2,900,000.00		4Q:	\$ 50,000.00
Current Contract Spending:	\$ 762,285.30		1Q:	\$ 50,000.00
Expended This Quarter:	\$ 3,791.62			
Total Remaining:	\$ 2,133,923.08	Funds leveraged using local match	\$ 348,269.09	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|--|--|---|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input checked="" type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

The Madison Avenue Improvement Project will construct improvements between Sunrise Boulevard and Hazel Avenue. There will be three lanes westbound and two lanes eastbound west of Kenneth Ave and no lane widening beyond 150 feet east of Kenneth Avenue. The Roadway improvements throughout the project limits will include landscaped medians, sidewalk along both sides of Madison Avenue, separated sidewalks, drainage facilities, pavement overlay, traffic signal modifications, and continuous buffered bike lanes. New signal interconnect will also be installed to provide traffic congestion relief.

This project is currently in preliminary design and environmental review stage. Public outreach and community input on the proposed project will be solicited through public meetings which is expected to occur winter 2021-2022. Right-of-way acquisition process will begin after preliminary design is complete.

Measure A Capital Projects Quarterly Status Report



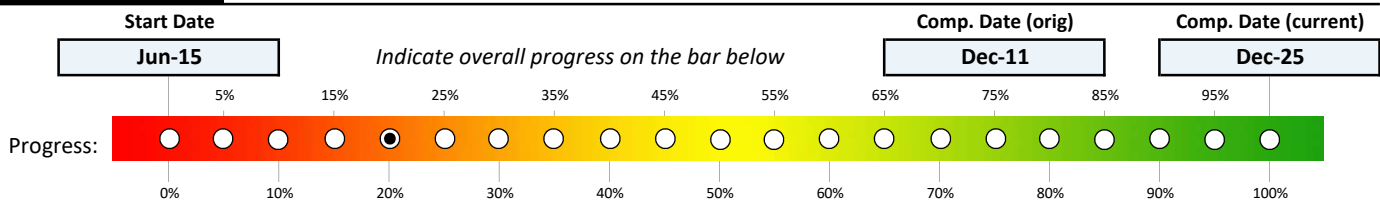
PROJECT INFO

Quarter Ended:	September 30, 2021	Fiscal Year:	2021-22	Reporting Quarter:	1
Agency:	County of Sacramento	a	Heather Yee, Senior Civil Engineer		
		Contact Info:	(916) 874-9182		
Project Name:	South Watt Ave/Elk Grove-Florin Rd Improvements, Florin Rd to State Route 16				
Sponsor Project ID Number:	ST0XDG	STA Project ID Number:	A-27-SC		
Original Est. Project Cost:	\$ 10,873,412.00	Current Est. Project Cost:	\$ 53,000,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 3,159,720.99	Projected Spending	2Q:	\$ 250,000.00
Previous Contract(s) Spending:	\$ 3,159,720.99		3Q:	\$ 250,000.00
Current Contract Amount:	\$ 7,030,000.00		4Q:	\$ 250,000.00
Current Contract Spending:	\$ 230,512.11		1Q:	\$ 250,000.00
Expended This Quarter:	\$ -			
Total Remaining:	\$ 6,799,487.89	Funds leveraged using local match	\$ -	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input checked="" type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

The project is currently in the preliminary engineering phase of work. Grant awards in 2020 allowed the extension of the project limits south (from Fruitridge to Florin), tripling its length and cost. An engineering consultant has been under contract since December 2019. Environmental studies for CEQA are complete. The GAD for the ultimate 6-lane configuration is 95% complete. Refinement of the project design is on-going including coordination with the City of Sacramento, the Central Valley Flood Protection Board, and Union Pacific Railroad Company. Hydromodification and alternatives on the project are being coordinated.

This project has significant grant funding for the design phase and matching bond funds so the Measure A expenses are minimal at this time, despite substantial work progress. Measure A funds a substantial share of the rights-of-way and construction costs.

Measure A Capital Projects Quarterly Status Report



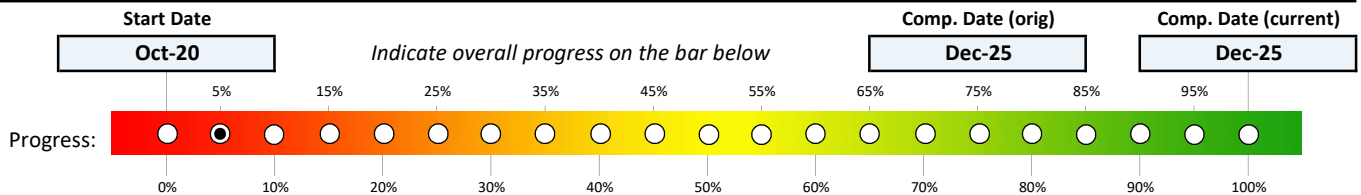
PROJECT INFO

Quarter Ended:	September 30, 2021	Fiscal Year:	2021-22	Reporting Quarter:	1
Agency:	County of Sacramento	a	Melissa Wright, Principal Civil Engineer		
		Contact Info:	(916) 874-6291		
Project Name:	Sunrise Blvd. Jackson Road to Grant Line Road				
Sponsor Project ID Number:	Not Assigned	STA Project ID Number:	A-31-SC		
Original Est. Project Cost:	\$ 79,763,000.00	Current Est. Project Cost:	\$ 79,763,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ -	Projected Spending	2Q:	\$ 75,000.00
Previous Contract(s) Spending:	\$ -		3Q:	\$ 75,000.00
Current Contract Amount:	\$ 1,250,000.00		4Q:	\$ 100,000.00
Current Contract Spending:	\$ -		1Q:	\$ 100,000.00
Expended This Quarter:	\$ -			
Total Remaining:	\$ 1,250,000.00	Funds leveraged using local match	\$ -	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Not Started | <input type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input checked="" type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

The Phase 1 Project includes widening of Sunrise Boulevard between Jackson Hwy and Kiefer Road in the City of Rancho Cordova and includes intersection improvements at Jackson Road at Sunrise Boulevard by the County. The tentative completion date shown in the "Project Status" section of this report is for the Phase 1 Project. The Project is needed by, and requires coordination with the City of Rancho Cordova. The City and County met in February and April 2021 to discuss the City leading the design work at the intersection with their roadway segment and using the County's Measure A funding; Rancho Cordova is developing a reimbursement agreement for this purpose. The City of Rancho Cordova's consultant has begun preliminary design efforts.

Measure A Capital Projects Quarterly Status Report



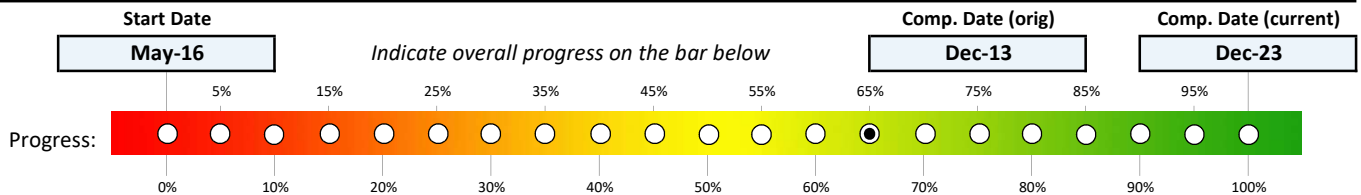
PROJECT INFO

Quarter Ended:	September 30, 2021	Fiscal Year:	2021-22	Reporting Quarter:	1
Agency:	County of Sacramento	a	Heather Yee, Senior Civil Engineer		
		Contact Info:	(916) 874-6291		
Project Name:	Watt Avenue Improvements – Antelope Road to Business Interstate 80				
Sponsor Project ID Number:	STOXdN	STA Project ID Number:	A-37-SC		
Original Est. Project Cost:	\$ 40,825,817.00	Current Est. Project Cost:	\$ 40,825,817.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$ 263,377.50	Projected Spending	2Q:	\$ 75,000.00
Previous Contract(s) Spending:	\$ 263,377.50		3Q:	\$ 75,000.00
Current Contract Amount:	\$ 3,345,000.00		4Q:	\$ 100,000.00
Current Contract Spending:	\$ 675,419.28		1Q:	\$ 100,000.00
Expended This Quarter:	\$ 32,210.65			
Total Remaining:	\$ 2,637,370.07	Funds leveraged using local match	\$ 834,594.13	

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|--|--|---|
| <input type="checkbox"/> Not Started | <input checked="" type="checkbox"/> Right-of-Way Acquisition | <input type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input type="checkbox"/> Design and/or Engineering | <input type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

Project improvements on this corridor are for a segment of Watt Avenue from Interstate 80 to Roseville Road. (Additional funding was secured in November 2020 extending the limits north from Wynona Way to Roseville Road and lengthening the schedule). The preliminary design for this project will evaluate and coordinate a preferred alternative for a complete streets concept that will include sidewalk infill, Americans With Disabilities Act (ADA) improvements (curb ramps and bus stops), Class II bike lanes, and streetscape enhancements.

The California Environmental Quality Act (CEQA) clearance for the entire project area was completed in March 2020. National Environmental Policy Act (NEPA) clearance for the entire project was completed in July 2020. Project remains in right-of-way phase and the design team is refining aspects of roadway design.

Measure A Capital Projects Quarterly Status Report



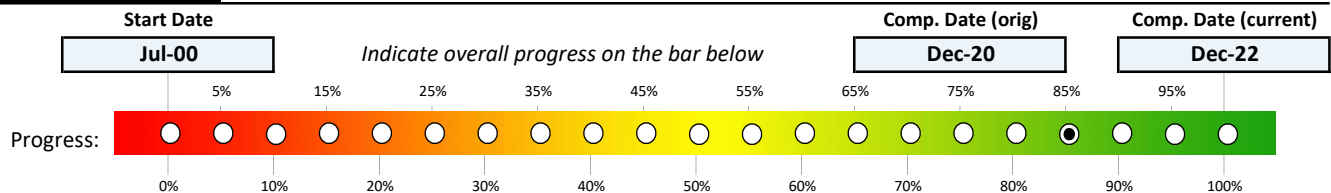
PROJECT INFO

Quarter Ended:	September 30, 2021	Fiscal Year:	2021-22	Reporting Quarter:	1
Agency:	City of Sacramento	Project Mgr:	Greg Taylor, Supervising Architect		
		Contact Info:	916-808-5268		
Project Name:	Downtown Intermodal Facility				
Sponsor Project ID Number:	T15029000	STA Project ID Number:	A-38-CS		
Original Est. Project Cost:	\$ 200,000,000.00	Current Est. Project Cost:	\$ 200,000,000.00		

MEASURE A FUNDING

Previous Contract(s) Amount:	\$	70,272,500.00	Projected Spending	2Q:	\$	75,000.00
Previous Contract(s) Spending:	\$	70,272,500.00		3Q:	\$	75,000.00
Current Contract Amount:	\$	20,823,000.00		4Q:	\$	75,000.00
Current Contract Spending:	\$	13,283,026.53		1Q:	\$	75,000.00
Expended This Quarter:	\$	78,976.35				
Total Remaining:	\$	7,460,997.12		Funds leveraged using local match	\$	101,988,786.00

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- | | | |
|--|---|--|
| <input type="checkbox"/> Not Started | <input checked="" type="checkbox"/> Right-of-Way Acquisition | <input checked="" type="checkbox"/> Bidding and/or Contracting |
| <input type="checkbox"/> Pending or On-Hold | <input checked="" type="checkbox"/> Environmental Review | <input type="checkbox"/> Under Construction |
| <input type="checkbox"/> Design and/or Engineering | <input checked="" type="checkbox"/> Planning/Financing/Approval | <input type="checkbox"/> Completed |

Explanation of Activities this Quarter and Additional Notes

Phase 3 –Spending for minor consultant support services on master plan, city staff administrative and management costs.

Phase 2 - Project Closeout is pending.

Minor Capital Improvements - A small capital project for access control to Amtrak restrooms is complete.

Northbound I-5 Ramp Relocation Study (CIP T15029061) was established for the Interstate 1-5 Northbound Ramp/ 3rd Street Access study. This project was funded with 2020 TIRCP for a Project Study Report for relocating the I-5 Northbound Ramp for improved bus and transit access and lower VMT at SVS. TIRCP funds in the amount of \$500,000 with \$200,000 STA match. Consultants have been selected and contract negotiations are near final.

SVS North Entrance / Railyards Gateway – Under the 2020 TIRCP joint grant application made with the City and the Railyards developer, a new north entrance, consisting of stairs and ramps, will connect the north end of the SVS Tunnel (Steve Cohn Passageway) with a new central plaza in the Central Shops District, and will provide an irrevocable easement from the public street to the entrance for continuous public access to the station. The awarded funds are for construction. City staff have been coordinating the developers design with the SVS Area Plan to ensure continuity with the design and the intentions of the grant funding.

SAGOC Network Integration Study: Central City segment to Sacramento Valley Station – this project is funded by the 2020 TIRCP grant application. City

Measure A Capital Projects Quarterly Status Report



PROJECT INFO

Quarter Ended: **September 30, 2021** Fiscal Year: **2021-22** Reporting Quarter: **1**

Agency: **City of Sacramento** Project Mgr: **William Shunk, Senior Engineer**

Contact Info: **916-808-2986**

Project Name: **Interstate 5/Richards Blvd Interchange Upgrade**

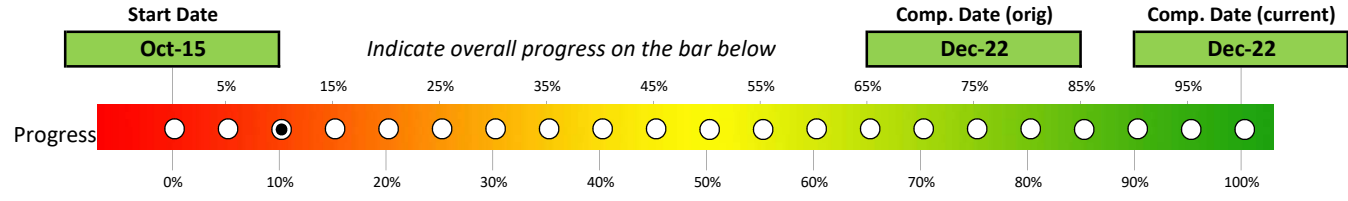
Sponsor Project ID Number: **T15165100** STA Project ID Number: **A-52-CS**

Original Est. Project Cost: \$ **90,000,000.00** Current Est. Project Cost: \$ **90,000,000.00**

MEASURE A FUNDING

Previous Contract(s) Amount:	\$	-	Projected Spending	2Q:	\$	50,000.00	
Previous Contract(s) Spending:	\$	-		3Q:	\$	50,000.00	
Current Contract Amount:	\$	3,115,861.73		4Q:	\$	50,000.00	
Current Contract Spending:	\$	391,873.30		1Q:	\$	50,000.00	
Expended This Quarter:	\$	23,224.24					
Total Remaining:	\$	2,700,764.19					
Funds leveraged using local match						\$	3,098,000.00

PROJECT STATUS



Current Status (as of last day of reporting quarter; check only one):

- Not Started
- Right-of-Way Acquisition
- Bidding and/or Contracting
- Pending or On-Hold
- Environmental Review
- Under Construction
- Design and/or Engineering
- Planning/Financing/Approval
- Completed

Explanation of Activities this Quarter and Additional Notes

The project team has selected two alternatives to carry through the environmental process: Alternative 1 which will convert the existing tight-diamond interchange configuration into a diverging diamond configuration, and Alternative 3 which will convert the interchange to a diverging diamond and add braided ramps to the east side of Interstate 5. The project team has drafted a purpose and need statement and is working on the technical studies for the environmental document.

BUDGET TO ACTUAL ANALYSIS
STA General Fund
Fiscal Year Ending September 30, 2021 (accrual basis)

	FY 22 Budget	Q1 Expected Amount	Actual Amount	Budget/Actual Variance	Comments
Revenue:					
Sales Tax	\$143,670,000	\$35,917,500	\$42,046,512	\$6,129,012	Sales tax revenue continues to outpace expectations as consumers spend on electronics, home improvements, and recreational equipment.
Mitigation Fees	6,132,000	-	-	-	The first payments for the period ending December 31, 2021 are due the end of February 2022.
Interest	250,200	-	12	12	Interest income is paid quarterly, The first receipts will be received mid to late second quarter.
Total Revenue	150,052,200	35,917,500	42,046,524	6,129,024	See above
Beginning Fund Balance	32,051,021	43,075,725	43,075,725	-	Actual beginning fund balance - June 30, 2021 audited financial statements
Total Revenue and Beginning Fund Balance	\$182,103,221	\$78,993,225	\$85,122,249	\$6,129,024	See above
Appropriations:					
Ongoing allocations to Measure A Entities	\$113,336,953	\$28,334,238	\$32,904,278	(\$4,570,040)	Allocations are a percentage of sales tax - which is higher so allocations are too
Capital Improvement Program	35,835,679	8,958,920	3,724,839	5,234,081	Construction activity increased throughout the County during the first quarter, so reimbursements will increase during the second quarter and beyond.
Total Appropriations	\$149,172,632	\$37,293,158	\$36,629,117	\$664,041	See above
Other Financing Sources (Uses):					
Transfers out (to the Debt Service Fund)	(\$21,054,302)	(\$5,263,576)	(\$5,025,047)	\$238,529	Good
Total Financing Sources (Uses)	(\$21,054,302)	(\$5,263,576)	(\$5,025,047)	\$238,529	See above
Ending Fund Balance	\$11,876,287	\$36,436,492	\$43,468,085	-	

BUDGET TO ACTUAL ANALYSIS
SacMetro Freeway Service Patrol (FSP)
Fiscal Year Ending September 30, 2021 (accrual basis)

Revenue:

	FY 22 Budget	Q1 Expected Amount	Actual Amount	Budget/Actual Variance	Comments
State Allocation	\$3,383,411	\$845,853	\$389,685	(\$456,168)	Some first quarter reimbursements from Caltrans will be received in the second quarter
CVR-SAFE*	748,000	748,000	748,000	-	Good
Total Revenue	4,131,411	1,593,853	1,137,685	(456,168)	See above
Beginning Fund Balance	413,640	279,056	279,056	-	Actual beginning fund balance - June 30, 2021 audited financial statements
Total Revenue and Beginning Fund Balance	\$4,545,051	\$1,872,909	\$1,416,741	(\$456,168)	See above
Appropriations:					
Salaries and Benefits	\$153,248	\$38,312	\$37,468	\$844	Good
Overhead	62,572	-	-	-	Good
Conferences and Travel	1,150	-	-	-	In-person conference cancelled due to COVID
Communications	63,400	15,850	11,595	4,255	Good
Professional Services	71,746	5,000	3,741	1,259	Good
Other Operating Expenditures	4,750	1,000	242	758	Good
Contractors	3,260,882	815,221	699,699	115,522	Billings from towing contractors will increase during the second quarter
Total Appropriations	\$3,617,748	\$875,383	\$752,745	\$122,638	See above
Ending Fund Balance	\$927,303	\$997,526	\$663,996	-	

* Capitol Valley Regional Service Authority for Freeways and Expressways

BUDGET TO ACTUAL ANALYSIS
Sacramento Abandoned Vehicle Service Authority (SAVSA)
Fiscal Year Ending September 30, 2021 (accrual basis)

	FY 22 Budget	Q1 Expected Amount	Actual Amount	Budget/Actual Variance	Comments
Revenue:					
Vehicle License Fees	\$1,076,389	\$0	\$0	\$0	First quarterly revenue is allocated in November.
Interest	200	-	-	-	First quarterly interest payment will be received mid to late second quarter
Total Revenue	1,076,589	-	-	-	See above
Beginning Fund Balance	154,895	162,960	162,960	-	Actual beginning fund balance - June 30, 2021 audited financial statements
Total Revenue and Beginning Fund Balance	\$1,231,484	\$162,960	\$162,960	\$0	
Appropriations:					
Contributions to SAVSA Entities	\$1,052,389	\$0	\$0	\$0	Good
Salaries and Overhead	24,400	-	-	0	Good
Total Appropriations	\$1,076,789	\$0	\$0	\$0	See above
Ending Fund Balance	\$154,695	\$162,960	\$162,960	-	

BUDGET TO ACTUAL ANALYSIS

STA Administration

Fiscal Year Ending September 30, 2021 (accrual basis)

	FY 22 Budget	Q1 Expected Amount	Actual Amount	Budget/Actual Variance	Comments
Revenue:					
Sales Tax	\$1,058,819	\$264,705	\$310,194	\$45,489	Sales tax revenue up, so allocations for administration were up too
Other	50	12	12	-	Good
Total Revenue	1,058,869	264,717	310,206	45,489	See above
Beginning Fund Balance	1,099,063	1,261,987	1,261,987	-	Actual beginning fund balance - June 30, 2021 audited financial statements
Total Revenue and Beginning Fund Balance	\$2,157,932	\$1,526,704	\$1,572,193	\$45,489	See above
Appropriations:					
Salaries and Benefits	\$528,507	\$132,127	\$232,131	(\$100,004)	The unfunded pension liability is paid in full in July (\$100,000) however, SAVSA and FSP do not pay for their fair share until the end of the fiscal year.
Rent	36,258	9,065	17,952	(8,888)	The FSP and SAVSA programs will pay their fair share of the rent at the end of the fiscal year.
Conferences and Travel	4,875	1,219	624	595	Good
Insurance	8,288	8,288	13,297	(5,009)	The FSP and SAVSA programs will pay their fair share of the insurance costs at the end of the fiscal year.
Professional Services	157,500	10,000	9,504	496	Some budgeted professional services will not be utilized since the STA is no longer pursuing a sales tax measure.
ITOC	104,450	6,000	6,024	(24)	The financial audit does not bill until around the second or third quarter of the fiscal year.
Other Operating Expenditures	10,400	2,600	2,470	130	Good
Total Appropriations	\$850,278	\$169,298	\$282,002	(\$112,704)	see above
Ending Fund Balance	\$1,307,654	\$1,357,406	\$1,290,191	-	