



April 20, 2026

To: Dustin Purinton, Accounting Manager

Sacramento Transportation Authority  
801 12<sup>th</sup> St. Floor 5  
Sacramento, CA 95814

We are engaged to audit the financial statements of the governmental activities and each major fund of the Sacramento Transportation Authority (hereafter, the Authority) for the year ended June 30, 2026.

Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards* and, if applicable, the Uniform Guidance

As stated in our engagement letter dated April 6, 2026, our responsibilities, as described by professional standards, are to:

- 1) Express opinions 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.
- 2) Plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.
- 3) Consider the system of internal control of the Authority. Such considerations will be solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.
- 4) Communicate significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the financial statements does not relieve you or management of your responsibilities.

As described above, in planning and performing our audit, we will consider the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. If a Single Audit is determined to be necessary, we will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.



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As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we will perform tests of its 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. Also, if a Single Audit is determined to be necessary, in accordance with the Uniform Guidance, we will examine, on a test basis, evidence about the Authority's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the Authority's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the Authority's compliance with those requirements.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to management's discussion and analysis, the budgetary comparison schedules for the general fund and any major special revenue funds, and the GASB-required pension and other postemployment benefits supplementary schedules which supplement(s) the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have not been engaged to report on the information contained within the introductory and statistical sections of the Annual Comprehensive Financial Report, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited, and we will not express an opinion or provide any assurance on it.

We gave significant consideration to the nonattest or nonaudit services we provide the Authority, Agency, including the preparation of the financial statements and, if necessary, the schedule of expenditures of federal awards, and the annual consulting services our Consulting and Advisory Department provides the Authority which may reasonably be thought to bear on independence, in reaching the conclusion that independence has not been impaired.

#### Planned Scope, Timing of the Audit, Significant Risks, and Other

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

Our audit will include obtaining an understanding of the entity and its environment, including the system of 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 will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.



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We have identified the following significant risks of material misstatement as part of our auditing planning:

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks. As we have not commenced our audit yet, any other significant risks identified as part of our audit planning and risk assessment processes will be identified in subsequent communications after our audit planning has concluded.

We expect to begin our audit on April 20, 2026 and issue our report on approximately October 31, 2026. Christian Townes, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Christian Townes, CPA has designated Riley Greenlee to supervise the engagement and sign the reports under her oversight.

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.

Very truly yours,

*LSL, LLP*

LSL, LLP