



OCTOBER 8, 2026

AGENDA ITEM # 4

APPROVE AGREEMENT WITH CERTIFIED PUBLIC ACCOUNTING FIRM TO PROVIDE AUDIT SERVICES

Action Requested: Authorize Executive Director

Presenter: Dustin Purinton, Chief Financial Officer

Recommendation

Staff recommends that the STA Governing Board take the following actions:

- 1) Authorize the Executive Director to execute an agreement with Brown Armstrong Accountancy Corporation, in substantially the form presented, for:
 - a. the audit of the Authority's financial statements for the fiscal year ending June 30, 2027; and
 - b. the Performance/Compliance Agreed-Upon Procedures engagement for the fiscal year ending June 30, 2026; for an initial amount not to exceed \$57,760.
- 2) Adopt the accompanying resolution approving the agreement and authorizing the Executive Director to exercise the available options or amend the agreement for ACFR audits through the fiscal year ending June 30, 2029, and Performance/Compliance Agreed-Upon Procedures engagements through the fiscal year ending June 30, 2028, subject to the approved scope, available budget, and a cumulative agreement amount not to exceed \$178,531.
- 3) Authorize the Executive Director to execute all documents reasonably necessary to implement the agreement and complete the annual financial statement audits and Performance/Compliance Agreed-Upon Procedures engagements.

Background Information

Financial Statement and Performance/Compliance Agreed-Upon Procedures Audits

Consistent with its oversight responsibilities, the ITOC financial representative participated in the evaluation process, and staff provided the full ITOC with a procurement status update at its August 27, 2026, meeting and the evaluation panel's recommendation, which resulted in an ITOC recommendation, at its September 24, 2026, meeting. The Ordinance further provides that no professional audit firm shall conduct more than three consecutive financial statement audits.

In addition to the annual financial statement audit, the Measure A Ordinance establishes an oversight framework that requires independent review of Measure A program compliance and implementation. The agreed-upon procedure audit serves as a key component of this oversight process by evaluating compliance with the Ordinance, Board-adopted performance standards, and other applicable requirements governing the administration and expenditure of Measure A revenues. The audit provides the ITOC, Governing Board, participating agencies, and the public

with an independent assessment of whether Measure A funds are being administered in accordance with voter-approved requirements and established program standards.

Measure A Performance Standards

The Measure A Ordinance requires that the Independent Taxpayer Oversight Committee (ITOC) supervise periodic performance audits based on performance standards adopted by the Authority Board for each program or project funded in whole or in part with sales tax funds. The existing performance standards were adopted in May 2019.

The Measure A Ordinance requires that the Independent Taxpayer Oversight Committee (ITOC) supervise periodic performance audits performed in accordance with Generally Accepted Auditing Standards and Government Auditing Standards issued by the Comptroller General of the United States and based on performance standards adopted by the Authority Board for each program or project funded in whole or in part with sales tax funds. The audit must be performed by professional auditors.

STA is also working on an agreement for Brown Armstrong Accountancy Corporation, the audit firm identified in this contract, to review the updated performance standards as part of the Authority's effort to ensure the standards are clear, auditable, and aligned with the Measure A Ordinance and Expenditure Plan. The resulting standards will be reviewed and recommended by the ITOC and approved later this year by the Board of Directors.

Discussion

Financial Statement and Performance/Compliance Agreed-Upon Procedures Audits

The Authority issued the RFP on July 13, 2026, and received eight proposals by the August 12, 2026, deadline. Authority staff convened an evaluation panel that included financial professionals from the San Joaquin Council of Governments and the ITOC financial representative. After evaluating the responsive proposals, the panel interviewed representatives of the three highest-ranked firms on August 31 and September 1, 2026. The panel recommended Brown Armstrong Accountancy Corporation. Staff subsequently notified the proposers and negotiated the final scope, schedule, and fees.

STA staff then made the appropriate notifications and began negotiating on the scope and fee of the contract. The scope of the agreement includes:

- Examine the Authority's financial statements for the fiscal year ending June 30, 2027, with options to extend for the 2028 and 2029 fiscal years.
- Performance / Compliance Agreed-Upon Procedures (AUP) engagement for the fiscal year ending June 30, 2026, with options to extend for the 2027 and 2028 fiscal years.
- The examination shall be made in accordance with Generally Accepted Auditing Standards and Government Auditing Standards issued by the Comptroller General of the United States.
- The examination shall also include compliance procedures necessary to support the financial statement audit and related auditor reporting. These procedures may include,

as applicable, testing of compliance with Public Utilities Code, Division 19, the Measure A Ordinance & Expenditure Plan, California Vehicle Code Section 22710, applicable contracts, and the appropriations limitations set forth in California Constitution Article XIII B.

- The scope also includes a review of the Authority's ACFR for consistency with the requirements of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program. As such, a review of the STA's ACFR based on the requirements for the certificate shall be included as part of the review process.

In accordance with STA bond requirements, the ITOC will deliver the results of the financial statement audit to the Governing Board during a board meeting within 270 days after the June 30 fiscal year end. The proposed resolution also authorized the Executive Director to amend the contract or exercise an option to extend the agreement for two consecutive one-year terms to cover financial statement audits for Fiscal Years 2027-2028 and 2028-2029 and to cover performance / compliance AUP for Fiscal Years 2026-27 and 2027-2028.

Measure A Performance Standards

The ITOC has been preparing for the upcoming performance/compliance AUP engagement as required under the Ordinance for many months. Working with the ITOC, STA staff developed updated performance standards tied directly to the Measure A Ordinance and Expenditure Plan. Staff also developed corresponding audit objectives and procedures that the independent auditor will use to evaluate compliance with those standards. The updated performance standards and related procedures are included in Exhibit E to the proposed agreement.

Fiscal Impact

The recommended action is budgeted for under the Administrative Fund ITOC Budget line item. The financial impact of the agreement with optional extensions is summarized below.

Fiscal Year Ending	ACFR (Financial Statement) Fee	Performance / Compliance AUP
6/30/2026	-0-	\$12,160
6/30/2027	\$45,600	\$12,525 (optional)
6/30/2028	\$46,968 (optional)	\$12,901 (optional)
6/30/2029	\$48,377 (optional)	-0-
Total	\$140,945	\$37,586

Attachment

1. Sacramento Transportation Authority Auditor Services Agreement STA-27-AUD-001
2. Audit Services Resolution Fiscal Years 2025-26, 2026-27, 2027-28, & 2028-29