SACRAMENTO TRANSPORTATION AUTHORITY
PERFORMANCE AUDIT OBJECTIVES AND PERFORMANCE STANDARDS

Proposed revisions to the standards adopted October 9, 2025

Approved by the ITOC: _____ Approved by the Board of Directors: _____

The scope of the performance audit encompasses the time period from [audit period].

Bracketed items are parameters for STA, the ITOC, and the Board to set before adoption.

GOAL 1. DETERMINE COMPLIANCE WITH THE MEASURE A ORDINANCE

1. MEASURE A REVENUE DISTRIBUTION

Objective: Determine if the distribution of Measure A revenues is in accordance with the voter-approved expenditure plan

Performance Standard: Measure A Ordinance – STA 04-01 Exhibit A

Objective: Determine if ongoing allocations are based on annually updated population and lane mile data in compliance with the Ordinance

Performance Standard: Measure A Ordinance – STA 04-01 Exhibit A Sections IV.A, IV.B.2, and IX, and the Definition of Eligible Expenditures, adopted March 8, 2007, reaffirmed February 26, 2015, and updated August 12, 2021 (lane miles)

2. ELIGIBILITY AND TIMELINESS OF CAPITAL PROGRAM AND ONGOING ALLOCATION EXPENDITURES

Objective: Determine if a sample of capital project expenditures meets the eligibility criteria adopted by the STA Board, including routine accommodation of bicycles and pedestrians, and if Smart Growth Incentive Program and Environmental Mitigation Program expenditures follow the Expenditure Plan

Performance Standard: Measure A Ordinance – STA 04-01 Section VI and Exhibit A Sections XI and XII, and the Definition of Eligible Expenditures, adopted March 8, 2007, reaffirmed February 26, 2015, and updated August 12, 2021. Eligible transportation purposes include planning, environmental review and mitigation, engineering, right-of-way, debt service, and bond issuance costs (Section VI). Sample: [basis set by STA and the ITOC].

Objective: Determine if cumulative reimbursements on capital contracts are within the contract award and if completed projects are closed out timely

Performance Standard: Cumulative reimbursements do not exceed the contract award, as amended. Completed projects are closed out within [period set by the Board].

Objective: Determine if capital projects are progressing on schedule

Performance Standard: Construction start slippage and percent of award expended against elapsed contract term, reported to the ITOC each period.

Objective: Determine if a sample of ongoing allocation expenditures meets the eligibility criteria adopted by the STA Board

Performance Standard: Measure A Ordinance – STA 04-01 Section VI and the Definition of Eligible Expenditures, adopted March 8, 2007, reaffirmed February 26, 2015, and updated August 12, 2021. Eligible transportation purposes include planning, environmental review and

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mitigation, engineering, right-of-way, debt service, and bond issuance costs (Section VI). Sample: [basis set by STA and the ITOC].

Objective: Determine if ongoing allocation funds are spent timely

Performance Standard: A recipient's available fund balance does not exceed [multiple set by the Board] times its annual allocation. A recipient above the limit submits a corrective plan to STA.

Objective: Determine if capital and ongoing allocation expenditures, including Measure A grant matches, are restricted to projects and activities within Sacramento County

Performance Standard: Measure A funds are spent only in Sacramento County. For projects partly within the county, including multi-jurisdictional projects with Measure A grant matches, Measure A funds are restricted to the Sacramento County portion, supported by documentation. Any expenditure outside the county is an exception.

3. INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE (ITOC)

Objective: Determine if the ITOC is operating in compliance with the Ordinance

Performance Standard: Measure A Ordinance – STA 04-01 Section II A and Exhibits A and B

4. ADMINISTRATION EXPENSES

Objective: Verify that administration expenditures, including ITOC costs, are within the limits set by the Ordinance

Performance Standard: Administration expenditures do not exceed 0.75 percent of the annual net amount of sales tax revenue (Section II.B and Exhibit A Section XIII). Annual ITOC costs do not exceed $150,000, adjusted for inflation, and are funded within the 0.75 percent allocation (Exhibit B).

5. MAINTENANCE OF EFFORT AND NON-SUPPLANTATION

Objective: Determine that Measure A funding does not supplant or replace existing road funding programs or requirements for new development to provide for its own road needs, and that STA enforces maintenance of effort

Performance Standard: Measure A Ordinance – STA 04-01 Section II.C and the Board's March 2010 Maintenance of Effort criteria. Each year, each jurisdiction spends discretionary local (non-Measure A) funds at least equal to its Board-adopted baseline for (1) street and road construction, maintenance, and operations combined and (2) street and road maintenance. Discretionary local funds exclude State, federal, impact fee, Measure A, redevelopment tax increment, trench cut, and SCTMFP funds. Transportation mitigation fee rates are no lower than the rates in effect in FY 2008-09. Each jurisdiction reports its annual spending to STA within 180 days after fiscal year-end. STA compares each report to the baselines and reviews local agency fiscal audits to enforce this requirement.

Objective: Determine that Measure A funding for transit operations augments, and does not replace, existing funds available for transit operations

Performance Standard: Measure A Ordinance – STA 04-01 Exhibit A Section V

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6. PROGRAM PLANS AND RECIPIENT REPORTING

Objective: Determine if each jurisdiction receiving road maintenance funds filed a biennial pavement and bridge maintenance system report with STA
Performance Standard: Measure A Ordinance – STA 04-01 Exhibit A Section IV.A

Objective: Determine if the technical advisory committee of public works directors developed a recommended five-year Local Arterial Program, updated annually
Performance Standard: Measure A Ordinance – STA 04-01 Exhibit A Section IV.B.1

Objective: Determine if funding for the I-5/SR99/US50 Connector was provided only after the required habitat conservation approach was established, approved by the appropriate agencies, and adopted by the local recipient
Performance Standard: Measure A Ordinance – STA 04-01 Exhibit A Section IV.B.1

Objective: Determine if each jurisdiction filed a five-year Traffic Control and Safety program with STA, updated every other year
Performance Standard: Measure A Ordinance – STA 04-01 Exhibit A Section IV.B.2

Objective: Determine if transit, senior and disabled, and air quality funds were subvented based on five-year business plans or programs, updated annually, recommended by SacRT, the CTSA, and SMAQMD, and approved by the Board
Performance Standard: Measure A Ordinance – STA 04-01 Exhibit A Sections V, VII, and X

7. SACRAMENTO COUNTYWIDE TRANSPORTATION MITIGATION FEE PROGRAM (SCTMFP) EXPENDITURES

Objective: Determine if SCTMFP projects and program priorities are included in a five-year program that the Board approves and updates annually
Performance Standard: Measure A Ordinance – STA 04-01 Section VII.F

Objective: Determine if SCTMFP fees are spent in the impacted area where they were generated
Performance Standard: Measure A Ordinance – STA 04-01 Section VII.G

GOAL 2: PROGRAM REVENUE AND BOND FINANCING

8. MEASURE A SALES TAX REVENUES

Objective: Determine if the Board adjusts allocations to reflect actual revenues received at least annually
Performance Standard: Measure A Ordinance – STA 04-01 Exhibit A Section I

Objective: Determine if the annual appropriations limit was established as required
Performance Standard: Measure A Ordinance – STA 04-01 Section IX. The limit was $195 million for FY 2009/10, adjusted annually as provided by law.

9. SCTMFP REVENUES

Objective: Determine if local agencies charge the appropriate SCTMFP fees, remit them to STA timely, and keep the SCTMFP in full operation
Performance Standard: Measure A Ordinance – STA 04-01 Sections VII.B and VII.H, and the Board-approved fee schedule adjusted annually by the ENR Construction Cost Index. Fees are

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remitted to STA within [period set by the Board]. A jurisdiction without the SCTMFP in full operation forfeits its local road maintenance funds for each month it is not in operation.

10. BOND ISSUANCE

Objective: Determine if bond issuance complies with Ordinance Section VIII

Performance Standard: Outstanding principal does not exceed the estimated proceeds of the tax. Debt is secured solely by future tax collections. Proceeds fund capital outlay for Section VI purposes. The Board authorized each issuance.

11. FISCAL AUDITS, BUDGETS, AND PLAN REVIEWS

Objective: Determine if STA's annual financial audit was completed timely, performed under GAAS and Government Auditing Standards, and supervised by the ITOC

Performance Standard: Measure A Ordinance – STA 04-01 Section II.A and Exhibits A and B, and California Public Utilities Code Section 180105(c). The audit is completed within 180 days after June 30.

Objective: Determine if each agency receiving a Measure A allocation had an annual financial audit performed under GAAS and Government Auditing Standards, and obtain each audit

Performance Standard: Measure A Ordinance – STA 04-01 Exhibit A, Requirement for Annual Financial and Performance Audits

Objective: Determine if the Board adopted the annual budget timely

Performance Standard: California Public Utilities Code Section 180105(a). The budget is adopted before the fiscal year begins on July 1.

Objective: Determine if the Board updated these performance standards within the last five years

Performance Standard: Measure A Ordinance – STA 04-01 Exhibits A and B

Objective: Determine if STA completed the Expenditure Plan review required beginning in 2019 and every ten years, and if any amendment followed the required notice, response period, and approvals

Performance Standard: Measure A Ordinance – STA 04-01 Section XII

GOAL 3: ASSESS PROGRAM EFFECTIVENESS

12. FUNDING LEVERAGE

Objective: Measure the competitive grant funds secured for Measure A funded projects, including SACOG funding rounds, SB 1 competitive rounds, the SB 1 Local Partnership Formulaic Program, and State competitive programs

Performance Standard: Competitive grant dollars secured for Measure A projects by funding round, compared to Measure A's share of eligible categories, trended over time.

Objective: Measure the leverage of Measure A funds on completed capital projects

Performance Standard: Non-Measure A dollars per Measure A dollar on completed projects, compared to the Exhibit A match assumptions (Sections V, VIII.A, and VIII.B), supported by a summary of each funding source and amount for each project measured.

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13. CAPITAL PROGRAM STATUS AND ACCOMPLISHMENTS

Objective: Determine if STA's capital project status reports are accurate
Performance Standard: Award, reimbursement, and remaining balance agree to STA records, and balances carry forward between reporting periods.

Objective: Document the program's actual accomplishments during the audit period in comparison to anticipated accomplishments
Performance Standard: Consistent with prior audit approach.

Objective: Document and evaluate capital improvement project budget versus actual expenditures through current audit period.
Performance Standard: Projects with a cost increase or schedule slip above [threshold set by the Board] are reported to the ITOC with an explanation.

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CROSSWALK FROM CURRENT TO PROPOSED OBJECTIVES (review aid, not part of the standards)

Current	Proposed	Disposition
1A	1A	Retained
1B	1B	Revised: citation corrected
2A	2A	Revised: sample, eligibility definition, bicycle and pedestrian accommodation, Smart Growth and Environmental Mitigation
2B	2B	Revised: criterion added
2C	2C	Revised: schedule measures replace undefined metrics
2D	2D	Revised: sample and eligibility definition
2E	2E	Revised: fund balance limit defines timely
2F, 2G	2F	Revised: 2G consolidated into 2F, out-of-county spending is an exception
3A	3A	Retained
4A	None	Removed: SCTMFP establishment confirmed after 2009, not retested each cycle
5A	4A	Revised: revenue base defined, ITOC cost cap added
6A, 6B	12B	Revised: measured standard, 6B consolidated into 6A
6C	5A	Revised: two Board MOE baselines, spending basis, fee rates, 180-day reporting, fiscal audit review
7A	None	Removed: covered by the annual financial audit's internal control report
8A	8A	Revised: compliance test replaces process documentation
9A	9A	Revised: references added, full operation requirement added
10A	10A	Revised: compliance test of Section VIII
11A	11A	Revised: 180-day criterion
11B	11C	Revised: July 1 criterion
12A	12A	Revised: leverage measure
12B	13A	Revised: test of status reports
13A	13B	Retained
13B	13C	Revised: Board-set reporting threshold
New	5B	New: Ordinance Exhibit A Section V
New	6A	New: Ordinance Exhibit A Section IV.A
New	6B	New: Ordinance Exhibit A Section IV.B.1
New	6C	New: Ordinance Exhibit A Section IV.B.1
New	6D	New: Ordinance Exhibit A Section IV.B.2
New	6E	New: Ordinance Exhibit A Sections V, VII, and X
New	7A	New: Ordinance Section VII.F
New	7B	New: Ordinance Section VII.G
New	8B	New: Ordinance Section IX
New	11B	New: Ordinance Exhibit A, Requirement for Annual Financial and Performance Audits
New	11D	New: Ordinance Exhibits A and B
New	11E	New: Ordinance Section XII

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