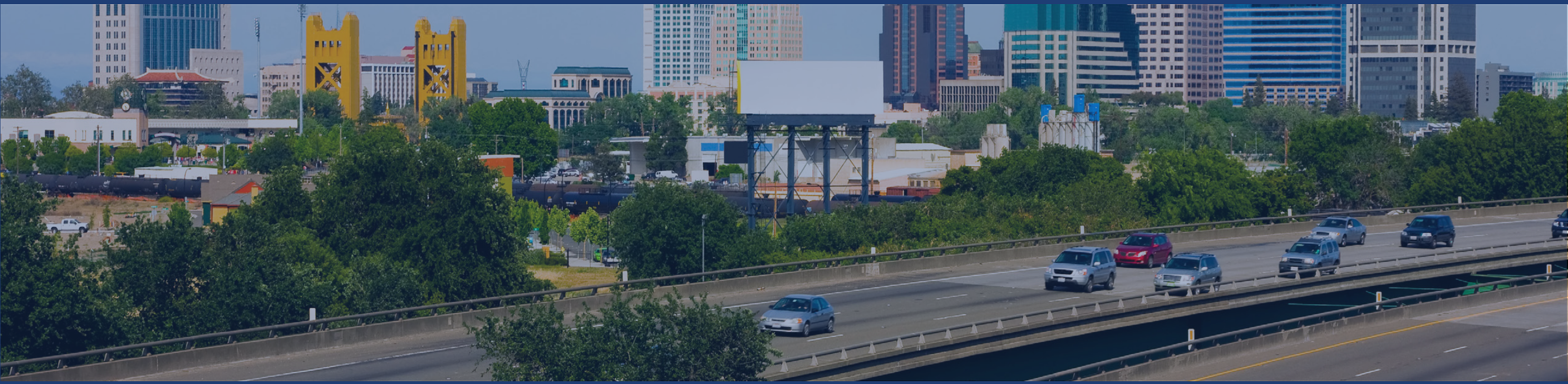

2023

SACRAMENTO TRANSPORTATION AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30TH, 2023

PREPARED BY STA STAFF • SACRAMENTO, CA

www.sacta.org

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

SACRAMENTO TRANSPORTATION AUTHORITY

Sacramento, California

FOR THE
FISCAL YEAR ENDED JUNE 30, 2023

PREPARED BY

Dustin Purinton, CPA
Accounting Manager

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SACRAMENTO TRANSPORTATION AUTHORITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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Sacramento Transportation Authority

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Web: SacTA.org

October 24, 2023

To the Sacramento Transportation Authority Governing Board and Citizens of Sacramento County:

Letter of Transmittal

The Annual Comprehensive Financial Report (ACFR) for the Sacramento Transportation Authority (the Authority) for the year ended June 30, 2023 is hereby submitted. State law and bond covenants require that the Authority publish within 210 days of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States (GAAP) and audited in accordance with generally accepted auditing standards by independent certified public accountants.

Management assumes responsibility for the completeness and reliability of the information presented in this report based on the Authority's comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Measure A requires that an Independent Taxpayer Oversight Committee (ITOC) supervise fiscal and performance audits regarding the use of all transportation sales tax funds and perform periodic independent reviews to ensure that all Measure A funds are spent in accordance with the provisions in the Ordinance approved by voters. Under the supervision of the ITOC, the Authority engages an independent audit firm to perform the annual financial and compliance audit of all Measure A, Sacramento County Abandoned Vehicle Service Authority (SAVSA) and Sacramento Metropolitan Freeway Service Patrol (SacMetro FSP) funds.

The Authority's current audit firm, Richardson & Company, LLP has issued an unmodified opinion on the Authority's financial statements for the year ended June 30, 2023. The Independent Auditor's Report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Authority

The Authority was established in August 1988 under the Local Transportation Authority and Improvement Act, California Public Utilities Code Division 19. The Governing Board of the Authority (Board) consists of sixteen-members – five from the Sacramento County Board of Supervisors, five from the Sacramento City Council, one from the Citrus Heights City Council, two from the Elk Grove City Council, one from the Folsom City Council, one from the Rancho Cordova City Council, and one from the Galt City Council who also represents the City of Isleton. The Board is responsible for establishing ordinances, adopting an annual budget, and hiring and overseeing the Executive Director. The Executive Director is responsible for carrying out the policies and ordinances of the Authority as well as overseeing day-to-day operations and Authority staff consisting of the Accounting Manager and the Special Programs Manager.

The Authority serves as the taxing and implementation agency for the voter-approved Measure A Transportation Improvement Program, which imposes a half-cent sales tax to fund transportation operations and improvements throughout the County. The original 20-year measure (Original Measure A) was approved in 1988 and began in April 1989. In 2004, voters approved a 30-year extension of Original Measure A beginning in April 2009 (Measure A). All sales tax revenue is restricted for public roadway improvements and maintenance, procuring open space mitigation, public transit, air quality, and elderly and handicapped transportation programs. However, 0.75% of the net sales tax revenue is allocated to the Authority for program administration costs.

Measure A also created the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). This program imposes a uniform transportation mitigation fee on new development in Sacramento County to assist in funding roadway and transit system improvements needed to accommodate projected growth and development.

In addition to the Measure A programs, the Board administers the SacMetro FSP program and acts concurrently as the authority over SAVSA which was established under California Vehicle Code Section 22710 in 1992. The code allows counties to impose a $1 surcharge on vehicle registrations to help fund the abatement of abandoned vehicles. This program expired on April 30, 2022. There is no secured funding for the future of this program. Authority staff are currently evaluating options to restart the program. Participating jurisdictions include the County of Sacramento and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova, and Sacramento. Each participating jurisdiction has adopted a local ordinance which establishes procedures for the abatement, removal, and disposal of abandoned vehicles.

SacMetro FSP was established in 1992 through a Memorandum of Understanding (MOU) with the California Department of Transportation (Caltrans), California Highway Patrol (CHP) and the Authority. Additionally, in 2009 the Authority assumed responsibility for administering FSP for Yolo County. Funding for the program is through the State Highway Account and local match funds from the Capitol Valley Regional Service Authority for Freeways & Expressways (CVR-SAFE). The program consists of a system of roving tow trucks deployed at peak traffic times to assist motorists with stalled vehicles and remove related hazards from the roadway. This reduces freeway delays caused by minor accidents, stalled vehicles, and in-lane debris, improving highway safety, and reducing emissions by easing highway congestion.

This report includes all funds and jurisdictions that are financially accountable to the Authority. Accountability is determined through budget adoption, taxing authority, and imposition of will.

Local Economy

As of July 2023, the unemployment rate for Sacramento County increased to 4.4%, up from 3.5% during October of last year. State unemployment stands at 4.8% and the national unemployment rate is 3.5%. Consumer spending has increased slightly, and purchasing has shifted away from purchases of goods to purchases of services. Recent sales tax forecasts by the Authority's consultant indicate softening into the next year.

The population in Sacramento County is more than 1.5 million and continues growing at an annual rate of about one percent. Sacramento's employment base is roughly 24% governmental since it is the State's capital where many governmental agencies are headquartered providing a relatively steady employment and tax base.

Regardless of future economic conditions, the Authority faces ongoing challenges in terms of providing needed infrastructure funding to support a growing population and economy that has outgrown the capacity of its existing infrastructure. However, the regional economy continues to retain many of the fundamental positive attributes that fueled earlier growth, including a large pool of skilled workers, and increasing wealth and education levels.

Long Term Financial Planning

Proactive financial planning is a critical element for the success of the Authority as it looks to the future. Regularly projecting and updating revenues and expenditures ensures that the Authority's expectations are realistic and goals achievable. The program is not anticipating additional debt funding, pay-as-you-go funding is the primary source of future funding. Monitoring program objectives and working closely with Measure A partners to meet those objectives will be an ongoing endeavor.

The Authority annually updates its long-term revenue projections and cash flows to determine the availability of funding for capital projects programmed in the Measure A Transportation Expenditure Plan. This effort ensures that funding is available when and where needed based on the latest information provided to the Authority by Measure A partner agencies. As needed, Authority staff work with the Authority's financial advisors to identify opportunities to reduce bond program costs and take advantage of opportunities that present themselves as market conditions dictate.

Accomplishments

Over the last year, Authority staff worked diligently to increase transparency and public accountability. Those efforts have led to many reports and points of public contact including the following:

- Prepared quarterly budget-to-actual summary reports for each of the programs the Authority administers. These documents are reviewed and discussed during regular public meetings held by the Board and ITOC.

- Presented budgetary amendments with detailed explanations for Board approval during the year.

- Reformatted and expanded the budget presentation to provide more information in a user-friendly format. Staff included a robust discussion regarding the Authority's capital program including all voter-approved projects and a five-year financing plan by project.

- Received the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award. This award is in recognition that the Authority met the very highest quality standards that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting.

- Built trusting relationships with our partner agencies by keeping clear channels of communication open through sharing information early and often.

- Continued supporting the ITOC as it carries out its mission to oversee fiscal and performance audits and ensure that all Measure A funds are spent in accordance with the provisions of the Expenditure Plan and Ordinance.

- Refinanced the 2012 Series bonds with more favorable terms which will result in interest savings of $1.95 million over the remaining maturities.

- Affirmed AAA credit ratings with Standard & Poor's and Fitch for the Authority's bond program.

In the coming fiscal year, staff will continue to identify and act on improvements in the way it does business. The business environment and transportation industry are continuously on the move – so are we.

Awards and Acknowledgements

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for the fiscal year ended June 30, 2022. This was the 28th consecutive year the Authority achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current ACFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for its next certification.

The ACFR each year is a collaborative effort by Authority staff and its independent auditors. The undersigned are grateful to all staff for their willingness to expend the effort necessary to ensure the financial information contained herein is accurate and completed within established deadlines.

In closing, without the leadership and the support of the Board, preparation of this report would not have been possible. Its prudent management must be credited for the strength of the Authority's sound fiscal condition, and its vision ensures that the Sacramento Transportation Authority will be on the move planning for and building a better future for Sacramento County residents and commuters.

Respectfully Submitted,

Dustin Purinton	Kevin Bewsey
DUSTIN PURINTON, CPA	KEVIN BEWSEY, PE
Accounting Manager	Executive Director

SACRAMENTO TRANSPORTATION AUTHORITY

LIST OF PRINCIPAL OFFICIALS

June 30, 2023

GOVERNING BOARD MEMBERS

PATRICK KENNEDY, County of Sacramento
PHIL SERNA, County of Sacramento
RICH DESMOND, County of Sacramento (Chair)
SUE FROST, County of Sacramento
PATRICK HUME, County of Sacramento
ROSARIO RODRIGUEZ, City of Folsom
KATIE VALENZUELA, City of Sacramento
ERIC GUERRA City of Sacramento (Vice Chair)
MAI VANG, City of Sacramento
CAITY MAPLE, City of Sacramento
KARINA TALAMANTES, City of Sacramento
JAYNA KARPINSKI-COSTA, City of Citrus Heights
BOBBIE SINGH-ALLEN, City of Elk Grove
KEVIN SPEASE, City of Elk Grove
PAUL SANDHU, City of Galt and Isleton
DONALD TERRY, City of Rancho Cordova

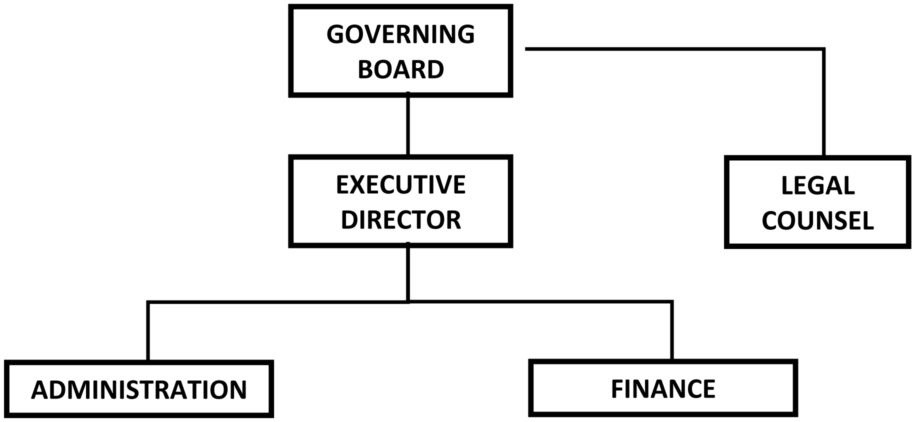
Alternates

NICK AVDIS, County of Sacramento
SHAWN FARMER, City of Galt
BRET DANIELS, City of Citrus Heights
MIKE KOZLOWSKI, City of Folsom
SIRI PULIPATI, City of Rancho Cordova
DARREN SUEN, City of Elk Grove

STAFF

KEVIN BEWSEY, Executive Director
DUSTIN PURINTON, Accounting Manager
JENNIFER DOLL, Special Programs Manager
WILLIAM BURKE, Legal Counsel

SACRAMENTO TRANSPORTATION AUTHORITY
For the Year Ended June 30, 2023
Organization Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sacramento Transportation Authority
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

550 Howe Avenue, Suite 210
Sacramento, California 95825

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Fax: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sacramento Transportation Authority
Sacramento, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sacramento Transportation Authority (Authority), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Authority as of June 30, 2023, and the respective changes in financial position and respective budgetary comparisons for the General Fund, Abandoned Vehicle Special Revenue Fund and Transit Services Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions to Pension Plan and Schedule of Changes in the Total OPEB Liability and Related Ratios as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 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.

To the Board of Directors
Sacramento Transportation Authority

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Richardson & Company, LLP

October 24, 2023

SACRAMENTO TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

As management of the Sacramento Transportation Authority (Authority) and the Sacramento Abandoned Vehicle Service Authority (SAVSA), collectively the Authority, we offer readers the Authority's financial statements and this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information furnished in the transmittal letter and financial statements, which are included in this report.

Financial Highlights

- During the fiscal year 2022-23, the total revenue increased to $195.2 million from $186.3 million in the previous year, indicating a 4.8% growth. The primary driver of this uptick was interest revenue, notably amounting to $8.4 million compared to the previous $204,000, representing much of the revenue increase. This is attributed to the escalating interest rates observed throughout the 2023 fiscal year. These heightened rates impacted interest payments generated from interest rate swaps, which are linked to LIBOR interest rates and showed consistent upward movement in 2023.
- In the fiscal year 2022-23, the overall spending reduced by $9.4 million (-5.1%), reaching $175.5 million compared to the previous year's $185.0 million. The primary driver of this reduction was a $9.0 million decrease linked to the capital improvement program (CIP) expenses. CIP spending is disbursed for specific agency projects based on agreed reimbursement agreements; the timing of agency spending is independent of Authority control.
- Net position was negative $276.7 million (deficit). The deficit decreased by $19.7 million (6.7%) when compared to the prior year. The deficit will continue since the Authority reports debt associated with its capital program, but the assets constructed are reported in the financial statements of the agencies building them. This was bolstered in the current year by a slowdown in CIP spending in the current year noted above.

Overview of the Financial Statements

This discussion and analysis serve as an introduction to the Authority's basic financial statements, which are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report contains the required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* provide readers with a broad overview of the Authority's finances, like a private sector business.

The *statement of net position* presents information on all the Authority's assets, liabilities, and deferred outflows/inflows of resources with the difference 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 Authority's net position changed during the 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 expenditures are reported for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements report the functions of the Authority principally supported by sales tax and mitigation fee revenues. The governmental activities of the Authority include Measure A formulaic allocations, capital program costs, Sacramento Metropolitan (SacMetro) Freeway Service Patrol (FSP) and SAVSA services, transit services, and general administration.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting ensures and demonstrates compliance with finance-related legal requirements.

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, governmental fund financial statements focus on near-term inflows/outflows of spendable resources and 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.

Since 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. As a result, 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 government-wide financial information.

The Authority's governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balance include four separate funds - the General Fund, two Special Revenue Funds, and a Debt Service Fund.

The Authority adopts an annual budget for the General Fund, SAVSA Special Revenue fund, and Debt Service fund. A budgetary comparison schedule for the General Fund and SAVSA are part of the basic financial statements, while the Debt Service budgetary comparison schedule can be found in the supplementary section.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

Within the *statement of net position,* the most significant change was a $28.1 million (-6.9%) decrease in Non-Current Liabilities attributed primarily to the decrease of $20.1 million (-37.0%) in the fair value of the Authority's interest rate hedging derivatives. Annually, an independent third party estimates the fair market value to exit the three forward interest rate swap agreements to hedge the variable interest rate risk associated with the Series 2009A, 2014A, and 2015A Measure A sales tax revenue bonds. During the past fiscal year federal interest rates have increased steadily from historic lows, which decreased the difference between the variable (amount of interest the Authority receives) and fixed interest rates (amount of interest the Authority pays) and in turn decreased the fair value of the hedging derivatives.

- Current and other assets and current liabilities increased by $15.2 million (17.3%) and $608,000 (1.8%), respectively. The increase in current and other assets was chiefly due to reduced spending in the CIP program for the present year. Concurrently, the rise in current liabilities primarily stemmed from differences in expense accruals this year. Notably, a substantial accrual of $515,000 payable to the County of Sacramento Elections Office contributed to this increase, which was absent in the preceding fiscal year.
- Non-current liabilities decreased a total of $28.1 million (-6.9%). The change was driven by the decreased value of the interest rate hedging derivatives reported, which is also reported as deferred outflows of resources.

SACRAMENTO TRANSPORTATION AUTHORITY STATEMENT OF NET POSITION			Variance	
	2023	2022	Dollar	Percent
Current and Other Assets	$ 102,889,997	$ 87,691,479	$ 15,198,518	17.3%
Total assets	102,889,997	87,691,479	15,198,518	17.3%
Deferred outflows of resources	35,790,020	55,977,244	(20,187,224)	(36.1%)
Current Liabilities	35,175,893	34,567,559	608,334	1.8%
Non -Current Liabilities	376,748,428	404,879,197	(28,130,769)	(6.9%)
Total liabilities	411,924,321	439,446,756	(27,522,435)	(6.3%)
Deferred inflows of resources	3,410,328	590,915	2,819,413	477.1%
Net position				
Restricted for Measure A	58,669,761	38,547,188	20,122,573	52.2%
Restricted for debt service	7,498,295	6,714,471	783,824	11.7%
Resticted for Transit	6,159,270	12,672,072	(6,512,802)	(51.4%)
Restricted for Other	286,860	367,382	(80,522)	(21.9%)
Unrestricted	(349,268,818)	(354,670,061)	5,401,243	1.5%
Total net position (deficit)	$ (276,654,632)	$ (296,368,948)	$ 19,714,316	6.7%

The majority of the Authority's deficit net position represents debt issued to fund capital projects constructed by other local agencies and reported in their financial statements. The Authority is a pass-through agency that exists to fund projects, not build them.

Highlighted in the *Statement of Activities* were notable shifts, notably a $9.5 million increase (5.5%) in general revenue sourced from a countywide sales tax of one-half cent, as well as interest revenue. As previously mentioned in the financial summary, the rise in interest rates led to amplified swap partner payments to the Authority. On the other hand, program revenues experienced a decline of $0.5 million (-4.0%). Within this decrease, $1.2 million was associated with the sunset of the Sacramento Abandoned Vehicle Services Authority (SAVSA) program, which witnessed a considerable reduction in revenue during the 2023 fiscal year. Conversely, there was an uptick of approximately $0.6 million (7.5%) in development fees received through the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). This program generates a fee on new development that is used to mitigate the impacts on transportation infrastructure.

Measure A expenditure decreased by $8.1 million (-5.1%) because there was a reduction in CIP program spending in the 2023 fiscal year, the timing of expenditures is not predictable, but it never exceeds the amounts budgeted with the assistance of partner agencies.

SACRAMENTO TRANSPORTATION AUTHORITY STATEMENT OF ACTIVITIES				
			Variance	
	2023	2022	Dollar	Percent
Revenues:				
Program Revenue	$ 12,619,443	$ 13,148,712	$ (529,269)	(4.0%)
General Revenue	182,604,763	173,120,203	9,484,560	5.5%
Total revenues	195,224,206	186,268,915	8,955,291	4.8%
Expenses:				
Measure A	149,914,910	157,983,986	(8,069,076)	(5.1%)
Debt Service	18,120,764	14,626,531	3,494,233	23.9%
Transit Services	2,207,849	6,753,289	(4,545,440)	(67.3%)
SAVSA	25,139	1,082,042	(1,056,903)	(97.7%)
Other	5,241,228	4,510,638	730,590	16.2%
Total expenses	175,509,890	184,956,486	(9,446,596)	(5.1%)
Change in net position	19,714,316	1,312,429	18,401,887	1,402.1%
Net position (deficit) - beginning	(296,368,948)	(297,681,377)	1,312,429	0.4%
Net position (deficit) - ending	$ (276,654,632)	$ (296,368,948)	$ 19,714,316	6.7%

Governmental Funds Financial Analysis

As of June 30, 2023, the aggregate fund balances of the Authority's governmental funds amounted to $74.2 million, reflecting a growth of $13.8 million (22.8%) compared to the previous year's balance of $60.4 million. This rise is primarily attributed to the General Fund, which experienced a reduction in CIP program spending ($9.0 million) and an uptick in interest revenue during the 2023 fiscal year ($7.8 million). These increments were balanced out by escalations in Administrative Expenses ($740,000), Professional Services ($216,000), and Intergovernmental pass-through funding ($942,000). Additional information on general fund activity is in the following pages.

SACRAMENTO TRANSPORTATION AUTHORITY FUND BALANCE				
			Variance	
	2023	2022	Dollar	Percent
General Fund	$ 60,422,279	$ 46,215,439	$ 14,206,840	30.7%
SAVSA*	143,428	134,606	8,822	6.6%
Transit Service	6,159,270	7,108,570	(949,300)	(13.4%)
Debt Service	7,498,295	6,980,101	518,194	7.4%
Total	$ 74,223,272	$ 60,438,716	$ 13,784,556	22.8%

* Sacramento Abandoned Vehicle Service Authority

All fund balances are restricted for specific purposes with the exception of the amount available in the General Fund for program administration – about $1.6 million as of June 30, 2023. The General Fund balance was expected to increase during FY 2022-23 as the Authority decreased spending on its capital improvement program using less cash. During FY 2022-23 revenues increased adding to the cash reserves and fund balance during the fiscal year.

General Fund – This fund reports activity for the Measure A program, the SCTMFP, SacMetro FSP, and general administration. The General Fund ended the year with a fund balance of $60.4 million, or $14.2 million (30.7%) more than the prior year.

- Cash and investments increased by $20.6 million (67.8%) because capital improvement program expenditures were lower in the current year ($9.0 million). This increase was also due to an increase in accounts payable and due to other governments ($1.1 million), that will be paid out of cash balances at a later date. Restricted cash of $5.7 million was released into the CIP program cash reserve.
- Interest receivable increased about $863,000 (802.6%) because the year-end accruals were based on higher cash balances and higher interest rates close to the fiscal year end.
- Due from other governments decreased $0.5 million (-1.5%) because sales tax revenue accruals for the last two months of the fiscal year were $771,000 lower than in the prior year.
- Restricted cash and investments have decreased $5.7 million (-100%) because this restricted investment has been released as part of the 2022 Bond Series refinancing. This was released into the CIP program fund reserve.
- Accounts payable decreased more than $291,000 (58.2%) because invoices due to SacMetro FSP contractors were paid more timely resulting in a lower accounts payable liability at year end.
- Due to Other Governments increased by $1.4 million (5.3%). A portion of the difference was an increase of $515,000 due to the County of Sacramento for 2022 election expenses that didn't occur in the prior year. This was offset by a decrease in ongoing Measure A expenditures by $770,000 between years. Variances in capital improvement projects payment timing caused the majority of the difference.
- Non-spendable fund balance increased by $53,000 due to prepaid expenses that are amounts paid to vendors for services in the following year.
- SCTMFP fund balance increased $6.3 million (113.2%) because the capital improvement program decreased in the current year, paired with an increase in impact fees of $619,000 in the current year.
- SacMetro FSP fund balance decreased by almost $89,000 (-38.4%) as program expenditures were greater than the associated program revenues.
- General Administration fund balance decreased approximately $316,000 (-16.9%) due to increased pension obligations in the amount of $71,000 and an increase in professional services expense of $578,000 mainly due to a one-time County of Sacramento Election expense. A change in the allocation method resulted in a higher proportion of expenses going to the general administration fund.

SACRAMENTO TRANSPORTATION AUTHORITY BALANCE SHEET - GENERAL FUND				
			Variance	
	2023	2022	Dollar	Percent
Assets:				
Cash and Investments	$ 50,930,460	$ 30,351,915	$ 20,578,545	67.8%
Prepaid Items	53,062		53,062	100.0%
Interest Receivable	970,547	107,533	863,014	802.6%
Due From Other Governments	36,512,074	37,053,470	(541,396)	(1.5%)
Due From Other Funds	21,535		21,535	100.0%
Restricted Cash and Investments		5,673,417	(5,673,417)	(100.0%)
Total assets	88,487,678	73,186,335	15,301,343	20.9%
Liabilities:				
Accounts Payable	209,149	500,170	(291,021)	(58.2%)
Due to Other Governments	27,699,908	26,304,059	1,395,849	5.3%
Due to Other Funds	156,342	166,667	(10,325)	(6.2%)
Total liabilities	28,065,399	26,970,896	1,094,503	4.1%
Fund Balances:				
Nonspendable				
Prepaid Items	53,062		53,062	100.0%
Restricted				
Measure A	46,807,299	38,547,188	8,260,111	21.4%
SCTMFP	11,862,462	5,563,502	6,298,960	113.2%
SacMetro FSP	143,432	232,776	(89,344)	(38.4%)
Unassigned				
General Administration	1,556,024	1,871,973	(315,949)	(16.9%)
Total fund balance	60,422,279	46,215,439	14,206,840	30.7%
Total Liabilities and Fund Balances	$ 88,487,678	$ 73,186,335	$ 15,301,343	20.9%

General Fund Budgetary Highlights

Revenues – Sales Tax Revenues fell slightly short of projections by $1.9 million (-1.1%) due to the slowdown in economic conditions toward the end of the 2022-23 fiscal year, attributed to rising inflation and interest rates affecting the overall economy. Despite this, the local economy fared relatively better compared to other areas in the state. On the positive side, SCTMFP revenues exceeded expectations, surpassing estimates by almost $2.9 million (32.2%). This increase was attributed to the sustained momentum in development activities, although it's worth noting that this revenue source has historically shown volatility.

Contrary to expectations, funding for the SacMetro FSP program was lower by nearly $0.2 million (-5.9%) due to the depletion of carryover balances in state funding during the fiscal year. Unlike prior years where a carryover balance provided a financial cushion, this year saw no such buffer, resulting in a funding shortfall. In a surprising turn, revenue from 'Use of Money and Property' significantly exceeded projections, surpassing expectations by almost $3.5 million (43.7%). This unexpected increase was primarily due to rising interest rates during the year and higher cash balances.

Expenditures – Expenditures among government entities decreased significantly from the budgeted amount for intergovernmental expenses, primarily because the capital improvement program spending remained under budget. This reduction amounted to $13.4 million (98.6%), driven by local jurisdictions not utilizing their full budget allocations for the year. The fiscal budget imposes a cap on available funds for each jurisdiction, and they adhere to this limit, refraining from exceeding their allocated amounts.

Additionally, ongoing intergovernmental expenditures saw a decrease of $2.7 million (2.0%), largely attributed to lower-than-expected sales tax revenues. On the other hand, administrative expenditures notably increased this year $415,000 (26.9%), largely due to a one-time expense of $515,000 for County of Sacramento Election Services.

SACRAMENTO TRANSPORTATION AUTHORITY BUDGET TO ACTUAL ANALYSIS GENERAL FUND					
	Budgeted Amounts			Variance	
	Original	Final	Actual	Dollar	Percent
Revenues:					
Taxes	$ 174,980,000	$ 176,143,000	$ 174,233,661	$ (1,909,339)	(1.1%)
SCTMFP	6,002,671	6,002,671	8,856,243	2,853,572	32.2%
Grants for SacMetro FSP	3,920,122	3,920,122	3,703,218	(216,904)	(5.9%)
Use of Money and Property	250,000	4,515,050	8,019,802	3,504,752	43.7%
Miscellaneous	50		2,515	2,515	100.0%
Total Revenues	185,152,843	190,580,843	194,815,439	4,234,596	2.2%
Expenditures:					
General Government:					
Administrative	739,224	1,129,624	1,544,851	(415,227)	(26.9%)
SacMetro FSP	3,596,478	3,596,478	3,792,562	(196,084)	(5.2%)
Intergovernmental	138,036,473	138,953,929	136,283,338	2,670,591	2.0%
Capital Outlay	27,076,265	27,076,268	13,631,572	13,444,696	98.6%
Debt Service:					
Principal			48,626	(48,626)	(100.0%)
Interest and other charges			10,672	(10,672)	(100.0%)
Total Expenditures	169,448,440	170,756,299	155,311,621	15,444,678	9.9%
Other Financing Sources (Uses):					
Transfers out	(23,583,655)	(27,526,357)	(25,296,978)	2,229,379	(8.8%)
Total Other Financing Sources (Uses)	(23,583,655)	(27,526,357)	(25,296,978)	2,229,379	(8.8%)
Changes in Fund Balance	(7,879,252)	(7,701,813)	14,206,840	21,908,653	154.2%
Fund Balance Beginning of Year	46,215,439	46,215,439	46,215,439		
Fund Balance End of Year	$ 38,336,187	$ 38,513,626	$ 60,422,279	$ 21,908,653	36.3%

Other Financing Sources (Uses) – The actual expenditures related to debt service were nearly $2.2 million (8.5%) below the budgeted amount.

Long-term Debt

In October 2009, the Authority issued $318.3 million in variable rate sales tax revenue bonds. The bonds issued were in three Series – 2009A, B, and C. Subsequently, Series 2014A and 2015A bonds refunded Series 2009A and 2009B bonds, respectively. In July 2012, the Authority issued an additional $53.4 million in fixed-rate sales tax revenue bonds to accelerate transportation construction projects. The Authority began making principal payments on the Series 2012 bonds in FY 2016-17. In September 2022, the Authority refinanced the Series 2012 bonds with the Series 2022 bonds at a more favorable interest rate over the maturity of the debt. Below is a summary of the Authority's bond portfolio as of June 30, 2023. For more detailed information on long-term debt, please refer to note 8.

SACRAMENTO TRANSPORTATION AUTHORITY LONG-TERM DEBT			
	Amount	Type	Maturity
Series 2009C	$ 106,100,000	VRDB*	October 2038
Series 2014A	106,100,000	VRDB*	October 2038
Series 2015A	106,100,000	VRDB*	October 2038
Series 2022	24,245,000	Fixed	October 2027
Total	$ 318,300,000		

* Variable Rate Demand Bond

The Series 2009C bonds are variable-rate with a weekly interest rate reset. The Authority entered into an interest rate swap agreement that synthetically fixed the interest rate at about 3.736%.

In September 2014, the Authority refunded $106.1 million in Series 2009A bonds with Series 2014A variable rate sales tax revenue refunding bonds to release $8.2 million held in a reserve fund for debt service. These bonds are hedged against interest rate risk with an interest rate swap agreement that synthetically fixes the interest rate at 3.736%.

In March 2015, the Authority refunded $106.1 million in Series 2009B bonds with Series 2015A variable rate sales tax revenue refunding bonds to release $10.3 million held in a reserve fund for debt service. The released funds were used to pay for capital projects and issuance costs. These bonds are hedged against interest rate risk with an interest rate swap agreement that synthetically fixes the interest rate at 3.666%.

All three VRDB Series noted above are supported by a credit facility and remarketing agent agreement. The bondholders have the right to tender the bonds weekly. Upon tender, the remarketing agent attempts to remarket the bonds. If the remarketing is unsuccessful, the bank will draw upon the credit facility purchasing the bonds which enter a bank bond period in which they accrue interest charges. All three VRDB Series noted above are supported by a credit facility which has never been used since the bonds have always been remarketable.

Economic Indicators

As of August 2023, Sacramento County had an unemployment rate of 4.7%, a rise from 3.5% in October of the previous year. This is higher than the national unemployment rate of 3.8% and lower than California's unemployment rate of 5.1%. Sacramento County has fared relatively better than the state, attributed in part to its status as the state capital and a hub for government employment. According to July 2023 employment data from the U.S. Bureau of Labor Statistics Economy at a Glance, government jobs accounted for 22.9% of the nonfarm labor force in Sacramento County. Total nonfarm employment increased by 26,900 (2.5%) over the past year, reaching 1,091,400. The sectors experiencing the largest employment gains were education and health services (7.4%) and other services (5.5%). Nationally, rising inflation and the Federal Reserve's increase in the Federal Funds Rate, coupled with international conflicts, are contributing to economic uncertainty looking ahead.

Contacting the Authority’s Management

This financial report provides a general overview of the Authority’s finances by showing the Authority’s accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Accounting Manager at 801 12th Street Floor 5, Sacramento, California 95814-2947. This report is available on the Authority’s website at www.sacta.org.

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BASIC

FINANCIAL STATEMENTS

SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities
ASSETS:	
Cash and investments	$ 51,094,701
Receivables:	
Interest	1,123,169
Due from other governments	36,519,585
Prepaid items	53,062
Restricted cash and investments	13,836,715
Right of use assets, net	262,765
Total assets	102,889,997
DEFERRED OUTFLOW OF RESOURCES	
Fair value of hedging derivatives (long-term interest rates)	35,110,831
Pension	650,669
OPEB	28,520
	35,790,020
LIABILITIES:	
Accounts payable	253,850
Due to other governments	28,150,110
Interest payable	2,317,700
Long-term liabilities:	
Due within one year	4,454,233
Long-term debt, due in more than one year	375,024,127
Lease liability, due in more than one year	235,375
Compensated absences, due in more than one year	13,755
Net pension liability, due in more than one year	1,334,975
Net OPEB liability, due in more than one year	140,196
Total liabilites	411,924,321
DEFERRED INFLOW OF RESOURCES	
Pension	106,726
OPEB	41,040
Deferred amount on refunding	3,262,562
	3,410,328
NET POSITION:	
Restricted for Measure A projects	46,807,299
Restricted for transit services	6,159,270
Restricted for transportation mitigation	11,862,462
Restricted for freeway service patrol	143,432
Restricted for abandoned vehicle program	143,428
Restricted for debt service	7,498,295
Unrestricted	(349,268,818)
Total net position	$ (276,654,632)

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

SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) and Revenue Governmental Activities
Governmental Activities:			
Measure A	$ 147,289,159		$ (147,289,159)
Sacramento Countywide Transportation Mitigation Fee Program	2,625,751	$ 8,856,243	6,230,492
Transit services	2,207,849		(2,207,849)
Freeway Service Patrol Program	3,792,562	3,703,218	(89,344)
Sacramento Abandoned Vehicle Service Authority	25,139	59,982	34,843
Administration	1,448,666		(1,448,666)
Interest on long-term debt	18,120,764		(18,120,764)
Total governmental activities	$ 175,509,890	$ 12,619,443	(162,890,447)
	General revenues:		
	Sales taxes		174,233,661
	Interest, investment earnings and other		8,371,102
	Total general revenues		182,604,763
	Change in net position		19,714,316
	Net position - beginning		(296,368,948)
	Net position - ending		$ (276,654,632)

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

SACRAMENTO TRANSPORTATION AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

	General	Abandoned Vehicle Special Revenue	Transit Services Special Revenue	Debt Service	Total Governmental Funds
ASSETS:					
Cash and investments	$ 50,930,460	$ 164,241			$ 51,094,701
Prepaid items	53,062				53,062
Receivables:					
Interest	970,547	3,444	$ 149,178		1,123,169
Due from other governments	36,512,074	7,511			36,519,585
Due from other funds	21,535		166,666		188,201
Restricted cash and investments			6,293,628	$ 7,543,087	13,836,715
TOTAL ASSETS	$ 88,487,678	$ 175,196	$ 6,609,472	$ 7,543,087	$ 102,815,433
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and other accrued liabilities	$ 209,149			$ 44,701	$ 253,850
Due to other governments	27,699,908		$ 450,202		28,150,110
Due to other funds	156,342	$ 31,768		91	188,201
Total liabilites	28,065,399	31,768	450,202	44,792	28,592,161
FUND BALANCES:					
Nonspendable:					
Prepaid items	53,062				53,062
Restricted:					
Measure A projects	46,807,299				46,807,299
Transit services			6,159,270		6,159,270
Transportation mitigation	11,862,462				11,862,462
Freeway service patrol	143,432				143,432
Debt service				7,498,295	7,498,295
Abandoned vehicles		143,428			143,428
Unrestricted/unassigned:					
General administration	1,556,024				1,556,024
Total fund balances	60,422,279	143,428	6,159,270	7,498,295	74,223,272
TOTAL LIABILITIES AND FUND BALANCES	$ 88,487,678	$ 175,196	$ 6,609,472	$ 7,543,087	$ 102,815,433

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

SACRAMENTO TRANSPORTATION AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2023

Ending Fund Balances per governmental fund balance sheet (page 14)		$ 74,223,272
Amounts reported for the governmental activities in the statement of net position are different because:		
Long-term debt, including premium and hedging derivatives, are not due and payable in the current period and therefore are not reported in the fund statements.		
Deferred amount on refunding	(3,262,562)	
Bonds, including premiums and hedging derivatives	(379,458,360)	
Fair value of hedging derivatives	35,110,831	(347,610,091)
Lease liability, and related right of use asset, is not due and payable in the current period and therefore are not reported in the fund statements.		
Right of use asset	262,765	
Lease liability	(235,375)	27,390
Pension and OPEB liabilities is not due and payable in the current period and is not reported in the fund statements.		
Deferred outflow of resources	679,189	
Pension liability	(1,334,975)	
OPEB liability	(140,196)	
Deferred inflow of resources	(147,766)	(943,748)
Interest payable is not due and payable in the current period and therefore is not reported in the fund statements.		(2,317,700)
Compensated absences are not due and payable in the current period and therefore are not reported in the fund statements.		(33,755)
Net position of governmental activities (page 12)		$ (276,654,632)

SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General	Abandoned Vehicle Special Revenue	Transit Services Special Revenue	Debt Service	Totals Governmental Fund
REVENUES:					
Taxes	$ 174,233,661				$ 174,233,661
Mitigation fees	8,856,243				8,856,243
Vehicle registration fees		$ 59,982			59,982
Grants for freeway services	3,703,218				3,703,218
Use of money and property	8,019,802	5,747	$ 258,549	$ 84,489	8,368,587
Miscellaneous	2,515				2,515
Total revenues	194,815,439	65,729	258,549	84,489	195,224,206
EXPENDITURES:					
General government:					
Administrative	1,544,851	31,768			1,576,619
Freeway Service Patrol	3,792,562				3,792,562
Intergovernmental:					
Ongoing	136,283,338	25,139	2,207,849		138,516,326
Capital	13,631,572				13,631,572
Debt Service:					
Principal	48,626				48,626
Interest and other charges	10,672			19,765,089	19,775,761
Total expenditures	155,311,621	56,907	2,207,849	19,765,089	177,341,466
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	39,503,818	8,822	(1,949,300)	(19,680,600)	17,882,740
OTHER FINANCING SOURCES (USES):					
Refunding bonds issued				24,245,000	24,245,000
Premium on refunding bonds issued				2,056,816	2,056,816
Payments to refunded bond escrow agent				(30,400,000)	(30,400,000)
Transfers in			1,000,000	24,296,978	25,296,978
Transfers out	(25,296,978)				(25,296,978)
Total other financing sources (uses)	(25,296,978)		1,000,000	20,198,794	(4,098,184)
CHANGES IN FUND BALANCES	14,206,840	8,822	(949,300)	518,194	13,784,556
FUND BALANCE, BEGINNING OF YEAR	46,215,439	134,606	7,108,570	6,980,101	60,438,716
FUND BALANCES, END OF YEAR	$ 60,422,279	$ 143,428	$ 6,159,270	$ 7,498,295	$ 74,223,272

The notes to the basic 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, 2023

Changes in fund balances - total governmental funds (page 16)	$ 13,784,556
Amounts reported for governmental activities in the statement of activities are different because:	
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These are the amounts by which repayments exceed proceeds.	
Principal payments	30,400,000
Proceeds from bond refunding	(26,301,816)
Capital outlay and lease proceeds are reported in governmental funds. Lease payment reduce long-term liabilities in the statement of net position. Right of use asset is recorded in the statement of activities and is allocated over the life of the lease as amortization expense.	
Amortization - right of use asset	(59,495)
Principal payments on lease liability	48,626
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not expenditures in the governmental funds.	
Change in pension liability and related deferred inflows/outflows	143,850
Change in OPEB liability and related deferred inflows/outflows	22,548
Change in compensated absences	21,050
Change in interest payable	770,729
Deferred amount on refunding amortization	575,746
Bond premium amortization	308,522
Change in Net Position of governmental activities (page 13)	$ 19,714,316

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

SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES:				
Taxes	$ 174,980,000	$ 176,143,000	$ 174,233,661	$ (1,909,339)
Mitigation fees	6,002,671	6,002,671	8,856,243	2,853,572
Grants for freeway services	3,920,122	3,920,122	3,703,218	(216,904)
Use of money and property	250,000	4,515,050	8,019,802	3,504,752
Miscellaneous	50		2,515	2,515
Total revenues	185,152,843	190,580,843	194,815,439	4,234,596
EXPENDITURES:				
General government:				
Administrative	739,224	1,129,624	1,544,851	(415,227)
Freeway Service Patrol	3,596,478	3,596,478	3,792,562	(196,084)
Intergovernmental:				
Ongoing	138,036,473	138,953,929	136,283,338	2,670,591
Capital	27,076,265	27,076,268	13,631,572	13,444,696
Debt Service:				
Principal			48,626	(48,626)
Interest and other charges			10,672	(10,672)
Total expenditures	169,448,440	170,756,299	155,311,621	15,444,678
EXCESS OF REVENUES OVER EXPENDITURES	15,704,403	19,824,544	39,503,818	19,679,274
OTHER FINANCING SOURCES (USES):				
Transfers out	(23,583,655)	(27,526,357)	(25,296,978)	2,229,379
Total other financing sources (uses)	(23,583,655)	(27,526,357)	(25,296,978)	2,229,379
Changes in fund balance	(7,879,252)	(7,701,813)	14,206,840	21,908,653
FUND BALANCE, BEGINNING OF YEAR	46,215,439	46,215,439	46,215,439	
FUND BALANCE, END OF YEAR	$ 38,336,187	$ 38,513,626	$ 60,422,279	$ 21,908,653

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

SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ABANDONED VEHICLE SPECIAL REVENUE FUND
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	**Final**	**Amounts**	**Final Budget**
REVENUES:				
Vehicle registration fees		$ 40,000	$ 59,982	$ 19,982
Use of money and property - interest	$ 20	20	5,747	5,727
Total revenues	20	40,020	65,729	25,709
EXPENDITURES:				
General government:				
Administrative	19,285	40,285	31,768	8,517
Intergovernmental		35,000	25,139	9,861
Total expenditures	19,285	75,285	56,907	18,378
EXCESS OF REVENUES OVER EXPENDITURES	(19,265)	(35,265)	8,822	44,087
FUND BALANCE, BEGINNING OF YEAR	134,606	134,606	134,606	
FUND BALANCE, END OF YEAR	$ 115,341	$ 99,341	$ 143,428	$ 44,087

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

SACRAMENTO TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSIT SERVICES SPECIAL REVENUE FUND
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and				
property - interest	$ 9,500	$ 9,500	$ 258,549	$ 249,049
Total revenues	9,500	9,500	258,549	249,049
EXPENDITURES:				
Intergovernmental	5,462,106	5,462,106	2,207,849	3,254,257
Total expenditures	5,462,106	5,462,106	2,207,849	3,254,257
EXCESS OF REVENUES OVER EXPENDITURES	(5,452,606)	(5,452,606)	(1,949,300)	3,503,306
OTHER FINANCING USES:				
Transfers in	1,000,000	1,000,000	1,000,000	
Total other financing uses	1,000,000	1,000,000	1,000,000	-
Changes in fund balance	(4,452,606)	(4,452,606)	(949,300)	3,503,306
FUND BALANCE, BEGINNING OF YEAR	7,108,570	7,108,570	7,108,570	
FUND BALANCE, END OF YEAR	$ 2,655,964	$ 2,655,964	$ 6,159,270	$ 3,503,306

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

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sacramento Transportation Authority (Authority) and the Sacramento Abandoned Vehicle Service Authority (SAVSA) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Organizations: In August 1988, the Authority was established under the Local Transportation and Improvement Act, California Public Utilities Code Division 19. In November 1988, Sacramento County voters approved an ordinance (Original Measure A) enacted by the Authority's Governing Board (Board) imposing a retail transactions and use tax (sales tax) increase throughout the County at a maximum rate of 0.5% for a period of 20 years. In November 2004, taxpayers approved a 30-year extension of the sales tax beginning in April 2009 (New Measure A).

In 1992, SAVSA was established as a separate legal entity under California Vehicle Code Section 22710. 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. SAVSA reimburses the County, and the Cities of Sacramento, Galt, Folsom, Elk Grove, Citrus Heights, and Rancho Cordova according to the Sacramento Abandoned Vehicle Abatement Plan. SAVSA is considered a blended component unit of the Authority as the board and management of the Authority are also the board and management of SAVSA. SAVSA is presented as the Abandoned Vehicle Special Revenue Fund. SAVSA sunset in April 2022.

In 1992, the Authority entered into a Memorandum of Understanding (MOU) with the Department of Transportation (Caltrans) and the California Highway Patrol (CHP) to administer the Sacramento Metropolitan Freeway Service Patrol Program (SacMetro FSP). In 2009, the Authority began administering the SacMetro FSP program for Yolo County. Funding for the program is provided by a state grant from Caltrans and local matching funds from the Capitol Valley Regional Service Authority for Freeways & Expressways (CVR-SAFE).

The Authority's Board consists of sixteen-members – five from the Sacramento County Board of Supervisors, five from the Sacramento City Council, one from the Citrus Heights City Council, two from the Elk Grove City Council, one from the Folsom City Council, one from the Galt City Council, and one from the Rancho Cordova City Council. Under Measure A, the Authority distributes sales tax proceeds as prescribed by the ordinance 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., the Sacramento Metropolitan Air Quality Management District, and the Neighborhood Shuttle Program.

Basis of Presentation: Government-wide financial statements (the Statement of Net Position and the Statement of Activities) provide information on all of the nonfiduciary activities of the Authority.

The Statement of Net Position reports all financial resources of the Authority as a whole in a format in which assets and deferred outflows of resources equal liabilities and deferred inflows of resources, plus net position. The Statement of Activities demonstrates the degree to which the expenses of a given function are offset by program revenues. Sales tax and interest earnings are not program related, but reported as general revenues. Fund financial statements are provided for

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

governmental funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

The Authority maintains the minimum number of funds consistent with legal and managerial requirements. Major governmental funds are reported in separate columns in the fund financial statements.

Governmental fund types are used to account for activities primarily supported by taxes, grants, and similar revenue sources.

The Authority reports the following major governmental funds:

General Fund – The General Fund is the main operating fund of the Authority. It accounts for transactions related to resources obtained and used for those services, including FSP, that need not be accounted for in another fund.

Abandoned Vehicle Special Revenue Fund – Reports the vehicle registration fee revenue and related expenditures.

Transit Services Special Revenue Fund – Reports unspent Measure A funds allocated for Consolidated Transportation Services Agency (CTSA) services and Neighborhood Shuttle Program Transit Services.

Debt Service Fund – Reports the debt service on the Authority's Measure A Sales Tax Revenue Bonds.

Basis of Accounting: The government-wide financial statements use the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Authority records revenue sources when earned or when due, provided they are measurable and available within 90 days after the end of the fiscal year. Those revenues susceptible to accrual at both the government-wide and fund level are sales taxes, mitigation fees, vehicle license fees, FSP grants and interest revenue. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Proceeds of governmental long-term debt are reported as other financing sources.

Non-exchange transactions, in which the Authority gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Certain indirect costs are included in program expenses reported for individual functions and activities.

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

BASIS OF ACCOUNTING (Continued)

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the Authority may fund certain programs with a combination of cost-reimbursement grants and general revenues. Thus, funds included in restricted and unrestricted net position may be available to finance program expenditures. The Authority's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are exchange or exchange-like transactions between functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Budgetary Principles: As required by Public Utilities Code 180105 of the State of California, the Authority prepares and legally adopts an operating budget each fiscal year. Operating budgets are adopted for the governmental fund types on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the program level. Significant amendments, appropriation transfers between programs and transfers from contingencies must be approved by the Authority's Board.

Restricted Assets: Certain proceeds from long-term debt are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Restricted cash includes the reserve accounts used to report resources set aside to make up potential future deficiencies in the bond's debt service. Restricted cash may also include unspent bond proceeds used to fund projects.

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.

Compensated Absences: The Authority compensates employees for unused vacation pay, up to a maximum of 400 hours, upon termination. It also pays one-half of unused sick leave at the time of retirement, up to a maximum of 500 hours pay, or applies any portion of sick leave toward retirement credit. The Authority has accrued sick leave to the extent it is expected to be paid out.

All vacation pay is accrued when earned by the employee 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 and is currently payable. The General Fund is used to liquidate compensated absences.

Long-Term Debt: In the government-wide 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 premiums or discounts. Bond issuance costs are recognized as an expense in the period incurred.

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

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.

Pensions: For purposes of measuring the net pension liability and deferred outflow/inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the California Public Employee's Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability is liquidated by the Authority's General Fund.

Other Postemployment Benefits (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The net OPEB liability is liquidated by the General Fund.

Deferred Outflows and Inflows of Resources: In addition to liabilities, the statement of net position reports separate sections for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net assets by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net assets that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earning process is complete. Deferred outflows and inflows of resources represent amounts deferred related to the Authority's pension and OPEB plan as described in Notes 3 and 5.

FUND BALANCE CLASSIFICATION:

Net Position - The government-wide financial statement includes the following categories of net position:

> **Net Investment in capital assets** – represents the net amount invested in capital assets (original cost, net of accumulated depreciation and net of capital-related debt). The Authority's net investment of capital assets related to the right-of-use asset and lease liability is $(26,843), which is not reflected on the Statement of Net Position, as the amount is immaterial.
>
> **Restricted net position** – This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
>
> **Unrestricted net position** – any amount that is not restricted.

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

FUND BALANCE CLASSIFICATION (Continued)

Fund Balance - In the fund financial statements, fund balance amounts are reported based on the Authority's constraints on the use of funds.

Nonspendable fund balances are not expected to be converted to cash within the next operating cycle and are typically comprised of prepaid items. As of June 30, 2023, the Authority had no nonspendable fund balances.

Restricted fund balances are subject to external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose.

Committed fund balances are subject to constraints imposed by formal action of the Authority's Board which may be altered only by formal action of the Authority's Board consisting of an ordinance or resolution. As of June 30, 2023, the Authority had no committed fund balances.

Assigned fund balances are amounts constrained by the Authority's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the Authority's Board or management and may be changed at their discretion. As of June 30, 2023, the Authority had no assigned fund balances.

Unassigned is the residual amount of the General Fund not included in the four classifications described above. In other governmental funds in which expenditures incurred for specific purposes exceeded amounts restricted, committed, or assigned to those purposes, a negative unassigned fund balance is reported. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

The Authority typically spends resources in the following order when an expenditure is incurred: restricted, committed, assigned, and unassigned.

Insurance: The Authority provides employees with commercial worker's compensation insurance. In addition, the Authority purchases commercial insurance for general liability claims. At June 30, 2023, 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.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Governmental activities:	
Cash and investments	$ 51,094,701
Restricted cash and investments	13,836,715
Total cash and investments	$ 64,931,416

NOTE 2 - CASH AND INVESTMENTS (Continued)

As of June 30, 2023, the Authority's cash and investments consisted of the following:

Deposits with financial institutions	$ 286,948
Total cash and deposits	286,948
Pooled Funds	
County Treasury	57,101,381
Investments with fiscal agent	
Money market mutual fund (governmental obligations)	7,543,087
Total investments	64,644,468
Total cash and investments	$ 64,931,416

Investment policy: Investments are stated at fair value. 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. During the year ended June 30, 2023, the Authority's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum % or Amount of the Portfolio
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 Agreements	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 Assets Management Program (CAMP)	none	none
County Pool	none	none
LAIF	none	none

Investments Authorized by Debt Agreements: Investment of debt proceeds held by the bond trustee is 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, 2014A, 2015A and 2022 Measure A Sales Tax Revenue Bonds debt agreements contain certain provisions that address interest rate risk and credit risk, but not concentration of credit risk.

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

Investment in County Treasury: The Authority's investments in the Sacramento County pooled investment funds are managed by the Sacramento County Treasurer and stated at fair value or amortized cost, which approximates fair value. The total amount invested by all public agencies as of June 30, 2023 was $7.2 billion. The Authority's share of the pool is stated at market value in the Authority's financial statement. Sacramento County does not invest in any derivative financial products directly. The Sacramento County Treasury Investment Oversight Committee (Committee) oversees the County's cash and investment pool. The Committee consists of ten members as required by State law. The value of pooled shares that may be withdrawn from the County is determined on an amortized cost basis, which is different than the fair value of the Authority's position in the pool.

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, 2023, the weighted average maturity of the investments contained in the County Pool and money market mutual funds is approximately 267 and 24 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. The County Pool is rated by a nationally recognized statistical rating organization. The Money Market Mutual Fund is rated AAAm by Standard and Poor's.

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

NOTE 2 - CASH AND INVESTMENTS (Continued)

financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2023, the carrying amount of the Authority's deposits was $286,948 and the balance in financial institutions was $563,359 of which $250,000 was covered by federal depository insurance and $313,359 was covered by the pledging financial institution with assets held in a common-pool for the Authority and other governmental agencies.

Fair Value of Financial Instruments: The following methods and assumptions were used by the Authority to estimate the fair value of its financial instruments as of June 30, 2023.

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

> **Level 1** – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
>
> **Level 2** – Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are active; or other inputs that are observable can be corroborated by observable market data.
>
> **Level 3** – Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or a liability.

The fair values of U.S. Treasure Notes and money market funds that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

The Authority reports the following recurring fair value measurements as of June 30, 2023:

		Fair Value Measurements Using		
	June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Money market mutual fund	$ 7,543,087		$ 7,543,087	
Total investments by fair value level	7,543,087	$ -	$ 7,543,087	$ -
Investments measured at net asset value				
County pool	57,101,381			
	$ 64,644,468			

NOTE 3 - PENSION PLAN

General Information About the Pension Plans

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the Authority's cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). The Authority has a single plan and within that plan has the following cost-sharing rate plans:

Miscellaneous Plan
PEPRA Miscellaneous Plan

Benefit provisions under the Plans are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the 1959 Survivor Benefit level 4, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous	PERPA Miscellaneous
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula (at full retirement)	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.00%	6.75%
Required employer contribution rates	11.590%	7.47%

In addition to the contribution rate above, the Authority was also required to make payments of $92,467 towards its unfunded actuarial liability during the fiscal year ended June 30, 2023.

The Miscellaneous Plan is closed to new members that are not already CalPERS participants.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding

NOTE 3 - PENSION PLAN (Continued)

contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The contributions to the Plan were $208,683 for the year ended June 30, 2023.

Pension Liabilities, Pension Expenses and Deferred Outflow/Inflow of Resources Related to Pensions: As of June 30, 2023, the Authority reported a net pension liability for its proportionate share of the net pension liability of the Plan of $1,334,975.

The Authority's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability as of June 30, 2023 is measured as of June 30, 2022 and the total pension liability is determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The Authority's proportion of the net pension liability is based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability as of June 30, 2023 and 2022 is as follows:

	Miscellaneous
Proportion - June 30, 2023	0.02853%
Proportion - June 30, 2022	0.03036%
Change - Increase (Decrease)	-0.00183%

For the year ended June 30, 2023, the Authority recorded pension expense of $66,635. At June 30, 2023, the Authority reported deferred outflow of resources and deferred inflow of resources related to the Plan from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Pension contributions subsequent to measurement date	$ 208,683	
Change in employer's proportion	33,849	
Net differences between the employer's contribution and the employer's proportionate share of contributions		$ (88,771)
Net differences between projected and actual earnings on plan investments	244,532	
Changes in assumption	136,796	
Difference between expected and actual experience	26,809	(17,955)
Total	$ 650,669	$ (106,726)

NOTE 3 - PENSION PLAN (Continued)

The $208,683 reported as deferred outflow of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred inflow and outflow of resources relate to pensions and will be recognized as pension expense as follows:

Year Ended June 30	
2024	$ 71,918
2025	70,585
2026	43,192
2027	149,565
	$ 335,260

Actuarial Assumptions: The total pension liabilities in the actuarial valuations for the Plan were determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase (1)	Varies
Mortality	Derived using CalPERS Membership data for all funds

(1) Depending on age and service

The underlying mortality assumptions and all other actuarial assumptions used in June 30, 2023 were based on the results of a December 2021 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 6.90%, a decrease from the 7.15% used for the year ended June 30, 2022. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

NOTE 3 - PENSION PLAN (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for the Plan as of the measurement date of June 30, 2022. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10
Global Equity - cap-weighted	30.0%	4.45%
Global Equity non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.00%	

(a) An expected inflation of 2.30% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Authority's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or higher than the current rate:

1% Decrease		5.90%
Net Pension Liability	$	2,075,919
Current Discount Rate		6.90%
Net Pension Liability	$	1,334,975
1% Increase		7.90%
Net Pension Liability	$	725,362

NOTE 3 - PENSION PLAN (Continued)

Pension Plan Fiduciary Net Position: Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 4 – 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. Employees contributed 0% to 18% of their pay to the plan, limited to $22,500 for 2023 and an additional $7,500 for those over age 50. The Authority does not contribute to the plan. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

The Authority has established a separate independent trust which is administered outside the Authority to hold the assets and earnings of its deferred compensation plans for the exclusive benefit of the participants that are not included in the Authority's financial statements.

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description: The Authority's defined benefit OPEB plan provides OPEB benefit for all permanent full-time employees of the Authority. Benefits are set by the Board and may be amended by the Board. The Plan is a single employer defined benefit OPEB plan administered by the Authority. No assets are accumulated in a trust.

Benefits Provided: The Plan provides healthcare benefits to all permanent full-time employees who retire directly from the Authority, at a minimum age of 52, with a minimum of five years of service. Eligible employees' surviving spouses are also eligible for benefits. The Authority participates in the Public Employees' Medical and Hospital Care Act (PEMHCA) provided through the California Public Employees' Retirement System (CalPERS).

Employees Covered by Benefit Terms: As of the June 30, 2022 measurement date, the following employees were covered by the Plan's benefit terms:

Active employees	3
Inactive employees or beneficiaries currently receiving benefit payments	1
Inactive employees not receiving benefits	5
	9

OPEB Liability: The Authority's OPEB liability of $140,196 was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions: The net OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Valuation date:	June 30, 2021
Measurement date:	June 30, 2022
Actuarial Cost Method:	Entry-Age Normal, Level % of Pay
Actuarial assumptions:	
Discount rate	4.09%
Inflation	2.50%
Aggregate salary increase	3.00%
Healthcare cost trend rates	5.7% in 2022 decreasing to 4.00% by 2076
Mortality rates	CalPERS 2017 Experience Study
Mortality improvement	Macleod Watts Scale 2020

Mortality information was based on the MacLeod Watts Scale 2020 which was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2019 Report, published October 2019 and (2) the demographic assumptions used in the 2019 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published April 2019.

Discount Rate: The discount rate used to measure the total OPEB liability was 4.09%, which is an increase from the 2.18% used at the June 30, 2021 measurement date. The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index rate for tax-exempt general obligations bonds with an average rating of AA/Aa or higher at June 30, 2022 as published by the Federal Reserve.

Changes in the Total OPEB Liability: The change in the total OPEB liability for the plan is as follows:

	Total OPEB Liability
Balance at July, 1, 2022	$ 189,010
Changes for the year:	
Service cost	8,098
Interest on the total OPEB liability	4,090
Change of assumptions	(41,990)
Benefit payments	(19,012)
Net changes	(48,814)
Balance at June 30, 2023	$ 140,196

The changes in assumptions from the prior valuation to the current valuation include a change in the discount rate from 2.18% to 4.09%. There were no changes between the measurement date and the year ended June 30, 2023 that had a significant effect on the Authority's total OPEB liability.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

	1% Decrease 3.09%	Discount Rate 4.09%	1% Increase 5.09%
Total OPEB liability	$ 159,938	$ 140,196	$ 124,378

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (4.70% decreasing to 3.00%)	Current Healthcare Cost Trend Rates (5.70% decreasing to 4.00%)	1% Increase (6.70% decreasing to 5.00%)
Total OPEB liability	$ 121,759	$ 140,196	$ 163,599

OPEB Plan Fiduciary Net Position: The Plan does not have fiduciary net position as the Authority does not contribute to a qualified trust fund on behalf of the participants.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2023, the Authority recognized OPEB expense of $1,972. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	$ 22,376	
Differences between expected and actual experience		$ (10,044)
Changes of assumptions	6,144	(30,996)
Total	$ 28,520	$ (41,040)

The $22,376 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2024	$ (14,552)
2025	(13,151)
2026	(7,193)
	$ (34,896)

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Recognition of Deferred Outflows and Deferred Inflows of Resources: Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years. All other amounts are recognized over the expected average remaining service lifetime (EARSL), which was 3.62 years at June 30, 2022.

NOTE 6 – LEASE ASSETS

The Authority leases certain premises through November 30, 2027, at which time the lease expires. The rental rate increases $100 per month each year of the lease beginning every December 1. The Authority recorded a right of use asset as follows:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023
Leased building	$ 381,753			$ 381,753
Accumulated amortization	(59,494)	$ (59,494)		(118,988)
Right of use asset, being amortized	$ 322,259	$ (59,494)	$ -	$ 262,765

For purposes of discounting future payments on the lease, the Authority used a discount rate of 2.85%. The intangible right of use asset is being amortized over 6.42 years, the remaining term of the current lease. Minimum lease payments over the term of the lease are as follows:

Fiscal Year	**Principal Payments**	**Interest Payments**	**Total**
2024	$ 54,233	$ 8,982	$ 63,215
2025	60,427	7,181	67,608
2026	67,312	5,254	72,566
2027	74,994	3,186	78,180
2028	32,642	958	33,600
	$ 289,608	$ 25,561	$ 315,169

NOTE 7 – INTERFUND TRANSACTIONS

Interfund transfers from the General Fund to the Debt Service Fund were used to repay principal and interest per the debt agreement in the amount of $24,296,978. Interfund transfers from the General Fund to the Transit Services Fund of $1,000,000 represents the Neighborhood Shuttle annual Measure A allocation.

NOTE 8 – LONG-TERM LIABILITIES

The activity of the Authority's long-term liabilities during the year ended June 30, 2023 are as follows:

	Balance July 01, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
2009 Series C Bonds	$ 106,100,000			$ 106,100,000	
Fair Value (Loss) of Interest Rate Swap (2009 Series Bonds)	55,731,052		$ (20,620,221)	35,110,831	
2012 Series Bonds	30,400,000		(30,400,000)		
Unamortized 2012 Bond Premium (2012 Series Bonds)	3,838,310		(3,838,310)		
Series 2014A Bonds	106,100,000			106,100,000	
Series 2015A Bonds	106,100,000			106,100,000	
2022 Series Bonds		$ 24,245,000		24,245,000	$ 4,380,000
Unamortized 2022 Bond Premium (2022 Series Bonds)		2,056,816	(308,522)	1,748,294	
Total debt	408,269,362	26,301,816	(55,167,053)	379,404,125	4,380,000
Lease liability	338,234		(48,626)	289,608	54,233
Compensated absences	54,805	60,590	(81,640)	33,755	20,000
Net Pension liability	576,412	758,563		1,334,975	
Net OPEB liability	189,010		(48,814)	140,196	
Total Long-term liabilities	$ 409,427,823	$ 27,120,969	$ (55,346,133)	381,202,659	$ 4,454,233
Amount Due Within One Year				(4,454,233)	
Amount Due in More Than One Year				$ 376,748,426	

Long-term debt consists of the following at:

2009 Series C Bonds - In October 2009, the Authority issued Measure A Sales Tax Revenue Bonds in the amount of $106.1 million to finance transportation projects approved by voters in 2004. The bond's variable interest rate is fixed through an interest-rate swap, whereby, the Authority pays a fixed interest rate of 3.736% 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. Principal payments of $7.5 million begin in 2029 and increase to $11.8 million in 2039 when they mature. These bonds are a direct placement.	$ 106,100,000
2012 Series Bonds - In July 2012, the Authority issued fixed rate Measure A Sales Tax Bonds in the amount of $53.4 million to finance transportation projects approved by voters in 2004. The average coupon interest rate is 2.48%. Principal payments in the amount of $3.5 million began in 2017 and increase to $5.7 million in 2028, when the bonds mature. These bonds are a direct placement. In fiscal year 2023 these bonds were refunded with proceeds from 2022 Series Bonds.	$ -

NOTE 8 – LONG-TERM LIABILITIES (Continued)

2014A Series A Bonds - In September 2014, the Authority issued Measure A Sales Tax Revenue Refunding Bonds in the amount of $106.1 million to refund the outstanding series 2009A bonds and finance transportation projects approved by voters in 2004. Interest rate swaps were retained. In the floating-to-fixed rate swap, the Authority pays a fixed interest rate of 3.736% and in turn, receives a variable interest rate based on 67 percent of the one month LIBOR which is reset on a weekly basis. Principal payments range from $7.4 million in 2029 to $11.8 million in 2039, when the bonds mature. These bonds are a direct placement.	$ 106,100,000
2015A Series B Bonds - In March 2015, the Authority issued Measure A Sales Tax Revenue Refunding Bonds in the amount of $106.1 million to refund the outstanding Measure A Sales Tax Revenue Series 2009B bonds and finance transportation projects approved by voters in 2004. Interest rate swaps were retained. In the floating-to-fixed rate swap, the Authority pays a fixed interest rate of 3.666% and in turn, receives a variable interest rate based on 67 percent of the three month LIBOR which is reset on a weekly basis. Principal payments range from $7.4 million in 2029 to $11.8 million in 2039, when the bonds mature. These bonds are a direct placement.	$ 106,100,000
2022 Series Bonds - In September 2022, the Authority issued fixed rate Measure A Sales Tax Bonds in the amount of $24.4 million to finance transportation projects approved by voters in 2004, at an interest rate of 5%. Principal payments range from $4.38 million to $5.3 million. These Bonds were issued to refund the Series 2012 Bonds in 2023.	$ 24,245,000

The Authority has pledged all of the future sales tax proceeds to cover all debt service requirements. The total principal and interest remaining on the 2009C, 2012, 2014A, 2015A and the 2022 bonds is $463.8 million. For the current year, the principal and interest paid and total incremental sales tax revenues were $50.2 million and $174 million, respectively.

The 2014A and 2015A Measure A Sales Tax Revenue Refunding Bonds were issued to refund the 2009A and 2009B Measure A Sales Tax Revenue Bonds, respectively. The 2002 Series Bonds were issued to refund the 2012 Series Bonds. The advance refundings resulted in no differences between the reacquisition price and the net carrying amount of the outstanding debt.

As of June 30, 2023, the future annual debt service requirements and net payments on associated hedging derivative instruments on the Authority's 2009C, 2014A, and 2015A 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 2022 Series Bonds.

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Fiscal Year Ending June 30,	Principal	Bond Interest	Estimated Derivatives, Net	Hedging Ancillary Fees	Total
2024	$ 4,380,000	$ 7,356,444	$ 3,221,193	$ 1,332,827	$ 16,290,464
2025	4,600,000	7,131,944	3,221,193	1,328,937	16,282,074
2026	4,835,000	6,896,069	3,221,193	1,329,308	16,281,570
2027	5,085,000	6,648,069	3,221,193	1,329,308	16,283,570
2028	5,345,000	6,387,319	3,221,193	1,332,827	16,286,339
2029 - 2033	126,200,000	25,319,161	13,040,806	5,384,493	169,944,461
2034 - 2038	156,700,000	11,429,549	5,886,479	2,431,420	176,447,448
2039 - 2039	35,400,000	347,755	179,124	74,123	36,001,001
Total	$ 342,545,000	$ 71,516,310	$ 35,212,374	$ 14,543,243	$ 463,816,926

Events of Default: Events of default with financial consequences may occur under the Indenture that allow that the Trustee may enforce its rights by any one or more of the remedies. Significant remedies under the indenture include:

- The Authority shall immediately transfer to the Trustee all revenues held by the Authority.
- Bring legal action upon the Bonds.
- Limit the Authority's ability to issue new bonds unless the issuance of those bonds will remedy the default.

Refundings: In August 2022, the Authority issued the 2022 Measure A Sales Tax Revenue Refunding Bonds in the amount of $24,245,000 with an average interest rate of 5.00%, to refund $30,400,000 of the 2012 Revenue with an average interest rate of 5.00%. The District completed the advance refunding to release $5,660,000 from debt service reserves. The net economic gain (difference between the present value of the old and new debt service payments) of the 2022 Refunding Bonds is $1,829,981. The advance refunding resulted in differences between the reacquisition price and the net carrying amount of the outstanding debt of $3,262,562 at June 30, 2023, net of accumulated amortization. The deferred amount on refunding, reported in the accompanying financial statements as a deferred inflow, is being credited to operations over 5 years using the straight-line method.

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.

Interest Rate Swaps

Objective of the interest rate swaps and terms: On October 18, 2006, the Authority entered into three forward interest rate swaps for $106.1 million each in order to hedge the interest rate risk associated with the Series 2009 Measure A Sales Tax Revenue Bonds issued on October 1, 2009, and whose initial interest rate is variable.

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Terms: The swap agreement requires that the Authority pay each financial institution semi-annual fixed-rate payments based on an annual rate; the financial institution, in turn, is required to pay the Authority a series of future variable-rate payments equal to 67% of the 1-month or 3-month LIBOR. The notional amounts and maturity dates of the swaps match the principal amounts and the maturity dates of the hedged bonds. The variable-rate coupons of the hedged bonds closely match the Securities Industry and Financial Markets Association (SIFMA) and percentage of LIBOR rates paid monthly. A summary of the terms are as follows:

	Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Value	Swap Term Date	Counterparty Credit Rating (1)	Valuation Level
Series 2009C	$ 106,100,000	October 18, 2009	3.736%	67% USD LIBOR	$ (12,212,875)	October 1, 2038	Aa2/A+/AA-	Level 2
Series 2014A	$ 106,100,000	October 18, 2009	3.736%	67% 3 month LIBOR	$ (12,215,421)	October 1, 2038	A1/A+/A+	Level 2
Series 2015A	$ 106,100,000	October 18, 2009	3.666%	67% USD LIBOR	$ (10,682,535)	October 1, 2038	Aa2/A+/AA	Level 2
					$ (35,110,831)			

(1) (Moody's Investor Services, Standard and Poor's Rating Services, and Fitch IBCA, Inc.)

Fair value: The swaps had a total fair value of negative $35,110,831 as of June 30, 2023, which is reported as a deferred outflow of resources. The fair values were estimated by an independent third-party based on mid-market levels as of the close of business on June 30, 2023. 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.

Credit risk: This is the risk that the counterparty will fail to perform under the terms of the agreement. As of June 30, 2023, 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. The swap agreements contain varying collateral agreements with the counterparties. The swaps require collateralization of the fair value of the swap should the credit rating fall below the applicable thresholds. If the Authority's credit rating falls below certain thresholds or is withdrawn, a termination event may result, in which case the Authority could immediately owe (or be owed) the fair market value of the swap.

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, the payments received under the agreements are expected to approximate the expected bond payments over the life of the swaps.

NOTE 8 – LONG-TERM LIABILITIES (Continued)

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.

Tax Risk: The swap exposes the Authority to tax risk if a permanent mismatch occurs between the variable-rate received from the swap and the variable-rate paid on the bonds due to tax law changes such that the federal or state tax exemption on municipal debt is eliminated or its value reduced.

NOTE 9 – FUND BALANCES

The Authority's net position and fund balance are restricted for the following purposes:

Measure A Projects – bond proceeds and sales tax revenues restricted by local ordinance for transportation-related projects.

Sacramento Countywide Mitigation Fee Program – represents the fund balance of the SCTMFP to assist with funding road and transit system improvements needed to accommodate projected growth and development.

Freeway Service Patrol Program – to reflect funds restricted by the Department of Transportation for urban traffic congestion mitigation.

Sacramento Abandoned Vehicle Service Authority – represents the fund balance of SAVSA to fulfill the program objectives of the Abandoned Vehicles program.

Transit Services – represents the unspent Measure A funds allocated to CTSA and Neighborhood Shuttle.

Debt Service – represents debt service reserves required by the related debt covenants.

NOTE 10 – GOVERNMENT-WIDE NET POSITION

As of June 30, 2023, the Authority had negative net position of $276.7 million. Under a typical bond financing arrangement, the public entity issues debt and expends the funds on capital projects that are reported on the statement of net position as capital assets. The capital assets generally offset the bonded debt. However, the Authority issues bonds that pay for assets reported in other jurisdictions' financial statements, resulting in a deficit net position. Therefore, the deficit will continue, but decrease over time as the Authority makes bond principal payments.

NOTE 11 – NEW PRONOUNCEMENTS

In April 2022, the GASB issued Statement No. 99, Omnibus 2022. This Statement enhances comparability in accounting and financial reporting and consistency in authoritative literature, including the classification and reporting of derivative instruments within the scope of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions of Statement 87, Leases, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives; clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement term, classification as short-term and recognition of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; disclosures related to nonmonetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, related to the focus of the government-wide financial statements; terminology updates related to provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; and terminology used in Statement No. 53 to refer to resource flows statements. The provisions of this Statement are effective immediately through periods beginning after June 15, 2023.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

The Authority will analyze the impact of these new Statements prior to the effective dates listed above.

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REQUIRED SUPPLEMENTARY INFORMATION

SACRAMENTO TRANSPORTATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023
SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.02853%	0.03036%	0.02721%	0.02688%	0.02659%	0.02650%	0.02616%	0.02734%	0.02463%
Proportionate share of the net pension liability	$ 1,334,975	$ 576,412	$ 1,147,819	$ 1,076,426	$ 1,002,151	$ 1,044,537	$ 908,590	$ 750,078	$ 608,865
Covered payroll - measurement period	$ 434,779	$ 451,405	$ 388,487	$ 348,630	$ 352,622	$ 451,635	$ 351,909	$ 363,473	$ 366,547
Proportionate share of the net pension liability as a percentage of covered payroll	307.05%	127.69%	295.46%	308.76%	284.20%	231.28%	258.19%	206.36%	166.11%
Plan fiduciary net position as a percentage of the total pension liability	75.44%	88.89%	75.98%	74.53%	75.44%	72.49%	75.57%	78.40%	79.82%
Reporting Valuation Date:	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Reporting Measurement Date:	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Notes to Schedule:
Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014 as they have minimal cost impact.

Changes in assumptions:									
Discount rate changes in accounting valuation	6.90%	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	$ 135,030	$ 139,206	$ 126,347	$ 115,317	$ 108,775	$ 91,285	$ 89,707	$ 76,574	$ 69,181
Contributions in relation to the actuarially determined contributions	(135,030)	(139,206)	(126,347)	(115,317)	(108,775)	(91,285)	(89,707)	(76,574)	(69,181)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll - fiscal year	$ 472,847	$ 434,779	$ 451,405	$ 388,487	$ 348,630	$ 352,622	$ 451,635	$ 351,909	$ 363,473
Contributions as a percentage of covered payroll	28.56%	32.02%	27.99%	29.68%	31.20%	25.89%	19.86%	21.76%	19.03%
Valuation date:	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012

Methods and assumptions used to determine contribution rates:

Actuarial method	Entry age normal								
Amortization method	Level percentage of payroll, closed								
Remaining amortization period	Varies, not more than 30 years								
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15-year smoothed market
Inflation	2.50%	2.50%	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and service								
Payroll growth	2.75%	2.75%	2.75%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return	7.00%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Future years will be added prospectively as they become available.

SACRAMENTO TRANSPORTATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY
AND RELATED RATIOS (UNAUDITED)

	2023	2022	2021	2020	2019	2018
Total OPEB liability:						
Service cost	$ 8,098	$ 6,406	$ 6,042	$ 11,244	$ 10,559	$ 11,232
Interest	4,090	5,369	5,614	5,427	5,308	4,497
Differences between expected and actual experience		(22,446)				
Changes in assumptions	(41,990)	12,166	3,687	18,668	3,160	(9,257)
Benefit payments	(19,012)	(15,842)	(14,302)	(7,808)	(6,521)	(1,518)
Net change in total OPEB liability	(48,814)	(14,347)	1,041	27,531	12,506	4,954
Total OPEB liability - beginning	189,010	203,357	202,316	174,785	162,279	157,325
Total OPEB liability - ending (a)	$ 140,196	$ 189,010	$ 203,357	$ 202,316	$ 174,785	$ 162,279
Covered-employee payroll - measurement period	$ 378,335	$ 367,149	$ 345,777	$ 405,975	$ 352,622	$ 348,630
Total OPEB liability as percentage of covered-employee payroll	37.06%	51.48%	58.81%	49.83%	49.57%	46.55%
Notes to schedule:						
Valuation date	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Note: No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4, to pay related benefits.

Benefit changes. None.

Assumptions:						
Actuarial cost method				Entry age normal, level % of pay		
Discount rates	4.09%	2.18%	2.66%	2.79%	2.98%	3.13%
Inflation	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%
Salary increases	3.00%	3.00%	3.00%	3.00%	3.25%	3.25%
Healthcare cost trend rates	5.7% decreasing to 4% by 2076	5.7% decreasing to 4% by 2076	5.4% decreasing to 4% by 2076	5.4% decreasing to 4% by 2076	7.5% decreasing to 5% by 2024	7.5% decreasing to 5% by 2024
CalPERS Experience Study	2017 Study	2017 Study	2017 Study	2017 Study	2014 Study	2014 Study
Mortality	MW Scale 2020	MW Scale 2020	MW Scale 2020	MW Scale 2020	MW Scale 2017	MW Scale 2017

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

SUPPLEMENTARY INFORMATION

SACRAMENTO TRANSPORTATION AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	**Final**	**Amounts**	**Final Budget**
REVENUES:				
Interest	$ 2,400	$ 2,400	$ 84,489	$ 82,089
Total revenues	2,400	2,400	84,489	82,089
EXPENDITURES:				
Principal	4,455,000	30,400,000	30,400,000	
Interest and other charges	16,257,063	20,257,063	19,765,089	491,974
Total expenditures	20,712,063	50,657,063	50,165,089	491,974
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(20,709,663)	(50,654,663)	(50,080,600)	574,063
OTHER FINANCING USES:				
Proceeds from debt refunding			26,301,816	26,301,816
Transfers in	20,001,251	49,895,385	24,296,978	(25,598,407)
Total other financing uses	20,001,251	49,895,385	50,598,794	703,409
Changes in fund balance	(708,412)	(759,278)	518,194	1,277,472
FUND BALANCE, BEGINNING OF YEAR	6,980,101	6,980,101	6,980,101	
FUND BALANCE, END OF YEAR	$ 6,271,689	$ 6,220,823	$ 7,498,295	$ 1,277,472

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STATISTICAL SECTION

STATISTICAL SECTION

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

Financial Trends – These schedules contain trend information to help the reader understand how the Authority's financial performance 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 annual comprehensive financial reports for the relevant year.

SACRAMENTO TRANSPORTATION AUTHORITY
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2014	**2015**	**2016**	**2017**
Governmental activities:				
Restricted: Measure A*				$ 42,991,554
Restricted: Transit Services**				
Restricted: transportation mitigation	$ 5,254,385	$ 9,885,863	$ 13,296,991	4,692,718
Restricted: freeway service patrol			164,338	
Restricted: for abandoned vehicles	107,455	121,827	154,549	
Restricted: debt service			6,362,460	6,588,099
Unrestricted	(294,193,790)	(309,078,758)	(365,923,547)	(379,947,580)
Total governmental activities net position	$ (288,831,950)	$ (299,071,068)	$ (345,945,209)	$ (325,675,209)

Source: Audited Financial Statements

* Amounts for Measure A prior to 2017 were reported as unrestricted
** New fund added as a result of implementing GASB 84

Fiscal Year					
2018	2019	2020	2021	2022	2023
$ 23,381,713	$ 31,053,300	$ 30,876,253	$ 32,366,900	$ 38,547,188	$ 46,807,299
			12,916,670	7,108,570	6,159,270
23,315,012	21,083,317	17,303,331	10,708,825	5,563,502	11,862,462
331,181	388,196	433,052	279,056	232,776	143,432
160,919	167,490	159,226	162,960	134,606	143,428
6,923,116	6,919,991	6,884,105	6,714,470	6,714,471	7,498,295
(374,969,271)	(370,198,612)	(366,110,626)	(360,830,258)	(354,670,061)	(349,268,818)
$ (320,857,330)	$ (310,586,318)	$ (310,454,659)	$ (297,681,377)	$ (296,368,948)	$ (276,654,632)

SACRAMENTO TRANSPORTATION AUTHORITY
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2014	**2015**	**2016**	**2017**
Expenses				
Governmental Activities:				
Measure A	$ 94,743,971	$ 103,968,271	$ 112,324,300	$ 92,332,335
Transportation mitigation	2,680,549	6,676	1,004,034	16,547,233
Transit Services*				
Freeway Service Patrol	2,164,149	2,090,267	2,000,559	2,271,606
Abandoned Vehicle Service Authority	1,125,637	1,172,574	1,216,517	1,400,871
Administration**		713,350	1,387,221	979,254
Interest on long-term debt	16,196,388	15,538,373	15,208,203	16,227,155
Total governmental activities expenses	116,910,694	123,489,511	133,140,834	129,758,454
Program Revenues				
Operating grants and contributions	6,835,898	7,895,612	7,628,294	11,196,129
Net (expense) revenue	(110,074,796)	(115,593,899)	(125,512,540)	(118,562,325)
General Revenues and Other Changes in Net Position				
Sales taxes	100,063,237	105,564,247	110,707,633	116,877,996
Investment earnings	430,908	556,829	956,364	1,954,329
Total general revenues	100,494,145	106,121,076	111,663,997	118,832,325
Change in Net Position	$ (9,580,651)	$ (9,472,823)	$ (13,848,543)	$ 270,000

Source: Audited Financial Statements

* New fund added as a result of implementing GASB 84
** Amounts for administration expenses prior to 2015 are included in Measure A

Fiscal Year					
2018	2019	2020	2021	2022	2023
$ 105,146,632	$ 110,900,345	$ 112,506,367	$ 130,680,444	$ 144,610,202	$ 147,289,159
2,126,292	3,727,641	11,712,770	15,503,665	13,373,784	2,625,751
			6,140,147	6,753,289	2,207,849
2,126,051	1,986,738	2,658,784	3,305,277	3,680,165	3,792,562
1,118,297	1,316,666	1,333,747	1,338,699	1,082,042	25,139
633,150	813,062	1,144,831	698,336	830,473	1,448,668
17,662,386	18,570,877	18,124,579	14,881,164	14,626,531	18,120,762
128,812,808	137,315,329	147,481,078	172,547,732	184,956,486	175,509,890
11,396,632	10,044,457	11,574,361	13,472,954	13,148,712	12,619,443
(117,416,176)	(127,270,872)	(135,906,717)	(159,074,778)	(171,807,774)	(162,890,447)
119,187,748	131,757,081	131,591,165	153,560,355	172,916,487	174,233,661
3,202,114	5,784,803	4,447,211	161,520	203,716	8,371,102
122,389,862	137,541,884	136,038,376	153,721,875	173,120,203	182,604,763
$ 4,973,686	$ 10,271,012	$ 131,659	$ (5,352,903)	$ 1,312,429	$ 19,714,316

SACRAMENTO TRANSPORTATION AUTHORITY
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2014	**2015**	**2016**	**2017**
General Fund				
Nonspendable	$ 10,027	$ 10,027	$ 10,027	$ 4,763
Restricted	91,591,253	81,243,264	51,973,251	47,684,272
Unassigned	427,430	329,381	(195,546)	(38,522)
Total general fund	92,028,710	81,582,672	51,787,732	47,650,513
All Other Governmental Funds				
Restricted	4,232,983	4,352,188	6,517,009	6,588,099
Total all other governmental funds	4,232,983	4,352,188	6,517,009	6,588,099
Total Governmental Funds	$ 96,261,693	$ 85,934,860	$ 58,304,741	$ 54,238,612

Source: Audited Financial Statements

Fiscal Year					
2018	2019	2020	2021	2022	2023
					$ 53,062
$ 47,027,906	$ 52,524,813	$ 48,612,636	$ 43,354,781	$ 44,343,466	58,813,193
664,031	861,894	722,530	1,261,987	1,871,973	1,556,024
47,691,937	53,386,707	49,335,166	44,616,768	46,215,439	60,422,279
7,084,035	7,087,481	7,043,331	19,794,101	14,223,277	13,800,993
7,084,035	7,087,481	7,043,331	19,794,101	14,223,277	13,800,993
$ 54,775,972	$ 60,474,188	$ 56,378,497	$ 64,410,869	$ 60,438,716	$ 74,223,272

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

	Fiscal Year			
	2014	**2015**	**2016**	**2017**
Revenues				
Taxes	$ 100,063,237	$ 105,564,247	$ 110,707,633	$ 116,877,996
Mitigation Fees	3,540,542	4,624,139	4,363,650	7,848,175
Vehicle registration fees	1,172,833	1,220,900	1,272,697	1,282,433
State grant	2,122,523	2,050,573	1,991,947	2,065,521
Use of money and property	430,196	555,414	941,859	1,795,119
Miscellaneous	712	1,415	14,505	159,210
Total Revenues	107,330,043	114,016,688	119,292,291	130,028,454
Expenditures				
General government:				
Administrative	1,008,517	805,331	1,342,300	977,515
Freeway service patrol	2,164,149	2,090,267	2,000,559	2,271,606
Intergovernmental:				
Ongoing	80,178,967	84,573,836	88,688,421	93,578,879
Capital**	17,364,319	19,831,624	25,848,672	16,701,560
Capital outlay				
Debt Service:				
Principal				3,450,000
Interest and other charges	16,880,820	17,042,463	16,016,860	17,115,023
Total expenditures	117,596,772	124,343,521	133,896,812	134,094,583
Excess of Expenditures over Revenue	(10,266,729)	(10,326,833)	(14,604,521)	(4,066,129)
Other Financing Sources (Uses)				
Transfers in	16,694,009	16,439,131	18,182,376	20,823,804
Transfers out	(16,694,009)	(16,439,131)	(18,182,376)	(20,823,804)
Proceeds from lease asset				
Refunding Bonds		(212,200,000)		
Bond Premium				
Issuance of Bonds		212,200,000		
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ (10,266,729)	$ (10,326,833)	$ (14,604,521)	$ (4,066,129)
Debt Service as a Percentage of Noncapital Expenditures*	16.76%	15.88%	13.59%	18.11%

Source: Audited Financial Statements

* Principal and interest/other charges, administrative, freeway service patrol, and ongoing/capital intergovernmental expenditures
** Intergovernmental capital expenditures are not capital outlay of the Authority.

Fiscal Year					
2018	2019	2020	2021	2022	2023
$ 119,187,748	$ 131,757,081	$ 131,591,165	$ 153,560,355	$ 172,916,487	$ 174,233,661
7,621,753	6,684,039	7,551,556	8,956,992	8,237,424	8,856,243
1,275,901	1,316,666	1,319,166	1,364,680	1,277,403	59,982
2,498,978	2,043,752	2,703,639	3,151,282	3,633,885	3,703,218
3,081,259	5,784,803	4,447,211	161,520	203,716	8,368,587
120,855					2,515
133,786,494	147,586,341	147,612,737	167,194,829	186,268,915	195,224,206
542,737	794,117	1,133,643	615,219	833,685	1,576,619
2,126,051	1,986,738	2,658,784	3,305,277	3,680,165	3,792,562
95,096,646	105,217,067	105,116,994	127,582,088	143,176,416	138,516,326
13,250,240	10,705,881	20,410,835	26,080,868	22,642,901	13,631,572
				381,753	
3,590,000	3,740,000	3,890,000	4,050,000	4,278,519	48,626
18,643,460	19,444,322	18,498,171	15,655,190	15,629,382	19,775,761
133,249,134	141,888,125	151,708,427	177,288,642	190,622,821	177,341,466
537,360	5,698,216	(4,095,690)	(10,093,813)	(4,353,906)	17,882,740
22,520,621	23,096,608	22,290,456	20,534,968	21,116,140	25,296,978
(22,520,621)	(23,096,608)	(22,290,456)	(20,534,968)	(21,116,140)	(25,296,978)
				381,753	
					(30,400,000)
					2,056,816
					24,245,000
-	-	-	-	381,753	(4,098,184)
$ 537,360	$ 5,698,216	$ (4,095,690)	$ (10,093,813)	$ (3,972,153)	$ 13,784,556
20.03%	19.53%	17.31%	12.50%	11.69%	11.18%

SACRAMENTO TRANSPORTATION AUTHORITY
Revenue Capacity - Revenue Base and Revenue Rate
Last Ten Fiscal Years

Fiscal Year	Sales Tax Rate	Total Sales Tax Revenue (000's)	Total Taxable Sales (000's)
2022*	0.5%	$ 172,916	$ 36,511,261
2021	0.5%	153,560	33,918,019
2020	0.5%	131,591	27,173,405
2019	0.5%	131,757	26,351,416
2018	0.5%	119,188	25,443,669
2017	0.5%	116,878	24,610,617
2016	0.5%	110,708	23,368,174
2015	0.5%	105,564	22,218,348
2014	0.5%	100,063	21,061,901
2013	0.5%	97,390	20,097,095

Source: California Department of Tax and Fee Administration

*Latest information available

SACRAMENTO TRANSPORTATION AUTHORITY
Revenue Capacity - Principal Revenue Payers
Calendar Years 2022 and 2013

	2022*			2013		
Business Type:	Rank	Amount (000's)	Percentage of Taxable Sales	Rank	Amount (000's)	Percentage of Taxable Sales
All Other Outlets	1	$ 11,831,557	32.4%	1	$ 5,926,089	29.5%
All Other Retail Stores	2	5,597,562	15.3%	4	2,106,796	10.5%
Automotive	3	4,493,849	12.3%	2	2,586,596	12.9%
Eating and Drinking Places	4	3,389,360	9.3%	5	1,946,913	9.7%
General Merchandise Stores	5	3,036,493	8.3%	3	2,124,820	10.6%
Service Stations	6	2,463,297	6.7%	6	1,899,358	9.5%
Building Materials	7	2,050,703	5.6%	7	1,155,301	5.7%
Food Stores	8	1,237,339	3.4%	8	923,645	4.6%
Apparel Stores	9	1,227,136	3.4%	9	905,514	4.5%
Household & Home Furnishings	10	1,183,965	3.2%	10	307,647	1.5%
Nonstore Retailers	11		0.0%	11	214,417	1.1%
Total All Outlets		$ 36,511,261	100.0%		$ 20,097,096	100.0%

Source: California Department of Tax and Fee Administration
*Latest information available

SACRAMENTO TRANSPORTATION AUTHORITY
Private Sector Principal Employers
June 30, 2022 and 2013

	2022*			2013		
Employer:	Rank	Employees	Percentage of Total County Employment	Rank	Employees	Percentage of Total County Employment
UC Davis Health System	1	16,075	2.3%			
Kaiser Permanente	2	12,301	1.8%	1	10,140	1.7%
Sutter/California Health Services	3	9,595	1.4%	2	9,112	1.5%
Dignity/Mercy Healthcare	4	7,488	1.1%	4	7,054	1.2%
Intel Corporation	5	6,013	0.9%	5	6,500	1.1%
Siemens Mobility Inc.	6	2,500	0.4%			
Safeway	7	1,938	0.3%			
Pacific Gas and Electric Co.	8	1,447	0.2%	10	2,247	0.4%
Blue Diamond Growers	9	968	0.1%			
WellSpace Health	10	926	0.1%			
Raley's Inc/Bel Air				3	7,283	1.2%
Hewlett-Packard				6	3,200	0.5%
Wells Fargo & Co.				7	3,188	0.5%
Health Net of California				8	2,552	0.4%
Cache Creek Casino Resort				9	2,400	0.4%
Total		59,251	8.6%		53,676	8.9%

Source: Sacramento County June 30, 2022 Annual Comprehensive Financial Report (ACFR)

*Latest information available

SACRAMENTO TRANSPORTATION AUTHORITY
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (000's)	Per Capita Personal Income	Unemployment Rate
2022	1,589,000	$ 98,241,828	$ 61,829	7.0%
2021	1,559,000	90,908,707	58,307	9.3%
2020	1,552,000	85,775,621	55,266	3.7%
2019	1,541,000	80,969,087	52,544	3.8%
2018	1,531,000	76,832,120	50,197	4.6%
2017	1,514,000	72,878,458	48,122	5.4%
2016	1,497,000	70,110,138	46,845	6.0%
2015	1,478,000	65,486,553	44,303	7.3%
2014	1,460,000	61,654,690	42,229	8.9%
2013	1,447,000	59,775,785	41,303	10.5%

Source: Sacramento County June 30, 2022 Annual Comprehensive Financial Report (ACFR)

SACRAMENTO TRANSPORTATION AUTHORITY
Operating Information - Employees
Last Ten Fiscal Years

Activity:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Measure A/SAVSA	2.18	2.12	2.07	2.07	2.07	1.95	2.95	2.65	2.60	2.60
Freeway Service Patrol	0.82	0.88	0.93	0.93	0.93	1.05	1.05	1.15	1.20	1.20

Source - Payroll Allocation

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SACRAMENTO TRANSPORTATION AUTHORITY
Operating Information - Demand for Services
Measure A - By Jurisdiction
Last Ten Fiscal Years

Jurisdiction	Fiscal Year 2023	2022	2021	2020
City of Citrus Heights	$ 3,411,859	$ 3,397,512	$ 3,017,591	$ 2,589,796
County of Sacramento	26,048,852	26,033,861	23,142,052	19,780,254
CTSA Set Aside*	-	-		
City of Elk Grove	7,218,305	7,125,601	6,275,989	5,356,571
City of Folsom	3,467,694	3,430,713	3,081,437	2,600,243
City of Galt	1,741,134	1,729,165	1,535,604	1,315,912
City of Isleton	69,645	69,167	61,424	52,636
Neighborhood Shuttle	1,000,000	1,000,000	1,000,000	1,000,000
Paratransit	2,312,585	2,296,595	2,038,005	5,815,018
Sacramento Regional Parks	1,000,000	1,000,000	1,000,000	1,000,000
City of Rancho Cordova	3,446,223	3,390,744	2,904,098	2,492,262
Regional Transit	64,495,437	64,049,486	56,837,693	44,581,803
City of Sacramento	20,502,062	20,266,469	17,944,897	15,285,468
SMAQMD	2,569,539	2,551,772	2,264,450	1,938,339
Debt Service	19,765,088	19,852,119	19,705,190	22,388,171
Administration	1,284,770	1,040,770	1,132,225	969,170
Total allocations	$ 158,333,193	$ 157,233,974	$ 141,940,655	$ 127,165,643

Source: Authority accounting records
* Per Authority Ordinance, allocations to this fund were discontinued June 30, 2019

Fiscal Year					
2019	2018	2017	2016	2015	2014
$ 2,594,616	$ 2,347,540	$ 2,302,514	$ 2,152,319	$ 2,071,744	$ 1,985,463
19,824,716	17,951,156	17,620,170	16,530,072	15,862,799	15,134,616
1,078,447	1,168,157	1,146,027	1,069,997	1,027,592	983,258
5,367,420	4,780,559	4,739,611	4,318,918	4,135,491	3,927,291
2,603,896	2,335,123	2,294,486	2,105,522	2,018,853	1,978,191
1,317,357	1,191,381	1,168,176	1,091,347	1,048,496	1,003,696
52,694	47,656	46,727	43,654	41,940	40,150
1,000,000	1,083,334	1,000,000	1,000,000	1,000,000	1,000,000
4,743,008	4,088,549	4,011,094	3,744,989	3,596,572	3,441,403
1,000,000	1,083,334	1,000,000	1,000,000	1,000,000	1,000,000
2,497,862	2,239,524	2,201,648	2,013,909	1,922,210	1,803,645
44,631,157	40,301,412	39,537,925	36,914,890	35,451,925	33,922,401
15,270,445	13,652,724	13,390,589	12,539,139	12,037,403	11,534,598
1,940,485	1,752,235	1,719,040	1,604,995	1,541,388	1,474,887
23,184,323	22,233,460	20,565,023	22,202,434	21,322,534	20,402,604
970,243	1,033,546	899,939	802,498	770,694	737,444
$ 128,076,669	$ 117,289,690	$ 113,642,969	$ 109,134,683	$ 104,849,641	$ 100,369,647

SACRAMENTO TRANSPORTATION AUTHORITY
Ratios of Outstanding Debt
Last Ten Fiscal Years

Fiscal Year	Sales Tax Revenue Bonds	Percentage of Personal Income	Per Capita
2022*	$ 348,700,000	0.4%	$219
2021	352,935,000	0.4%	226
2020	356,985,000	0.4%	229
2019	360,875,000	0.4%	233
2018	364,615,000	0.5%	237
2017	368,205,000	0.5%	240
2016	371,655,000	0.5%	245
2015	371,655,000	0.6%	248
2014	371,655,000	0.6%	251
2013	371,655,000	0.6%	255

Source: Sacramento County June 30, 2022 Annual Comprehensive Financial Report (ACFR) and Audited Financial Statements
* Latest information available

SACRAMENTO TRANSPORTATION AUTHORITY
Operating Information - Abandoned Vehicle Abatements
Last Ten Fiscal Years

Fiscal Year	Abatements
2023	6,176
2022	21,413
2021	19,790
2020	22,518
2019	18,877
2018	14,670
2017	13,019
2016	8,586
2015	5,037
2014	5,247

Source: Authority records

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OTHER

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Sacramento Transportation Authority
Sacramento, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Sacramento Transportation Authority (Authority), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 24, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

October 24, 2023