

Kevin Bewsey  
Executive Director  
Sacramento Transportation Authority  
801 12<sup>th</sup> St.  
5<sup>th</sup> floor  
Sacramento, CA 95814

Dear Mr. Bewsey:

We have completed our consideration of the Sacramento Transportation Authority (the "Authority")'s internal controls as part of our audit for fiscal year ended June 30, 2024 conducted in accordance with generally accepted auditing standards and *Government Auditing Standards*. During the course of our auditing procedures, we identified certain matters which are deserving of your attention. These matters did not constitute reportable findings which are reported in our separately issued *Independent Accountants' Report on Agreed-Upon Procedures Applied to Measure A Compliance*; that report is dated [REDACTED], 2024. The matters described below are disclosed for the purpose of constructive feedback and to communicate opportunities for improvement and strengthening of the Authority's internal controls.

Currently, the Authority does not have defined requirements for the local agencies to submit reports regarding the timing of costs and the accumulation of Measure A funds. Through our evaluation of internal controls, we believe the Authority could improve internal controls over the monitoring and oversight of local agency Measure A funds related to disbursements; accumulated fund balances; and project timing.

We recommend that the Authority implement defined compliance requirements for the local agencies to adhere to going forward. Some suggested actions could be:

- Require local agencies to report annually a 5-year spending plan for the use of accumulated Measure A funds.
- Including limits or boundaries for the quantity of extensions, tracking progress and the plan for completion of existing projects and compliance with defined maintenance of effort. As well as establishing penalties or implications for noncompliance with these new requirements.

The above matters have been previously discussed with the Authority's Finance Department, during our meeting which was held on October 29, 2024. Should any questions arise about these matters, we will be available for further discussion.

*Lance, Soll & Lughard, LLP*

Santa Ana, California  
[REDACTED], 2024