

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors and Management  
Sacramento Transportation Authority  
Sacramento, California

We have performed the procedures enumerated below, which were agreed to by the Sacramento Transportation Authority (Authority), solely to assist you in (1) monitoring recipient compliance with applicable Memorandums of Understanding for Measure A funds between the Authority and the respective entities, as it relates to the entities' allocation; and (2) monitoring applicable recipient compliance with the *Abandoned Vehicle Abatement Handbook*, issued by the California Highway Patrol as it relates to the Sacramento Abandoned Vehicle Service Authority (SAVSA) for the year ended June 30, 2014. The Authority's management is responsible for monitoring the recipient entities' compliance with laws and regulations applicable to the requirements mentioned above. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and results are as follows:

**MEASURE A**

At your request, we have performed certain procedures as of and for the year ended June 30, 2014, with respect to recipient compliance with the applicable Memorandums of Understanding between the Authority and the respective recipient entities. Such procedures performed were as follows:

1. We read the recipient's accounting system narrative as it specifically relates to the accounting for, and control over, Measure A receipts and expenditures.

**Results:** Procedure performed without exception.

2. We read the recipients indirect cost allocation methodology, if any.

**Results:** Procedure performed without exception.

3. We read the recipient's methodology for allocating and recording interest related to Measure A receipts and recomputed reported interest income for one quarter of the year ended June 30, 2014 based on the amount set forth in the supporting schedules provided by the recipient entities, if interest was allocated to Measure A funds.

**Results:** Procedure performed without exception,

4. For the fiscal year ended June 30, 2014, you selected the following recipient entities for verification of Measure A expenditures:

- Original Measure A:
  - City of Sacramento

- On-going Measure A:
  - County of Sacramento
  - City of Sacramento
  - Sacramento Regional Transit District
  - Paratransit, Inc.
  - City of Rancho Cordova
  - City of Citrus Heights
- Measure A Capital Projects:
  - California Department of Transportation (Caltrans)
  - County of Sacramento
  - City of Sacramento
  - City of Rancho Cordova
  - City of Citrus Heights

For the recipient entities selected above, we performed the following procedures:

- a. Obtained the Original Measure A Status Reports, Measure A On-going Program Reporting, or the New Measure A Project Status Reports, as applicable for fiscal year ended June 30, 2014.
- b. From the detail of total recipient entity costs provided by the recipient entities, we haphazardly selected all or 10, whichever is less, expenditures for the fiscal year ended June 30, 2014, and agreed amounts to supporting documentation noting if the expenditure was consistent with the descriptions in the Expenditure Plan, the on-going Measure A Memorandum of Understanding of the Five-year Expenditure Plans for New Measure A, as applicable.
- c. We agreed the amounts in the applicable Measure A schedules provided by the Authority for the fiscal year ended June 30, 2014 to the expenditure detail for the fiscal year ended June 30, 2014 provided by the recipient.

**Results:** Except as noted as follows, the procedures were performed without exception.

Measure A – California Department of Transportation (Caltrans)

It was noted that \$668,924.35 in expenditures reported on the Caltrans' New Measure A Project Status Reports agreed to invoices, however these expenditures were not posted by Caltrans to its general ledger. Per agreement between Caltrans, the Authority, and the County of Sacramento, a portion of Caltrans Measure A funding is being utilized to reimburse the County of Sacramento for costs incurred for a qualified project. To expedite the reimbursement process, the County is to claim reimbursement for costs directly from the Authority, with Caltrans receiving copies of invoices being submitted for reimbursement. Caltrans is required by the Authority to report these expenditures on the quarterly status reports submitted to the Authority. However, Caltrans is not reporting the Measure A revenue and related expenditures in its general ledger system.

The Authority requests that copies of the community enhancement invoices submitted by the County also be sent directly to the accountant, Debbie De Leon, at Caltrans in addition to the Caltrans project managers to ensure that future invoices are properly posted to their general ledger.

## SAVSA

We have performed certain procedures as of and for the year ended June 30, 2014 with respect to the applicable recipient's compliance with the *Abandoned Vehicle Abatement Handbook* (Handbook) as it relates to the Sacramento Abandoned Vehicle Service Authority (SAVSA) recipient entities. Such procedures were as follows:

1. We read the recipient's accounting system narrative as it specifically relates to the accounting for, and control over, abatement receipts and expenditures.

**Results:** No exceptions were noted as a result of this procedure.

2. We read the recipient's indirect cost allocation methodology, if any.

**Results:** No exceptions were noted as a result of this procedure.

3. We read the recipient's methodology for allocating and recording interest and recomputed reported interest income for the year ended June 30, 2014 based on the amount set forth in the supporting schedules provided by the recipient entities.

**Results:** No exceptions were noted as a result of this procedure.

4. For the fiscal year ended June 30, 2014, you selected the following recipient entities for verification of abandoned vehicle abatement expenditures:

- City of Galt
- County of Sacramento
- City of Sacramento

For the recipient entities selected above, we performed the following procedures:

- a. Obtained the Quarterly Status Reports for the fiscal year ended June 30, 2014.
- b. From the detail of total recipient entity costs provided by the recipient entities, we haphazardly selected all or 10 expenditures, whichever is less, for the fiscal year ended June 30, 2014 and agreed amounts to supporting documentation noting if the expenditure was consistent with the allowable expenditures stated in the Handbook.
- c. We agreed the amounts in the SAVSA schedule provided by the Authority for the fiscal year ended June 30, 2014 to the expenditure detail for one haphazardly selected Quarterly Status Report provided by each recipient.

**Results:** Except as noted as follows, the procedures were performed without exception.

### City of Galt

For the quarter ended September 30, 2013, the City of Galt over claimed costs totaling \$432. Of the 137 Noticed and Voluntarily Moved (Public Property) abandoned vehicles reimbursed, the City was only able to support claims for 113. For the quarter ended December 31, 2013, the City over claimed costs totaling \$882. Of the 154 Noticed and Voluntarily Moved (Public Property) abandoned vehicles reimbursed, the City was only able to support claims for 105.

The Authority requests that the claim submitted for the 2<sup>nd</sup> quarter 2015 include a deduction of \$1,314 to account for the over claimed expenditures in the prior periods.

City of Sacramento

The City of Sacramento over claimed costs totaling \$30.82 relating to the purchase of business cards claimed for two Code Enforcement Officers that were not involved in the SAVSA program.

The Authority requests that the claim submitted for the 2<sup>nd</sup> quarter 2015 include a deduction of \$30.82 for the purchase of business cards for employees outside of the SAVSA program.

Prior Year Exceptions

**2013-01          Paratransit – On-Going Measure A**

**Overhead Costs**

As we did not test any indirect costs as part of Paratransit's Measure A procedure 4, we have no basis to report on the status of this exception.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

*Macias Gini & O'Connell LLP*

Sacramento, California  
November 19, 2014