



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**SACRAMENTO
TRANSPORTATION
AUTHORITY**

Sacramento, California

*FOR THE
FISCAL YEAR ENDED JUNE 30, 2013*

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

SACRAMENTO TRANSPORTATION AUTHORITY

Sacramento, California

FOR THE

FISCAL YEAR ENDED JUNE 30, 2013

PREPARED BY

Lisa Valine
Senior Accountant

**SACRAMENTO TRANSPORTATION AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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**SACRAMENTO TRANSPORTATION AUTHORITY
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INTRODUCTORY SECTION



Sacramento Transportation Authority

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Sacramento, CA 95814

(916) 323-0080 Telephone
(916) 323-0850 Fax

Email: info@sacta.org
Web: sacta.org

October 2, 2013

The Honorable Members of the Sacramento Transportation
Authority Governing Board

The Comprehensive Annual Financial Report for the Sacramento Transportation Authority (the "Authority") for the year ended June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief the enclosed data is accurate in all material aspects and is reported in a manner designed to fairly present the financial position and results of operations of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

The Authority was established under the Local Transportation and Improvement Act, California Public Utilities Code Division 19, during the 1988-89 fiscal year. The voters of Sacramento County passed an ordinance (Measure A) enacted by the Authority imposing a retail transactions and use (sales) tax increase throughout the County at a maximum rate of one half of one percent (1/2 of 1%) for a period of 20 years. In 2004, voters approved a 30 year extension of the original Measure. This extension began in the 2009-10 year. The sales tax generated by Measure A must be used to fund public road improvements, public road maintenance, public transit functions, air quality, and elderly and handicapped transportation functions.

This report includes all funds, agencies, boards, commissions and authorities that are financially accountable to the Authority Governing Board. Such financial accountability was determined on the basis of budget adoption, taxing authority, imposition of will, funding, and appointment of the governing board. Based on this criteria, since the Authority Governing Board is also the Governing Board of the Sacramento Abandoned Vehicle Service Authority (SAVSA), SAVSA is considered a component unit of the Authority. SAVSA is represented in the Authority's Special Revenue Fund.

United States Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the independent auditors' report. Unless otherwise noted, dollar amounts are expressed in thousands.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Authority operates.

Internal Control Structure In developing and evaluating the Authority's accounting system, consideration is given to the adequacy of internal accounting controls. Management of the Authority is responsible for the establishment and maintenance of an internal control structure designed to (1) provide reasonable, but not absolute, assurance that assets of the Authority are protected against loss from unauthorized use or disposition and (2) that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles (GAAP) and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Local economy. The unemployment rate for Sacramento County in June 2013 was 8.7% which is a decrease from June 2012 at 11.1% and the declining housing market also appears to be rebounding since 2012. Sales tax revenues for the Authority increased by 4.47 % in FY 2012-2013 from the prior year and sales tax revenue projections for FY 2013-2014 are estimated to be 5% higher than the prior year.

Long-term financial planning. The Authority adopted a Plan of Finance in 2006 that was intended to be a guiding document for the Authority's capital program through 2039. The three primary program components accounted for in the Plan of Finance include:

- STA Capital Program
- Other Jurisdictional Set-asides
- Formula/Other Measure A uses

In July 2012, the Authority issued \$53 million in tax revenue notes at a fixed interest rate of 2.480997%. Interest payments occur semiannually beginning in October 2012, however, principal payments will not be due until 2016 which will range from \$3,450,000 in year 2016 to \$5,720,000 at maturity in 2027. This issue allows the Authority to expedite additional transportation projects funded under the "New Measure A" that was passed by voters in 2004. The Authority has pledged proceeds of New Measure A tax to repay the debt issue.

Other Information

An audit team from James Marta and Company LLP has performed this year's audit. The independent auditor's unqualified opinion has been included in the Independent Auditor's Report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Sacramento Transportation Authority for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This is the eighteenth straight year the Authority has received this award.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for their review.

We want to thank the members of the Sacramento Transportation Authority Governing Board for your interest and support in planning and conducting the financial operation of the Authority. The preparation of this report could not have been accomplished without your policy direction.

Respectfully Submitted,

Concur,



Lisa Valine
Senior Accountant

Brian A. Williams
Executive Director

SACRAMENTO TRANSPORTATION AUTHORITY

LIST OF PRINCIPAL OFFICIALS

June 30, 2013

BOARD MEMBERS

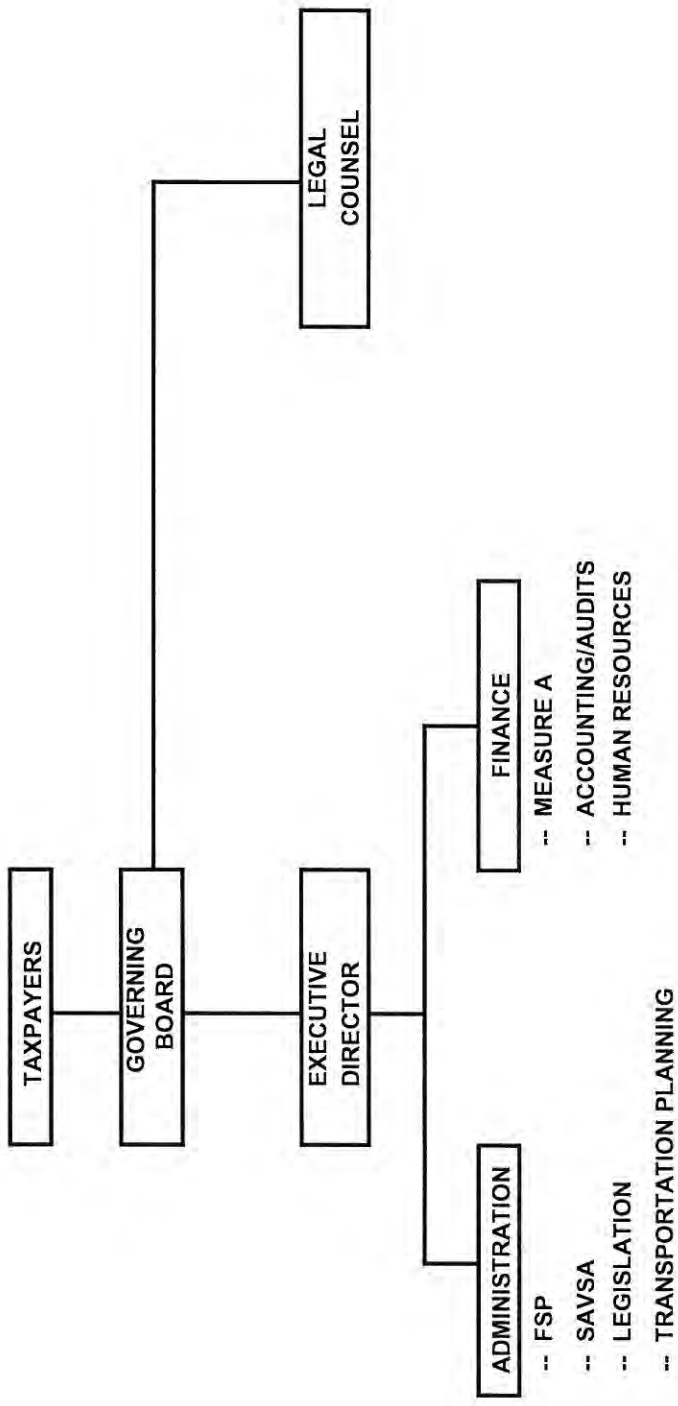
CURT CAMPION, City of Galt and Isleton
STEVE COHN, City of Sacramento
GARY DAVIS, City of Elk Grove
DARRELL FONG, City of Sacramento
SUE FROST, City of Citrus Heights
KERRI HOWELL, City of Folsom
PATRICK HUME, City of Elk Grove
ROBERTA MACGLASHAN, County of Sacramento
KEVIN MCCARTY, City of Sacramento
ROBERT J. MCGARVEY, City of Rancho Cordova
DON NOTTOLI, County of Sacramento
BONNIE PANNELL, City of Sacramento
SUSAN PETERS, County of Sacramento
JAY SCHENIRER, City of Sacramento
PHIL SERNA, County of Sacramento
JIMMIE YEE, County of Sacramento

Alternates

ANGELIQUE ASHBY, City of Sacramento
MARK CREWS, City of Galt and Isleton
STEVE HANSEN, City of Sacramento
KEVIN JOHNSON, City of Sacramento
ANDY MORIN, City of Folsom
MICHAEL PICKER, County of Sacramento
TERESA STANLEY, County of Sacramento
ROBERT TRIGG, City of Elk Grove
MEL TURNER, City of Citrus Heights
ALLEN WARREN, City of Sacramento

STAFF

BRIAN WILLIAMS, Executive Director
LISA VALINE, Senior Accountant
NORMAN HOM, Administrative Services Officer III
GLORIA BUSBY, Office Manager
BILL BURKE, General Counsel





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, 2012

Executive Director/CEO

FINANCIAL SECTION



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sacramento Transportation Authority
Sacramento, CA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of Sacramento Transportation Authority (the "Authority"), as of and for the year ended June 30, 2013, 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 the *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 from 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 Authority'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.

Opinion

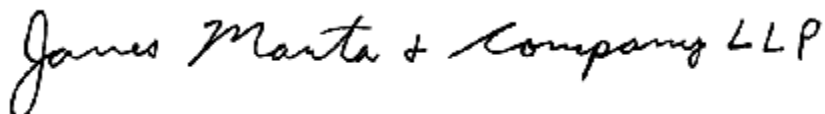
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sacramento Transportation Authority as of June 30, 2013 and the changes in its net position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

As further discussed in note 11 to the financial statements, GASB No. 65, *Items Previously Reported as Assets and Liabilities*, has required a change in accounting for bond issuance costs. The beginning net position was adjusted down by \$2,101,096 for this accounting change.

Accounting principles generally accept in the United States of America require that the Management's Discussion and Analysis on pages 5-10 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 (GASB) 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 principally 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Combining Statement of Changes in Assets and Liabilities All Agency Funds are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the financial statements; and in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section and the Statistical Section, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. They 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.



James Marta & Company LLP
Certified Public Accountants
October 2, 2013

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Management's Discussion and Analysis

As management of the Sacramento Transportation Authority (Authority), we present to the readers of these financial statements this narrative overview and analysis of the Authority for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through iii of this report.

Financial Highlights

- Actual Measure A sales tax revenues of \$95,899,477 for 2012/13 were short of original budgetary projections by \$2,187,970, a decrease of 2.23%, however, actual Measure A revenues for 2012/13 did exceed 2011/12 by 4.47% (*using budgetary basis revenues*).
- Mitigation Fees for 2012/13 exceeded 2011/12 by 7.4% which seems to confirm the slight upswing in construction and housing.
- The Authority issued \$53,355,000 in tax revenue bonds at a fixed interest rate to further expedite transportation projects funded under "New Measure A" which was passed by voters in 2004.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The *government-wide financial Statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the Authority's assets and liabilities, with the difference between the two 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 government's net position changed during the most recent 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 expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

The government-wide financial statements include not only the Authority itself, but also the Sacramento Abandoned Vehicle Service Authority (SAVSA). SAVSA, although legally separate from the Authority, functions for all practical purposes as a department of the Authority and therefore has been included as an integral part of the Authority.

The government-wide financial statements can be found on pages 11 - 12 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as 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.

Because 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. By doing so, 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 *governmental activities*.

The Authority maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, a special revenue fund for SAVSA, and a debt service fund.

The Authority adopts an annual appropriated budget for its general fund and special revenue fund. Budgetary comparison statements have been provided for those funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 13 – 18 of this report.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the

government-wide financial statements because the resources of those funds are not available to support the Authority's own programs.

The basic fiduciary fund financial statement can be found on page 19 of this report.

Notes to the financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 - 37 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, liabilities exceeded assets by \$279,251,299 at the close of the 2013 fiscal year. This was a result of debt issuance in September 2009 of \$318 million and in July 2012 of \$53 million. The remaining proceeds of these debt issuances will be used to fund New Measure A projects described in the Measure A Early Action Capital Allocation Plan.

SUMMARY OF NET POSITION

	Governmental Activities		
	2013	2012	2011
Current and other assets	\$ 109,920,101	\$ 55,786,026	\$ 87,875,366
Deferred Outflows of Resources	<u>75,790,293</u>	<u>112,589,112</u>	<u>53,845,506</u>
Total assets	<u>185,710,394</u>	<u>175,375,138</u>	<u>141,720,872</u>
Long term liabilities	458,129,305	437,932,387	372,181,797
Other liabilities	<u>6,832,388</u>	<u>5,529,276</u>	<u>10,653,614</u>
Total liabilities	<u>464,961,693</u>	<u>443,461,663</u>	<u>382,835,411</u>
Net position:			
Restricted	4,390,110	1,204,207	5,447,348
Unrestricted	<u>(283,641,409)</u>	<u>(269,290,732)</u>	<u>(246,561,887)</u>
Total net position	<u>(\$ 279,251,299)</u>	<u>(\$ 268,086,525)</u>	<u>(\$241,114,539)</u>

DETAIL OF DEFICIT FUND BALANCE

	Authority	Recipients	Total
Total Assets	\$ 185,710,394	\$ -	\$ 185,710,394
Capitalized Assets	-	304,916,568	304,916,568
Total Liabilities	464,961,693	-	464,961,693
Total Net Position	(\$ 279,251,299)	\$ 304,916,568	\$ 25,665,287

Since the Authority issues bond debt to fund capital projects for other governments, the proceeds from those bonds create a deficit fund balance for the Authority. In turn, these improvements are shown as capitalized assets on the recipient government's financial statements since they are classified as capitalized assets for their purposes. The total reflects the substance of the combined transactions across entities. The debt and related deficit will be funded through future Measure A tax receipts.

SUMMARY OF CHANGE IN NET POSITION

	Governmental Activities		
	2013	2012	2011
Revenues:			
Program revenues:			
Freeway Service Patrol	\$ 1,914,759	\$ 1,842,098	\$ 1,921,842
Abandoned Vehicle			
Service Authority	1,130,254	1,166,769	1,070,911
Mitigation Fees	3,176,382	2,957,362	2,334,437
Total program revenues	<u>6,221,395</u>	<u>5,966,229</u>	<u>5,327,190</u>
General Revenues:			
Sales taxes	97,390,177	92,239,996	87,299,421
Interest and investment earnings	662,384	641,941	761,513
Total revenues	<u>104,273,956</u>	<u>98,848,166</u>	<u>93,388,124</u>
Expenses:			
Governmental activities:			
Measure A (ongoing and set asides)	76,397,880	72,891,458	68,293,582
Freeway Service Patrol	1,765,562	1,729,539	1,880,031
Abandoned Vehicle			
Service Authority	1,089,746	1,079,593	1,376,979
Measure A (construction)	17,826,692	35,000,302	52,044,097
Interest on long-term debt	16,257,749	15,119,256	16,245,290
Total expenses	<u>113,337,629</u>	<u>125,820,148</u>	<u>139,839,979</u>
Increase (decrease) in net position	(9,063,678)	(26,971,986)	(46,451,855)
Net position - beginning	(268,086,525)	(241,114,539)	(194,662,684)
Change in accounting principle (1)	(2,101,096)	-	-
Net position – ending after change in accounting principle	<u>(\$279,251,299)</u>	<u>(\$268,086,525)</u>	<u>(\$241,114,539)</u>

The decrease in net position over the past five years reflects the issuance of debt to advance the New Measure A capital projects. Accumulated debt of \$182 million was issued in year 2007 and year 2008 which was refunded in September 2009 from the proceeds of the \$318 million debt issuance which funded Measure A capital projects through the 2012 year when all available proceeds from the 2009 debt issuance had been completely spent down. In July 2012, \$53 million was issued in fixed interest rate tax revenue bonds to further expedite Measure A

capital projects. The sales tax revenue comparison between the 2011 and 2012 years resulted in increased revenues of 5.66% as well as increased revenues between the years 2012 and 2013 of 5.59% using accrual basis numbers.

The increasing negative position from the 2011 year through the 2013 year above is a direct result of the bond financing arrangement that the Authority has assumed on behalf of the various jurisdictions which funds their capital projects. This deficit related to the debt will be funded in the long term through sales tax receipts. Note 10 in the Notes to the Basic Financial Statements on page 37 provides a more detailed explanation.

Financial Analysis of the Government's Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund At the end of the current fiscal year, the Authority's general fund reported an ending fund balance of \$102,088,697, an increase of \$54,956,672 in comparison with the prior year. This increase is primarily due to the July 2012 bond issuance in which the proceeds will be spent to further advance New Measure A capital projects. Although sales tax revenue increased on a budgetary basis by 4.47% from the prior fiscal year, the Measure A capital expenditures decreased to \$17,476,387 in the 2012/13 year from \$35,000,302 in the prior year.

Special Revenue Fund At the end of the current fiscal year, the Sacramento Abandoned Vehicle Service Authority (SAVSA), which represents the Special Revenue Fund, reported an ending fund balance \$93,817, an increase from the prior year of \$8,201.

Debt Service Fund The ending fund balance on the Debt Service Fund in the 2012/13 year was \$4,345,908 which represents the amount available for the debt service on the 2009 and 2012 bond issue. Measure A sales tax revenues are initially wired to the trustee (Deutsche Bank), who in turn, deducts all debt service expenditures and the balance is then forwarded to the Authority for distribution to the jurisdictions. The interfund transfers of \$16,916,699 between the General Fund and the Debt Service Fund represent the sales tax revenue that was transferred to the Debt Service Fund to meet the debt service expenditures on both the 2009 and the 2012 debt issuance.

General Fund Budgetary Highlights

There were no budget amendments during the year. The intergovernmental expenditures were less than anticipated due to decreases in construction activity and timing of projects in the various jurisdictions. Other budget and actual variances are the result of a modest increase in sales tax revenues in the current fiscal year.

Debt Administration

During 2010, the Authority issued \$318 million in bonds to accelerate New Measure A proceeds to participating jurisdictions for transportation projects and to refund the previous debt issues in 2007 and 2008 which matured on October 1, 2009. Since the proceeds from the 2010 issuance had been completely spent down in the 2012 year, the Authority issued \$53 million in fixed interest rate tax revenue bonds in July 2012 to continue to expedite Measure A transportation projects.

	<u>June 30, 2013</u>
2009 Series A	\$ 106,100,000
2009 Series B	106,100,000
2009 Series A	106,100,000
2012 Series	<u>53,355,000</u>
Total Long - Term Debt	<u>\$ 371,655,000</u>

Additional information on the Authority's long-term debt can be found in Note 8 on pages 31 - 36 of this report.

Economic Factors and Next Year's Budget

Although the economic recovery has been quite slow in last few years, the housing market has begun to rebound and the unemployment rate in the 2012/13 year has decreased by 2.4% from the prior year. Sales tax revenue has increased in the last several years, resulting in a 6.68% increase in the 2011/12 year and an increase of 4.47% in the 2012/13 year. Accordingly, an increase of 5% is projected for sales tax revenue in the 2013/14 year (per budgetary basis).

Request for Information

This financial report is designed to provide a general overview of the Sacramento Transportation Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Sacramento Transportation Authority, 431 I Street, Suite 106, Sacramento, CA 95814.

BASIC
FINANCIAL STATEMENTS

SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities
ASSETS	
Cash and investments	\$ 11,734,044
Receivables:	
Interest	21,625
Due from other governments	19,209,763
Prepays	10,027
Restricted cash and investments	78,944,642
Total assets	109,920,101
Deferred Outflow of Resources	
Change in fair value of long term interest rates	75,790,293
LIABILITIES	
Portion due or payable within one year	
Accounts payable and other current liabilities	3,086,134
Deposits	305,546
Interest payable	3,440,708
Portion due or payable after one year	
Due in more than one year	458,129,305
Total liabilities	464,961,693
NET POSITION	
Restricted for transportation mitigation	4,390,110
Unrestricted	(283,641,409)
Total net position	\$ (279,251,299)

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

**SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Functions/Programs	Program Revenues		Net (Expense) and Revenue
	Expenses	Operating Grants and Contributions	
Governmental Activities:			
Measure A (ongoing and set aside)	\$ 76,397,880	\$ -	(76,397,880)
Transportation mitigation	\$	3,176,382	3,176,382
Freeway Service Patrol	1,765,562	1,914,759	149,197
Abandoned Vehicle Service Authority	1,089,746	1,130,254	40,504
Measure A (construction)	17,826,692		(17,826,692)
Interest on long-term debt	16,257,749		(16,257,749)
Total governmental activities	\$ 113,337,629	6,221,395	(107,116,239)
General revenues:			
Sales taxes			97,390,177
Interest, investment earnings and other			662,384
Total general revenues			98,052,561
Change in net position			(9,063,678)
Net position - beginning			(268,086,525)
Change in accounting principle (1)			(2,101,096)
Net position - ending after change in accounting principle			\$ (279,251,299)

(1) Under GASB 65, bond costs must now be expensed. See Note 11 in the Notes to the Financial Statements.

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

**SACRAMENTO TRANSPORTATION AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2013**

	General	Special Revenue	Debt Service	Total Governmental Funds
ASSETS:				
Cash and investments	\$ 11,371,907	\$ 362,137		\$ 11,734,044
Prepaid expenditures	10,027			10,027
Receivables:				
Interest	20,957	668		21,625
Due from other governments	18,910,285	299,479		19,209,764
Prepaid expenditures				
Restricted cash and investments	74,580,536		\$ 4,364,106	78,944,642
TOTAL ASSETS AND OTHER DEBITS	\$ 104,893,712	\$ 662,284	\$ 4,364,106	\$ 109,920,102
LIABILITIES and FUND BALANCE				
LIABILITIES:				
Accounts payable and other accrued liabilities	\$ 229,582		\$ 18,198	\$ 247,780
Due to other governments	2,575,433	\$ 262,921		2,838,354
Deposits	-	305,546		305,546
Total liabilities	2,805,015	568,467	18,198	3,391,680
FUND BALANCE:				
Nonspendable				
Prepays	10,027			10,027
Restricted				
New Measure A projects	74,580,536			74,580,536
Transportation mitigation	4,390,110			4,390,110
Other transportation projects	22,368,024			22,368,024
Debt service			4,345,908	4,345,908
Assigned				
Abandoned vehicles		93,817		93,817
Unassigned				
General administration	740,000			740,000
Total fund balance	102,088,697	93,817	4,345,908	106,528,422
TOTAL LIABILITIES AND FUND BALANCE	\$ 104,893,712	\$ 662,284	\$ 4,364,106	109,920,102

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

**SACRAMENTO TRANSPORTATION AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2013**

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

Ending Fund Balance per governmental fund balance sheet (page 13)	\$ 106,528,422
Long term debt net of premiums and discounts are not due and payable in the current period and therefore are not reported in the funds.	(382,289,003)
Interest payable is not due and payable in the current period and therefore is not reported in the funds.	(3,440,708)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(50,010)
Net assets of governmental activities	<u>\$ (279,251,299)</u>

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

**SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	General	Special Revenue	Debt Service	Totals Governmental Fund
REVENUES:				
Taxes	\$97,390,177	\$ -	\$ -	\$97,390,177
Mitigation fees	3,176,382			3,176,382
Vehicle registration fees		1,130,254		1,130,254
State grant - freeway service	1,167,759			1,167,759
SAFE funds	747,000			747,000
Use of money and property - interest	658,887	1,651	\$ 390	660,928
Unrealized gain/(loss)	0	0		-
Misc income	1,452			1,452
Total revenues	<u>103,141,657</u>	<u>1,131,905</u>	<u>390</u>	<u>104,273,952</u>
EXPENDITURES:				
General government:				
Administrative	745,552			745,552
Freeway Service Patrol	1,765,562			1,765,562
Intergovernmental	93,013,926	1,089,746		94,103,672
Debt Service				
Interest and other charges	458,358		16,345,685	16,804,043
Total expenditures	<u>95,983,398</u>	<u>1,089,746</u>	<u>16,345,685</u>	<u>113,418,829</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,158,259	42,159	(16,345,295)	(9,144,877)
OTHER FINANCING SOURCES (USES):				
Transfers in	33,958		16,916,699	16,950,657
Transfers out	(16,916,699)	(33,958)		(16,950,657)
Premium from issuance of long term debt	11,326,155			11,326,155
Issuance of long term debt	53,355,000			53,355,000
Total other financing sources (uses)	<u>47,798,414</u>	<u>(33,958)</u>	<u>16,916,699</u>	<u>64,681,155</u>
NET CHANGES IN FUND BALANCES	54,956,672	8,201	571,404	55,536,278
FUND BALANCE, JULY 1, 2012	<u>47,132,024</u>	<u>85,616</u>	<u>3,774,504</u>	<u>50,992,144</u>
FUND BALANCE, JUNE 30, 2013	<u>\$102,088,697</u>	<u>\$93,817</u>	<u>\$4,345,908</u>	<u>\$ 106,528,422</u>

The notes to the 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, 2013**

Amounts reported for governmental activities in the statement of activities (page 12)
are different because:

Net change in fund balances - total governmental funds (page 15)	\$ 55,536,278
Changes not reported in government funds:	
Issuance of long term debt - 2012 issue	(64,681,155)
Interest payable	(604,219)
Change in compensated absences	(6,736)
Bond premium amortization	<u>692,154</u>
Change in Net Position of governmental activities	<u>\$ (9,063,678)</u>

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

**SACRAMENTO TRANSPORTATION AUTHORITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 98,087,447	\$ 98,087,447	\$ 95,899,477	\$ (2,187,970)
Mitigation Fees	3,000,000	3,000,000	3,176,382	176,382
State grant - Freeway Service Patrol	1,100,000	1,100,000	1,167,759	67,759
SAFE Funds	747,000	747,000	747,000	-
Use of money and property - interest	600,000	600,000	658,887	58,887
Unrealized gain/(loss)	-	-	-	-
Miscellaneous Income	-	-	1,452	1,452
Total revenues	103,534,447	103,534,447	101,650,956	(1,883,491)
EXPENDITURES:				
General government:				
Administrative	754,505	754,505	745,552	8,953
Freeway Service Patrol	2,011,572	2,011,572	1,765,562	246,010
Intergovernmental	135,209,968	135,209,968	93,013,926	42,196,042
Bond issue costs	517,000	517,000	458,358	58,642
Total expenditures	138,493,045	138,493,045	95,983,398	42,509,647
DEFICIENCY OF REVENUES OVER EXPENDITURES	(34,958,598)	(34,958,598)	5,667,558	40,626,156
OTHER FINANCING SOURCES (USES):				
Transfers in	34,000	34,000	33,958	(42)
Transfers out	(16,615,522)	(16,615,522)	(16,916,699)	(301,177)
Issuance of long term debt	66,081,000	66,081,000	64,681,155	(1,399,845)
Total other financing sources (uses)	49,499,478	49,499,478	47,798,414	(1,701,064)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	14,540,880	14,540,880	53,465,974	38,925,094
BUDGETARY FUND BALANCE, JULY 1, 2012	(14,741,750.00)	(14,741,750.00)	51,527,500.95	(66,269,250.95)
BUDGETARY FUND BALANCE, JUNE 30, 2013	\$ (200,870)	\$ (200,870)	\$ 104,993,475	\$ (27,344,157)

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

**SACRAMENTO TRANSPORTATION AUTHORITY
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Vehicle license fee	\$ 1,100,000	\$ 1,100,000	\$ 1,123,747	\$ 23,747
Use of money and property - interest	2,000	2,000	1,650	(350)
Total revenues	1,102,000	1,102,000	1,125,397	23,397
EXPENDITURES:				
General government:				
Intergovernmental	1,068,000	1,068,000	1,089,746	(21,746)
Total expenditures	1,068,000	1,068,000	1,089,746	(21,746)
EXCESS OF REVENUES OVER EXPENDITURES	34,000	34,000	35,651	1,652
OTHER FINANCING SOURCES (USES):				
Transfers out	(34,000)	(34,000)	(33,958)	42
Total other financing sources (uses)	(34,000)	(34,000)	(33,958)	42
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	1,693	1,693
BUDGETARY FUND BALANCE, JULY 1, 2012	-	-	102,321	102,321
BUDGETARY FUND BALANCE, JUNE 30, 2013	\$ -	\$ -	\$ 104,014	\$ 104,014

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

**SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013**

	TOTALS
ASSETS:	
Cash and investments	\$ 37,302,808
Interest receivable	41,997
Total assets	\$ 37,344,805
 LIABILITIES	
Accounts payable	\$ 1,531,152
Held in trust for Measure A	35,813,653
Total liabilities	\$ 37,344,805

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

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2013

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sacramento Transportation Authority (Authority), which include the Authority and the Sacramento Abandoned Vehicle Service Authority (SAVSA), have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

ORGANIZATION

The Authority was established under the Local Transportation and Improvement Act, Public Utilities Code Division 19, during the 1988-89 fiscal year. The voters of Sacramento County (the County) passed an ordinance (Measure A) enacted by the Authority imposing a retail transactions and use tax (sales tax) increase throughout the County at a maximum rate of one half of one percent (1/2 of 1%) for a period of 20 years. In 2004, the taxpayers approved a 30 year extension of the tax beginning in fiscal year 2009 (New Measure A).

SAVSA, a separate legal entity, was established under California Vehicle Code Section 22710, during the 1991-92 fiscal year. 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.

The Authority and SAVSA are governed by a sixteen member Board of Directors made up of five members representing the County, five members representing the City of Sacramento, two members representing the City of Elk Grove, one member each from the Cities of Folsom, Citrus Heights, Rancho Cordova, and one member representing the Cities of Isleton and Galt. The Authority distributes sales tax proceeds 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., and the Sacramento Metropolitan Air Quality Management District according to the Measure A Ordinance.

The distribution of Measure A funds is prescribed in the ballot measure approved by the voters with the extension of Measure A. Per Ordinance No STA 04-01, revenues are allocated as follows: 43% for local streets and roads, 38.25% for Sacramento Regional Transit, 12% for local interchange upgrades, safety projects, and congestion relief improvements on the local freeway system, including bus and carpool lane projects, 4.5% for senior and disabled transportation services, 1.50% for transportation-related air quality programs, and .75% for program administration. The sales tax complemented by the Sacramento County Transportation Mitigation Fee Program. Fee revenues are also allocated to capital projects.

New Measure A Capital Projects are being funded via debt proceeds based on a Board adopted Plan of Finance.

SAVSA distributes the \$1 vehicle registration fees collected to the County, and the Cities of Sacramento, Galt, Isleton, Folsom, Elk Grove, and Citrus Heights based upon the Sacramento Abandoned Vehicle Abatement Plan.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2013

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

FINANCIAL REPORTING ENTITY

For financial reporting purposes, in conformance with the pronouncements of the Government Accounting Standards Board (GASB) and generally accepted accounting principles (GAAP), the Authority includes all funds, agencies, boards, commissions and authorities that are financially accountable to the Authority's Governing Board. Such financial accountability is determined on the basis of budget adoption, taxing authority, imposition of will, funding, and appointment of governing boards. Based on these criteria, since the Authority Governing Board is also the Governing Board of SAVSA, SAVSA is considered a component unit of the Authority. SAVSA is presented using the blending method and is represented in the Authority's Special Revenue Fund. Component unit financial statements for SAVSA are not separately issued.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of changes in activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund statements. Revenues are recorded when earned and expenses are reported when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources concept and the modified accrual basis of accounting. Under this concept, sources and uses of financial resources, including capital outlays, loan proceeds and debt retirement are reflected in operations. Revenues are recognized in the accounting period in which they become measurable and available. The Authority considers revenues to be available if they become measurable and available.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2013

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The Authority considers revenues to be available if they are collectible within 60 days of the end of the current fiscal year. All of the Authority's revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditures are recorded when a liability has been incurred, as under accrual accounting.

The Authority reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required or designated by the Board to be accounted for in another fund.

Special Revenue Fund – The Authority has one Special Revenue Fund. The Special Revenue Fund is the operating fund of SAVSA. It is used to account for all the financial resources of SAVSA.

Debt Service Fund – The fund accounts for the debt service associated with the 2009 and 2012 bond issue.

Additionally, the Authority reports the following fund types:

Fiduciary Funds:

Measure A Agency Funds - These funds are used to account for assets held by the Authority as an agent for other organizations and governmental units.

The Authority holds the construction allocations for the Cities of Folsom, Rancho Cordova, Galt, Isleton, Citrus Heights, Elk Grove, and Sacramento, the Sacramento Regional Transit District, and the County of Sacramento. The monies are disbursed to each entity when the entity requests reimbursement of expenditures made on projects authorized by the Authority. The amount of unexpended "Original" Measure A revenue along with the allocated interest is recorded in the Measure A Agency Funds.

In addition, two fiduciary funds were approved by the Board in the 2009-10 year as future set asides from Measure A sales tax revenue. The Neighborhood Shuttle set aside will promote the development or expansion of shuttle routes in residential and commercial areas that have infrequent or no transit service. The Consolidated Transportation Services Agency (CTSA) set aside will be used to support the provision of Elderly and Handicapped Transportation (EHT) services in the urbanized portion of Sacramento County. The CTSA set aside funds will remain unspent until 2030.

Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Authority's own programs, and therefore, the agency funds have no measurement focus.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2013

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

BUDGETARY PRINCIPLES

As required by the laws of the Public Utilities Code of the State of California, the Authority prepares and legally adopts a final operating budget each fiscal year. Operating budgets are adopted for the Governmental Fund Types on the modified accrual basis of accounting, except that the budget for the General Fund does not include accrued sales tax and the budget for the Special Revenue Fund does not include accrued vehicle registration fees. Budgetary control and the legal level of control are at the program level which classifies expenditures by program; i.e., administration, and freeway service patrol. Significant amendments, appropriation transfers between programs and transfers from contingencies must be approved by the Authority's Governing Board. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board. During any fiscal year certain budget amendments may be approved by the Governing Board.

The Authority is subject to an annual appropriations limit, Article XIII B of the State Constitution. Under the terms of the Article, the State and each of its local government units may appropriate no more than it appropriated the year before being adjusted for changes in the cost of living and population. The limitation applies to appropriations of specified "proceeds of taxes" revenue and may be changed in certain circumstances or by a vote of the electorate. The Authority's budget is in compliance with the provisions of Article XIII B.

CASH AND INVESTMENTS

The Authority's cash, except for small amounts on hand and an imprest checking account, is deposited in the pooled account of the County of Sacramento and in the State of California's Local Agency Investment Fund. Cash surpluses in these accounts are invested and investment earnings are allocated to the Authority's funds on the basis of average daily cash balances. All investments are reported at fair value with changes in fair value reported in the statement of revenues, expenditures, and changes in fund balance. Bond proceeds are deposited with California Asset Management Program (CAMP).

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.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2013

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

COMPENSATED ABSENCES

The Authority compensates employees upon termination for unused vacation pay, up to a maximum of 400 hours. Accumulated sick leave is not paid upon termination.

All vacation pay is accrued when incurred 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. The General Fund is used to liquidate compensated absences.

LONG-TERM DEBT

In the government-wide financial statements and in the fund 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 premium or discount. As of December 15, 2012, under GASB 65, the associated bond costs are no longer amortized over the life of the bonds as in previous years.

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.

INTERFUND TRANSACTIONS

Transactions between funds during the year consisted of operating transfers between the general fund and the special revenue and debt service funds.

FUND BALANCE CLASSIFICATION

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This statement was effective for June 30, 2011.

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2013

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

FUND BALANCE CLASSIFICATION (Continued)

The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Authority has classified funds for New Measure A, other transportation-related projects, and debt service funds as being restricted because their use is restricted by local ordinance for transportation-related expenditures. Debt service resources are to be used for future servicing of the bonds and are restricted through debt covenants.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Authority's Board. These amounts cannot be used for any other purpose unless the Authority's Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.
- **Assigned:** This classification includes amounts that are constrained by the Authority's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Authority's Board or through the Authority's Board delegating this responsibility to the Authority's Management through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Authority has assigned funds for the Abandoned Vehicles program that are to be used for the operating expenditures of the various jurisdictions.
- **Unassigned:** This classification includes any residual fund balance for the General Fund which includes unassigned funds remaining for the use of general administrative expenditures of the Authority.

The Authority would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

INSURANCE

The Authority's employees are covered by commercial worker's compensation insurance. In addition, the Authority purchases commercial insurance for general liability claims. At June 30, 2013, 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.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2013

NOTE 2 - CASH AND INVESTMENTS

The Authority's cash and investments are carried at fair value and are included within the County of Sacramento Treasury Pool (County Pool) and the State of California's Local Agency Investment Fund (LAIF). Restricted cash is restricted for the repayment of principal and interest on the related outstanding debt and New Measure A projects that are advanced from the outstanding debt issue. Restricted cash is invested in the California Asset Management Program (CAMP). The fair value of the position in the County pool is 100% of the pool shares, the fair value of the position in the LAIF is 100% of the pool shares, and the fair value position in CAMP is 100% of the pool shares.

Cash and investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

Governmental activities	
Cash and investments	\$ 11,734,044
Restricted cash	78,944,642
Agency funds	
Cash and investments	<u>37,302,808</u>
Total cash and investments	<u>\$ 127,981,494</u>

As of June 30, 2013, the Authority's cash and investments consisted of the following:

Cash on hand	\$ 1,000
Deposits with financial institutions	<u>25,806</u>
Total cash	<u>26,806</u>
County Pool	23,810,046
LAIF	25,200,000
Held by trustee in government security fund	4,364,106
CAMP	<u>74,580,536</u>
Total investments	<u>127,954,688</u>
Total cash and investments	<u>\$ 127,981,494</u>

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2013

NOTE 2 - CASH AND INVESTMENTS (Continued)

The Authority did not directly or indirectly enter into any derivative investments related to its cash and investments. The Authority's total investment in LAIF at June 30, 2013 is \$25,200,000. The total amount invested by all public agencies in LAIF at June 30, 2013, was \$58,803,312,428 which is managed by the Treasurer for the State of California. Of that amount, 1.96% is invested in asset-backed securities and structured financial instruments. The County Pool and CAMP are 100% invested in non-derivative financial products. The government security fund that is held by the trustee is not rated.

Investment in CAMP: 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. The fair value of the Authority's position in CAMP is the same as the value of the pool shares.

Investment policy: 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. This table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the Authority rather than the general provisions of the California Government Code or the Authority's investment policy. During the year ended June 30, 2013, the Authority's permissible investments included the following instruments:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum % or Amount of the Portfolio</u>
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 Agreement	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 Asset Management Program (CAMP)	none	none

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2013

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investments Authorized by Debt Agreements: Investment of debt proceeds held by the bond trustees are 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 and 2012 Sales Tax Revenue Bonds debt agreements contain certain provisions that address interest rate risk and credit risk, but not concentration of credit risk.

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

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, 2013, the weighted average maturity of the investments contained in LAIF, the Sacramento County investment pool, and CAMP is approximately 278, 301, and 37 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 LAIF nor the Sacramento County investment pool has a rating provided by a nationally recognized statistical rating organization.

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. The Authority's deposits were covered by federal depository insurance at June 30, 2013.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2013

NOTE 3 - RECONCILIATION OF THE MODIFIED ACCRUAL BASIS TO BUDGETARY BASIS OF ACCOUNTING

The reconciliation of General Fund excess of revenues over expenditures to the budgetary basis of accounting is as follows:

	Modified Accrual Basis	Reversal of Prior Year Accrual	Current Year Accrual	Budgetary Basis
Revenues	\$ 103,141,657	\$15,534,400	(\$17,025,101)	\$101,650,956
Expenditures	95,983,398	0	0	95,983,398
Excess of revenues over (under) expenditures	\$ 7,158,259	\$15,534,400	(\$17,025,101)	\$ 5,667,558

The reconciliation of SAVSA Fund excess of revenues over expenditures to the budgetary basis of accounting is as follows:

	Modified Accrual Basis	Reversal of Prior Year Accrual	Current Year Accrual	Budgetary Basis
Revenues	\$ 1,131,905	\$292,972	(\$299,480)	\$ 1,125,397
Expenditures	1,089,746			1,089,746
Excess of revenues over (under) expenditures	\$ 42,159	\$292,972	(\$299,480)	\$ 35,651

NOTE 4 - PENSION PLAN

Pension plan description - The Authority contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating entities within the State of California. CalPERS requires agencies with less than 100 active members in the plan to participate in the risk pool. The benefits for the public agencies are established by contract with CalPERS in accordance with the provisions of the Public Employees Retirement Law. CalPERS issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for CalPERS. A copy of that report may be obtained by writing to CalPERS, Central Supply, P.O. Box 942715, Sacramento, CA 94229-2715.

Funding Policy - Employees are required to contribute 8% of covered salary to CalPERS. The Authority is required to contribute the remaining amounts necessary to fund the benefits for its members, using the actuarial basis recommended by CalPERS actuaries and actuarial consultants and adopted by the CalPERS Board of Administration. For the fiscal year ended June 30, 2013, the employer contribution rate was 18.422%. The Authority, as part of its compensation to employees, pays 7% of the employees' contributions in addition to its own. The Authority's contributions for the years ended June 30, 2013, 2012, and 2011 were \$93,859, \$89,722, and \$77,377 respectively, which were equal to the required contributions for each year.

SACRAMENTO TRANSPORTATION AUTHORITY
 NOTES TO BASIC FINANCIAL STATEMENT
 JUNE 30, 2013

NOTE 5 - 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 separate independent trusts to hold the assets and earnings of its deferred compensation plans for the exclusive benefit of the participants that are not included in the Balance Sheet.

NOTE 6 - OPERATING LEASES

The Authority leases certain premises under operating leases through the year ending June 30, 2013. Rental expense for the year ended June 30, 2013 was \$49,903.

Future minimum lease payments under operating leases as of June 30, 2013 are as follows:

Fiscal Year Ending June 30	Amount
2014	\$ 51,094
2015	52,284
2016	58,347
2017	59,646
Thereafter	14,939
Total	\$ 236,310

NOTE 7 – INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2013 were as follows:

Transfers to General fund from:

SAVSA Special Revenue Fund	\$ 33,958
Total Transfers to General Fund	\$ 33,958

Transfers from the General Fund to:

Debt Service Fund	\$ 16,916,699
Total Transfers from General Fund	\$ 16,916,699

Transfers are used to (1) reimburse the General Fund for services to and payments on behalf of the Special Revenue Funds, and (2) repay interest per the debt agreement.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2013

NOTE 8 – LONG-TERM LIABILITIES

The activity of the Authority’s long-term liabilities during the year ended June 30, 2013 are as follows:

	Balance July 1, 2012	Additions	Reductions	Balance July 1, 2013
Series 2009A Bonds	\$106,100,000	\$ -	\$ -	\$106,100,000
Series 2009B Bonds	106,100,000			106,100,000
Series 2009C Bonds	106,100,000			106,100,000
 2009 Series Bonds	 318,300,000			 318,300,000
Fair Value (Loss) of Interest Rate Swap (2009 Series Bonds)	119,589,113	75,790,293	119,589,113	75,790,293
 2012 Series Bonds	 -	53,355,000	 -	 53,355,000
Unamortized Note Premium (2012 Series Bonds)	-	11,326,155	692,154	10,634,001
 Compensated absences	 43,274	50,010	43,274	50,010
 Total Long-term liabilities	 <u>\$ 437,932,387</u>	<u>\$ 140,521,458</u>	<u>\$ 120,324,541</u>	<u>\$ 458,129,305</u>

Compensated absences are classified as long term since employees normally take vacation benefits as they are earned, therefore, no amounts are considered to be due within one year.

In 2009, the Authority issued Measure A Sales Tax Revenue Bonds (Limited Tax Bonds) in the amount of \$318,300,000 of which \$182,320,000 of the proceeds were used to refund the 2006 and 2007 Notes and the remaining balance will allow the Authority to expedite additional transportation projects under "New Measure A." The fixed interest rates range from 3.666% to 3.736%. Principal payments range from \$22,300,000 which begins in the year 2029 to \$35,400,000 at maturity in the year 2039. No amounts are due within one year.

Since the 2009 bond proceeds were completely spent down for “New Measure A” transportation projects in the 2012 year, the Authority again issued Measure A Sales Tax Revenue Bonds (Limited Tax Bonds) in the amount of \$53,355,000 at a fixed interest rate of 2.480997% in July 2012. Interest payments occur semiannually and principal payments do not occur until 2016 which will range from \$3,450,000 in year 2016 to \$5,720,000 at maturity in 2027. This bond issuance enabled the Authority to continue to expedite current “New Measure A” capital transportation projects. The 2012 bond issuance agreement did not include an interest rate swap as in the case of the 2009 bond issuance and no amounts are due within one year.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2013

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Long-term debt consists of the following at:

June 30 2013

2009 Series A Bonds: In October 2009, the Authority issued variable rate Sales Tax Revenue Bonds in the amount of \$106,100,000. The Notes will be used to finance the cost of certain transportation projects approved by the voters in 2004. In the floating-to-fixed rate swap, the Authority pays a fixed interest rate of 3.736% to Goldman Sachs Capital Markets, 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. In addition, the Authority pays ancillary fees consisting of liquidity facility fees at a rate of 0.55% and remarketing fees of .10%. Under the Indenture Agreement between the Authority and the Trustee (Deutsche Bank), the Authority pledges future sales tax revenue as repayment for the 2009 bonds. The bonds mature on October 1, 2038.

\$106,100,000

2009 Series B Bonds: In October 2009, the Authority issued variable rate Sales Tax Revenue Bonds in the amount of \$106,100,000. The Notes will be used to finance the cost of certain transportation projects approved by the voters in 2004. In the floating-to-fixed rate swap, the Authority pays a fixed interest rate of 3.666% to JP Morgan Chase Bank N. A, and in turn, receives a variable interest rate based on 67 percent of three month London Interbank Offered Rate (LIBOR) which is reset on a weekly basis. In addition, the Authority pays ancillary fees consisting of liquidity facility fees at a rate of 0.78% and remarketing fees of .10%. Under the Indenture Agreement between the Authority and the Trustee (Deutsche Bank), the Authority pledges future sales tax revenue as repayment for the 2009 bonds. The bonds mature on October 1, 2038.

\$106,100,000

2009 Series C Bonds: In October 2009, the Authority issued variable rate Sales Tax Revenue Bonds in the amount of \$106,100,000. The Notes will be used to finance the cost of certain transportation projects approved by the voters in 2004. In the floating-to-fixed rate swap, the Authority pays a fixed interest rate of 3.736% to Bank of America N A, 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. In addition, the Authority pays ancillary fees consisting of liquidity facility fees at a rate of 0.68% and remarketing fees of .10%. Under the Indenture Agreement between the Authority and the Trustee (Deutsche Bank), the Authority pledges future sales tax revenue as repayment for the 2009 bonds. The bonds mature on October 1, 2038.

\$106,100,000

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2013

NOTE 8 – LONG-TERM LIABILITIES (Continued)

2012 Series Bonds: In July 2012, the Authority issued fixed rate Sales Tax Bonds in the amount of \$53,355,000. The bond proceeds will be used to finance the cost of certain transportation projects approved by the voters in 2004. Interest payments are due semi-annually on April 1 and October 1, beginning in October 2012. The average coupon interest rate is 2.480997%. Principal payments on the 2012 Series Bonds will begin in 2016 at \$3,450,000 to \$5,720,000 at maturity in 2027. The Authority pledges future sales tax revenue as repayment for the 2012 Series Bonds. \$ 53,355,000

The Measure A one-half percent sales tax revenues approved by the electorate in 2004 are pledged for principal and interest payments. The 2006 and 2007 Series notes matured on October 1, 2009 and were repaid with proceeds from the 2009 Series bond issuance of \$318 million which allowed the Authority to expedite additional transportation projects under "New Measure A". Once the 2009 bond proceeds were completely spent down, the Authority issued the 2012 Series Bonds in order to continue to expedite the transportation projects which had been funded under the 2009 Series Bonds. The Authority has pledged future sales tax proceeds from the incremental tax which are projected to cover 100% of the debt service requirements over the life of the bonds. The total principal and interest remaining on both the 2009 and 2012 bonds is \$710,638,294, payable through October 1, 2038 and October 1, 2027, respectively. For the current year, principal and interest paid and total incremental sales tax revenues were \$16,345,685 and \$97,390,177 respectively. The 2009 Series bonds were issued at par, and therefore, no premium/discount is shown for the 2009 Series bonds. The 2012 Bonds were issued at a premium of \$11,326,155 which is amortized over the life of the fifteen year bonds which mature on October 1, 2027.

As of June 30, 2013, the future annual debt service requirements and net payments on associated hedging derivative instruments on the Authority's 2009 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.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2013

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Fiscal Year Ending June 30,	Principal (1)	Estimated Bond Interest (2)	Hedging Derivatives, Net (3)	Ancillary Fees (4)	Total
2013	\$ -	\$ 2,085,521	\$ 11,291,374	\$ 2,547,554	\$ 15,924,449
2014	-	2,905,481	11,291,374	2,548,210	16,745,064
2015	-	2,905,481	11,291,374	2,548,210	16,745,064
2016	-	2,905,481	11,291,374	2,554,974	16,751,829
2017	3,450,000	2,836,481	11,291,374	2,547,554	20,125,409
2018 - 2022	19,505,000	11,929,728	56,456,871	12,747,157	100,638,756
2023 - 2027	24,680,000	6,762,653	56,456,871	12,747,157	100,646,681
2028 - 2032	104,320,000	2,013,469	49,702,621	11,228,858	167,264,948
2033 - 2037	150,300,000	981,559	26,082,259	5,889,936	183,253,753
2038 - 2039	69,400,000	93,584	2,486,727	562,030	72,542,341
Total	\$ 371,655,000	\$ 35,419,434	\$ 247,642,220	\$ 55,921,640	\$ 710,638,294

- (1) Reflects principal amortization of the 2009 and 2012 bonds and notional amortization on the swaps for the 2009 bonds.
- (2) Based on Average of Bond Rates for FY 2013 on all three 2009 series (.1207%). Based on Average fixed interest rate of 2.480997% on the 2012 series.
- (3) Based on average fixed swap rate for the three swaps (3.7127%), less average receipts on the three floating legs for FY 2013 (.1652%); total rate = 3.5474% on the 2009 series only as the 2012 bonds do not include an interest rate swap.
- (4) Based on FY 2013 Average liquidity rates of .68%, plus remarketing fees of 0.10%; total = 0.78% on the 2009 series only.

Interest Rate Swaps Effective Date of October 1, 2009

Objective of the interest rate swaps. On October 18, 2006, the Sacramento Transportation Authority (the "Authority") entered into three forward interest rate swaps for \$106,100,000 each in order to hedge the interest rate risk associated with the Sacramento Transportation Authority Sales Tax Revenue Bonds, Series 2009 (the "Bonds"), that were issued on October 1, 2009, and whose initial interest rate is variable.

Terms. The initial notional amounts of the swaps are \$106,100,000 each. Under two of the swaps, the Authority pays the counterparty a fixed payment of 3.7360% and receives a variable payment based on 67% of the one month London Interbank Offered Rate (LIBOR). Under the third swap, the Authority pays the counterparty a fixed payment of 3.666 percent and receives a variable payment based on 67% of the three month London Interbank Offered Rate (LIBOR). The notional amounts and maturity dates of the swaps match the principal amounts and the maturity dates of the bonds that were issued on October 1, 2009 and mature on October 1, 2038. The variable-rate coupons of the hedged bonds closely match the SIFMA and percentage of LIBOR rates paid monthly.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2013

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Fair value. Because long-term interest rates have decreased since execution of the swaps, the swaps had a total negative fair value of \$75,790,293 as of June 30, 2012. The Bank of America swap had a negative fair value of \$25,929,432, the Goldman Sachs Capital Markets swap had a negative fair value of \$25,930,559, and the JPMorgan Chase Financial Products swap had a negative fair value of \$23,930,302. The fair values were estimated by an independent third-party based on mid-market levels as of the close of business on June 30, 2013. 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. The change in the fair value of these swaps was \$75,790,293, and is reported as a deferred outflow.

Credit risk. This is the risk that the counterparty will fail to perform under the terms of the agreement. As of June 30, 2013, 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. As of June 30, 2013 the swap counterparties were rated A3 (Bank of America), A2 (Goldman Sachs Products), and Aa3 (JPMorgan Chase) by Moody's and A (Bank of America), A- (Goldman Sachs Capital Markets), and A+ (JPMorgan Chase) by Standard & Poor's. The swap agreements contain varying collateral agreements with the counterparties. The swaps require collateralization of the fair value of the swap should the counterparty's credit rating fall below the applicable thresholds.

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 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, we expect the payments received under the agreements to approximate the expected bond payments over the 29 year term 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.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2013

NOTE 8 – LONG-TERM LIABILITIES (Continued)

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.

NOTE 9 – FUND BALANCE

In the fiscal year ending June 30, 2011, the Authority adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. The fund balance classification is described in Note 1.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 13).

General Fund

The General Fund has Nonspendable, Restricted and Unassigned Funds as of June 30, 2013 consisting of the following:

- Prepaid Expenditures (\$10,027) – represent amounts that are expected to be converted to cash
- New Measure A Projects (\$74,580,536) – to reflect bond reserve held in CAMP for 2009 bond issuance and the bond proceeds for the 2012 issuance.
- Transportation Mitigation (\$4,390,110) – to assist with funding road and transit system improvements needed to accommodate projected growth and development.
- Other Transportation Projects (\$22,368,024) – to reflect funds restricted by Local Ordinance for transportation-related projects.
- General Administration (\$740,000) – to reflect unassigned funds for the use of general administrative expenditures.

Other Major Funds

The Special Revenue Fund has Assigned Funds of \$93,817 at June 30, 2013 to fulfill the program objectives of the Abandoned Vehicles program. The Debt Service Fund has Restricted Funds of \$4,345,908 to reflect amounts held for debt service.

SACRAMENTO TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENT
JUNE 30, 2013

NOTE 10 – GOVERNMENT WIDE NET ASSETS

As of June 30, 2013, the Authority had negative net assets of \$279,251,299. Under a typical bond financing arrangement, the public entity issues debt and expends the funds on capital projects that are shown on the statement of net position as capital assets. The capital assets generally offset the bonded debt. The Authority has facilitated the financing for the recipient jurisdictions. Since the Authority allocates the Measure A funds to the various jurisdictions for Measure A related projects, a negative asset or deficit will result as the expenditures are recorded in the Authority's books while the various jurisdictions will either record capital assets or expenditures on their financial statements. The deficit will continue to grow as the projected expenditures increase in the next few years but will be recovered over time as the sales tax revenues eventually exceed the expenditures.

NOTE 11 – CHANGE IN ACCOUNTING PRINCIPLE

As of December 15, 2012, according to GASB 65, all bonds costs must now be fully expensed. Therefore, previous unamortized bond costs from the 2009 Series bonds as June 30, 2013 in the amount of \$2,101,096 have been expensed as indicated on the Statement of Activities (page 12) as a separate line item. In addition, bond costs of \$458,358 incurred in the 2012 Series bond issuance were also fully expensed as of June 20, 2013.

NOTE 12 – SUBSEQUENT EVENTS

The Authority's management evaluated its 2012/13 financial statements for subsequent events through October, 2013 and the only subsequent event is related to the Authority's trustee on the 2009 Series and 2012 Series Bonds as Deutsche Bank merged with US Bank in August 2013, and therefore, our new trustee is US Bank.

SUPPLEMENTAL INFORMATION

SACRAMENTO TRANSPORTATION AUTHORITY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	July 1, 2012		June 30, 2013	
	Balance	Additions	Deletions	Balance
CITY OF SACRAMENTO				
Assets:				
Cash and Investments	\$ 30,726,309	\$ 4,898,050	\$ 9,682,446	\$ 25,941,913
Due from other funds	-	-	-	-
Interest receivable	28,626	16,842	28,626	16,842
Total Assets	\$ 30,754,935	\$ 4,914,893	\$ 9,711,072	\$ 25,958,754
Liabilities:				
Warrants payable	\$ 1,290,725	1,154,502	\$ 1,290,725	\$ 1,154,502
Deposits	29,464,210	3,760,391	8,420,347	24,804,253
Total Liabilities	\$ 30,754,935	\$ 4,914,893	\$ 9,711,072	\$ 25,958,754

COUNTY OF SACRAMENTO				
Assets:				
Cash and Investments	\$ 1,030,395	\$ 3,727	\$1,009,964	\$ 24,158
Interest receivable	1,332	966	1,332	966
Total Assets	\$ 1,031,727	\$ 4,693	\$ 1,011,296	\$ 25,124
Liabilities:				
Warrants payable	\$ 223,089	\$ 549	\$ 223,089	\$ 549
Deposits	808,638	4,144	788,207	24,576
Total Liabilities	\$ 1,031,727	\$ 4,693	\$ 1,011,296	\$ 25,124

SACRAMENTO REGIONAL TRANSIT				
Assets:				
Cash and Investments	\$ 1,970,824	\$ 9,409	\$ 811,270	\$ 1,168,963
Interest receivable	2,184	2,997	2,184	2,997
Total Assets	\$ 1,973,008	\$ 12,406	\$ 813,454	\$ 1,171,960
Liabilities:				
Deposits	\$ 1,973,008	\$ 12,406	813,454	\$ 1,171,960
Total Liabilities	\$ 1,973,008	\$ 12,406	\$ 813,454	\$ 1,171,960

CITY OF FOLSOM				
Assets:				
Cash and Investments	\$ 1,679,847	\$ 3,990	\$ 1,683,467	\$ 370
Interest receivable	2,109	333	2,109	333
Total Assets	\$ 1,681,956	\$ 4,323	\$ 1,685,576	\$ 703
Liabilities:				
Warrants payable	\$ 1,010,040	0	\$ 1,010,040	\$ -
Deposits	671,916	4,323	675,536	703
Total Liabilities	\$ 1,681,956	\$ 4,323	\$ 1,685,576	\$ 703

	July 1, 2012		June 30, 2013	
	Balance	Additions	Deletions	Balance
CITY OF ISLETON				
Cash and Investments	\$ 183,379	\$ 250,165	-	\$ 433,544
Interest receivable	203	466	203	466
Total Assets	\$ 183,582	\$ 250,631	\$ 203	\$ 434,010
Liabilities:				
Deposits	\$ 183,582	\$ 250,631	\$ 203	\$ 434,010
Total Liabilities	\$ 183,582	\$ 250,631	\$ 203	\$ 434,010

SACRAMENTO TRANSPORTATION AUTHORITY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

CITY OF GALT

Assets:								
Cash and Investments	\$	326,022	\$	1,609	\$	-	\$	327,631
Interest receivable		377		700		377		700
Total Assets	\$	326,399	\$	2,309	\$	377	\$	328,331

Liabilities:								
Warrants Payable	\$	-	\$	-	\$	-	\$	-
Deposits		326,399		2,309		377		328,331
Total Liabilities	\$	326,399	\$	2,309	\$	377	\$	328,331

CITY OF CITRUS HEIGHTS

Assets:								
Cash and Investments	\$	1,727,663	\$	7,894	\$	699,811	\$	1,035,746
Interest receivable		1,982		2,596		1,982		2,596
Total Assets	\$	1,729,645	\$	10,490	\$	701,793	\$	1,038,342

Liabilities:								
Warrants payable	\$	34,880	\$	25,776	\$	34,880	\$	25,776
Deposits		1,694,765		(15,286)		666,913		1,012,566
Total Liabilities	\$	1,729,645	\$	10,490	\$	701,793	\$	1,038,342

CITY OF ELK GROVE

Assets:								
Cash and Investments	\$	755,950	\$	3,171	\$	342,169	\$	416,952
Interest receivable		895		1,045		895		1,045
Total Assets	\$	756,845	\$	4,216	\$	343,064	\$	417,997

Liabilities:								
Warrants Payable	\$	125,168	\$	275,494	\$	125,168	\$	275,494
Deposits		631,677		(271,278)		217,897		142,503
Total Liabilities	\$	756,845	\$	4,216	\$	343,064	\$	417,997

CITY OF RANCHO CORDOVA

Assets:								
Cash and Investments	\$	701,937	\$	2,970	\$	315,216	\$	389,691
Interest receivable		854		1,006		854		1,006
Total Assets	\$	702,791	\$	3,976	\$	316,070	\$	390,697

Liabilities:								
Warrants Payable	\$	121,371	\$	49,322	\$	121,371	\$	49,322
Deposits		581,420		(45,346)		194,699		341,375
Total Liabilities	\$	702,791	\$	3,976	\$	316,070	\$	390,697

July 1, 2012	June 30, 2013
Balance	Balance
Additions	Deletions

NEIGHBORHOOD SHUTTLE

Assets:								
Cash and Investments	\$	3,018,561	\$	1,015,894	\$	-	\$	4,034,455
Interest receivable		3,124		8,000		3,124		8,000
Total Assets	\$	3,021,685	\$	1,023,894	\$	3,124	\$	4,042,455

Liabilities:								
Deposits	\$	3,021,685	\$	1,023,894	\$	3,124	\$	4,042,455
Total Liabilities	\$	3,021,685	\$	1,023,894	\$	3,124	\$	4,042,455

SACRAMENTO TRANSPORTATION AUTHORITY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

CTSA SET ASIDE

Assets:				
Cash and Investments	\$ 2,551,875	\$ 951,748	\$ -	\$ 3,503,623
Interest receivable	2,623	6,896	2,623	6,896
Total Assets	\$ 2,554,498	\$ 958,644	\$ 2,623	\$ 3,510,519
Liabilities:				
Deposits	\$ 2,554,498	\$ 958,644	\$ 2,623	\$ 3,510,519
Total Liabilities	\$ 2,554,498	\$ 958,644	\$ 2,623	\$ 3,510,519

JPA CONNECTOR (Pay Go)

Assets:				
Cash and Investments	\$ 32,224	\$ 200,530	\$ 206,992	\$ 25,762
Interest receivable	74	150	74	150
Total Assets	\$ 32,298	\$ 200,680	\$ 207,066	\$ 25,912
Liabilities:				
Warrants Payable	\$ 28,628	\$ 25,509	\$ 28,628	\$ 25,509
Deposits	3,670	175,171	178,439	402
Total Liabilities	\$ 32,298	\$ 200,680	\$ 207,066	\$ 25,912

TOTAL AGENCY FUNDS

Assets:				
Cash and Investments	\$ 44,704,986	\$ 7,349,157	\$ 14,751,336	\$ 37,302,808
Due from other funds	-	-	-	-
Interest receivable	44,383	41,997	44,383	41,997
Total Assets	\$ 44,749,369	\$ 7,391,155	\$ 14,795,719	\$ 37,344,805
Liabilities:				
Warrants payable	\$ 2,833,900	\$ 1,531,151	\$ 2,833,901	\$ 1,531,152
Deposits	41,915,469	5,860,003	11,961,818	35,813,653
Total Liabilities	\$ 44,749,369	\$ 7,391,155	\$ 14,795,719	\$ 37,344,805

STATISTICAL SECTION

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

Financial Trends – These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have 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 comprehensive annual financial reports for the relevant year. The Authority implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

SACRAMENTO TRANSPORTATION AUTHORITY
Net Position by Component
(Accrual basis of Accounting)

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
Governmental activities:										
Restricted for Transportation Mitigation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,447,348	\$ 1,204,207	\$ 4,390,110
Unrestricted	\$ 32,441,098	\$ 36,790,648	\$ 33,368,935	\$ (16,051,271)	\$ (101,589,627)	\$ (143,010,032)	\$ (197,736,342)	\$ (246,561,887)	\$ (269,290,732)	\$ (283,641,409)
Total governmental activities net position	\$ 32,441,098	\$ 36,790,648	\$ 33,368,935	\$ (16,051,272)	\$ (101,589,627)	\$ (143,010,032)	\$ (194,662,684)	\$ (241,114,539)	\$ (268,086,525)	\$ (279,251,299)

Source - Authority financials

SACRAMENTO TRANSPORTATION AUTHORITY
 Changes in Net Position
 (accrual basis of accounting)

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
Program Revenues										
Operating grants and contributions	\$ 3,258,656	\$ 3,265,658	\$ 3,038,630	\$ 2,856,376	\$ 3,065,942	\$ 2,964,590	\$ 6,008,096	\$ 5,327,190	\$ 5,966,229	\$ 6,221,395
Expenses										
Governmental Activities:										
Measure A (ongoing and set asides)	\$ 90,344,579	\$ 98,303,111	\$ 113,885,339	\$ 118,452,646	\$ 100,930,099	\$ 95,829,982	\$ 65,408,282	\$ 68,293,582	\$ 72,891,458	\$ 76,397,860
Freeway Service Patrol	1,572,890	1,495,634	1,555,435	1,643,363	1,824,305	1,770,438	1,836,329	1,880,031	1,729,539	1,765,562
Abandoned Vehicle Service Authority	1,110,975	1,093,842	1,178,658	1,199,866	1,135,591	1,092,942	1,057,667	1,376,979	1,079,593	1,089,746
Measure A (construction)				37,396,454	82,958,676	28,471,832	60,854,700	52,044,097	35,000,302	17,826,692
Interest on long-term debt				2,491,557	6,691,245	7,581,219	10,555,136	16,245,290	15,119,256	16,257,749
Collaborative	904,957	892,620	455,910							
Total expenses	93,933,401	101,785,207	117,075,342	161,183,886	193,539,916	134,746,413	139,712,114	139,839,979	125,820,145	113,337,629
Net (expense) revenue	(90,674,745)	(98,519,549)	(114,036,512)	(158,327,510)	(190,473,974)	(131,781,823)	(133,704,018)	(134,512,790)	(119,853,918)	(107,116,239)
General revenues:										
Sales taxes	97,159,755	102,385,507	109,688,836	105,366,507	101,155,680	89,395,168	81,413,982	87,299,421	92,239,996	97,390,177
Unrestricted investment earnings	169,410	483,592	925,963	3,540,796	3,779,938	966,250	637,384	761,514	641,940	662,384
Total general revenues	97,329,165	102,869,099	110,614,799	108,907,303	104,935,618	90,361,418	82,051,366	88,060,935	92,881,936	98,052,561
Change in net position	\$ 6,654,420	\$ 4,349,550	\$ (3,421,713)	\$ (49,420,207)	\$ (85,538,356)	\$ (41,420,405)	\$ (51,652,652)	\$ (46,451,855)	\$ (26,971,986)	\$ (9,063,678)

The Authority implemented GASB 34 during the Fiscal Year June 30, 2003 - Information prior to that date is not available

Source - Authority financials

SACRAMENTO TRANSPORTATION AUTHORITY
Fund Balances of Governmental Funds
 (modified accrual basis of accounting)

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
General fund										
Nonspendable										
Prepays										
Restricted										
Restricted for New Measure A Projects	\$ 10,000	\$ 10,000	\$ 10,000	\$ 53,736,986	\$ 50,417,511	\$ 23,815,777	\$ 103,507,342	\$ 45,778,808	\$ 26,309,298	\$ 74,580,536
Restricted for Transportation Mitigation							3,073,658	5,447,348	1,204,207	4,390,110
Restricted for Other Transportation Projects								21,962,603	19,008,492	22,368,024
Unreserved:										
Designated for:										
Revenue estimate adjustments	6,942,317	7,104,690	6,393,630	4,226,954						
Litigation contingency	498,400	476,689	497,542	516,689						
Administrative reserve	1,374,596	1,432,497								
FSP Radios										
Unreserved and undesignated	23,290,295	27,363,158	26,063,530	16,579,963	21,487,298	15,261,503	13,175,036			
Unassigned										
General Administration										
Total general fund	\$ 32,115,608	\$ 36,407,034	\$ 32,964,702	\$ 75,060,592	\$ 71,904,809	\$ 39,077,280	\$ 119,756,036	\$ 73,787,859	\$ 47,132,024	\$ 102,088,697
All other governmental funds										
Restricted										
Restricted for debt service										
Unassigned										
Abandoned Vehicles - SAVSA										
Unreserved										
Unreserved, reported in										
Special revenue fund - SAVSA	\$ 362,938	\$ 429,074	\$ 390,322	\$ 336,904	\$ 324,850	\$ 349,268	\$ 369,217	\$ -	\$ -	\$ -
Special revenue fund - Collaborative	2,770	759	66,998							
Total all other governmental funds	\$ 365,708	\$ 429,833	\$ 457,320	\$ 11,058,768	\$ 12,820,431	\$ 4,734,070	\$ 4,501,393	\$ 4,137,869	\$ 3,860,118	\$ 4,439,725

Source - Authority financials

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

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
Revenues										
Taxes	\$ 97,159,755	\$ 102,385,507	\$ 109,688,836	\$ 105,366,507	\$ 101,155,680	\$ 89,395,168	\$ 81,413,982	\$ 87,299,421	\$ 92,239,996	\$ 97,390,177
Development Impact Fees (Mitigation)										
Vehicle registration fees										
Contributions	1,112,098	1,139,965	1,142,226	1,144,870	1,140,257	1,132,447	3,073,658	2,334,437	2,957,362	3,176,382
State grant	679,959	655,968	405,595				1,106,169	1,070,911	1,166,769	1,130,254
SAFE Funds	759,840	761,204	772,879	951,204	1,129,892	1,035,852	988,962	1,122,358	1,109,848	1,167,759
Use of money and property - interest	620,000	620,000	610,000	640,000	672,525	672,525	706,000	706,000	732,250	747,000
Unrealized gain/(loss)	187,073	426,817	932,080	3,542,668	3,803,128	975,310	637,426	761,414	641,940	660,928
Miscellaneous	(17,663)	56,775	(6,318)	(1,872)	(23,190)	(9,060)	-	-	-	-
Yolo County	86,759	3,416	201				2,432	100	-	1,452
Total Revenues	100,587,821	106,134,757	113,653,629	111,763,679	108,001,560	93,326,010	88,059,461	93,388,124	98,848,165	104,273,952
Expenditures										
General government:										
Administrative	1,784,019	1,814,604	1,235,780	493,837	554,092	643,936	599,424	542,380	658,391	745,552
Freeway service patrol	1,572,890	1,495,634	1,555,435	1,643,363	1,824,305	1,770,438	1,836,329	1,880,031	1,729,539	1,765,562
Intergovernmental	90,575,105	98,468,968	114,277,259	156,319,967	183,896,918	123,979,282	126,524,494	121,087,058	108,225,941	94,103,672
Debt Service										
Interest and other charges				2,619,565	6,401,511	7,846,244	14,633,134	16,210,359	15,167,878	16,804,043
Total expenditures	93,932,014	101,779,206	117,068,474	161,076,732	192,676,826	134,239,900	143,593,381	139,719,828	125,781,749	113,418,829
Excess of Revenues over Expenditures	6,655,807	4,355,551	(3,414,845)	(49,313,053)	(84,675,266)	(40,913,890)	(55,533,920)	(46,331,704)	(26,933,584)	(9,144,877)
Other Financing Sources (Uses)										
Transfers in	255,089	255,200	139,674	11,970,833	7,147,055	589,465	12,031,436	16,215,856	14,869,554	16,950,657
Transfers out	(255,089)	(255,200)	(139,674)	(11,970,833)	(7,147,055)	(589,465)	(12,031,436)	(16,215,856)	(14,869,554)	(16,950,657)
Repayment 2006 and 2007 bond debt							(182,320,000)	-	-	-
Premium from issuance of long term debt										
issuance of long term debt										
Total other financing sources (uses)	-	-	-	101,673,487	83,618,050		318,300,000	-	-	11,326,155
				101,673,487	83,618,050	-	135,980,000	-	-	53,355,000
Net change in fund balances	\$ 6,655,807	\$ 4,355,551	\$ (3,414,845)	\$ 52,360,434	\$ (1,057,216)	\$(40,913,891)	\$ 80,446,080	\$(46,331,704)	\$(26,933,584)	\$ 55,536,278
Debt Service as a Percentage of Noncapital Expenditures				1.63%	3.32%	5.84%	10.19%	11.60%	12.06%	14.82%

Source - Authority financials

**SACRAMENTO TRANSPORTATION AUTHORITY
REVENUE CAPACITY - REVENUE BASE AND REVENUE RATE
FY 2004 through FY 2013 (in thousands)**

Fiscal Year	Authority Sales Tax Rate	Total Sales Tax Revenue	Total Taxable Sales
2013	0.5% \$	97,390	\$ 19,478,000*
2012	0.5%	92,240	18,448,000*
2011	0.5%	87,299	18,003,765
2010	0.5%	81,414	16,904,528
2009	0.5%	89,395	16,563,853
2008	0.5%	101,155	19,331,847
2007	0.5%	105,367	20,560,510
2006	0.5%	109,689	21,140,386
2005	0.5%	102,386	21,266,500
2004	0.5%	97,160	20,216,922

Source: Board of Equalization

* Estimate - actuals not available

**SACRAMENTO TRANSPORTATION AUTHORITY
REVENUE CAPACITY - PRINCIPAL REVENUE PAYERS
Calendar Year 2011 and 2003**

	2011*			2003		
	Rank	Amount	Percentage of Taxable Sales	Rank	Amount	Percentage of Taxable Sales
All Other Outlets	1	\$ 5,500,957	30.6%	1	\$ 4,815,986	26.0%
General Merchandise Stores	2	2,016,537	11.2%	4	2,105,678	11.4%
All Other Retail Stores	3	1,973,583	11.0%	3	2,384,631	12.9%
Automotive	4	1,875,269	10.4%	2	2,618,446	14.1%
Service Stations	5	1,831,391	10.2%	7	943,620	5.1%
Eating and Drinking Places	6	1,743,327	9.7%	5	1,375,098	7.4%
Building Materials	7	994,959	5.5%	6	1,348,880	7.3%
Food Stores	8	900,349	5.0%	9	823,780	4.5%
Apparel Stores	9	800,952	4.4%	11	515,374	2.8%
Household & Home Furnishings	10	264,527	1.5%	10	668,311	3.6%
Nonstore Retailers	11	101,914	0.7%	8	906,662	4.9%
Total All Outlets		<u>\$ 18,003,765</u>	<u>100.0%</u>		<u>\$ 18,506,466</u>	<u>100.0%</u>

Source: Board of Equalization

*Lastest information available

**SACRAMENTO TRANSPORTATION AUTHORITY
PRIVATE SECTOR PRINCIPAL EMPLOYERS
Calendar Year 2011 and 2003**

	2011*			2003		
	Rank	Employees	Percentage of Total County Employment	Rank	Employees	Percentage of Total County Employment
Dignity Health (formerly CHW / Mercy Health Care)	1	7,069	1.20%	5	6,709	0.42%
Intel Corporation	2	6,633	1.13%	4	7,000	0.47%
Kaiser Permanente	3	6,360	1.08%	3	7,480	0.94%
Sutter Health Sacramento Sierra Region	4	5,765	0.98%	1	8,250	0.50%
Raley's Inc / Bel Air	5	3,694	0.63%	2	7,746	0.62%
Health Net of California	6	2,552	0.43%			
Wells Fargo & Co	7	2,160	0.37%			
VSP Global	8	2,070	0.35%			
Aerojet	9	1,740	0.30%			
Delta Dental of California	10	1,300	0.22%			
Hewlett Packard				7	4,000	1.03%
Bank of America				8	3,500	0.56%
Wal-Mart				9	3,220	0.36%
SBC Communications				6	5,753	0.35%
Total		39,343	6.69%		53,658	5.59%

Source: Sacramento Business Journal, Apr 2012 for 2011 year (most recent available*) / Sacramento County 2012 CAFR used for year 2003

**SACRAMENTO TRANSPORTATION AUTHORITY
DEMOGRAPHICS AND ECONOMIC STATISTICS
CALENDAR YEARS 2003-2012**

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2012*	1,439,874	N/A	N/A	8.7%
2011	1,430,884	54,861,602	38,202	11.1%
2010	1,423,116	53,612,730	37,700	12.7%
2009	1,411,403	53,560,115	38,231	11.3%
2008	1,400,939	54,332,238	39,187	7.2%
2007	1,388,086	52,572,684	38,274	5.4%
2006	1,372,275	50,165,916	36,824	4.8%
2005	1,358,168	45,616,720	33,593	5.0%
2004	1,342,899	43,462,957	32,274	5.6%
2003	1,320,963	40,789,349	30,746	5.9%

* - latest available

Sources: California State Employment Development Department, Bureau of Economic Analysis,
California Department of Finance

**SACRAMENTO TRANSPORTATION AUTHORITY
OPERATING INFORMATION - EMPLOYEES
FY 2004 through FY 2013**

Activity	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Measure A	2.45	2.45	2.45	2.45	2.45	2.45	2.45	2.45	2.5	2.5
Freeway Service Patrol	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.3	1.3
SAVSA	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2

Source - Authority records

**SACRAMENTO TRANSPORTATION AUTHORITY
OPERATING INFORMATION - DEMAND FOR SERVICE
MEASURE A - By Jurisdiction
FY 2004 through FY 2013**

Jurisdiction	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
SMACQMD	\$ 1,407,308	\$ 1,342,830	\$ 1,258,355	\$ 1,203,395	\$ 1,210,653	\$ 1,520,895	\$ 1,786,043	\$ 1,712,031	\$ 1,485,865	\$ 1,366,560
RT South Line	-	-	-	-	-	-	\$ 5,399,139	\$ 5,535,678	\$ 4,664,757	\$ 4,184,634
City of Folsom	\$ 1,905,848	\$ 1,816,009	\$ 1,667,429	\$ 1,627,374	\$ 3,962,307	\$ 4,954,655	\$ 370,298			
City of Rancho Cordova	\$ 1,711,239	\$ 1,627,805	\$ 1,401,876	\$ 1,321,950	\$ 2,081,152	\$ 2,533,060	\$ 2,948,026	\$ 2,715,086	\$ 2,334,479	
City of Galt	\$ 958,170	\$ 914,734	\$ 857,824	\$ 820,800	\$ 1,312,785	\$ 1,639,684	\$ 1,946,664	\$ 1,849,731	\$ 1,609,751	\$ 1,462,420
City of Isleton	\$ 38,327	\$ 36,592	\$ 34,313	\$ 32,835	\$ 45,589	\$ 58,005	\$ 69,539	\$ 69,436	\$ 61,827	\$ 61,668
Paratransit	\$ 3,283,718	\$ 3,133,270	\$ 2,936,161	\$ 2,807,922	\$ 1,467,435	\$ 1,844,116	\$ 2,169,072	\$ 2,078,635	\$ 1,791,059	\$ 1,647,777
Regional Transit	\$ 32,368,073	\$ 30,885,085	\$ 28,942,154	\$ 27,678,086	\$ 25,680,118	\$ 32,272,033	\$ 37,888,003	\$ 36,376,101	\$ 31,343,525	\$ 28,836,096
City of Citrus Heights	\$ 1,891,987	\$ 1,802,800	\$ 1,726,097	\$ 1,655,413	\$ 3,066,507	\$ 3,905,241	\$ 4,680,394	\$ 4,407,218	\$ 4,028,138	\$ 3,789,063
City of Elk Grove	\$ 3,706,060	\$ 3,523,059	\$ 3,103,271	\$ 2,927,716	\$ 4,803,891	\$ 5,882,560	\$ 6,500,846	\$ 5,409,744	\$ 4,517,116	\$ 3,529,539
City of Sacramento	\$ 11,011,678	\$ 10,506,441	\$ 10,004,574	\$ 9,498,469	\$ 16,469,321	\$ 20,564,463	\$ 24,214,996	\$ 22,296,911	\$ 19,994,205	\$ 18,472,980
County of Sacramento	\$ 14,424,979	\$ 13,742,240	\$ 12,975,067	\$ 12,455,087	\$ 19,803,338	\$ 25,204,338	\$ 29,981,516	\$ 30,648,029	\$ 25,544,405	\$ 26,113,391
Sacramento Regional Parks*	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Neighborhood Shuttle Set Aside*	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CTSA Set Aside*	\$ 938,205	\$ 895,220	\$ 838,903	\$ 802,264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Note: Set Asides / Sacramento Regional Parks began in FY 09/10
Source - Authority records

**SACRAMENTO TRANSPORTATION AUTHORITY
RATIOS OF OUTSTANDING DEBT
FISCAL YEARS 2007-2012**

Fiscal Year	Sales Tax Revenue Notes	Percentage of Personal Income	Per Capita
2013*	371,655,000	n/a	n/a
2012*	318,300,000	n/a	n/a
2011	318,300,000	0.6%	224
2010	318,300,000	0.6%	226
2009	182,320,000	0.3%	131
2008	182,320,000	0.3%	132
2007	100,090,000	0.2%	73

* personal income and per capita not available
No debt was issued prior to 2007

**SACRAMENTO TRANSPORTATION AUTHORITY
OPERATING INFORMATION -
ABANDONED VEHICLE ABATEMENTS
FY 2004 through FY 2013**

Fiscal Year	Total Number of AbateMENTS
2013	6,222
2012	6,239
2011	7,334
2010	8,718
2009	11,575
2008	13,736
2007	14,690
2006	18,008
2005	20,848
2004	17,554

Source: Authority records