

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

SACRAMENTO TRANSPORTATION AUTHORITY

Sacramento, California

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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PREPARED BY

Lisa Chandler Senior Accountant

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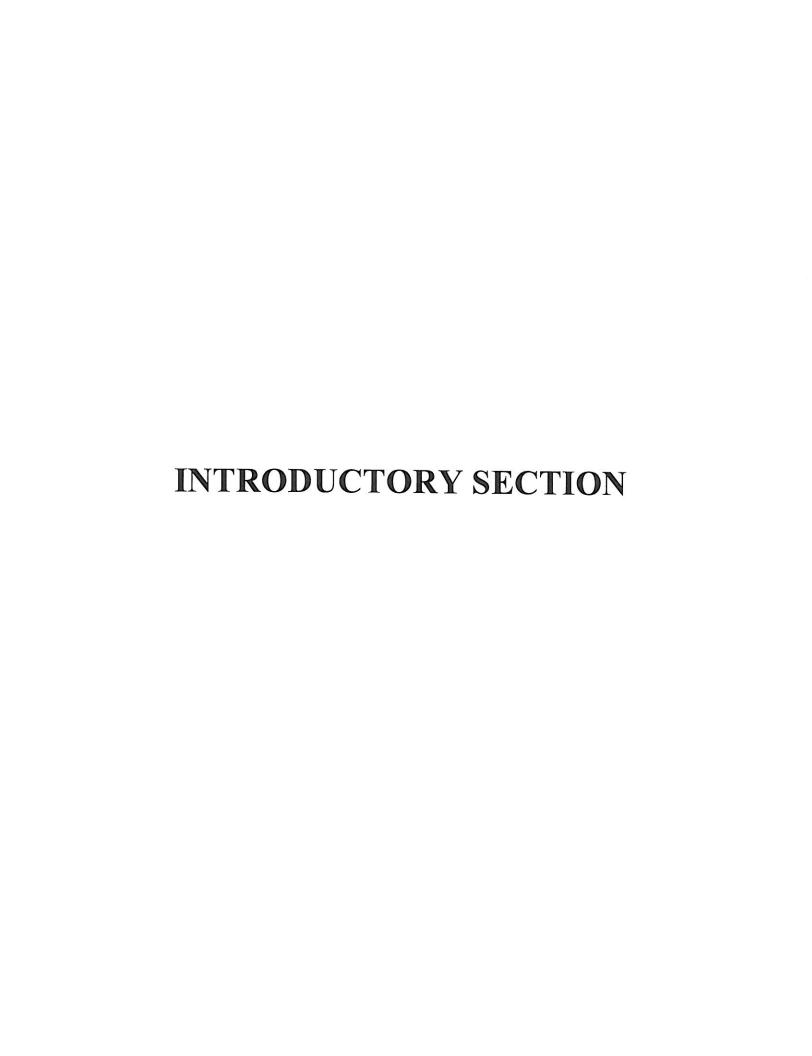
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Sacramento Transportation Authority

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

November 1, 2011

The Honorable Members of the Sacramento Transportation Authority Governing Board

The Comprehensive Annual Financial Report for the Sacramento Transportation Authority (the "Authority") for the year ended June 30, 2011 is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief the enclosed data is accurate in all material aspects and is reported in a manner designed to fairly present the financial position and results of operations of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

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

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

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

Factors Affecting Financial Condition

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

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

Local economy. Although the local economy has not yet recovered from the declining housing market and the unemployment rate for Sacramento County in June 2011 was 12.7%, sales tax revenues for the Authority increased by 4.52 % in FY 2010-2011 from the prior year. However, even though sales tax revenue continues to slowly increase, State employees continue furloughs at one day per month as does other local governments in Sacramento County.

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

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

The Plan of Finance was used to determine the amount of debt needed to finance capital projects from 2006-2009. The Plan of Finance was revised in September 2009 whereby the 2006 and 2007 bonds were repaid from the proceeds of a new bond issue in October 2009 that extends through September 2038.

Other Information

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Sacramento Transportation Authority for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and

local government financial reports. This is the sixteenth straight year the Authority has received this award.

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

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

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

Respectfully Submitted,

Vin Ellen

Concur,

Lisa Chandler Senior Accountant

Brian A. Williams
Executive Director

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SACRAMENTO TRANSPORTATION AUTHORITY

LIST OF PRINCIPAL OFFICIALS

June 30, 2011

BOARD MEMBERS

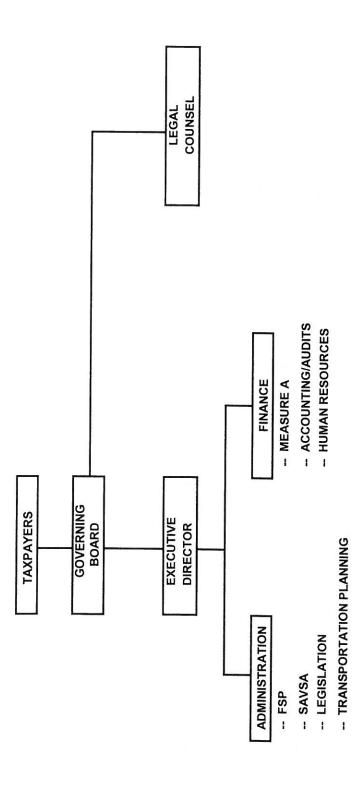
STEVE COHN, City of Sacramento
KEN COOLEY, City of Rancho Cordova
DARRELL FONG, City of Sacramento
KERRI HOWELL, City of Folsom
PATRICK HUME, City of Elk Grove
ROBERTA MACGLASHAN, County of Sacramento
KEVIN MCCARTY, City of Sacramento
DON NOTTOLI, County of Sacramento
BONNIE PANNELL, City of Sacramento
SUSAN PETERS, County of Sacramento
MARYLOU POWERS, City of Galt and Isleton
JAY SCHENIRER, City of Sacramento
PHIL SERNA, County of Sacramento
JEFF SLOWEY, City of Citrus Heights
JIMMIE YEE, County of Sacramento

Alternates

ANGELIQUE ASHBY, City of Sacramento
JEANNIE BRUINS, City of Citrus Heights
ROBERT KING FONG, City of Sacramento
KEVIN JOHNSON, City of Sacramento
ROBERT MCGARVEY, City of Rancho Cordova
ANDY MORIN, City of Folsom
SANDY SHEEDY, City of Sacramento
SOPHIA SCHERMAN, City of Elk Grove
TERESA STANLEY, County of Sacramento

STAFF

BRIAN WILLIAMS, Executive Director LISA CHANDLER, Senior Accountant NORMAN HOM, Administrative Services Officer III GLORIA BUSBY, Office Manager



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sacramento Transportation Authority, California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.







James Marta & Company Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sacramento Transportation Authority
Sacramento, CA

We have audited the accompanying financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of Sacramento Transportation Authority (the "Authority"), as of and for the year ended June 30, 2011, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinions.

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, 2011, and the respective changes in financial position, the respective budgetary comparison for the General Fund and the Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 28, 2011, on our consideration of the Authority's internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplemental information, the introductory sections, and the statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

James Marta & Company Certified Public Accountants

James Marta + Kompany

October 28, 2011

Management's Discussion and Analysis

As management of the Sacramento Transportation Authority (Authority), we present to the readers of these financial statements this narrative overview and analysis of the Authority for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through iii of this report.

Financial Highlights

- Actual Measure A revenues for 2010-11 exceeded original projections by \$7,562,821, an increase of 9.67%.
- Measure A revenues increased by 4.52% from the 2009-10 fiscal year (using budgetary basis revenues).
- The Authority did not increase debt during the current fiscal year.

Overview of the Financial Statements

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

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

The Statement of Net Assets presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

The government-wide financial statements include not only the Authority itself, but also the Sacramento Abandoned Vehicle Service Authority (SAVSA).

SAVSA, although legally separate from the Authority, functions for all practical purposes as a department of the Authority and therefore has been included as an integral part of the Authority.

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

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Authority's own programs.

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

Notes to the financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 - 36 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Authority, liabilities exceeded assets by \$241,114,539 at the close of the 2011 fiscal year. This was a result of debt issuance in September 2009 of \$318 million which refunded the 2006 and 2007 debt and the remaining proceeds will be used to fund New Measure A projects described in the Measure A Early Action Capital Allocation Plan.

NET ASSETS

Governmental Activities

	2011	2010	2009
Current and other assets Deferred Outflow	\$ 87,875,366 53,845,506	\$ 133,664,154 68,545,286	\$ 45,053,931
Total assets	141,720,872	202,209,440	45,053,931
Long term liabilities	372,181,797	386,876,398	185,052,796
Other liabilities	10,653,614	9,995,726	3,011,167
Total liabilities	<u>382,835,411</u>	396,872,124	188,063,963
Net assets:			
Restricted	5,447,348	3,073,658	_
Unrestricted	<u>(246,561,887)</u>	(197,736,342)	(143,010,032)
Total net assets	<u>(\$ 241,114,539)</u>	(\$ 194,662,684)	(\$143,010,032)

CHANGE IN NET ASSETS

Governmental Activities

	2011	2010	2009
Revenues:			
Program revenues:			
Freeway Service Patrol	\$ 1,921,842	\$ 1,828,269	\$ 1,832,143
Abandoned Vehicle	8		
Service Authority	1,070,911	1,106,169	1,132,447
Mitigation Fees	2,334,437	3,073,658	0
Total program revenues	5,327,190	6,008,096	2,964,590
General Revenues:			
Sales taxes	87,299,421	81,413,982	89,395,168
Interest and investment		Section of the Control of Particular Control	
earnings	761,513	637,384	966,250
Total revenues	93,388,124	88,059,462	93,326,008
Expenses:			
Governmental activities:			
Measure A (ongoing and	68,293,582	65,408,282	95,829,982
set asides)			,
Freeway Service Patrol	1,880,031	1,836,329	1,770,438
Abandoned Vehicle			
Service Authority	1,376,979	1,057,667	1,092,942
Measure A (construction)	52,044,097	60,854,700	28,471,832
Interest on long-term debt	16,245,290	10,555,136	7,581,217
Total expenses	139,839,979	139,712,114	134,746,411
Increase (decrease) in			7
net assets	(46,451,855)	(51,652,652)	(41,420,405)
Net assets beginning	(194,662,684)	(143,010,032)	(101,589,627)
Net assets ending	(\$241,114,539)	(\$194,662,684)	(\$143,010,032)
			· · · · · · · · · · · · · · · · · · ·

The decrease in net assets over the past four years reflects the issuance of debt to advance the New Measure A capital projects. Debt of \$182 million was issued in 2007 and 2008 which was refunded in September 2009 from the proceeds of the \$318 million debt issuance. In 2009, spending decreased to \$28 million as the 2007 bond funds had nearly been expended by June 2009. In 2010, with the \$318 million debt issuance, Measure A capital expenditures increased to nearly \$61 million. For the 2011 year, capital project spending has decreased to \$52 million due to the spending down of the 2009 bond issuance. Revenue comparison between the 2009 and 2010 years saw a decrease in revenues of 8.93%, however, in year 2011, there was a 7.23% increase using accrual basis numbers.

Financial Analysis of the Government's Funds

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

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

General Fund At of the end of the current fiscal year, the Authority's general fund reported an ending fund balance of \$73,787,859, a decrease of \$45,968,177 in comparison with the prior year. This decrease is primarily due to the spending down of the 2009 bond proceeds to further advance New Measure A capital projects. Although sales tax revenue increased by 4.52 % from the prior fiscal year, the Measure A capital expenditures decreased to \$52,044,097 in the 2010-11 year from \$60,854,700 in the prior year.

Special Revenue Fund At the end of the current fiscal year, the Sacramento Abandoned Vehicle Service Authority (SAVSA), which represents the Special Revenue Fund, reported an ending fund balance \$31,435, a decrease from the prior year of \$337,782 which was a due to an increased distribution of those funds to the jurisdictions.

Debt Service Fund The ending fund balance on the Debt Service Fund in the 2010-11 year was \$4,106,434 which represents the amount available for the debt service on the 2009 bond issue. Measure A sales tax revenues are initially wired to the trustee (Deutsche Bank), who in turn, deducts all debt service expenditures and the balance is then forwarded to the Authority for distribution to the jurisdictions. The interfund transfers of \$16,181,909 between the General Fund and the Debt Service Fund represent the sales tax revenue that was transferred to the Debt Service Fund to meet those expenditures.

General Fund Budgetary Highlights

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

Debt Administration

During 2010, the Authority issued \$318M in bonds to accelerate New Measure A proceeds to participating jurisdictions for transportation projects and to refund the previous debt issues in 2007 and 2008 which matured on October 1, 2009.

	<u>June 30, 2010</u>
2009 Series A 2009 Series B 2009 Series A	\$ 106,100,000 106,100,000 106,100,000
Total Long - Term Debt	<u>\$ 318,300,000</u>

Additional information on the Authority's long-term debt can be found in Note 8 on pages 31 - 35 of this report.

Economic Factors and Next Year's Budget

The area continues to suffer from the economic downturn. The area has been hit hard by the housing market collapse, with record number foreclosures. Sales tax revenues have been down four consecutive years, however, there was a slight increase of 4.52% in actual sales tax revenue in the 2010-11 year and a 9.67% increase of revenue on a budgetary basis. As a result, a modest increase of 3% is projected for sales tax revenue in the 2011-12 year.

Request for Information

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

BASIC FINANCIAL STATEMENTS

SACRAMENTO TRANSPORTATION AUTHORITY STATEMENT OF NET ASSETS JUNE 30, 2011

	G	overnmental Activities
ASSETS		
Cash and investments	\$	13,424,406
Receivables:		
Interest		9,514
Due from other		
governments		16,293,070
Prepaids		10,027
Restricted cash and investments		55,957,212
Unamortized bond issue costs		2,181,138
Deferred outflow		53,845,505
Total assets		141,720,872
		111,720,072
LIABILITIES		
Accounts payable and other		
current liabilities		7,526,931
Deposits		241,571
Interest payable		2,885,112
Noncurrent liabilities:		2,000,112
Due in more than one year		372,181,797
Total liabilites		382,835,411
NET ASSETS		
Restricted for Transportation Mitigation		5,447,348
Unrestricted		(246,561,887)
Total net assets	\$	(241,114,539)

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

SACRAMENTO TRANSPORTATION AUTHORITY STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2011

Net Expense and

		Program Revenues	Changes in Net Assets
		Operating Grants	Governmental
Functions/Programs	Expenses	and Contributions	Activities
Governmental Activities:			
Measure A (ongoing and set aside)	\$ 68,293,582		\$ (68,293,582)
Transportation Mitigation	0)	\$ 2,334,437	2,334,437
Freeway Service Patrol	1,880,031	1,921,842	41,810
Abandoned Vehicle Service Authority	1,376,979	1,070,911	(306,068)
Measure A (construction)	52,044,097		(52,044,097)
Interest on long-term debt	16,245,290		(16,245,290)
Total governmental activities	\$ 139,839,979 \$	\$ 5,327,190	(134,512,790)
	General revenues:		
	Sales taxes		87,299,421
	Interest, investmer	Interest, investment earnings and other	761,514
	Total general revenues	sennes	88,060,935
	Change in net assets	net assets	(46,451,855)
	Net assets - beginning	ng	(194,662,684)

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

(241,114,539)

Net assets - ending

SACRAMENTO TRANSPORTATION AUTHORITY BALANCE SHEET - GOVERNMENTAL FUNDS June 30, 2011

ASSETS:		General		Special Revenue	Debt Service	· -	G(Total overnmental Funds
Cash and Investments Prepaid expenditures Receivables:	\$	13,055,731 10,027	\$	368,674			\$	13,424,406 10,027
Interest Due from other governments Prepaid expenditures		9,163 16,053,274		351 239,797				9,514 16,293,070
Restricted cash and investments TOTAL ASSETS AND		51,827,262			\$ 4,129,951			55,957,212
OTHER DEBITS	_\$_	80,955,457	\$	608,822	\$ 4,129,951	_	\$	85,694,229
						_		
LIABILITIES and FUND BALANCE								
LIABILITIES: Accounts payable and other								
accrued liabilities Due to other governments	\$	164,661 6,999,659	\$	339,094	\$ 23,517		\$	188,178
Deposits		3,278	Ψ	238,293				7,338,753 241,571
Total liabilites		7,167,598		577,387	23,517	-		7,768,502
FUND BALANCE: Nonspendable								
Prepaids Restricted		10,027						10,027
New Measure A projects Transportation Mitigation		45,778,808 5,447,348						45,778,807 5,447,348
Other Transportation Projects		21,962,603						21,962,603
Debt service Assigned					4,106,434			4,106,434
Abandoned Vehicles				31,435				01 405
Unassigned				01,400				31,435
General Administration	•	589,073				_		589,073
Total fund balance TOTAL LIABILITIES AND		73,787,859		31,435	4,106,434	****		77,925,727
FUND BALANCE	\$	80,955,457	\$	608,822	\$ 4,129,951			85,694,229

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

SACRAMENTO TRANSPORTATION AUTHORITY RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS June 30, 2011

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

Long term debt net of premiums and discounts are not due and payable in the current period and therefore are not reported in the funds.	(318,300,000)
Interest payable is not due and payable in the current period and therefore is not reported in the funds.	(2,885,112)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(36,292)
Debt issuance costs are reported as expenditures in the funds, whereas these amounts are deferred and amortized in the Statement of Net Assets	2,181,138

\$ (241,114,539)

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

Net assets of governmental activities

SACRAMENTO TRANSPORTATION AUTHORITY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

REVENUES:	General	Special Revenue	Debt Service	Totals Governmental Fund
TEVERTOCO.				
Taxes	\$87,299,421			\$87,299,421
Mitigation Fees	2,334,437			2,334,437
Vehicle registration fees		\$1,070,911		1,070,911
State grant - freeway service	1,122,358			1,122,358
SAFE Funds	706,000			706,000
Use of money and property - interest	756,474	2,233	\$ 2,707	761,414
Misc Income	100			100
Yolo County - freeway service	93,484			93,483
Total revenues	92,312,274	1,073,144	2,707	93,388,124
EXPENDITURES:				
Current				
General government:				
Administrative	542,380			542.380
Freeway service patrol	1,880,031			1,880,031
Intergovernmental	119,710,078	1,376,979		121,087,058
Debt Service		50 5000 00		-
Interest and other charges	0		16,210,359	16,210,359
Total expenditures	122,132,489	1,376,979	16,210,359	139,719,828
EVOESS OF DEVENIUES				
EXCESS OF REVENUES				
OVER EXPENDITURES	(29,820,215)	(303,835)	(16,207,652)	(46,331,704)
OTHER FINANCING SOURCES (USES):				
Transfers in	33,947		10 101 000	
Transfers out	(16,181,909)	(22.047)	16,181,909	16,215,856
Transfero out	(10,101,909)	(33,947)		(16,215,856)
Total other financing sources (uses)	(16,147,962)	(33,947)	16,181,909	0
NET CHANCES IN				
NET CHANGES IN		50000000000000000000000000000000000000		
FUND BALANCES	(45,968,177)	(337,782)	(25,743)	(46,331,704)
FUND BALANCE, JULY 1, 2010	110 756 000	000 01-		
1 5/15 5/15/11/02, 0021 1, 2010	119,756,036	369,217	4,132,177	124,257,431
FUND BALANCE, JUNE 30, 2011	\$73,787,859	\$31,435	\$4,106,434	77 005 707
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The notes to the financial statements are an integral part of this statement

SACRAMENTO TRANSPORTATION AUTHORITY RECONCILATION 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, 2011

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

Net change in fund balances - total governmental funds (page 15)	\$	(46,331,704)
Changes not reported in government funds:		
Interest Payable		(34,931)
Change in compensated absences		(5,180)
Amortization of bond issue costs		(80,040)
	-	(00,040)
Change in Net Assets of governmental activities	\$	(46,451,855)

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

SACRAMENTO TRANSPORTATION AUTHORITY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts	Amounts	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive
REVENUES:	Original	Final	(See Note 1)	(Negative)
Taxes	\$ 78,240,200	\$ 78,240,200	\$ 85,803,021	\$ 7.562,821
Mitigation Fees	4,500,000	4,500,000		(2,165,563)
State grant - freeway service	959,293	959,293	1,122,358	163,065
SAFE Funds	706,000	706,000	706,000	0
Use of money and property - interest	600,000	000'009	756,474	156,474
Miscellaneous Income	0	0	100	100
Yolo County - freeway service	141,597	141,597	93,484	(48,113)
Total revenues	85,147,090	85,147,090	90,815,874	5,668,784
EXPENDITURES:				
Current:				
General government:				
Administrative	608,025	608,025	542,380	65,645
Freeway service patrol	1,999,247	1,999,247	1,880,031	119,216
Intergovernmental	146,458,503	146,458,503	119,710,078	26,748,425
l otal expenditures	149,065,775	149,065,775	122,132,489	26,933,286
EXCESS OF REVENUES				
OVER EXPENDITURES	(63,918,685)	(63,918,685)	(31,316,615)	32,602,070
OTHER FINANCING SOURCES (USES):				
Transfers in	34,000	34,000	33,947	(53)
Transfers out	(15,520,844)	(15,520,844)	(16,181,909)	(661,065)
Total other financing sources (uses)	(15,486,844)	(15,486,844)	(16,147,962)	(661,118)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND				
OTHER FINANCING USES	(79,405,529)	(79,405,529)	(47,464,576)	31,940,953
BUDGETARY FUND BALANCE, JULY 1, 2010	114,877,379	114,877,379	126,355,111	(11,477,732)
BUDGETARY FUND BALANCE, JUNE 30, 2011	\$35,471,850	\$35,471,850	\$78,890,535	\$20,463,221

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

SACRAMENTO TRANSPORTATION AUTHORITY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

SPECIAL REVENUE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	J	Budgeted Amounts Original Fin	ounts Final	Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
REVENUES:					
Vehicle license fee Use of money and property - interest	₩	1,092,075 \$ 4,000	1,092,075	\$ 1,124,565 2,233	\$ 32,490 (1,767)
Total revenues		1,096,075	1,096,075	1,126,798	30,723
EXPENDITURES:					
Current: General government: Intercovernmental		1 062 075	1 062 075	1 376 979	(314 904)
Total expenditures		1,062,075	1,062,075	1,376,979	(314,904)
EXCESS OF REVENUES OVER EXPENDITURES		34,000	34,000	(250,181)	(284,181)
OTHER FINANCING SOURCES (USES): Transfers out		(34,000)	(34,000)	(33,947)	53
Total other financing sources (uses)		(34,000)	(34,000)	(33,947)	53
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES			C	(284 128)	(801 198)
CONTRACTOR IN CO		i		(03, 1, 03)	(504, 503)
BOUGETANT FOIND BALAINCE, JOET 1, 2010		-	-	385,443	385,443
BUDGETARY FUND BALANCE, JUNE 30, 2011		80	\$0	\$101,315	\$101,315

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

SACRAMENTO TRANSPORTATION AUTHORITY STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS JUNE 30, 2011

400ET0		TOTALS
ASSETS: Cash and Investments	\$	51,829,747
Interest receivable		49,180
total assets	\$	51,878,926
LIABILITIES		
Accounts payable Held in trust for	\$	1,656,012
Measure A		50,222,914
total liabilities	\$	51,878,926
	-	

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

ORGANIZATION

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

SAVSA, a separate legal entity, was established under California Vehicle Code Section 22710, during the 1991-92 fiscal year. The code establishes a \$1 vehicle registration fee to be used for the abatement of abandoned vehicles for counties electing to impose the fee. The County Board of Supervisors, by a two-thirds vote, and the City Councils of a majority of the cities within the County having a majority of the incorporated population, adopted resolutions providing for the establishment of SAVSA.

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

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

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

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

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

FINANCIAL REPORTING ENTITY

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The Authority reports the following major governmental funds:

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

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

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

Additionally, the Authority reports the following fund types:

Fiduciary Funds:

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

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

In addition, two fiduciary funds were approved by the Board in the 2009-10 year as future set asides from Measure A sales tax revenue. The Neighborhood Shuttle set aside will promote the development or expansion of shuttle routes in residential and commercial areas that have infrequent or no transit service. The Consolidated Transportation Services Agency (CTSA) set aside will be used to support the provision of Elderly and Handicapped Transportation (EHT) services in the urbanized portion of Sacramento County which will remain unspent until 2015.

Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Authority's own programs, Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements.

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

BUDGETARY PRINCIPLES

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

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

CASH AND INVESTMENTS

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

CAPITAL ASSETS

Capital assets for governmental fund types are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements. It is the Authority's policy to capitalize furniture and equipment exceeding \$5,000. The Authority has no capital assets that exceed the capitalization threshold.

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

COMPENSATED ABSENCES

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

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is recorded in the government funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is used to liquidate compensated absences.

LONG-TERM DEBT

In the government-wide financial statements and in the fund financial statements, long-term debt is recorded as a liability in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Issuance costs are reported as unamortized bond issuance costs and are amortized over the life of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, incurred during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

INTERFUND TRANSACTIONS

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

FUND BALANCE CLASSIFICATION

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

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

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

FUND BALANCE CLASSIFICATION (Continued)

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

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

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

INSURANCE

The Authority's employees are covered by commercial worker's compensation insurance. In addition, the Authority purchases commercial insurance for general liability claims. At June 30, 2011, 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

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

Cash and investments as of June 30, 2011 are classified in the accompanying financial statements as follows:

\$	13,424,406
	55,957,212
-	51,829,747
\$	121,211,365
	\$

As of June 30, 2011, the Authority's cash and investments consisted of the following:

Cash on hand	\$	1,000
Deposits with financial institutions		16,576
Total cash		17,576
County Pool	\$	35,236,577
LAIF		30,000,000
Held by trustee in government security fund		4,129,951
CAMP		51,827,261
Total investments	\$	121,193,789
Total cash and investments	_\$_	121,211,365

NOTE 2 - CASH AND INVESTMENTS (Continued)

The Authority did not directly or indirectly enter into any derivative investments related to its cash and investments. The Authority's total investment in LAIF at June 30, 2011 is \$30,000,000. The total amount invested by all public agencies in LAIF at June 30, 2011, was \$66,352,783,817 which is managed by the Treasurer for the State of California. Of that amount, 5.01% is invested in asset-backed securities and structured financial instruments. The County Pool and CAMP are 100% invested in non-derivative financial products. The government security fund that is held by the trustee is not rated.

Investment in CAMP: CAMP was created under the provisions of the California Joint Exercise of Powers Act to provide professional investment management services and allows the participants to combine the use of a money market portfolio with an individually managed portfolio. CAMP is governed by a board of seven trustees, all of whom are officials or employees of public agencies. The money market portfolio offers daily liquidity and is rated AAAm by Standard and Poor. To maintain the AAAm rating, the portfolio's weighted average maturity may not exceed 70 days. The fair value of the Authority's position in CAMP is the same as the value of the pool shares.

Investment policy: California statutes authorize public agencies to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, and Chapter 4 - Financial Affairs. The table below identifies the investment types that are authorized for the Authority by the California Government Code (or the Authority's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the Authority rather than the general provisions of the California Government Code or the Authority's investment policy. During the year ended June 30, 2011, the Authority's permissible investments included the following instruments:

Authorized Investment Type	Maximum <u>Maturity</u>	Maximum % or Amount of the Portfolio
US Treasury Bonds/Notes/Bills Bonds issued by local agencies Registered State Warrants and Municipal Notes Bankers Acceptances Commercial Paper Negotiable Certificate of Deposit CRA Bank Deposit/Certificate of Deposit Repurchase Agreements Reverse Repurchase Agreement Medium Term Corporate Notes Shares of Money Market Mutual Fund Collateralized Mortgage Obligations	5 years 5 years 180 days 270 days 180 days 1 year 1 year 92 days 180 days 90 days	100% 80% 80% 40% 40% 30% 30% 20% 20%
California Asset Management Program (CAMP)	none	none

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investments Authorized by Debt Agreements: Investment of debt proceeds held by the bond trustees are governed by the provisions of the debt agreements, rather than the general provisions of the California Government Code or the Authority's investment policy. The 2009 Sales Tax Revenue Bonds debt agreements contain certain provisions that address interest rate risk and credit risk, but not concentration of credit risk.

Authorized Investment Type	Maximum Security	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Bonds or Obligations U.S. Treasury Obligations U.S. Agency Securities Bankers Acceptances Commercial Paper Money Market Fund Certificates of Deposit Investment Agreements Repurchase Agreements Mutual Funds LAIF	None None None 1 year 270 days None None None None N/A	None None None None None None None None	None None None None None None None None

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2011, the weighted average maturity of the investments contained in LAIF, the Sacramento County investment pool, and CAMP is approximately 237, 190, and 52 days, respectively.

<u>Credit Risk</u>: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Neither LAIF nor the Sacramento County investment pool has a rating provided by a nationally recognized statistical rating organization.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The Authority's deposits were covered by federal depository insurance at June 30, 2011.

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

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

	Modified Accrual Basis	Reversal of Prior Year Accrual	Current Year Accrual	Budgetary Basis
Revenues	\$92,312,274	\$13,330,800	(\$14,827,200)	\$ 90,815,874
Expenditures	122,132,489	0	0	122,132,489
Excess of revenues over expenditures	(\$29,820,215)	\$13,330,800	(\$14,827,200)	(\$31,316,615)

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

	Modified Accrual Basis	Reversal of Prior Year Accrual	Current Year Accrual	Budgetary Basis
Revenues	\$1,073,144	\$293,450	(\$239,796)	\$1,126,798
Expenditures	1,376,979			1,376,979
Excess of revenues over expenditures	(\$303,835)	\$293,450	(\$239,796)	(\$250,181)

NOTE 4 - PENSION PLAN

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

<u>Funding Policy</u> - Employees are required to contribute 8% of covered salary to CalPERS. The Authority is required to contribute the remaining amounts necessary to fund the benefits for its members, using the actuarial basis recommended by CalPERS actuaries and actuarial consultants and adopted by the CalPERS Board of Administration. For the fiscal year ended June 30, 2011 the employer contribution rate was 14.426%. The Authority, as part of its compensation to employees, pays 7% of the employees' contributions in addition to its own. The Authority's contributions for the years ended June 30, 2011, 2010, and 2009 were \$77,377, \$75,588, and 78,744 respectively, which were equal to the required contributions for each year.

NOTE 5 - DEFERRED COMPENSATION PLAN

The Authority offers its regular employees a deferred compensation under the provisions of Internal Revenue Code (IRC) Section 457. The plan permits these employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

The Authority has established separate independent trusts to hold the assets and earnings of its deferred compensation plans for the exclusive benefit of the participants that are not included in the Balance Sheet.

NOTE 6 - OPERATING LEASES

The Authority leases certain premises under operating leases through the year ending June 30, 2011. Rental expense for the year ended June 30, 2011 was \$48,496.

Future minimum lease payments under operating leases as of June 30, 2011 are as follows:

Fiscal Year Ending June 30,	Amount				
2012	\$	48,713			
2013		49,903			
2014		51,094			
2015		52,285			
2016		58,347			
Thereafter		74,584			
Total	\$	334,926			

NOTE 7 – INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2011 were as follows:

Transfers to General Fund from:

SAVSA Special Revenue Fund	\$	33,947
Total transfers to General Fund	_\$	33,947
Transfers from the General Fund to:		
Debt Service Fund	\$	16,181,909
Total Transfers from General Fund	\$	16.181.909

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

NOTE 8 – LONG-TERM LIABILITIES

The activity of the Authority's long-term liabilities during the year ended June 30, 2011 are as follows:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011			
Series 2009A Bonds Series 2009B Bonds Series 2009C Bonds	\$ 106,100,000 106,100,000 106,100,000	\$ - 	\$ -	\$ 106,100,000 106,100,000 106,100,000			
2009 Series Bonds	318,300,000			318,300,000			
Fair Value (Loss) of Interest Rate Swap	68,545,286	53,845,506	68,545,286	53,845,506			
Compensated absences	31,112	36,292	31,112	36,292			
Total Long –term liabilities	\$ 386,876,398	\$ 53,881,798	\$ 68,576,398	\$ 372,181,798			

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

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

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Long-term debt consists of the following at:

June 30 2011

2009 Series A Bonds: In October 2009, the Authority issued variable rate Sales Tax Revenue Bonds in the amount of \$106,100,000. The

Notes will be used to finance the cost of certain transportation projects approved by the voters in 2004. In the floating-to-fixed rate swap, the Authority pays a fixed interest rate of 3.736% to Goldman Sachs Capital Markets, and in turn, receives a variable interest rate based on 67 percent of the one month London Interbank Offered Rate (LIBOR) which is reset on a weekly basis. In addition, the Authority pays ancillary fees consisting of liquidity facility fees at a blended rate of 0.77% and remarketing fees of .10%. Under the Indenture Agreement between the Authority and the Trustee (Deutsche Bank), the Authority pledges future sales tax revenue as repayment for the 2009 bonds. The bonds mature on October 1, 2038.

\$106,100,000

2009 Series B Bonds: In October 2009, the Authority issued variable rate Sales Tax Revenue Bonds in the amount of \$106,100,000. The Notes will be used to finance the cost of certain transportation projects approved by the voters in 2004. In the floating-to-fixed rate swap, the Authority pays a fixed interest rate of 3.666% to JP Morgan Chase Bank N. A, and in turn, receives a variable interest rate based on 67 percent of three month London Interbank Offered Rate (LIBOR) which is reset on a weekly basis. In addition, the Authority pays ancillary fees consisting of liquidity facility fees at a blended rate of 0.77% and remarketing fees of .10%. Under the Indenture Agreement between the Authority and the Trustee (Deutsche Bank), the Authority pledges future sales tax revenue as repayment for the 2009 bonds. The bonds mature on October 1, 2038.

\$106,100,000

\$106,100,000 s C Bonds: In October 2009, the Authority issued variable

2009 Series C Bonds: In October 2009, the Authority issued variable rate Sales Tax Revenue Bonds in the amount of \$106,100,000. The Notes will be used to finance the cost of certain transportation projects approved by the voters in 2004. In the floating-to-fixed rate swap, the Authority pays a fixed interest rate of 3.736% to Bank of America N A, and in turn, receives a variable interest rate based on 67 percent of the one month London Interbank Offered Rate (LIBOR) which is reset on a weekly basis. In addition, the Authority pays ancillary fees consisting of liquidity facility fees at a blended rate of 0.77% and remarketing fees of .10%. Under the Indenture Agreement between the Authority and the Trustee (Deutsche Bank), the Authority pledges future sales tax revenue as repayment for the 2009 bonds. The bonds mature on October 1, 2038.

NOTE 8 - LONG-TERM LIABILITIES (Continued)

The Measure A one-half percent sales tax revenues approved by the electorate in 2004 are pledged for principal and interest payments. The 2006 and 2007 Series notes matured on October 1, 2009 and were repaid with proceeds from the 2009 Series bond issuance of \$318 million which will allow the Authority to expedite additional transportation projects under "New Measure A". The Authority has pledged future sales tax proceeds from this incremental tax, which are projected to cover 100% of the debt service requirements over the life of the bonds. The total principal and interest remaining on the bonds is \$665,043,070, payable through October 1, 2038. For the current year, principal and interest paid and total incremental sales tax revenues were \$16,210,359 and \$87,299,421, respectively. The 2009 Series bonds were issued at par, and therefore, no premium/discount is shown for the 2009 Series bonds.

As of June 30, 2011, the future annual debt service requirements and net payments on associated hedging derivative instruments on the Authority's 2009 Series Bond obligations are detailed in the schedule below. These amounts assume that current interest rates on variable rate bonds will remain the same for their term. As these rates vary, interest payments on variable rate bonds and net payments on the hedging derivatives will vary.

Fiscal Year Ending June 30,	Principal (1)	Es	timated Bond Interest (2)		Hedging ivatives, Net (3)	An	cillary Fees (4)	-	Total
2011	\$ -	\$	700,812	\$	11,217,479	\$	3,748,472	\$	15,666,763
2012			700,812		11,217,479	8.	2,799,735	•	14,718,026
2013	1.0		700,812		11,217,479		2,504,044		14,422,335
2014	:E		700,812		11,217,479		2,504,699		14,422,990
2015			700,812		11,217,479		2,504,699		14,422,990
2016 - 2020	i i		3,504,062		56,087,396		12,536,131		72,127,589
2021 - 2025	-		3,504,062		56,087,396		12,528,831		72,120,289
2026 - 2030	46,700,000		3,403,552		54,478,606		12,170,831		116,752,989
2031 - 2035	138,300,000		2,254,026		36,078,839		8,061,963		184,694,828
2036 - 2039	133,300,000		602,065		9,636,883		2,155,323		145,694,271
Total	\$ 318,300,000	\$	16,771,827	\$ 2	68,456,515	\$	61,514,728	2000 2000	65,043,070

⁽¹⁾ Reflects principal amortization of the bonds and notional amortization on the swaps

⁽²⁾ Based on Average of Bond Rates for FY 2011 on all three series (.2202%)

⁽³⁾ Based on average fixed swap rate for the three swaps (3.7127%), less average receipts on the three floating legs for FY 2011 (.1885%); total rate = 3.5242%

⁽⁴⁾ Based on FY 2011 Average liquidity rates of .67%, plus remarketing fees of 0.10%; total = 0.77%

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Interest Rate Swaps Effective Date of October 1, 2009

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

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

Fair value. Because long-term interest rates have decreased since execution of the swaps, the swaps had a total negative fair value of \$53,845,506 as of June 30, 2011. The Bank of America swap had a negative fair value of \$18,537,428, the Goldman Sachs Capital Markets swap had a negative fair value of \$18,537,937, and the JPMorgan Chase Financial Products swap had a negative fair value of \$16,770,141. The fair values were estimated by an independent third-party based on mid-market levels as of the close of business on June 30, 2011. The fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of the swaps. The fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement payment on the swaps. The change in the fair value of these swaps was \$53,845,506, and is reported as a deferred outflow.

Credit risk. This is the risk that the counterparty will fail to perform under the terms of the agreement. As of June 30, 2011, the Authority was not exposed to credit risk on these swaps because the fair values were negative. However, should interest rates change and the fair values of the swaps become positive, the Authority would be exposed to credit risk in the amount of the swaps' positive fair values. In order to mitigate this risk, the Authority diversified its exposure among three counterparties. As of June 30, 2011 the swap counterparties were rated Aa3 (Bank of America and Goldman Sachs Products) and Aa1 (JPMorgan Chase) by Moody's and A+ (Bank of America), A (Goldman Sachs Capital Markets), and AA (JPMorgan Chase) by Standard & Poor's. The swap agreements contain varying collateral agreements with the counterparties. The swaps require collateralization of the fair value of the swap should the counterparty's credit rating fall below the applicable thresholds.

NOTE 8 – LONG-TERM LIABILITIES (Continued)

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 were issued in October 2009. The Authority is exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the Authority pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the effective fixed rate on the debt will vary. Based on current and historical experience, we expect the payments received under the agreements to approximate the expected bond payments over the 29 year term of the swaps.

Termination risk and termination payments. This is the risk that the transaction is terminated in a market dictating a termination payment by the Authority. The Authority can terminate a swap at the fair market value by providing notice to the counterparty, while the counterparty may only terminate the swap upon certain termination events under the terms of the agreement. The Authority or the counterparties may terminate the swap if the other party fails to perform under the terms of the contracts, such as the failure to make swap payments. If the swap is terminated, the expected variable-rate bonds would no longer be hedged.

Arbitrage: The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax exempt bonds after August 31, 1986. Arbitrage regulations deal with investments of all tax-exempt bond proceeds at an interest yield greater than the interest paid to bondholders. Generally, all interest paid to bond holders can be retroactive if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. The Authority's arbitrage liability is currently estimated to be immaterial.

NOTE 9 - FUND BALANCE

As of these financial statements, the Authority has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. The fund balance classification is described in Note 1.

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

General Fund

The General Fund has Nonspendable, Restricted and Unassigned Funds as of June 30, 2011 consisting of the following:

- Prepaid Expenditures (\$10,027) represent amounts that are expected to be converted to cash
- New Measure A Projects for (\$45,778,808) to reflect bond proceeds held in CAMP for New Measure A project delivery.
- Transportation Mitigation (\$5,447,348) to assist with funding road and transit system improvements needed to accommodate projected growth and development.

NOTE 9 - FUND BALANCE (Continued)

- Other Transportation Projects (\$21,962,603) to reflect funds restricted by Local Ordinance for transportation-related projects.
- General Administration (\$589,073) to reflect unassigned funds for the use of general administrative expenditures.

Other Major Funds

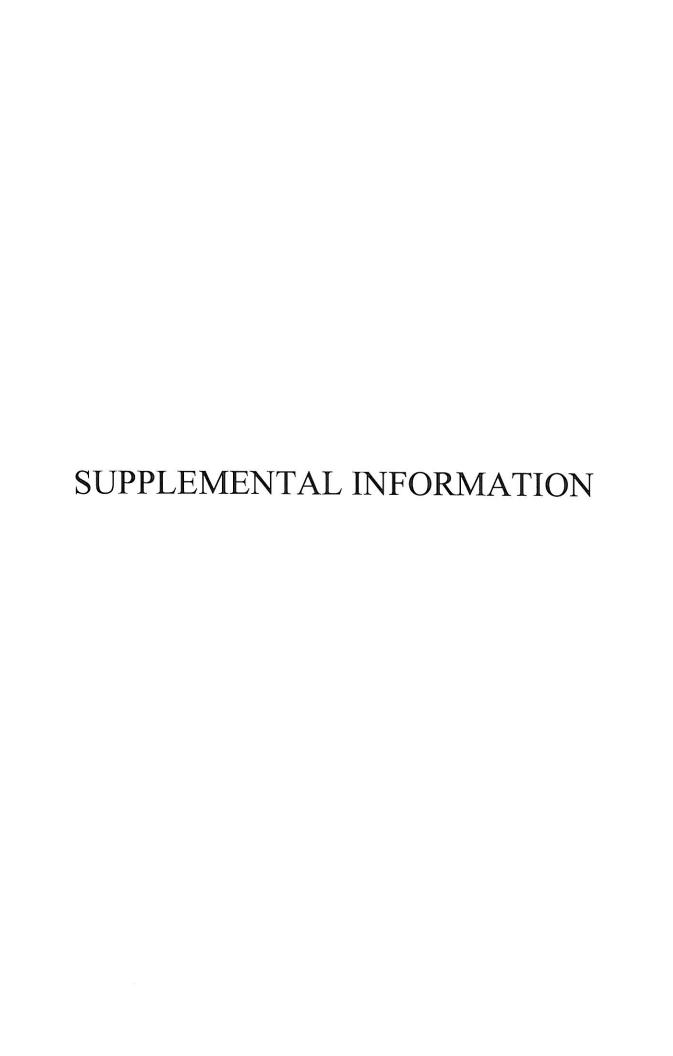
The Special Revenue Fund has Assigned Funds of \$31,435 at June 30, 2011 to fulfill the program objectives of the Abandoned Vehicles program. The Debt Service Fund has Restricted Funds of \$4,106,434 to reflect amounts held for debt service.

NOTE 10 - GOVERNMENT WIDE NET ASSETS

As of June 30, 2011, the Authority had negative net assets of \$241,114,539. Under a typical bond financing arrangement, the public entity issues debt and expands the funds on capital projects that are shown on the statement of net assets as capital assets. The capital assets generally offset the bonded debt. The Authority has facilitated the financing for the recipient jurisdictions. Since the Authority allocates the Measure A funds to the various jurisdictions for Measure A related projects, a negative asset or deficit will result as the expenditures are recorded in the Authority's books while the various jurisdictions will either record capital assets or expenditures on their financial statements. The deficit will continue to grow as the projected expenditures increase in the next few years but will be recovered over time as the sales tax revenues eventually exceed the expenditures.

NOTE 11 – SUBSEQUENT EVENTS

The Authority's management evaluated its 2010-11 financial statements for subsequent events through October 28, 2011, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.



SACRAMENTO TRANSPORTATION AUTHORITY COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES ALL AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

		luly 1, 2010 Balance		Additions		Deletions	J	une 30, 2011 Balance
SACRAMENTO AIR QUALITY MANAGEMENT DISTRICT								
Assets: Cash and Investments	\$	11,724	\$	295	\$	12,019	\$	0
Interest receivable Total Assets	-\$	285 12,009	\$	0 295	\$	285	_	
Liabilities:	<u> </u>	12,003	Ψ	293	Ф	12,304	\$	0
Warrants payable	\$		\$		\$		\$	
Deposits	3000	12,009		295	Ψ	12,304	Ψ	0
Total Liabilities	\$	12,009	\$	295	\$	12,304	\$	0
CITY OF SACRAMENTO								
Assets:								
Cash and Investments	\$	39,047,402	\$	225,707	\$	3,366,349	\$	35,906,760
Due from other funds Interest receivable		90.745		-		-		-
Total Assels	\$	80,745 39,128,147	\$	38,973 264,679	\$	80,745 3,447,093	\$	38,973 35,945,733
Liebilikies	_		<u> </u>	204,073	Ψ	3,447,093	Φ	35,945,733
Liabilities: Warrants payable	\$			000 000			_	
Deposits	\$	39,128,147		629,380 (364,701)	\$ \$	3,447,093	\$	629,380
Total Liabilities	\$	39,128,147	\$	264,679	\$	3,447,093	\$	35,316,353 35,945,733
COUNTY OF SACRAMENTO								
Assets:								
Cash and Investments		\$4,418,399	\$	33,409		\$2,585,781		\$1,866,027
Interest receivable		20,264		780		20,264		780
Total Assets	_	\$4,438,663	\$	34,189	\$	2,606,045		\$1,866,807
Liabilities:								
Warrants payable Deposits	\$	4 400 000	_	55,540	\$		\$	55,540
Total Liabilities	\$	4,438,663 4,438,663	\$ \$	(21,351) 34,189	\$	2,606,045 2,606,045	\$	1,811,267
SACRAMENTO REGIONAL TRANSIT		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		04,100	Ψ	2,000,043	Φ	1,866,807
Assets: Cash and Investments	\$	0.001.050	•	45.004	_		V400-	
Interest receivable	Ф	2,081,956 6,424	\$	15,604 1,349	\$	133,578 6,424	\$	1,963,982
Total Assets	\$	2,088,380	\$	16,953	\$	140,002	\$	1,349
Liabilities:								
Deposits	\$	2,088,380	\$	16,953		140,002	\$	1,965,331
Total Liabilities	\$	2,088,380	\$	16,953	\$	140,002	\$	1,965,331
CITY OF FOLSOM								
Assets:								
Cash and Investments	\$	3,999,411	\$	28,406	\$	926,519	\$	3,101,298
Interest receivable		12,829		2,103		12,829		2,103
Total Assets	\$	4,012,240	\$	30,509	\$	939,348	\$	3,103,401
Liabilities:								
Warrants payable	\$	20220200 000	8	263,641				263,641
Deposits Total Liabilities	\$	4,012,240 4,012,240	\$	(233,132)	6	939,348	\$	2,839,760
The second secon	Ψ	7,012,240	Ψ	30,509	\$	939,348	\$	3,103,401

SACRAMENTO TRANSPORTATION AUTHORITY COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES ALL AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	J:	uly 1, 2010 Balance		Additions Deletions		Ju	June 30, 2011 Balance	
CITY OF ISLETON								
Cash and Investments	\$	181,388	\$	1,348	\$		\$	192 726
Interest receivable		546		132	Ψ	546	Ψ	182,736 132
Total Assets	\$	181,934	\$	1,480	\$	546	\$	182,868
Liabilities:								
Deposits	\$	181,934		1,480	\$	546	\$	182,868
Total Liabilities	\$	181,934	\$	1,480	\$	546	\$	182,868
CITY OF GALT								
Assets:								
Cash and Investments	\$	4,429,969	\$	17,171	\$	3,952,345	\$	494,795
Interest receivable Total Assets		13,415		158	_	13,415		158
Total Assets	\$	4,443,384	\$	17,329	\$	3,965,760	\$	494,953
Liabilities:								
Warrants Payable	\$	3,952,345	\$		\$	3,952,345	\$	
Deposits		491,039		17,329		13,415		494,953
Total Liabilities	\$	4,443,384	\$	17,329	\$	3,965,760	\$	494,953
CITY OF CITRUS HEIGHTS Assets:							/ 2 900-000	
Cash and Investments	\$	2,687,712	\$	124,409	\$	220,270	e.	0.504.054
Interest receivable	•	8,609	Ψ	1,817	Ψ	8,609	\$	2,591,851 1,817
Total Assets	\$	2,696,321	\$	126,226	\$	228,879	\$	2,593,668
Liabilities:								
Warrants payable	\$	1941	\$	563,533				500 500
Deposits	Ψ.	2,696,321	\$	(437,307)	\$	228,879	\$	563,533 2,030,135
Total Liabilities	\$	2,696,321	\$	126,226	\$	228,879	\$	2,593,668
	-		2272-					
CITY OF ELK GROVE								
Assets: Cash and Investments	\$	2,125,251	\$	14 540	¢.	1 104 074	•	4 04 4 000
Interest receivable	Ψ	7,269	Φ	14,540 418	\$	1,124,971	\$	1,014,820
Total Assets	\$	2,132,520	\$	14,958	\$	7,269 1,132,240	\$	1,015,238
						1,102,1210	<u> </u>	1,010,200
Liabilities:								
Warrants Payable	\$	271,293	\$	125,650	\$	271,293	\$	125,650
Deposits		1,861,227		(110,692)		860,947		889,589
Total Liabilities	\$	2,132,520	\$	14,958	\$	1,132,240	\$	1,015,238
CITY OF RANCHO CORDOVA Assets:								
Cash and Investments	\$	2,787,586	\$	15,168	\$	1,755,703	\$	1,047,051
Interest receivable	4	8,430	- 1250	523		8,430		523
Total Assets		2,796,016	\$	15,691	\$	1,764,133	\$	1,047,574
Liabilities:								
Warrants Payable	\$	120	\$	18,267	\$	-	\$	18,267
Deposits	11 - 50	2,796,016	7	(2,576)	*	1,764,133	Ψ	1,029,307
Total Liabilities	\$	2,796,016	\$	15,691	\$	1,764,133	\$	1,047,574

SACRAMENTO TRANSPORTATION AUTHORITY COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES ALL AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	_	July 1, 2010 Balance		Additions		Deletions	J	une 30, 2011 Balance
NEIGHBORHOOD SHUTTLE								
Assets:								
Cash and Investments	\$	1,002,025	\$	1,008,287	\$	-	\$	2,010,312
Interest receivable		2,286		1,628	\$	2,286		1,628
Total Assets	\$	1,004,311	\$	1,009,915	\$	2,286	\$	2,011,940
Liabilities:								
Deposits	¢	1.004.014	œ.	1 000 015				
Total Liabilities	<u>\$</u>	1,004,311	\$	1,009,915	\$	2,286	\$	2,011,940
Total Liabilities	<u> </u>	1,004,311	\$	1,009,915	\$	2,286	\$	2,011,940
CTSA SET ASIDE								
Assets:								
Cash and Investments	\$	804,220	\$	845,611	\$	-	\$	1 640 921
Interest receivable	(2 -3 ())	1,856	•	1,335	Ψ	1,856	Ψ	1,649,831
Total Assets	\$	806,076	\$	846,946	\$	1,856	\$	1,335
	_			010,040	Ψ	1,000	φ	1,651,166
Liabilities:								
Deposits	\$	806,076	\$	846,946	\$	1 056	¢	1.054.400
Total Liabilities	\$	806,076	\$	846,946	- φ \$	1,856 1,856	<u>\$</u> \$	1,651,166
				0.10,010		1,000	Ψ	1,651,166
JPA CONNECTOR (Pay Go)								
Assets:								
Cash and Investments	\$	-	\$	203,929	\$	203,647	\$	282
Interest receivable		-		(36)	•	200,017	Ψ	(36)
Total Assets	\$		\$	203,893	\$	203,647	\$	246
					_			240
Liabilities:								
Deposits	\$	-	\$	203,893	\$	203,647	\$	246
Total Liabilities	\$	_	\$	203,893	\$	203,647	\$	246
					_		_	
TOTAL AGENCY FUNDS								
Assets:								
Cash and Investments	\$	63,577,043	\$	2,533,885	\$	14,281,181	\$	51,829,747
Due from other funds				-,,	Ψ.	,	Ψ	31,023,747
Interest receivable		162,958		49,180		162,958		49,180
Total Assets	\$	63,740,001	\$	2,583,064	\$	14,444,139	\$	51,878,926
Liabilities:								
Warrants payable	\$	4,223,638	\$	1,656,012	\$	4 222 620	e	1 656 010
Deposits	*	59,516,363	Ψ	927,053	Φ	4,223,638	\$	1,656,012
Total Liabilities	\$	63,740,001	\$	2,583,064	\$	10,220,501	\$	50,222,914
			<u> </u>	2,000,004	φ	17,774,139	Φ	51,878,926

STATISTICAL SECTION

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

Financial Trends – These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the Authority's most significant local revenue source - sales tax.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place and to help make comparisons over time and with other governments.

Operating Information – These schedules contain information about the Authority's operation and resources to help the reader understand how the Authority's financial information relates to the services the Authority provides and the activities it performs.

Sources: - Unless otherwise noted; the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Authority implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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

	Fiscal Year	Fiscal Year Fiscal Year	Fiscal Year	Fiscal Year Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:									
Restricted for debt service									
Restricted for New Measure A									
Restricted for Transportation Mitigation							69	3,073,658 \$	5,447,348
Unrestricted	\$ 25,786,678		\$ 36,790,648	\$ 33,368,935	\$ (16,051,271)	\$ 36,790,648 \$ 33,368,935 \$ (16,051,271) \$ (101,589,627) \$ (143,010,032) \$		(197,736,342) \$ (246,561,887)	(246,561,887)
Total governmental activities net assets	\$ 25,786,678	\$ 25,786,678 \$ 32,441,098	\$ 36,790,648	\$ 33,368,935	\$ (16,051,272)	36,790,648 \$ 33,368,935 \$ (16,051,272) \$ (101,589,627) \$ (143,010,032) \$ (194,662,684) \$ (241,114,539)	(143,010,032) \$	(194,662,684) \$	(241,114,539)

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

Source - Authority financials

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

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Program Revenues									
Operating grants and contributions	\$ 2,987,944	\$ 3,258,656	\$ 3,265,658	\$ 3,038,830 \$	2.856.376	\$ 3.065.942	2 964 590	\$ 6,008,096	\$ 5327 190
Expenses									
Governmental Activities:									
Measure A (ongoing and set asides)	87,268,710 \$	5 90,344,579	\$ 98,303,111	\$ 113,885,339 \$	118,452,646	\$ 100,930,099	\$ 95,829,982	65,408,282	68,293,582
Freeway Service Patrol	1,431,379	1,572,890	1,495,634	1,555,435	1,643,363	1,824,305	1,770,438	1,836,329	1,880,031
Abandoned Vehicle Service Authority	994,979	1,110,975	1,093,842	1,178,658	1,199,866	1,135,591	1,092,942	1,057,667	1,376,979
Measure A (construction)					37,396,454	82,958,676	28,471,832	60,854,700	52,044,097
Interest on long-term debt					2,491,557	6,691,245	7,581,219	10,555,136	16,245,290
Collaborative	921,076	904,957	892,620	455,910	•	•		,	
Total expenses	90,646,144	93,933,401	101,785,207	117,075,342	161,183,886	193,539,916	134,746,413	139,712,114	139,839,979
Net (expense) revenue	(87,658,200)	(90,674,745)	(98,519,549)	(114,036,512)	(158,327,510)	(190,473,974)	(131,781,823)	(133,704,018)	(134,512,790)
General revenues:									
Sales taxes	89,974,536	97,159,755	102,385,507	109,688,836	105,366,507	101,155,680	89,395,168	81,413,982	87,299,421
Unrestricted investment earnings	222,268	169,410	483,592	925,963	3,540,796	3,779,938	966,250	637,384	761,514
Total general revenues	90,196,804	97,329,165	102,869,099	110,614,799	108,907,303	104,935,618	90,361,418	82,051,366	88,060,935
Change in net assets	\$ 2,538,604 \$	6,654,420	\$ 4,349,550	\$ (3,421,713) \$		(49,420,207) \$ (85,538,356) \$ (41,420,405)	(41,420,405)	\$ (51,652,652) \$	(46,451,855)

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

Source - Authority financials

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

	Fiscal Year	Fisc	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2002	7	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund								200	2004	20104	107
Reserved	\$ 10,000	69	10,000 \$	10,000	\$ 10,000	\$ 10,000					
Reserved for New Measure A Projects							\$ 53.736.986	\$ 50.417.511	50.417.511 \$ 23.815.777	\$ 103 507 342	\$ 45 778 808
Reserved for Transportation Mitigation											5 447 348
Unreserved:											
Designated for:											
Revenue estimate adjustments	4,557,890		4,664,510	6,942,317	7,104,690	6,393,630	4,226,954				
Litigation contingency	499,303		490,302	498,400	476,689	497,542	516,689				
Administrative reserve	1,295,456		1,352,263	1,374,596	1,432,497						
FSP Radios	30,000		30,000								
Unreserved and undesignated	16,567,673		18,889,733	23,290,295	27,383,158	26,063,530	16,579,963	21,487,298	15,261,503	13,175,036	22.561,703
Total general fund	\$ 22,960,322	8	25,436,808 \$	32,115,608	\$ 36,407,034	\$ 32,964,702	\$ 75,060,592	\$ 71,904,809	\$ 39,077,280	\$119,756,036	\$ 73,787,859
All other governmental funds											
Reserved for debt service						49		10,721,864 \$ 12,495,581 \$ 4,384,802	\$ 4384802	4 132 177	4 106 434
Unreserved									700'.		, ,
Unreserved, reported in											
Special revenue fund - SAVSA	\$ 327,937 \$	49	387,084 \$	362,938	\$ 429,074	390,322	336,904	324,850	349,268	369,217	31.435
Special revenue fund - Collaborative	40		1,617	2,770	759	866'99				33	
Total all other governmental funds	\$ 327,977 \$	69	388,701 \$	365,708	\$ 429,833	\$ 457,320 \$		12,820,431	11,058,768 \$ 12,820,431 \$ 4,734,070 \$ 4,501,393 \$	\$ 4,501,393	4,137,869

Source - Authority financials

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

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
Revenues	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Taxes Development Impact Fees	\$ 84,500,999	\$ 89,974,536	\$97,159,755	\$ 102,385,507	\$ 109,688,836	\$ 105,366,507	\$ 101,155,680	\$89,395,168	\$81,413,982	\$87,299,421
Vehicle registration fees	1,051,175	1,074,183	1,112,098	1,139,965	1,142,226	1,144,870	1,140,257	1,132,447	1,106,169	1,070,911
Contributions State grant	596,088	725,491	679,959	655,968	405,595	951 204	1 129 892	1 035 852	988 962	1 122 35B
Federal grant SAFE Funds	375,000		620,000	620,000	610,000	640,000	672,525	672,525	706.000	706.000
Planning services	512 435		187 073	426 817	032 080	3 542 668	3 803 128	975 310	907 438	761 414
Unrealized gain/(loss)	(65,500)	(40,952)	(17,663)	56,775	(6,318)	(1,872)	(23,190)	(090'6)	1	
Miscellaneous Yelo County	85.888	86 070	86.759	3,416	201	120.302	123 268	123 766	2,432	100
Tota, Revenues	88,006,562	93,183,318	100,587,821	106,134,757	113,653,629	111,763,679	108,001,560	93,326,010	88,059,461	93,388,124
Expenditures										
General government: Administrative	1,243,646	1,495,792	1.784.019	1.814.604	1,235.780	493.837	554.092	643.936	599.424	542.380
Freeway service patrol	1,353,067	1,431,379	1,572,890	1,495,634	1,555,435	1,643,363	1,824,305	1,770,438	1,836,329	1,880,031
Intergovernmental	87,733,690	87,718,971	90,575,105	98,468,968	114,277,259	156,319,967	183,896,918	123,979,282	126,524,494	121,087,058
Debt Service Interest and other charges						2,619,565	6,401,511	7,846,244	14,633,134	16,210,359
Total expenditures	90,330,403	90,646,142	93,932,014	101,779,206	117,068,474	161,076,732	192,676,826	134,239,900	143,593,381	139,719,828
Excess of Revenues over Expenditures	(2,323,841)	2,537,176	6,655,807	4,355,551	(3,414,845)	(49,313,053)	(84,675,266)	(40,913,890)	(55,533,920)	(46,331,704)
Other Financing Sources (Uses)		1	1			j				
Transfers in Transfers out	250,380 (250,380)	249,907 (249,907)	255,089 (255,089)	255,200 (255,200)	139,674	11,970,833 (11,970,833)	7,147,055	589,465	12,031,436	16,215,856 (16,215,856)
Repayment 2006 and 2007 bond debt						TOP 020 907	(10000000000000000000000000000000000000		(182,320,000)	(2001)
Total other financing sources (uses)	0	0	0	0	0	101,673,487	83,618,050	0	135,980,000	0
Net change in fund balances	\$ (2,323,841) \$	2,537,176	\$ 6,655,807	\$ 4,355,551	\$ (3,414,845)	\$ 52,360,434	\$ (1,057,216)	\$(40,913,890)	\$ 80,446,080	\$(46,331,704)
Debt Service as a Percentage of Noncapital Expenditures		t				1.63%	3.32%	5.84%	10.19%	11.60%

Source - Authority financials

SACRAMENTO TRANSPORTATION AUTHORITY
REVENUE CAPACITY - REVENUE BASE AND REVENUE RATE
FY 2001 through FY 2011 (in thousands)

Authority Total Total Fiscal Sales Tax Sales Tax Taxable Year Rate Revenue Sales 2011 0.5% 87,299 17,459,800* 2010 0.5% 81,414 16,282,800* 2009 0.5% 89,395 16,563,853 2008 0.5% 101,155 19,331,847 2007 0.5% 105,367 20,560,510 2006 0.5% 109,689 21,140,386 2005 0.5% 102,386 21,266,500 2004 0.5% 97,160 20,216,922 2003 0.5% 89,975 18,506,466 2002 0.5% 84,501 17,557,559

Source: Board of Equalization

* Estimate - actuals not available

SACRAMENTO TRANSPORTATION AUTHORITY

REVENUE CAPACITY - PRINCIPAL REVENUE PAYERS Calendar Year 2009 and 2001

		2009*			2001	
	Rank	Amount	Percentage of Taxable Sales	Rank	Amount	Percentage of Taxable Sales
All Other Outlets	1	5,311,534	32.1%	1	4,659,145	27.1%
General Merchandise Stores	2	1,904,847	11.5%	4	1,996,605	11.6%
All Other Retail Stores	3	1,903,698	11.5%	2	2,176,848	12.6%
Automotive	4	1,568,867	9.5%	3	2,539,207	14.7%
Eating & Drinking Places	5	1,643,893	9.9%	5	1,242,312	7.2%
Service Stations	6	1,355,959	8.2%	7	816,696	4.7%
Building Materials	7	890,055	5.4%	6	1,102,951	6.4%
Food Stores	8	838,995	5.1%	8	792,603	4.6%
Apparel Stores	9	772,262	4.7%	11	435,758	2.5%
Household & Home Furnishings	10	262,196	1.6%	10	598,487	3.5%
Business & Personal	11	111,544	0.8%	9	861,189	5.0%
Total All Outlets	:	16,563,853	100.0%	= :	17,221,801	100.0%

Source: Board of Equalization *Lastest information available

SACRAMENTO TRANSPORTATION AUTHORITY

PRIVATE SECTOR PRINCIPAL EMPLOYERS Calendar Year 2010 and 2001

		2010*			2001	
	Rank	Employees (a)	Percentage of Total County Employment	Rank	Employees (b)	Percentage of Total County Employment
Sutter / California Health Services	1	8,702	1.45%	1	16,600	2.78%
CHW / Mercy Health Care	2	6,976	1.16%	5	6,000	1.01%
Kaiser Permanente	3	6,414	1.07%	2	10,530	1.77%
Intel Corporation	4	6,000	1.00%	9	5,000	0.84%
Health Net of California	5	2,449	0.41%			
Wells Fargo & Co.	6	2,306	0.38%			
Vision Service Plan	7	1,658	0.28%			
Aerojet	8	1,640	0.27%			
Delta Dental	9	1,407	0.23%			
Eskaton	10	935	0.16%			
Oracle Corporation				3	8,500	1.43%
Raley's Inc / Bel Air				4	6,430	1.08%
Hewlett Packard				6	5,800	0.97%
Pacific Bell & Subsidiaries				7	5,658	0.95%
Horizons West Inc.				8	5,400	0.91%
Apple Computers				10	5,000	0.84%
Total		38,487	6.41%	=	74,918	12.58%

⁽a) Source: Sacramento Business Journal, 2010 (b) Source: Sacramento Area Commerce and Trade Organization

SACRAMENTO TRANSPORTATION AUTHORITY DEMOGRAPHICS AND ECONOMIC STATISTICS CALENDAR YEARS 2001-2010

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2010*	1,423,116	N/A	N/A	12.7%
2009	1,411,403	53,560,115	38,231	11.3%
2008	1,400,939	54,332,238	39,187	7.2%
2007	1,388,086	52,572,684	38,274	5.4%
2006	1,372,275	50,165,916	36,824	4.8%
2005	1,358,168	45,616,720	33,593	5.0%
2004	1,342,899	43,462,957	32,274	5.6%
2003	1,320,963	40,789,349	30,746	5.9%
2002	1,293,483	38,649,539	29,728	5.7%
2001	1,265,767	37,225,183	29,405	4.5%

* - latest available

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

SACRAMENTO TRANSPORTATION AUTHORITY
OPERATING INFORMATION - EMPLOYEES
FY 2002 through FY 2011

2011 2010
35 1 25

Source - Authority records

SACRAMENTO TRANSPORTATION AUTHORITY OPERATING INFORMATION - DEMAND FOR SERVICE MEASURE A - By Jurisdiction FY 2002 through FY 2011

noitoibainni	2011	2010	9000	8006	2002	9000	3000	7000	000	C
	- 04	0.03	5003	2000	7007	2002	6002	7004	2003	7007
SMAQMD	\$ 1,258,355	\$ 1,258,355 \$ 1,203,395	1,210,653	1,520,895	1,786,043	1,712,031	1,485,865	1,366,560	1,314,000	1,314,000
RT South Line	•	ï			5,399,139	5,535,678	4,664,757	4,184,634	3,877,614	3,723,876
City of Folsom	\$ 1,667,429	\$ 1,667,429 \$ 1,627,374	3,962,307	4,954,655	370,298					
City of Rancho Cordova	\$ 1,401,876	\$ 1,401,876 \$ 1,321,950	2,081,152	2,533,060	2,948,026	2,715,086	2,334,479			
City of Galt	\$ 857,824 \$	\$ 820,800	1,312,785	1,639,684	1,946,664	1,849,731	1,609,751	1,462,420	1,375,101	1,272,609
City of Isleton	\$ 34,313	\$ 32,835	45,589	58,005	66,539	69,436	61,827	61,668	59,787	59,787
Paratransit	\$ 2,936,161	\$ 2,936,161 \$ 2,807,922	1,467,435	1,844,116	2,169,072	2,078,635	1,791,059	1,647,777	1,601,950	1,607,075
Regional Transit	\$28,942,154	\$28,942,154 \$27,678,086	25,680,118	32,272,033	37,888,003	36,376,101	31,343,525	28,836,096	28,034,124	28,123,804
City of Citrus Heights	\$ 1,726,097	\$ 1,726,097 \$ 1,655,413	3,066,507	3,905,241	4,680,394	4,407,218	4,028,138	3,789,063	3,708,915	3,968,831
City of Elk Grove	\$ 3,103,271	\$ 3,103,271 \$ 2,927,716	4,803,891	5,882,560	6,500,846	5,409,744	4,517,116	3,529,539	3,118,516	3,234,800
City of Sacramento	\$10,004,574	\$10,004,574 \$ 9,498,469	16,469,321	20,564,463	24,214,996	22,296,911	19,994,205	18,472,980	17,898,667	18,062,233
County of Sacramento	\$12,975,067	\$12,975,067 \$12,455,087	19,803,338	25,204,338	29,981,516	30,648,029	25,544,405	26,113,391 25,735,326	25,735,326	25,356,985
Sacramento Regional Parks*	\$ 1,000,000	\$ 1,000,000 \$ 1,000,000	1	1	а	ì		ı E	٠	•
Neighborhood Shuttle Set Aside*	\$ 1,000,000	\$ 1,000,000 \$ 1,000,000	,	ï	•	ï	1	;1	ī	Î
CTSA Set Aside⁴	\$ 838,903 \$	\$ 802,264	3	jā	9	3.	•	r	Ü	1

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

SACRAMENTO TRANSPORTATION AUTHORITY

OPERATING INFORMATION -ABANDONED VEHICLE ABATEMENTS FY 2000 through FY 2010

Fiscal Year	Total Number of Abatement
2011	7,334
2010	8,718
2009	11,575
2008	13,736
2007	14,690
2006	18,008
2005	20,848
2004	17,554
2003	20,050
2002	19,880
2001	16,596
2000	17,047
1999	14,521

Source: Authority records