

**SAN JOAQUIN COUNCIL OF GOVERNMENTS**  
**STOCKTON, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2011**

**Prepared by:**

**Steven Dial, Deputy Executive Director/Chief Financial Officer**  
**Grace Orosco, Chief Accountant**

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal .....	3
List of Principal Officials .....	12
Organizational Chart .....	15
SJCOG Advisory Committees.....	16
GFOA Certificate of Achievement.....	17
<b>FINANCIAL SECTION</b>	
Independent Auditor’s Report .....	21
Management’s Discussion and Analysis.....	23
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Assets .....	32
Statement of Activities .....	33
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	34
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets .....	37
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	38
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	40
Notes to the Basic Financial Statements .....	41
<b>Required Supplemental Information:</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Original, Final Budget, and Actual – General Fund (By Object) .....	67
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Original, Final Budget, and Actual – Measure K and Measure K Special Revenue Fund.....	68

	<u>Page</u>
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Original, Final Budget, and Actual – Local Transportation Special Revenue Fund.....	69
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Original, Final Budget, and Actual – State Transit Assistance Special Revenue Fund.....	70
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Original, Final Budget, and Actual – Regional Transportation Impact Special Revenue Fund.....	71
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Original, Final Budget, and Actual – SJCOG, INC. Blended Component Unit .....	72
Note to Required Supplemental Information.....	73
<b>Other Supplementary Information:</b>	
Overall Work Program Costing System – Schedule of Revenues, Expenditures, and Other Items By Funding Source .....	76
Schedule of Direct and Indirect Expenditures.....	80
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Original, Final Budget, and Actual – General Fund By Work Program.....	81
Schedule of Balances – Local Transportation Funds .....	82
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Local Transportation Funds .....	83
Schedule of Allocations and Expenditures – Local Transportation Funds .....	84
Schedule of Balances – State Transit Assistance Funds .....	85
Schedule of Revenues, Expenditures, and Changes in Fund Balances – State Transit Assistance Funds .....	86
Schedule of Allocations and Expenditures – State Transit Assistance Funds .....	87
<b>STATISTICAL SECTION (Unaudited)</b>	
Statistical Section Description.....	90
Net Assets by Component .....	91
Government-Wide Revenues by Source .....	92
Changes in Net Assets.....	93
Fund Balances of Governmental Funds .....	94
Changes in Fund Balances of Governmental Funds .....	95
Schedule of Revenues by Source – General Fund .....	96
Schedule of Expenditures by Function – General Fund .....	97

	<u>Page</u>
Profile of Taxable Sales .....	98
Government-Wide Expenses by Function .....	99
Governmental Activities Sales Tax Revenues by Source.....	100
Direct and Overlapping Sales Tax Rates.....	101
Taxable Retail Sales by Jurisdiction .....	102
Ratio of Outstanding Debt by Type.....	103
Demographic Information.....	104
Demographic and Economic Statistics .....	105
San Joaquin County Employment by Industry .....	106
Full-Time Equivalent District Employees by Function/Program.....	107
Capital Assets Statistics by Function.....	108

## **INTRODUCTORY SECTION**

**THIS PAGE INTENTIONALLY LEFT BLANK**



SAN JOAQUIN COUNCIL OF GOVERNMENTS

555 E. Weber Avenue • Stockton, California 95202

209.235.0600 • 209.235.0438 (fax)

[www.sjog.org](http://www.sjog.org)

December 30, 2011

Larry Hansen  
CHAIR

Ann Johnston  
VICE CHAIR

Andrew T. Chesley  
EXECUTIVE DIRECTOR

*Member Agencies*

CITIES OF  
ESCALON,  
LATHROP,  
LODI,  
MANTECA,  
RIPON,  
STOCKTON,  
TRACY,  
AND  
THE COUNTY OF  
SAN JOAQUIN

Honorable Board of Directors  
San Joaquin Council of Governments

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the San Joaquin Council of Governments (SJCOG or the Council) for the fiscal year ended June 30, 2011.

This report consists of management's representations concerning the finances of the San Joaquin Council of Governments. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Council has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Council's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Council's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Council's financial statements have been audited by Brown Armstrong Accountancy Corporation, a licensed certified public accountant. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Council for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Council's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the San Joaquin Council of Governments was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in the Council's separately issued Single Audit Report.

During the year, the San Joaquin Council of Governments implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, as discussed in Note 1. As a result of this required statement, classifications in the governmental fund financial statements have been changed to reflect the five new classifications under GASB Statement No. 54.

GAAP require 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 Council's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The San Joaquin Council of Governments is a Joint Powers Agency created in 1968 by the County of San Joaquin and the Cities of Stockton, Lodi, Manteca, Tracy, Ripon, and Escalon. In 1991, the City of Lathrop signed onto the Joint Powers Agreement. The role of the Council of Governments is to serve the functions designated by the signatories to the agreement. Generically, the Council's role is to foster intergovernmental coordination both within San Joaquin County as well as with neighboring jurisdictions, the other regional agencies in the San Joaquin Valley, the State of California, and various Federal agencies. The specific roles of the Council of Governments are described below. The Council of Governments is directed by a fifteen member Board composed of twelve locally elected officials and three ex-officio members. The Board has three members of the San Joaquin County Board of Supervisors, three members of the Stockton City Council, and one member from each of the six remaining cities. The ex-officio members are a member of the Stockton Port District Board of Commissioners, a member of the Board of the San Joaquin Regional Transit District, and the Director of Caltrans District 10. The activities of the Council of Governments are carried out by a professional staff.

### **The Roles of the San Joaquin Council of Governments**

Since 1969 the Council of Governments has filled a variety of niches for its member jurisdictions. Some of these, such as the A-95 review process, have come and gone based on changing federal policy. Others, such as the Local Transportation Authority, are relatively new functions. A short description of each of these roles is contained below:

#### **A. Regional Transportation Planning Agency (RTPA)**

In 1973, the Council was recognized as the Regional Transportation Planning Agency for San Joaquin County. Initially, the designation related solely to the administration and allocation of Transportation Development Act funds for public transit and possible road and street projects. However, over time, the role has expanded to serve as the agency responsible for adopting a Regional Transportation Plan, a Regional Transportation Improvement Program which programs local, state, and federal funds within the County's boundaries, and which gives the Council planning and coordination responsibilities over most federal and state funding programs for transportation administered by the State of California.

#### **B. Metropolitan Planning Organization (MPO)**

Metropolitan Planning Organization is a federal designation identifying the San Joaquin Council of Governments as the agency responsible for carrying out federal guidelines and statutes for planning and coordination. The passage of the Intermodal Surface Transportation Efficiency Act, followed by the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), and subsequently (SAFETEA-LU), has expanded this role. The Council serves functions such as being designated a Transportation Management Area and being given Congestion Management functions.

#### **C. Airport Land Use Commission (ALUC)**

The Council serves as the agency responsible for preparing and enforcing a land use compatibility plan around each public access airport in San Joaquin County. The purpose is to eliminate the use of conflicting land uses around these airports in order to maximize public safety and the long-term effectiveness of the airports.

#### D. Center for Demographic Studies (CDS)

The Center for Demographic Studies (CDS) at SJCOG serves as the leading data center for the San Joaquin County region. CDS helps government entities, private businesses, non-profit organizations, and individual citizens make informed decisions by providing a wide range of the most updated data for this region. Some of the services provided include:

- Compiling and dispensing the latest data on population, economy, and transportation from various sources.
- Producing projections through different methods for population, employment, and housing growth trends in the region.
- Integrating the cutting-edge Geographic Information System (GIS) technology with data analysis.
- Constructing maps to visually display the spatial characteristics of the data.
- Creating summaries as well as analytical reports periodically to present the latest findings drawn from the newest data.

#### E. Congestion Management Agency (CMA)

SJCOG is the designated Congestion Management Agency (CMA) for San Joaquin County. The CMA is responsible for the establishment and administration of a Congestion Management Program (CMP). The intent of a CMP is to analyze and mitigate the cumulative vehicle trip impacts local land use decisions have on the regionally significant roadways – the Congestion Management System (CMS). The CMP was originally a state requirement for local governments to be eligible to receive the increased state gas tax authorized under Proposition 111, which was approved by the voters in 1990. The state mandate was subsequently revoked, but the CMP process is still required under current federal planning regulations and is a required element of the Measure K renewal ordinance.

#### F. Local Transportation Authority (LTA)

In November of 1990, San Joaquin County voters passed a ½ cent increase in the sales tax for a period of 20 years to support specific transportation improvements in San Joaquin County. The agency responsible for carrying out the improvements and administering the program is the Local Transportation Authority. In 1990, the Council was named the Local Transportation Authority. The monies provided under this ½ cent sales tax are referred to often in this document as Measure K funds. In November 2006, voters in San Joaquin County approved the renewal of this ½ cent sales tax, extending the life of the sales tax program and the Council's role as Local Transportation Authority from 2011 to 2041. While sales tax collections for the renewal did not start until April 1, 2011, expenditures attributed to that program were incurred.

#### G. Commute Connection – Transportation Demand Management

The Council operates Commute Connection, which is a transportation demand management program designed to influence travel choices and encourage commuters to walk more, cycle, carpool, vanpool, telecommute, and use public transit. The program directly affects the region and helps reduce the impact to local roadways, reduce traffic congestion, improve air quality, and more efficiently utilize existing road systems. In addition to helping San Joaquin County residents, Commute Connection also provides services for Stanislaus and Merced County residents under a contract with Stanislaus Council of Governments and Merced Association of Governments. The Commute Connection program operates using a mixture of funding sources including Federal CMAQ funds, vehicle registration fees collected under the Service Authority for Freeway Emergencies program, and Stanislaus Council of Governments and Merced Association of governments. The Council has approximately 11,000 commuters participating in the program.

#### H. Regional Housing Needs Allocation (RHNA) Plan

As part of the RHNA process, the State establishes affordable housing targets for each County. In San Joaquin County, the Council is responsible for determining the fair share distribution of those affordable units among our member jurisdictions. This authority is provided for in state law and must be done every five years.

#### I. Lead Agency – Transportation Air Quality Conformity

Federal planning regulations require that Metropolitan Planning Organizations demonstrate that their plans and programs conform to applicable state air quality plans to meet federal ambient air quality standards. The SJCOG traffic forecasting model is used to project future vehicle miles traveled. This is used as input into the Air Resources Board's EMFAC emissions model, and the estimated emissions are compared to emissions budgets determined as part of the air quality planning process.

#### J. SJCOG, INC.

SJCOG, INC. is a not-for-profit, public benefit corporation established to act as the joint powers agency organized pursuant to the San Joaquin County Multispecies Habitat Conservation Plan. The Council is responsible for the administration of SJCOG, INC., which is a blended component unit of the Council. The primary purpose of SJCOG, INC. is the acquisition, holding, administering, and managing of real property and conservation easements pursuant to the habitat conservation plan. Additional information on SJCOG, INC. can be found in Note 1 in the notes to the financial statements.

### **Budgetary Controls**

The annual budget serves as the foundation for the Council's financial planning and control. As required by the Joint Powers Agreement of the Council, the Council prepares and legally adopts a final operating budget on or before April 1 of each year. The approved budget must then be ratified by a majority of member governments representing 55% of the population of the County. Annual budgets are legally adopted for the General Fund. Operating budgets are prepared on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the object level. Significant amendments, appropriation transfers between objects, and transfers from contingencies must be approved by the Council's Board of Directors. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board. No supplemental appropriations were required during the year ended June 30, 2011.

Budget-to-actual comparisons are provided in this report for the Council's General Fund. This comparison is provided on page 63 as part of the required supplemental information for the governmental funds.

### **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 Council operates.

### **Local Economy**

San Joaquin County experienced moderate economic growth early in the decade. The sales tax growth was 6.03% for 2002-2003, 6.5% in 2003-2004, 10.3% in 2004-2005, 7.6% in 2005-06, and fell to .289% in 2006-07 and declined 3.2% in 2007-08. Due to the economic downturn caused primarily by the slumping housing market and significant decline in construction related

activities along with new car sales, sales taxes declined by 11.3% in 2008-09. The economic decline continued into 2009-10 with sales tax receipts falling 14.6%, however, the fiscal year ended with positive quarter over quarter comparisons. The economic decline bottomed out in 2009-10 with sales tax growth beginning in the 4<sup>th</sup> quarter of 2009-10. The growth trend continued into 2010-11 with sales tax receipts increasing 8.6% over 2009-10. Fiscal year 2011-12 is estimated to show growth in the 8-12% range.

Throughout the decade, the County has experienced significant retail growth with the addition of auto malls, a new regional mall, so-called big box stores, outlet stores, and revitalization of existing retail areas. This type of retail growth is beginning to grow again with, among other projects, the approval of a Costco in Lodi.

In addition, the County continues to be a major hub for warehousing and shipping. With the Port of Stockton, three rail lines and two interstate highways that crisscross the County, and direct interstate access to the San Francisco Bay Area, several large multi-modal facilities have opened taking advantage of the transportation network.

Unemployment in the County traditionally is higher than the state average. With the declining economy, the unemployment rate in San Joaquin County is rising and forecasted not to decline for several years.

### **Long-term Financial Planning**

The Council of Governments' anticipated sources of funding are described below.

#### **A. Federal Funding Sources**

Federal Highways Administration PL – These are dollars made available by the Federal Highway Administration for Metropolitan Planning Organizations. They are allocated based on a statewide apportionment and are meant to carry out federal urban planning requirements and interests.

Federal Transit Administration Funding - This federal agency is responsible for federal public transit investments. There are generally two sources of funds that have been used in this area:

FTA MPO Planning Funds are made available to the MPO to support transit planning in the urbanized areas.

FTA Planning and Research Grants are planning funds that the State allocates for special transit planning projects.

Transportation Demand Management (TDM) Funds – The Council receives a combination of CMAQ, Measure K, and other unique grant funds for Ridesharing operations in San Joaquin County and contracts with the Stanislaus Council of Governments (StanCOG), Calaveras County, and Merced County to provide services in those counties. StanCOG and Merced Association of Governments pay for these services using their CMAQ funds. Calaveras County contributes local funding for their services.

#### **B. State Funding Sources**

STA Funds – State Transit Assistance Funds are motor vehicle fuel sales tax monies collected statewide under the Transportation Development Act. These funds are allocated to San Joaquin County through the State Controller's Office and distributed to eligible claimants to provide transit operator or transit contract services. Through the state budget process, STA funds have been diverted from local transit services to other state needs. This diversion has been the subject of litigation resulting in a court order directing the State to restore STA funding for its intended purpose. With the passage of Proposition 22, STA continues to be a funding source, but to what extent is unknown.

### C. Local Funding Sources

LTF Funds – Local Transportation Funds are retail sales tax monies that are collected statewide under the Transportation Development Act. These funds are returned to San Joaquin County and distributed to eligible claimants to provide transit services, pedestrian/bicycle facilities, and street and roads funding.

Member Jurisdictions – Upon request, the Council will undertake a special study for a local jurisdiction. That jurisdiction will either directly pay for the Council study, or provide whatever matching funds are required to pay for the study.

Habitat Mitigation Fees – SJCOG, INC. charges Habitat Mitigation Fees on acreage being developed in order to fund the acquisition and management of land and conservation easements for habitat mitigation purposes.

Other Fees – The Council charges fees for certain functions such as the Airport Land Use Commission reviews and sales of Data Services information.

Local Transportation Authority (Measure K) – In November of 1990, San Joaquin County voters passed a ½ cent sales tax to fund specified transportation projects. Council's administration (salaries & benefits) of that program cannot exceed 1% of receipts. Planning efforts undertaken to further a Measure K project can use these monies as well.

APCD Fees – The San Joaquin Valley Unified Air Pollution Control District (District) allocates funds raised from a \$6 dollar fee placed on vehicle registrations. These funds go to operate the District as well as pay for special projects that enhance the District's mission of improving air quality in the Valley through Remove Grants to local and regional agencies.

It is expected that these funding sources, while to some extent affected by the California budget issues, will continue to provide sufficient revenues to fund the Council's project objectives. In addition to the Council's overall work program projects that involve ridesharing, transportation and transit planning, habitat plan management, and computer modeling, the following are specific areas where long-term financial planning has been a key consideration:

SJCOG had loaned the State, under AB 3090 Financing Agreements, Measure K transportation sales tax funds to construct a project in place of the State Transportation Improvement Program (STIP) funds previously programmed on projects by the California Transportation Commission (CTC) when the CTC determined that the STIP funds would not be available for allocation at the time of project construction.

An AB 3090 cash reimbursement agreement was approved by the SJCOG Board in July 2005, and subsequently by the CTC in September 2005, for \$66,327,000 on the I-205 Widening Project. According to this AB 3090 agreement, the \$66,327,000 loan is programmed in the STIP to be paid back to SJCOG as cash in three equal installments of \$22,109,000. All three installments have been paid.

Measure K Renewal – In November 2006, San Joaquin County voters approved the extension of Measure K, the ½ cent transportation sales tax, originally approved by County voters in 1990 and scheduled to sunset in 2011. The renewal of Measure K will extend the sales tax for an additional 30 years (2041). The Measure K Renewal is estimated to generate \$2.9 billion dollars for the transportation programs identified in the adopted Expenditure Plan. The categorical allocations of the Measure K Renewal included Local Street Repairs and Roadway Safety (35%), Congestion Relief projects (32.5%), Railroad Crossing Safety projects (2.5%), and Passenger Rail, Bus, and Bicycle (30%). As noted above, Measure K Renewal sales tax collections begin April 1, 2011. In January 2008, the SJCOG Board adopted the Measure K Renewal Strategic Plan to begin delivering some of the Renewal projects prior to 2011.

Because the Measure K Renewal did not start collecting sales tax until April 1, 2011, funding for early project delivery is provided through a combination of uses of accumulated fund balance and the proceeds from the May 2008 Bond Anticipation Note Sale. The Measure K Renewal has responsibility to repay those expenditures using sales tax receipts beginning in 2011. SJCOG is currently preparing an update to the 2008 Strategic Plan to address decreases in forecasted sales tax revenues as a result of the overall decline in the economy.

The following is a brief description of the Measure K program administered by the Council:

Measure K – The Council is in the twentieth year of administering the local half cent sales tax and serving as the Local Transportation Authority for San Joaquin County. The Measure K Program has made great strides in moving projects ahead. Measure K funded design, environmental, and/or construction work on state highways (which are under way) including: I-205 widening, I-5 Benjamin Holt, and I-5 Hammer Lane, Route 99/Kettleman Lane, Route 99 widening from four to six lanes between Hammer Lane and the Crosstown Freeway, Route 99/Route 120. Some of these projects are in the construction phase, many have already been completed.

In October 1998, commuter rail operations began on the Altamont Commuter Express, providing service between Stockton and San Jose. In addition to providing substantive funding for operations, the capital investment for eight rail cars was one hundred percent funded by Measure K.

Regional Transportation Impact Fee – In 2005, the Council coordinated the approval of a County-wide Regional Transportation Impact Fee. This unified fee schedule has been adopted by the member agencies and is being implemented.

Federal reauthorization of SAFETEA-LU – The Council is currently participating in the process of reauthorization of the SAFETEA-LU Act as described below:

Federal transportation legislation has been delivered through the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA), the 1998 Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), and more recently, the 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU). The Acts not only infused the region with significant amounts of funding for transportation projects, but they did so using new management tools giving the regional agencies, such as the Council, greater responsibility in programming the expenditure of these funds. Along with the responsibility to program the funds was the accountability to insure the projects were delivered in a timely manner.

Historically, the Council's cash was maintained with the San Joaquin County Treasurer's cash and investment pool. Interest earnings from this pool are allocated to the Council on the basis of average daily cash balances and are transferred to the Council quarterly. The County Treasurer is responsible for managing the pool. The pool's investment policy is to maintain a high credit quality, short-term portfolio to provide participants with safety of principal, liquidity, public trust and a market average rate of return.

However, the Council, with affirmative support from the San Joaquin County Treasurer and the Auditor-Controller, has elected to move treasury functions to Farmer's and Mercantile Bank (FMB), headquartered in Lodi, CA. Because of state law, TDA funds will remain with the Treasurer. This change has not had any significant impact on the current period's financial statements.

The Council also invests funds with the Local Agency Investment Fund (LAIF), Public Financial Management (PFM), and California Asset Management Program (CAMP). LAIF is a special fund of the California State Treasury through which local governments may pool investments. Investments in LAIF are highly liquid and are secured by the full faith and credit of the State of

California. PFM is a private investment firm specializing in providing financial advice and investment management services to state and local governments. PFM allows participants to combine the use of a money market portfolio in addition to an individually managed portfolio. The investment portfolio held by PFM consists of federal agency bonds/notes and discounted notes, corporate notes, and municipal bonds/notes. CAMP is a Joint Powers Authority formed to provide professional investment management services and allows the participants to combine the use of a money market portfolio with an individually managed portfolio. The money market portfolio offers daily liquidity and is rated AAAM by Standard and Poor's. To maintain the AAAM rating, the portfolio's weighted average maturity may not exceed seventy (70) days. The investment portfolio held by CAMP at June 30, 2011, consists of money market funds and federal agency discounted notes. Steve Dial, Deputy Executive Director and Chief Financial Officer of the Council, currently serves on the Board of Trustees of CAMP in a voluntary, unpaid capacity.

The Council maintains general liability, automobile, and public entity property insurance coverage that provides limits of liability of between \$1,000,000 and \$10,000,000 per occurrence annually. The Council is not self-insured.

In January the Council became independent of the County of San Joaquin for all payroll and payroll related activities. For workers' compensation, SJCOG retained ICW Group Insurance Services. The financial impact on the current period's financial statements is \$5,400 and \$24,313 respectively.

In March 2010, the Council moved health benefit coverage and all health benefit related activities from the County of San Joaquin to a variety of private health care providers. This includes dental and vision coverage, life insurance, short- and long-term disability, and long-term care. The medical benefit program utilizes a high deductible, Health Savings Account (HSA) approach. Exempt employees are able to use their current cafeteria allocation to deposit into their individual HSAs while the Council contributes \$2,500 into each non-exempt employee's HSA. The financial impact on the current period's financial statements is \$42,500.

In relation to the Council's Measure K and Measure K Renewal programs, the Council has \$75,000,000 of Sales Tax Revenue Tax Exempt Commercial Paper Notes outstanding at June 30, 2011. The proceeds are used to finance transportation projects under the thirty year transportation expenditure plan. Under an irrevocable direct draw letter of credit issued by JP Morgan Chase Bank, N.A, the trustee or the remarketing agent is entitled to draw an amount sufficient to pay the purchase price of notes delivered to it. The letter of credit is valid through March 1, 2013, at which time it may be renewed or the Commercial Paper can be purchased by the Council reducing its obligation. This can be accomplished through the drawing on fund balance for some or all of the Commercial Paper. Please refer to Note 8 of the notes to the financial statements for further information on the Council's commercial paper notes. In addition, the Council has several capital equipment lease agreements outstanding at June 30, 2011. Please refer to Note 7 of the notes to the financial statements for additional information on the Council's lease liabilities. There are no delinquencies on debt payments.

In May 2008, the Council issued \$203,355,000 in Bond Anticipation Notes (BANs) generating \$210,003,362. Proceeds were planned to partially fund certain capital portions of the Early Action Program of the Measure K Renewal program. The BANs were set to expire April 1, 2011; however the Council issued Sales Tax Revenue Bonds on March 1, 2011, to defease the BANs totaling \$212,175,000. The Council pledges 100% of the Measure K Renewal sales tax as a security for the new bonds; however, in order to maintain a high credit and coverage level, debt service is constrained at 35% of last year's actual sales tax. Please refer to Note 8 of the notes to the financial statements for further information on the Council's Sales Tax Revenue Bonds.

The Council participates in a defined contribution pension plan and a deferred compensation plan. These plans are available to all full-time Council employees. In addition, Council employees are granted sick leave in varying amounts, and post retirement sick-leave benefits are paid to certain qualifying individuals. For a more complete description of the Council's retirement plans and other benefits, please refer to Note 9 of the notes to the financial statements. As such, the Council has no other post employment benefit obligations.

### **Awards and Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the San Joaquin Council of Governments for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. This was the twelfth consecutive year that the Council has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department, the cooperation and assistance received from the Planning and Office Assistance staffs, and Brown Armstrong Accountancy Corporation.

In closing, without the support of the Board of Directors, preparation of this report would not have been possible.

Respectfully submitted,



ANDREW T. CHESLEY  
Executive Director



STEVE DIAL  
Deputy Executive Director/CFO

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
LIST OF PRINCIPAL OFFICIALS**

**BOARD OF DIRECTORS**

City of Escalon	Councilman Jeff Laugero
City of Lathrop	Vice-Mayor Christopher Mateo
City of Lodi	Councilman Larry Hansen
City of Manteca	Councilman Steve DeBrum
City of Ripon	Vice Chair: Councilman Charles Winn
City of Stockton	Chair: Mayor Ann Johnston
City of Stockton	Vice-Mayor Kathy Miller
City of Stockton	Councilman Dale Fritchen
City of Tracy	Mayor Brent Ives
San Joaquin County	Supervisor Steve Bestolarides
San Joaquin County	Supervisor Leroy Ornellas
San Joaquin County	Supervisor Ken Vogel

**EX-OFFICIO MEMBERS**

Caltrans District 10	Ken Baxter
Port of Stockton	Victor Mow
SJRTD	Gary Giovanetti

**CITIZENS ADVISORY COMMITTEE**

City of Escalon	Vacant
City of Lathrop	Jim Hilson
City of Lodi	Richard Blackston
City of Manteca	Joseph Crist
City of Ripon	John Heida
City of Stockton	Karl "Nate" Knodt
City of Tracy	Chair: Charles R. Manne
Great Stockton Chamber of Commerce	Vacant
League of Women Voters	Vacant
NAACP	Harry Hodge
San Joaquin Business Council	Ron Addington
San Joaquin County	Robert Bivens
Sierra Club	Vice Chair: Michael Ballot
Transit Advocate	Brian Young
University of Pacific	Sondra Roeuny
Trucking Industry	Vacant
Agricultural Industry	Vacant

**EXECUTIVE COMMITTEE**

City of Stockton	Chair: Mayor Ann Johnston
City of Ripon	Vice Chair: Councilman Charles Winn
City of Tracy	Mayor Brent Ives
City of Lodi	Councilman Larry Hansen
San Joaquin County	Supervisor Ken Vogel
City of Lathrop – Alternate	Vice-Mayor Christopher Mateo

## MANAGEMENT & FINANCE COMMITTEE

City of Escalon	Henry Hesling
City of Lathrop	Cary Keaten
City of Lodi	Rad Bartlam
City of Manteca	Steve Pinkerton
City of Ripon	Vice Chair: Leon Compton
City of Stockton	Chair: Robert Deis
City of Tracy	Leon Churchill
San Joaquin County	Manuel Lopez
SJRRC	Stacy Mortensen
SJRTD	Donna DeMartino

## SOCIAL SERVICES TRANSPORTATION ADVISORY COMMITTEE

City of Escalon	John Andoh
City of Lathrop	Mary Houlihan
City of Lodi	Chair: Julia Tyack
City of Manteca	Johanna Ferriera
City of Ripon	Kevin Werner
City of Tracy	Jane Pramod
Caltrans District 10	Barbara Hempstead
Community Center for the Blind	Joni Bauer
San Joaquin ARC	Anne Fisler
San Joaquin County	
Human Services Agency	Annette DePauli
SJRTD	Ashish John
San Joaquin United Cerebral Palsy	Nancy Johnson
Valley Mountain Regional Center	Wilma Murray

## TECHNICAL ADVISORY COMMITTEE

City of Escalon	John Abrew
City of Lathrop	Ryan Bouley
City of Lodi	Paula Fernandez
City of Lodi	Julia Tyack
City of Manteca	Mark Houghton
City of Manteca	Johanna Ferriera
City of Manteca	Mark McAvoy
City of Ripon	Kevin Werner
City of Ripon	Ken Zuidervaart
City of Stockton	Eric Alvarez
City of Stockton	Gary Dickson
City of Stockton	Bob Murdoch
City of Tracy	Zahib Zaca
City of Tracy	Ed Lovell
Caltrans District 10	Sinaren Pheng
Caltrans District 10	Tom Dumas
Caltrans District 10	Kathy Selsor
Caltrans District 10	Barbara Hempstead
Port of Stockton	Juan Villanueva
San Joaquin County	Firoz Vohra
San Joaquin County	Chair: Mike Selling
San Joaquin County	Peter Martin
SJRRC	George Fink
SJRTD	Vice Chair: Nathaniel Atherstone
Stockton Metro Airport	Susan Palmeri

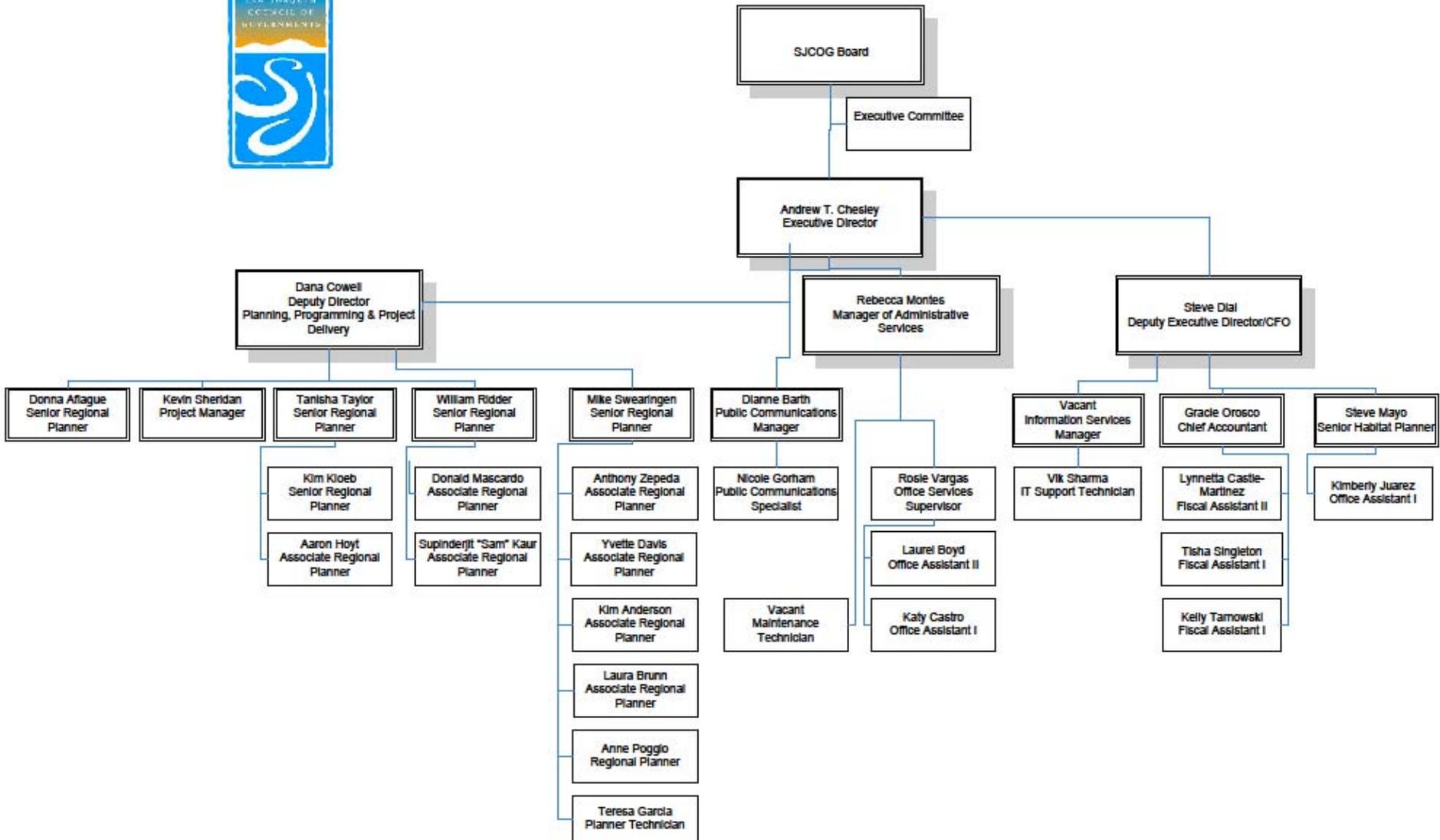
## HABITAT COMMITTEE

City of Escalon	Duane Peterson
City of Lathrop	Charlie Mullen
City of Lodi	Manny Bereket
City of Manteca	Rick Caguiat
City of Ripon	Ken Zuidervaart
City of Stockton	Chairman: Mike Niblock
City of Tracy	Vicki Lombardo
Agricultural Commissioner's Office	Gary Stockdale
Building Industry Association	John Beckman
Conservation	Jane Humes
SJC Community Development	Ray Hoo
U.S. Fish and Wildlife	Ellen McBride
U.S. Fish and Wildlife	Susan Jones
Dept. of Fish and Game	Dan Gifford
Jones & Stokes	Douglas Leslie
Lange Twins, Inc.	Brad Lange
Neumiller & Beardslee	Rod Attebery
Neumiller & Beardslee	Monica Streeter
U.S. Coop Farm Advisor	Theresa Becchetti

## INTERAGENCY TRANSIT COMMITTEE

City of Escalon	John Andoh
City of Lathrop	Mary Houlihan
City of Lodi	Paula Fernandez
City of Manteca	Johanna Ferriera
City of Ripon	Kevin Werner
City of Tracy	Ed Lovell
San Joaquin County	Megan Aguirre
SJRRC	George Fink
SJRTD	Nathan Atherstone

# ORGANIZATIONAL CHART



# ***SJCOG ADVISORY COMMITTEES***

---



**15 Member SJCOG Board**



**Management & Finance**



**Executive Committee**



**Habitat Committee**



**Technical Advisory**



**Citizens Advisory Committee**



**Social Services  
Transportation Advisory**



**Interagency Transit Committee**

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

San Joaquin Council  
of Governments, 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.



*Linda C. Davison*

President

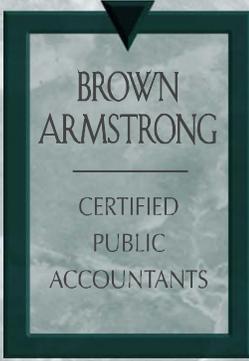
*Jeffrey R. Emen*

Executive Director

**THIS PAGE INTENTIONALLY LEFT BLANK**

**FINANCIAL SECTION**

**THIS PAGE INTENTIONALLY LEFT BLANK**



BROWN ARMSTRONG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
San Joaquin Council of Governments
Stockton, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the San Joaquin Council of Governments (Council), Stockton, California, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in the notes to the financial statements, San Joaquin Council of Governments adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Council as of June 30, 2011, and the respective changes in financial position thereof for the fiscal 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 December 30, 2011, on our consideration of the Council'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.

MAIN OFFICE

4200 TRUXTON AVENUE

SUITE 300
BAK RSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

560 CENTRAL AVENUE

SHAFTER, CALIFORNIA 93263
TEL 661.746.2145
FAX 661.746.1218

8050 N. PALM AVENUE

SUITE 300
FRESNO, CALIFORNIA 93711
TEL 559.476.3592
FAX 559.476.3593

790 E. COLORADO BLVD.

SUITE 908B
PASADENA, CALIFORNIA 91101
TEL 626.240.0920
FAX 626.240.0922



REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The introductory section, major fund budgetary comparison information, the other supplementary information, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The major fund budgetary comparison information and the other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections 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.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION



Bakersfield, California  
December 30, 2011

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Within this section of the San Joaquin Council of Governments (Council) annual financial report, the Council's management provides narrative discussion and analysis of the financial activities of the Council for the fiscal year ended June 30, 2011. The Council's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. Additional information is available in the transmittal letter which precedes Management's Discussion and Analysis. The discussion focuses on the Council's primary government and component unit.

The nature of the Council is such that annual variations between assets and liabilities, income and expenses are not unusual, nor should they be considered out of the context of the Council's business responsibilities. Aside from the conservation easements purchased under the San Joaquin County Multi-species Habitat Conservation Plan and building-related assets, SJCOG expenditures on planning, engineering and construction projects do not result in an increase in capital assets on the balance sheet.

From a financial perspective, the most significant program for which the Council is responsible, is managing the San Joaquin County Transportation Authority, otherwise known as the Measure K sales tax program. Measure K sales tax accumulates annually at a relatively consistent rate, however, expenditures can vary dramatically from year to year. The result is potentially wide swings in assets and liabilities and fund balance from year to year. In addition, contracts and cooperative agreements are executed committing future years' funds, potentially resulting in liabilities being stated as significantly large negative values.

Further, the Council uses debt financing to assist in cash flow and provide funding to accelerate the delivery of projects. These financings have an impact on the financial statements which can have a significant year over year impact.

### **Financial Highlights**

- The Council's assets exceeded its liabilities by \$26,979,640 (net assets) for the fiscal year ended June 30, 2011. This compares to the previous year when assets exceeded liabilities by \$23,721,457.
- Total net assets are comprised of the following:
  - (1) Capital assets, net of related debt of \$39,585,252 include easements, property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Net assets of \$9,454,822 are restricted by constraints imposed from outside the Council, such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net deficit of (\$22,060,434) represents the portion available to maintain the Council's continuing obligations and Measure K and Measure K Renewal contract commitments in excess of current available resources. Continuing obligations and Measure K and Measure K Renewal contract commitments are secured by future sales tax revenues.
- The Council's governmental funds reported total ending fund balance of \$270,608,877 this year. This compares to the prior year ending fund balance of \$351,805,725, showing a decrease of \$81,196,848 during the current year. The Council's governmental funds reported a total unassigned fund balance deficit of (\$3,010,753) for fiscal year 2010-11 compared to (\$41,688,241) in the prior year due primarily to the debt reclassifications of reservations based on the current plans of the Council and implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

- At the end of the current fiscal year, total fund balance for the General Fund was (\$2,910,804) representing the obligation to reimburse the Measure K Fund for building debt and other current obligations in excess of available resources, showing an increase of \$482,316 over the prior year.
- At the end of the current fiscal year, total fund balance of the Combined Measure K and Measure K Renewal Fund was \$259,557,505. Expenditures in the Combined Measure K and Measure K Renewal Fund were \$60,632,004 compared to \$68,260,011 in the prior year.
- Total liabilities of the Council decreased by \$76,516,442 to \$312,302,899 during the fiscal year primarily due to payments on Commercial Paper and accounts payable. Commercial paper obligations decreased to \$75 million and Bond Anticipation Notes (BANs) are no longer outstanding. In April 2011, the Council issued \$212,175,000 in Measure K Renewal Sales Tax Bonds. Also, see Note 8 of the notes to the financial statements for further details on debt obligations.

## Overview of the Financial Statements

Management's Discussion and Analysis introduces the Council's basic financial statements. The basic financial statements include: (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 themselves.

### Government-wide Financial Statements

The Council's annual report includes two government-wide financial statements. These statements are designed to provide readers with a broad overview of the Council's finances in a manner similar to a private sector business.

The first of these government-wide statements is the *Statement of Net Assets*. This is the Council-wide statement of position presenting information that includes all of the Council's assets and liabilities, with the difference 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 Council as a whole is improving or deteriorating.

The *Statement of Activities* presents information showing how the Council'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., uncollected claims receivable and earned but unused vacation leave).

Both of the government-wide financial statements illustrate functions of the Council that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The Council conducts no business-type activities. The governmental activities of the Council include general administration, Transportation Development Act Funds and Measure K and Measure K Renewal Fund administration.

The government-wide financial statements include not only the Council itself (known as the *primary government*), but also a legally separate not-for-profit corporation, SJCOG, INC., the San Joaquin County Multispecies Habitat Plan, for which the Council is financially accountable. Financial information for this *blended component unit* is reported in conjunction with the financial information presented for the primary government. SJCOG, INC. is reported as a major governmental fund.

The government-wide financial statements can be found on pages 32 and 33 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 San Joaquin Council of Governments, 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 Council can be divided into two categories: governmental 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 the Council's near-term financing requirements.

Because the focus of governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Council maintains five individual governmental funds, as well as the blended component unit. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the funds which are considered to be major funds.

The Council legally adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 34 – 40 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 41 – 63 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 Council, assets exceeded liabilities by \$26,979,640 at the close of the most recent fiscal year.

The largest portion of the Council's assets (79.9 percent) reflects its cash and investment portfolio. The Council plans to use these assets to fund future transportation related projects throughout the County of San Joaquin.

At the end of the current fiscal year, the Council is able to report positive balances in two of three categories of net assets for the government as a whole. However, the negative unrestricted net assets of (\$22,060,434) is due primarily to Measure K Renewal expenditures made in advance future sales tax revenue.

The following tables related to net assets reflect the above described and other activities that took place during the June 30, 2011, fiscal year. Overall, SJCOG's net assets increased by \$3,258,183 as shown in the table below. This change is largely due to an increase of interest earned in the amount of \$2,220,012 and a decrease in investment expense. In addition, the Capital assets increased by \$440,623 due to easements acquired in accordance with the San Joaquin County Habitat Conservation Plan.

	Governmental Activities 2011	2010	Increase (Decrease)
Current and other assets	\$ 294,395,186	\$ 368,094,068	\$ (73,698,882)
Capital assets	44,887,353	44,446,730	440,623
Total assets	<u>339,282,539</u>	<u>412,540,798</u>	<u>(73,258,259)</u>
Long-term liabilities outstanding	288,516,590	372,546,855	(84,030,265)
Other liabilities	23,786,309	16,272,486	7,513,823
Total liabilities	<u>312,302,899</u>	<u>388,819,341</u>	<u>(76,516,442)</u>
Net assets:			
Invested in capital assets, net of related debt	39,585,252	38,656,399	928,853
Restricted	9,454,822	8,138,003	1,316,819
Unrestricted	(22,060,434)	(23,072,945)	1,012,511
Total net assets	<u>\$ 26,979,640</u>	<u>\$ 23,721,457</u>	<u>\$ 3,258,183</u>
	Governmental Activities 2011	2010	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for services	\$ 2,555,273	\$ 4,425,233	\$ (1,869,960)
Operating grants and contributions:			
Sales tax	58,722,796	58,179,065	543,731
Other operating grants and contributions	30,744,699	10,057,853	20,686,846
General revenues - investments and miscellaneous	50,711	34,910	15,801
Total revenues	<u>92,073,479</u>	<u>72,697,061</u>	<u>19,376,418</u>
Expenses:			
General government	5,968,754	6,408,485	(439,731)
Transportation	82,211,723	84,886,628	(2,674,905)
Habitat development and management	634,819	1,055,063	(420,244)
Total expenses	<u>88,815,296</u>	<u>92,350,176</u>	<u>(3,534,880)</u>
Increase (Decrease) in net assets	3,258,183	(19,653,115)	22,911,298
Net assets, July 1, 2010	<u>23,721,457</u>	<u>43,374,572</u>	<u>(19,653,115)</u>
Net assets, June 30, 2011	<u>\$ 26,979,640</u>	<u>\$ 23,721,457</u>	<u>\$ 3,258,183</u>

There was an overall \$19,376,418 (27%) increase in total revenues during the year. This was primarily due to the receipt of \$22,109,000 of AB3090 state revenue partially repaying the Measure K program for loaning the state funds to construct two projects on the state highway system. In addition, we encountered decreases in San Joaquin county Habitat revenues. Another contributing factor was the increase of interest revenues and cumulative impact in mark to market valuations for investments and cash balances in the major funds.

## Financial Analysis of the Council's Funds

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

### **Governmental funds**

The focus of the Council's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Council'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.

As of the end of the current fiscal year, the Council's governmental funds reported a combined ending fund balance of \$270,608,877, a decrease of \$81,196,848 in comparison with the prior year. Of this total amount, \$21,555,730 is *nonspendable*, \$242,609,078 is *restricted*, \$9,454,822 is *assigned*, and (\$3,010,753) is *unassigned fund balance*.

**General Fund** – The General Fund is the chief operating fund of the Council. At the end of the current fiscal year, fund balance of the General Fund was (\$2,910,804) as noted on page 1. The Council's Planning and Administration's fund balance decreased by \$482,316 during the current fiscal year due a number of factors including the completion of grant-funded planning activities and an increase in 2010-2011 sales tax revenues.

**Combined Measure K and Measure K Renewal Fund** – The combined Measure K Fund and Measure K Renewal Fund, which is used to account for the additional ½ cent sales tax approved by the San Joaquin County voters under Measure K, had sales tax revenues of \$39,113,518 for the June 30, 2011, fiscal year-end. The combined Measure K and Measure K Renewal Fund balance decreased by \$78,590,852 over the previous year primarily due to a \$92,000,000 payment on Commercial Paper. In addition, SJCOG continued delivery on various projects that have come on line over the past years. These projects are in the areas of Transit, Congestion Relief, Railroad Safety, and Streets and Roads.

**Local Transportation Fund** – The Local Transportation Fund (LTF) is used to account for ¼ cent retail sales tax, collected statewide, and returned to San Joaquin County, that is used for Transit, Pedestrian/Bicycle and Streets and Roads improvement projects. LTF sales tax revenues for the June 30, 2011, fiscal year totaled \$19,609,278, an increase of 9.2% over the previous fiscal year. The LTF Fund balance increased by \$568,437 due to a decrease in total claims from various entities and an increase in sales tax revenues.

**State Transit Assistance Fund** – The State Transit Assistance Fund (STA) is used to account for statewide sales tax on motor vehicle fuel collected and allocated back to San Joaquin County by the State of California to be used for Public Transit purposes. STA sales tax revenues for the June 30, 2011, fiscal year-end totaled \$40,000, a decrease of 99% over the previous fiscal year due to receiving two years of funding allocation in the previous year. The STA fund balance decreased by \$4,592,787 due to an increase in total claims from various entities and minimal revenue received.

**SJCOG, INC.** – SJCOG, INC. is a not-for-profit public benefit corporation, formed to act as the designee of the joint powers agency organized pursuant to the San Joaquin County Multi-species Habitat Conservation Plan. Funds are to be used to acquire, hold, administer, and manage habitat lands and easements in accordance with the plan. Habitat Mitigation Fees for the June 30, 2011, fiscal year totaled \$2,428,132, a decrease of 44% over the previous fiscal year, reflecting a decrease in mitigation fee collections. The SJCOG, INC. fund balance increased by \$1,316,819 in the June 30, 2011, fiscal year despite the sharp decrease in fees due to fewer easement acquisitions and land management expenses. These funds are targeted for future habitat land and easement acquisitions and for management of the habitat plan.

**Regional Transportation Impact Fee Fund (RTIF)** – The RTIF fund is used to account for the activities of the RTIF Program. The RTIF Program objective is to obtain funding from development projects that have an impact upon the regional transportation network and to integrate these funds with federal, state, and other local funding to fund transportation improvements identified in the RTIF Program. While the RTIF Program and the RTIF Program fee will be imposed and collected by the participating agencies, the RTIF Program will be managed for the benefit of the entire County region. RTIF fees for the June 30, 2011, fiscal year totaled \$367,617, a decrease of 13% over the previous fiscal year, reflecting a slight decrease in RTIF fee collections. The RTIF fund balance decreased by \$380,781 in the June 30, 2011, fiscal year due to the decrease in collections and expenditures of \$800,000 related to the purchasing right-of-way for a future Bus Rapid Transit (BRT) transfer station. These funds are targeted for future transportation improvement projects.

**Governmental Fund Budgetary Highlights**

**General Fund**

The annual budget serves as the foundation for the Council's financial planning and control. As required by the Joint Powers Agreement of the Council, the Council prepares and legally adopts a final operating budget on or before April 1 of each year. The approved budget must then be ratified by a majority of member governments representing 55% of the population of the County. Significant amendments, appropriation transfers between objects, and transfers from contingencies must be approved by the Council's Board of Directors (Board). Supplemental appropriations financed by unanticipated revenues also must be approved by the Board. No supplemental appropriations were required during the year ended June 30, 2011.

The Council's revenues are largely received on a reimbursement basis. All State and Federal funding is secured through contracts, agreements, grants, etc. However, the funds are not paid to the Council until after related expenditures have occurred and been invoiced to the proper project. Therefore, while the Council's approved budget may indicate a certain dollar amount from a particular grant, those funds may not be earned nor received in that budget period. An analysis of budget to actual depicts a \$1,303,871 shortfall in revenue, largely due to actual expenditures that were \$1,493,010 below final budget amounts, due primarily to decreased need for consultants' professional services.

	Original Budget	Final Budget	Actual	Difference Between Final Budget and Actual
<b>REVENUES:</b>				
Intergovernmental:				
Federal grants	\$ 2,484,934	\$ 2,719,614	\$ 2,322,598	\$ (397,016)
State grants	984,509	918,104	649,255	(268,849)
Local	3,425,800	3,656,725	2,987,758	(668,967)
Interest	5,000	5,000	5,399	399
Other	15,000	15,000	45,562	30,562
<b>Total revenues</b>	<b>6,915,243</b>	<b>7,314,443</b>	<b>6,010,572</b>	<b>(1,303,871)</b>
<b>EXPENDITURES:</b>				
Planning and administration	6,834,743	7,233,943	5,710,475	1,523,468
Capital outlay	80,500	80,500	110,958	(30,458)
<b>Total expenditures</b>	<b>6,915,243</b>	<b>7,314,443</b>	<b>5,821,433</b>	<b>1,493,010</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer Out	-	-	(255,239)	255,239
Capital leases	-	-	37,938	(37,938)
<b>Change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 482,316</b>	<b>\$ 151,201</b>

## Capital Asset and Debt Administration

### Capital assets

The Council's investment in capital assets for its governmental-type activities as of June 30, 2011, amounts to \$44,887,353 (net of accumulated depreciation). This investment in capital assets includes land and easements; office building and improvements; office furniture and fixtures; electrical fixtures; and multi-media, office, and computer equipment. The net increase in the Council's investment in capital assets, net of depreciation, for the current fiscal year was \$440,623.

Major capital asset events during the current fiscal year included the following:

The Council acquired \$603,384 of conservation easements. In addition, the Council acquired \$110,959 of office and computer equipment during the 2010-11 fiscal year. The Council disposed of \$66,744 of capital assets in the fiscal year ended June 30, 2011.

### SAN JOAQUIN COUNCIL OF GOVERNMENTS Capital Assets (net of depreciation)

	Governmental Activities	
	June 30, 2011	June 30, 2010
Land and conservation easements	\$ 38,589,368	\$ 37,985,983
Office furniture and fixtures	125,189	136,102
Office building	5,751,550	5,929,116
Building improvements	365,886	327,793
Office and computer equipment	55,360	67,736
Total	<u>\$ 44,887,353</u>	<u>\$ 44,446,730</u>

Additional information on the Council's capital assets can be found in Note 5 of the notes to the financial statements.

### Debt obligations

At the end of the current fiscal year, the Council had total commercial paper debt outstanding of \$75,000,000 and 2011 Tax bond of \$213,062,099.

### SAN JOAQUIN COUNCIL OF GOVERNMENTS Outstanding Debt

	Governmental Activities	
	June 30, 2011	June 30, 2010
Commercial paper obligations	\$ 75,000,000	\$ 167,000,000
Bond anticipation notes, net of amortization	-	205,114,860
2011 Tax Bond, net of amortization	213,062,099	-
Total	<u>\$ 288,062,099</u>	<u>\$ 372,114,860</u>

In September 2005, the Council's Board authorized an additional \$67,000,000 of commercial paper notes, bringing the total authorization up to \$167,000,000. The Council issued an additional \$67,000,000 in December 2005 in order to provide interim financing for the State of California, through the AB 3090 Financing Agreement process, in order to facilitate construction of Interstate 205 Freeway improvements. These improvements began in Spring 2006. The California Transportation Commission (CTC) has reimbursed the Council all three of the installments. On March 1, 2011, as a component of the defeasance of the Bond Anticipation Notes, the Council reduced the Commercial Paper authorization and outstanding Commercial Paper to \$75,000,000.

In May 2008, the Council issued \$203,355,000 in bond Anticipation Notes (BANs), generating \$210,003,362 (equal to the aggregate principal amount of the notes plus net original issue premium of \$7,734,159 less \$1,087,797 discount). Proceeds were intended to partially fund the Early Action Program of Measure K Renewal. The BANs were set to expire April 1, 2011. On March 1, 2011, the Council issued \$212,175,000 Sales Tax Revenue Bonds, 2011 Series A to defease the BANs. The Sales Tax Revenue Bonds, 2011 Series A are rated AA by Standard and Poor's (S&P) and Aa3 by Moody's.

For additional information on long-term debt activity refer to Note 8, of the notes to the financial statements.

### **Economic Factors and Next Year's Budgets and Rates**

The Council is suffering through the same recessionary factors as the rest of California, the nation, and the world. Sales taxes revenues generated by Measure K and LTF have declined nearly 25% since fiscal year 2006-07. The economy is showing signs of turning to positive growth rates in 2010-11 with sales tax receipts forecast to grow. The primary economic segments responsible for the fall off in sales tax are businesses associated with residential construction, development, and new car sales.

Notwithstanding these declines, SJCOG will continue to be able to perform its responsibilities without any major disruptions. The Council will continue to receive core Federal funding, project specific grants and other sources of funding. As the economy improves, the impact of the decline in sales tax will lessen and there will be an increase in sales tax dollars. However, there are still fewer sales tax dollars than in the peak year of 2006/07. This means local street repair projects will still be curtailed. Measure K congestion relief projects may face possible deletion or postponement and there will be fewer LTF transit dollars.

At June 30, 2011, the Council held \$138,579,724 of liquid investments in the Public Financial Management portfolio, \$101,721,976 in the California Asset Management Pool, \$81,915 in the State of California Local Agency Investment Fund, \$3,321,781 in the San Joaquin County Pool, and \$21,519,664 in Financial Institutions.

Total operating revenues are expected to be approximately the same in the 2010-11 fiscal year.

### **Requests for information**

This financial report is designed to provide a general overview of the San Joaquin Council of Governments' finances for all those with an interest in the Council's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Deputy Executive Director/Chief Financial Officer, 555 East Weber Street, Stockton, California 95202.

## **BASIC FINANCIAL STATEMENTS**

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
STATEMENT OF NET ASSETS  
JUNE 30, 2011**

	Governmental Activities
<u>ASSETS</u>	
Cash and cash equivalents	\$ 108,894,989
Investments	147,218,522
Sales tax receivable	4,287,900
Interest receivable	1,381,118
Intergovernmental receivables	1,350,108
Advances to other agencies	8,106,469
Prepays	117,156
Refunds and miscellaneous receivables	63,982
Notes receivable-Related Parties	13,332,129
Restricted assets:	
Temporarily restricted:	
Cash and cash equivalents	9,365,161
Interest receivable	822
Intergovernmental receivables	276,830
Capital assets:	
Land and conservation easements	38,589,368
Capital assets, net of accumulated depreciation	6,297,985
Total Assets	339,282,539
<u>LIABILITIES</u>	
Accounts payable	22,351,917
Wages and benefits payable	106,900
Interest payable	1,010,754
Unearned revenue	306,919
Liabilities payable from restricted assets	9,819
Noncurrent liabilities:	
Due within one year:	
2011 MK Renewal Sales Tax Bond, net of amortization	42,924
Compensated absences	131,486
Lease obligations	23,322
Due in more than one year:	
2011 MK Renewal Sales Tax Bond, net of amortization	213,019,175
Commercial paper	75,000,000
Sick leave and compensated absences	279,147
Lease obligations	20,536
Total Liabilities	312,302,899
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	39,585,252
Restricted for:	
Habitat acquisition and management	9,454,822
Unrestricted	(22,060,434)
Total Net Assets	\$ 26,979,640

The accompanying notes are an integral part of these financial statements.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
<b>Primary Government:</b>					
Governmental activities:					
General government	\$ 5,921,697	\$ 251	\$ 4,832,771	\$ -	\$ (1,088,675)
Transportation	82,211,723	-	84,634,724	-	2,423,001
Habitat development	634,819	2,555,022	-	-	1,920,203
Interest expense	47,057	-	-	-	(47,057)
<b>Totals</b>	<b>\$ 88,815,296</b>	<b>\$ 2,555,273</b>	<b>\$ 89,467,495</b>	<b>\$ -</b>	<b>3,207,472</b>
General Revenues:					
					5,399
					45,312
					<u>50,711</u>
					3,258,183
					<u>23,721,457</u>
					<u>\$ 26,979,640</u>

The accompanying notes are an integral part of these financial statements.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011**

	<u>General</u>	<u>Measure K and Measure K Renewal</u>	<u>Local Transportation Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,449,336	\$ 100,567,107	\$ 2,358,787
Investments	-	147,218,522	-
Sales tax receivable	-	2,936,100	1,351,800
Interest receivable	20	1,371,344	8,230
Intergovernmental receivable	1,260,540	-	-
Advances to other agencies	-	8,106,469	-
Prepays	99,949	17,183	-
Refunds and miscellaneous receivables	48,230	-	-
Due from other funds	7,407	5,258,241	-
Notes receivable-Related Parties	-	13,332,129	-
Cash and investments - restricted	-	-	-
Interest receivable - restricted	-	-	-
Intergovernmental receivable - restricted	-	-	-
<b>Total Assets</b>	<b><u>\$ 2,865,482</u></b>	<b><u>\$ 278,807,095</u></b>	<b><u>\$ 3,718,817</u></b>
<b>LIABILITIES</b>			
Liabilities:			
Accounts payable	\$ 282,756	\$ 18,254,221	\$ 2,698,396
Accrued salaries and benefits	106,900	-	-
Interest payable	15,385	995,369	-
Due to other funds	5,258,361	-	-
Deferred revenue	112,884	-	-
<b>Total Liabilities</b>	<b><u>5,776,286</u></b>	<b><u>19,249,590</u></b>	<b><u>2,698,396</u></b>
Fund Balances:			
Nonspendable	99,949	21,455,781	-
Restricted	-	238,101,724	1,020,421
Assigned	-	-	-
Unassigned	(3,010,753)	-	-
<b>Total Fund Balances</b>	<b><u>(2,910,804)</u></b>	<b><u>259,557,505</u></b>	<b><u>1,020,421</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 2,865,482</u></b>	<b><u>\$ 278,807,095</u></b>	<b><u>\$ 3,718,817</u></b>

(Continued)

The accompanying notes are an integral part of these financial statements.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
BALANCE SHEET (Continued)  
GOVERNMENTAL FUNDS  
JUNE 30, 2011**

State Transit Assistance Fund	Regional Transportation Impact	Blended Component Unit - SJCOG, INC.	Total
\$ 558,397	\$ 3,961,362	\$ -	\$ 108,894,989
-	-	-	147,218,522
-	-	-	4,287,900
1,125	399	-	1,381,118
-	89,568	-	1,350,108
-	-	-	8,106,469
-	-	24	117,156
-	-	15,752	63,982
-	-	120	5,265,768
-	-	-	13,332,129
-	-	9,365,161	9,365,161
-	-	822	822
-	-	276,830	276,830
<u>\$ 559,522</u>	<u>\$ 4,051,329</u>	<u>\$ 9,658,709</u>	<u>\$ 299,660,954</u>
\$ 316,544	\$ 800,000	\$ 9,819	\$ 22,361,736
-	-	-	106,900
-	-	-	1,010,754
-	7,374	33	5,265,768
-	-	194,035	306,919
<u>316,544</u>	<u>807,374</u>	<u>203,887</u>	<u>29,052,077</u>
-	-	-	21,555,730
242,978	3,243,955	-	242,609,078
-	-	9,454,822	9,454,822
-	-	-	(3,010,753)
<u>242,978</u>	<u>3,243,955</u>	<u>9,454,822</u>	<u>270,608,877</u>
<u>\$ 559,522</u>	<u>\$ 4,051,329</u>	<u>\$ 9,658,709</u>	<u>\$ 299,660,954</u>

The accompanying notes are an integral part of these financial statements.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011**

**Total Fund Balances - Governmental Funds** \$ 270,608,877

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$38,589,368 plus \$8,220,725, and the accumulated depreciation is \$1,922,741. 44,887,352

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Commercial paper bonds	\$ (75,000,000)	
Bond anticipation notes	(212,175,000)	
Bond premium	(887,099)	
Capital leases payable	(43,858)	
Compensated absences	(410,632)	
	(288,516,589)	(288,516,589)

**Total Net Assets - Governmental Activities** \$ 26,979,640

The accompanying notes are an integral part of these financial statements.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	General	Measure K and Measure K Renewal	Local Transportation Fund
<b>REVENUES</b>			
Sales tax	\$ -	\$ 39,113,518	\$ 19,609,278
Intergovernmental	5,959,611	-	-
Charges for services	251	-	-
Interest	6,496	3,719,603	26,008
Dividends	-	282,466	-
Unrealized gains (losses) on investments	(1,097)	(649,603)	(4,384)
Other	45,311	22,109,000	-
<b>Total Revenues</b>	<b>6,010,572</b>	<b>64,574,984</b>	<b>19,630,902</b>
<b>EXPENDITURES</b>			
General administration	5,624,570	264,681	800,450
RTIF program updates	-	-	-
Streets and roads	-	13,102,800	3,472,579
Pedestrian and bicycle	-	-	366,464
Transit	-	11,887,799	14,422,972
Congestion relief	-	20,093,275	-
Railroad safety crossings	-	5,476,543	-
Smart growth	-	794,512	-
Habitat plan	-	-	-
Investment expense	-	2,021,595	-
PTMISEA disbursements	-	-	-
Debt service:			
Principal	38,849	-	-
Interest	47,057	6,990,799	-
Capital outlay:			
Capital assets	73,019	-	-
Capital leases	37,938	-	-
<b>Total Expenditures</b>	<b>5,821,433</b>	<b>60,632,004</b>	<b>19,062,465</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>189,139</b>	<b>3,942,980</b>	<b>568,437</b>
<b>OTHER FINANCING SOURCES</b>			
Transfer In / (Transfer Out)	255,239	(255,239)	-
2011 Bond Issuance proceeds	-	216,190,785	-
Tax Bond Escrow Deposit	-	-	-
Bond Anticipation Notes Defeasement	-	(206,469,378)	-
Commercial Paper Payment	-	(92,000,000)	-
Capital leases	37,938	-	-
<b>Total Other Financing Sources</b>	<b>293,177</b>	<b>(82,533,832)</b>	<b>-</b>
<b>Change in Fund Balances</b>	<b>482,316</b>	<b>(78,590,852)</b>	<b>568,437</b>
Fund Balances (Deficit) at Beginning of Year	(3,393,120)	338,148,357	451,984
Fund Balances (Deficit) at End of Year	\$ (2,910,804)	\$ 259,557,505	\$ 1,020,421

(Continued)

The accompanying notes are an integral part of these financial statements.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (Continued)  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

State Transit Assistance Fund	Regional Transportation Impact	Blended Component Unit - SJCOG, INC.	Total
\$ 40,000	\$ -	\$ -	\$ 58,762,796
-	-	-	5,959,611
-	367,617	2,428,132	2,796,000
12,055	21,619	63,631	3,849,412
-	-	-	282,466
(7,126)	(5,327)	(12,124)	(679,661)
-	-	75,383	22,229,694
<u>44,929</u>	<u>383,909</u>	<u>2,555,022</u>	<u>93,200,318</u>
72,019	(10,310)	333,429	7,084,839
-	(25,000)	-	(25,000)
-	-	-	16,575,379
-	-	-	366,464
4,518,964	800,000	-	31,629,735
-	-	-	20,093,275
-	-	-	5,476,543
-	-	-	794,512
-	-	301,390	301,390
-	-	-	2,021,595
46,733	-	-	46,733
-	-	-	38,849
-	-	-	7,037,856
-	-	603,384	676,403
-	-	-	37,938
<u>4,637,716</u>	<u>764,690</u>	<u>1,238,203</u>	<u>92,156,511</u>
<u>(4,592,787)</u>	<u>(380,781)</u>	<u>1,316,819</u>	<u>1,043,807</u>
-	-	-	-
-	-	-	216,190,785
-	-	-	-
-	-	-	(206,469,378)
-	-	-	(92,000,000)
-	-	-	37,938
<u>-</u>	<u>-</u>	<u>-</u>	<u>(82,240,655)</u>
<u>(4,592,787)</u>	<u>(380,781)</u>	<u>1,316,819</u>	<u>(81,196,848)</u>
<u>4,835,765</u>	<u>3,624,736</u>	<u>8,138,003</u>	<u>351,805,725</u>
<u>\$ 242,978</u>	<u>\$ 3,243,955</u>	<u>\$ 9,454,822</u>	<u>\$ 270,608,877</u>

The accompanying notes are an integral part of these financial statements.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011**

**Total Net Change in Fund Balances - Governmental Funds** \$ (81,196,848)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$714,343) exceeded depreciation (\$273,721) in the current period. 440,622

Some of the capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the capital leases are not revenues in the statement of activities, but rather constitute long-term liabilities in the statement of net assets. (37,938)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 298,508,227

Long-term debt issuance costs are recognized as expenditures in the governmental funds when debt is first issued, whereas these amounts are deferred and amortized over the life of the debt in the statement of activities. Amortization of the commercial paper issuance costs for the period is: (15,857)

Compensated absences are measured by the amounts paid during the period in governmental funds. In the statement of activities, compensated absences are measured by the amount earned. (23,407)

Issuance of long-term debt provides current resources to the governmental funds, but issuance of debt increases long-term liabilities in the statement of net assets. Proceeds from issuance of long-term debt were: (216,190,784)

If long-term debt is issued at a premium, the premium is recognized as an other financing source in the period it is incurred for governmental fund purposes, net of any bond issuance costs. In the government-wide statements, the premium and bond issuance costs are amortized as interest over the life of the debt. Amortization of bond premium, net of amortization of bond issuance costs for the period is: 1,774,168

**Change in Net Assets - Governmental Activities** \$ 3,258,183

The accompanying notes are an integral part of these financial statements.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Reporting Entity

The San Joaquin Council of Governments (Council), the regional transportation planning agency for the County of San Joaquin, was created pursuant to Title 3 of Government Code Section 29532. The Council is responsible for transportation planning activities as well as administration of the Local Transportation Fund and the State Transit Assistance Fund in accordance with the applicable sections of the Government Code, Public Utilities Code, and Administrative Code included within the Transportation Development Act. The Council also is the Local Transportation Authority (LTA) pursuant to Section 1, Division 19 (commencing with Section 180000) of the Public Utilities Code as designated by the San Joaquin County Board of Supervisors. In 1990, the San Joaquin County voters passed an ordinance (Measure K) resulting in a sales tax increase of one-half of one percent for transportation improvements. The Council oversees the collection and distribution of the sales tax in accordance with the twenty year transportation expenditure plan. The Council also administers the Freeway Service Patrol Program and the Congestion Management Program in San Joaquin County, operates a regional rideshare program, serves as the Census Data Center, operates a Research and Forecasting Center, prepares a regional housing needs plan, serves as the Airport Land Use Commission, provides technical assistance to local agencies and member jurisdictions as needed, and oversees the administration of the habitat and open space master plan for San Joaquin County. The Council is governed by a fifteen member Board of Directors, made up of three members representing San Joaquin County; three members representing the City of Stockton City Council; one member from the City Councils of the Cities of Escalon, Lathrop, Lodi, Manteca, Ripon, and Tracy; and three ex-officio members from Caltrans District 10, the Port of Stockton, and the San Joaquin Regional Transit District.

*Blended component unit*

SJCOG, INC. is a not-for-profit public benefit corporation, established under Code Section 501(c)(3) of the Internal Revenue Code. The specific purpose of SJCOG, INC. is to act as the designee of the joint powers agency organized pursuant to the San Joaquin County Multispecies Habitat Conservation Plan, including the acquisition, holding, administering, and managing of real property pursuant to that plan. The Council is responsible for the administration of SJCOG, INC. and the San Joaquin County Multispecies Habitat Conservation Plan. The Council's Board serves as the Board of Directors of SJCOG, INC. The Council is financially responsible for SJCOG, INC. Because the Council's Board approves the component unit's fiscal and related activities, and the Council is responsible for collecting revenues, paying expenses, and administering the habitat conservation plan. SJCOG, INC. is presented as a major governmental fund.

*Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are the only activities conducted by the Council. The Council conducts no *business-type activities*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. Reporting Entity (Continued)

*Measurement focus, basis of accounting, and financial statement presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual include sales taxes, intergovernmental revenues, interest, and charges for services.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the Council may fund certain programs and projects with a combination of cost reimbursement grants and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program and project expenditures.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods or services, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments.

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, then unrestricted resources as they are needed.

Certain indirect costs are included in program and project expenses reported for individual functions and activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

*Major funds*

Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, defines major funds and requires that the Council's major governmental funds be identified and presented separately in the fund financial statements.

Major funds are defined as funds that have assets, liabilities, revenues, or expenditures equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The Council may also select other funds it believes should be presented as major funds.

The Council reports the following major governmental funds:

The *General Fund* is the Council's primary operating fund. It accounts for all financial resources of the Council, except those required to be accounted for in another fund.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. Reporting Entity (Continued)

The Combined *Measure K and Measure K Renewal Fund* is used to account for the additional ½ % cent sales tax approved by the San Joaquin County voters under Measure K in 1990 and Measure K Renewal in 2006. Revenues funded the twenty year Measure K transportation expenditure plan and will fund the thirty year Measure K Renewal transportation expenditure plan. Revenues are distributed to various entities and vendors for the design, construction, operation, and maintenance of specific projects. The Board of Directors bi-annually, if not more frequently adopts a strategic plan implementing the expenditure plan approved by the voters and the Council enters into contracts with the agencies and vendors for the design and construction of specific projects and operations and maintenance. Council management and staff administer the Measure K and Measure K Renewal Programs, and the Council derives revenues from the fund for administrative and project management functions related to Measure K and Measure K Renewal. Sales taxes collected under the original Measure K ended March 31, 2011.

Commonly referred to as an extension of the original Measure K, sales tax revenues for the renewal did not begin to be collected until April 1, 2011. A Strategic Plan and Plan of Finance for the renewal implementing the voter-approved Expenditure Plan was adopted in December 2007 by the Board of Director providing funding for renewal projects prior to the initiation of sales tax collection. Funding for those projects came from a Bond Financing program. Project expenses and debt service are tracked in the Combined *Measure K and Measure K Renewal Fund*.

The *Local Transportation Fund (LTF)* is used to account for retail sales tax, collected statewide under the Transportation Development Act that is returned to San Joaquin County. The revenues are distributed to eligible claimants to provide transit services, pedestrian/bicycle facilities, and street and roads funding. Council management and staff administer the LTF program, and the Council derives revenues from the fund for administrative and planning functions related to LTF.

The *State Transit Assistance Fund (STA)* is used to account for the statewide sales tax on motor vehicle fuel collected under the Transportation Development Act that is allocated to San Joaquin County. The revenues are distributed to eligible claimants to provide transit operator or contracted transit services. Additionally, in 2006, California voters approved a statewide initiative (Proposition 1B) to provide funding for transportation infrastructure improvements and transit capital projects. SJCOG is eligible to receive funding from various categories of these funds. Council management and staff administer the STA program, and the Council derives revenues from the fund for administrative and planning functions related to STA.

The *Regional Transportation Impact Fee Fund (RTIF)* is used to account for the activities of the RTIF Program. The RTIF Program objective is to obtain funding for development projects that have an impact upon the regional transportation network and to integrate these funds with federal, state, and other local funding to fund transportation improvements identified in the RTIF Program.

*SJCOG, INC. Fund* is a not-for-profit public benefit corporation, established under Code Section 501(c)(3) of the Internal Revenue Code. The specific purpose of SJCOG, INC. is to act as the designee of the joint powers agency organized pursuant to the San Joaquin County Multispecies Habitat Conservation Plan, including the acquisition, holding, administering, and managing of real property pursuant to that plan. The Council is financially responsible for SJCOG, INC., and the Council derives revenues from the fund for related administrative and management functions.

Although the STA and RTIF Special Revenue Funds listed above do not meet the definition of major funds, the Council has elected to present them separately because of their significance to its stakeholders.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. Reporting Entity (Continued)

San Joaquin County Transportation Authority (Authority)

Pursuant to Division 19 of the California Public Utilities Code, the Local Transportation Authority and Improvement Act, the Board of Supervisors of San Joaquin County created the Authority and designated the Board of Directors of the San Joaquin Council of Governments (“SJCOG”) to serve as the Board of Directors of the Authority. The Authority is responsible for the management and implementation of the Measure K and Measure K Renewal Expenditure Plans. These programs include the collection of a ½ cent sales and use tax and the programming and delivery of the projects identified in the Expenditure Plans.

B. Assets, Liabilities, and Net Assets

*Deposits and investments*

The Council's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The Council's cash is in the custody of the San Joaquin County Treasurer's cash and investment pool, which is recorded at fair value, and other financial institutions.

Under state law the Council may invest in obligations of the U.S. Treasury, U.S. agencies, State of California, local agencies and instrumentalities, commercial paper of the highest short-term rating category as provided by Moody's Investor Service, Inc. or Standard and Poor's Corporation, banker's acceptances, repurchase agreements, medium-term corporate notes, mutual funds, time certificates of deposit, the Local Agency Investment Fund (LAIF), local government investment pools, Public Financial Management (PFM), the California Asset Management Program (CAMP), and shares of beneficial interest issued by diversified management companies. All of the above operate in accordance with appropriate state laws and regulations. The investments for the Council, as well as for its component unit, are recorded at fair value.

*Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding between funds at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of interfund loans). All “due to/from” balances at June 30, 2011, are considered to be current and due to be repaid within the upcoming fiscal year.

All accounts receivable and intergovernmental receivables and advances are shown at their net collectible balances. Accounts receivable represent various non-intergovernmental collectible amounts due at June 30, 2011. Intergovernmental receivables represent claims for reimbursements and sales tax revenues receivable from various federal, state, and local governmental agencies as of June 30, 2011.

Advances and notes receivable, as reported in the fund financial statements, are designated as a nonspendable fund balance account in applicable funds to indicate that they are not available for appropriation and are not expendable available financial resources.

*Prepaid items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

*Restricted assets*

Restricted assets are those portions of net assets that are not available for appropriation or expenditure and/or are legally segregated for a specific future use.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. Assets, Liabilities, and Net Assets (Continued)

Certain proceeds of the Council's bond anticipation notes and commercial paper are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited to transportation program expenses and repayment of debt.

The restricted net asset balance for habitat conservation and management represents the net assets of SJCOG, INC. and represents net assets that are restricted for the San Joaquin County Multispecies Habitat Conversation Plan.

*Net Asset/Fund Balance*

The Council adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of June 30, 2011. As a result, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the Council is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of the Council's highest level of decision-making authority (the Board) and that remain binding unless removed in the same manner. Committed fund balance does not lapse at year-end. The formal action must occur prior to the end of the reporting period. However, the amount which will be subject to the constraint may be determined in the subsequent period. The formal action required to commit fund balance shall be Board resolution.
- *Assigned fund balance* – amounts that are constrained by the Council's *intent* to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. The Board delegated authority to assign fund balance for a specific purpose to the Manager of Finance.
- *Unassigned fund balance* – the residual classification for the Council's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, followed by the unrestricted committed, assigned, and unassigned resources as they are needed.

No minimum fund balance policy.

*Capital assets*

Capital assets, which include office furniture and equipment, leasehold improvements, and assets under capital leases, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. Assets, Liabilities, and Net Assets (Continued)

*Capital assets* (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Equipment, furniture and fixtures, building, building improvements, and assets under capital lease of the primary government are depreciated using the straight-line method over periods ranging from five (5) years to forty (40) years. Land related to the Council's Headquarters building and parking lot is not subject to depreciation. Capital assets of the component unit consist entirely of land and real property easements and are not subject to depreciation because they are considered to have indefinite lives.

*Compensated absences*

It is the Council's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which are then paid out of the General Fund. There is limited liability for unpaid accumulated sick pay for employees. This benefit is limited to employees who have completed twenty (20) years of service or have reached the normal retirement age, and have accumulated a minimum of 160 hours of sick pay. Compensated absences are reported in the governmental funds only if they have matured. The amount of compensated absences within the General Fund that are due within one year was \$131,486 at June 30, 2011.

*Debt obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities.

The Council is authorized to issue up to \$75,000,000 of commercial paper notes. These notes are payable from and secured by a subordinate pledge of certain revenues derived from the one-half of one percent retail transactions and use tax in San Joaquin County. The notes mature every 1 to 270 days and, unless defeased, are repaid with new notes. Credit for these notes is provided through an irrevocable direct draw letter of credit expiring March 31, 2013. These notes can be rolled over until March 31, 2013, at which time all principal must be repaid.

The Council issued Bond Anticipation Notes (BANs) on May 21, 2008, to provide funding for the Measure K and Measure K Renewal programs. The Council received \$210,003,362 in proceeds at a discount of \$203,355,000. The BANs were replaced by the issuance of \$212,175,000 Sales Tax Revenue Bonds, 2011 Series A. Proceeds are invested in both the CAMP pool and in an individual portfolio with PFM.

The Council uses Commercial Paper, BANs and, subsequently, the \$212,175,000 Sales Tax Revenue Bonds, 2011 Series A proceeds to provide funding to accelerate the delivery of transportation projects. In fiscal year 2010-11, commercial paper interest expense of \$785,708, \$6,205,901 BANs interest expense and \$974,822 of the \$212,175,000 Sales Tax Revenue Bonds, 2011 Series A interest expense are categorized as direct Transportation expenses in the Government-wide Statement of Activities.

C. Current Governmental Accounting Standards Board Statements – Implemented Pronouncements

*Governmental Accounting Standards Board Statement No. 54*

In March of 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement 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. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned. The San Joaquin Council of Governments implemented GASB Statement No. 54 during the year.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. Future Governmental Accounting Standards Board Statements

*Governmental Accounting Standards Board Statement No. 57*

In December 2009, GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This Statement amends Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, to permit an agent employer that has an individual-employer OPEB plan with fewer than 100 total plan members to use the alternative measurement method, at its option, regardless of the number of total plan members in the agent multiple-employer OPEB plan in which it participates. Consistent with this change to the employer-reporting requirements, this Statement also amends a Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, requirement that a defined benefit OPEB plan obtain an actuarial valuation. The amendment permits the requirement to be satisfied for an agent multiple-employer OPEB plan by reporting an aggregation of results of actuarial valuations of the individual-employer OPEB plans or measurements resulting from use of the alternative measurement method for individual-employer OPEB plans that are eligible. The provisions related to the use and reporting of the alternative measurement method were effective upon issuance, and the provisions related to the frequency and timing of measurements for actuarial valuations first used to report funded status information in financial statements of other postemployment benefit plans are effective for periods beginning after June 15, 2011. At present, SJCOG does not offer pensions or other post-employment benefits that fall under the reporting requirements of GASB 57.

*Governmental Accounting Standards Board Statement No. 58*

In December 2009, GASB issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. The objective of this Statement is to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms (that is, approves) a new payment plan. This statement is effective for periods beginning after June 15, 2009. The implementation of this statement will not have an effect on the SJCOG financial statements as of June 30, 2011.

*Governmental Accounting Standards Board Statement No. 59*

In June 2010, GASB issued Statement No. 59, *Financial Instruments Omnibus*. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. This Statement provides for the following amendments:

- National Council on Governmental Accounting Statement 4, *Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences*, is updated to be consistent with the amendments to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, regarding certain financial guarantees.
- Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, are amended to remove the fair value exemption for unallocated insurance contracts. The effect of this amendment is that investments in unallocated insurance contracts should be reported as interest-earning investment contracts according to the provisions of paragraph 8 of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.
- Statement No. 31, is clarified to indicate that a 2a7-like pool, as described in Statement 31, is an external investment pool that operates in conformity with the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. Future Governmental Accounting Standards Board Statements (Continued)

*Governmental Accounting Standards Board Statement No. 59* (Continued)

- Statement No. 40, *Deposit and Investment Risk Disclosures*, is amended to indicate that interest rate risk information should be disclosed only for debt investment pools—such as bond mutual funds and external bond investment pools—that do not meet the requirements to be reported as a 2a7-like pool.
- Statement 53 is amended to:
  - Clarify that the net settlement characteristic of Statement 53 that defines a derivative instrument is not met by a contract provision for a penalty payment for nonperformance
  - Provide that financial guarantee contracts included in the scope of Statement 53 are limited to financial guarantee contracts that are considered to be investment derivative instruments entered into primarily for the purpose of obtaining income or profit
  - Clarify that certain contracts based on specific volumes of sales or service revenues are excluded from the scope of Statement 53
  - Provide that one of the "leveraged yield" criteria of Statement 53 is met if the initial rate of return on the companion instrument has the potential for at least a doubled yield.

The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2010. SJCOG has elected not to early implement GASB Statement No. 59 and has not determined its effect on the SJCOG financial statements.

*Governmental Accounting Standards Board Statement No. 60*

In December 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. The Statement provides guidance on whether the transferor or the operator should report the capital asset in its financial statements, when to recognize up-front payments from an operator as revenue, and how to record any obligations of the transferor to the operator. The requirements for Statement No. 60 are effective for financial statements for periods beginning after December 15, 2011, and SJCOG has not determined its effect on the SJCOG financial statements.

*Governmental Accounting Standards Board Statement No. 61*

*GASB Statement No. 61 – The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34* modifies a number of provisions with regard to reporting of component units within a financial reporting entity. The statement is effective for periods beginning after June 15, 2012. As of the date of these financial statements, the Council has not made an assessment of any changes that will occur upon this statement's implementation.

*Governmental Accounting Standards Board Statement No. 62*

*GASB Statement No. 62 – Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements – Financial Accounting Standards (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants" (AICPA) Committee on Accounting Procedure. The statement is effective for periods beginning after December 15, 2011. However, as the statement codified what is current practice, there is no net effect on the Council's accounting or financial reporting upon the statement's implementation.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. Future Governmental Accounting Standards Board Statements (Continued)

*Governmental Accounting Standards Board Statement No. 63*

*GASB Statement No. 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* modifies current financial reporting of those elements. The statement is effective for periods beginning after December 15, 2011. GASB Statement No. 63 will not have an effect on the Council's financial statements.

*Governmental Accounting Standards Board Statement No. 64*

*GASB Statement No. 64 – Derivative Instruments: Application of Hedge Accounting Termination Provisions* – GASB Statement No. 64 amends current accounting and financial reporting related to terminations of swap agreements due to default or other termination events. In certain instances where swap counterparties or credit support providers are replaced, hedge accounting may continue rather than cease. The provisions of GASB Statement No. 64 are effective for financial statements beginning after June 15, 2011. Because the Council does not enter into hedge agreements with swap providers for the purposes of managing risk beyond investment return, GASB Statement No. 64 will not apply.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

*Budgetary information*

As required by the Council's Joint Powers Authority agreement, the Council prepares and legally adopts a final operating budget on or before April 1 of each fiscal year. Annual budgets are legally adopted for the General Fund. As required by the Joint Powers Authority, the budget is adopted and ratified by member agencies. Operating budgets are prepared on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the object level. Transfers of appropriations within major objects may be approved by the Executive Director. Significant amendments, appropriation transfers between objects, and transfers from contingencies must be approved by the Council's Board. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board. No supplemental appropriations were required during the year ended June 30, 2011. The bi-annual Strategic Plan and revenue estimate for the Measure K Fund are approved by the SJCOG Board. The Local Transportation Fund (LTF) budgeted revenue is created by Council staff and approved by the San Joaquin County Auditor-Controller. The budgeted revenue is allocated to each claimant based on population. The State Transit Assistance Fund (STA) budget is created and allocated by the California State Controller's Office. Budgets for the LTF, STA, and Regional Transportation Impact (RTIF) Funds are approved by the SJCOG Board. Budgetary amounts for the special revenue funds are presented at their lowest level of budgetary control, which is the object level, as described above.

During the year certain amendments were approved by the Board. Certain reclassifications were made within an object category, which were approved by the Executive Director. The supplemental budgetary appropriations and reclassifications within object categories made in the General Fund were not material.

**NOTE 3 – CASH AND INVESTMENTS**

*Cash and investments*

Cash and investments are reported in the accompanying financial statements as follows:

Statement of net assets:	
Cash	\$ 108,894,989
Investments	147,218,522
Restricted - cash	<u>9,365,161</u>
Total cash and investments	<u>\$ 265,478,672</u>

Cash and investments as of June 30, 2011, consist of the following:

Cash in County treasury	\$ 3,321,781
Deposits in financial institutions	21,519,664
Local Agency Investment Fund (LAIF)	81,915
Cash and investments held by bond trustee	<u>240,555,312</u>
Total cash and investments	<u>\$ 265,478,672</u>

*Investments authorized by the California Government Code and the Council's investment policy*

The table below identifies the investment types that are authorized by the Council's investment policy. The table also identifies certain provisions of the Council's investment policy that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the Council, rather than the general provisions of the California Government Code or the Council's investment policy.

<u>Authorized investment type</u>	<u>Maximum maturity</u>	<u>Maximum percentage of * portfolio</u>	<u>Maximum investment in one issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Securities	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
State of California Obligations	5 years	None	None
Medium-Term Notes	5 years	30%	None
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

\* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions

**NOTE 3 – CASH AND INVESTMENTS** (Continued)

*Investments authorized by debt agreements*

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Council’s investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized investment type	Maximum maturity	Maximum percentage allowed	Maximum investment in one issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker’s Acceptances	180 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None

*Disclosures relating to 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. One of the ways that the Council manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Council’s investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the Council’s investments by maturity:

Investment type	Total	Remaining maturity (in months)			
		12 months or less	13 to 24 months	25 to 60 months	More than 60 months
Cash in County	\$ 3,321,781	\$ 3,321,781	\$ -	\$ -	\$ -
State investment pool	81,915	81,915	-	-	-
Held by trustee:					
Cash	251,373	251,373	-	-	-
Money market funds	93,453,183	93,453,183	-	-	-
Certificates of Deposit	8,805,205	-	8,805,205	-	-
Corporate debt securities	39,196,630	7,312,874	7,719,158	24,104,597	-
U.S. Treasury securities	37,150,148	23,650,593	13,499,555	-	-
Federal agency securities	61,698,773	7,057,430	40,432,067	14,209,276	-
	<u>\$ 243,959,008</u>	<u>\$ 135,129,149</u>	<u>\$ 70,455,985</u>	<u>\$ 38,313,873</u>	<u>\$ -</u>

*Investments with fair values highly sensitive to interest rate fluctuations*

<u>Highly Sensitive Investments</u>	<u>Fair Value at Year-End</u>
Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	<u>\$ 61,698,773</u>

**NOTE 3 – CASH AND INVESTMENTS** (Continued)

*Disclosures relating to credit risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Council's investment policy or debt agreements and the actual rating as of year-end for each investment type.

Investment type	Total	Minimum legal rating	Ratings as of year-end	Not rated
County investment pool	\$ 3,321,781	N/A	N/A	\$ 3,321,781
State investment pool	81,915	N/A	N/A	81,915
Held by trustee:				
Cash	251,373	N/A	N/A	-
Money market funds	93,453,183	AAA/Aa	AAAm	-
Certificates of Deposit:				
Bank of Nova	4,400,000	A	AA-/Aa1	-
Barclays PLC	4,405,205	A	A-1+/P-1	-
Corporate debt securities:				
Bank of America Corp. TLGP	7,312,875	A	AAA/Aaa	-
Caterpillar INC	3,464,000	A	A/A2	-
General Electric Co.	4,045,660	A	AA+/Aa2	-
IBM Corp.	5,612,281	A	A+/Aa3	-
Johnson & Johnson	5,014,945	A	AAA/Aaa	-
JPMorgan Chase & Co.	4,042,620	A	A+/Aa3	-
US Bankcorp	4,086,336	A	A+/Aa3	-
Wal-Mart Stores INC	1,925,091	A	AA/Aa2	-
Wells Fargo & Company	3,692,822	A	AA-/A1	-
US Treasury Bonds/Notes	37,150,148	TSY	TSY	-
Federal agency securities	61,698,773	N/A	AAA/Aaa	-
	\$ 243,959,008			\$ 3,403,696

*Concentration of credit risk*

The investment policy of the Council contains certain limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Council investments are as follows:

Issuer	Investment type	Reported amount
FANNIE MAE	Federal agency securities	\$ 2,494,800
FHLMC	Federal agency securities	21,246,439
FNMA	Federal agency securities	34,354,355
FHLB	Federal agency securities	3,603,179
		\$ 61,698,773

### **NOTE 3 – CASH AND INVESTMENTS (Continued)**

#### *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 custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Council's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, 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 Council deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

#### *Investment in San Joaquin County Pool*

The Council maintains cash balances in the San Joaquin County (County) Treasury Investment Pool. The pool is non-SEC registered and is invested in accordance with California State Government Code and the San Joaquin County Treasurer's Investment Policy. California State Government Code requires the formation of an Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements. To this end, the Oversight Committee reviews the monthly investment report prior to presentation to the County's Board of Supervisors and causes an audit of investments to occur annually. The fair value of the Council's shares in the San Joaquin County Pools is the same as the value of the pool shares. The Council had a total of \$3,321,781 invested in the San Joaquin County Pool at June 30, 2011.

#### *Deposits in Financial Institutions*

All deposits in financial institutions are fully collateralized in accordance with Section 53652 of the California Government Code. The California Government Code requires California banks and savings and loan associations to secure the Council's deposits by pledging government securities as collateral. The Council had a total of \$21,519,664 deposited in financial institutions at year end.

#### *Investment in State Investment Pool*

The Council is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The State Treasurer's Office reports its investments at fair value. The fair value of securities in the State Treasurer's pooled investment program, including LAIF, generally is based on quoted market prices. The State Treasurer's Office performs a quarterly fair market valuation of the pooled investment program portfolio. In addition, the State Treasurer's Office performs a monthly fair market valuation of all securities held against carrying cost. These valuations and financial statements are posted to the State Treasurer's Office website at [www.treasurer.ca.gov](http://www.treasurer.ca.gov). The fair value of the Council's investment in this pool is reported in the accompanying financial statements at amounts based upon the Council's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**NOTE 3 – CASH AND INVESTMENTS** (Continued)

*Investment in State Investment Pool (Continued)*

The total fair value amount invested by all public agencies in LAIF at June 30, 2011, was \$66.5 billion, managed by the State Treasurer. Of that amount, 100 percent was invested in non-derivative financial products and none in derivative financial products. The Local Investment Advisory Board has oversight responsibility for LAIF. The Advisory Board consists of five members as designated by state statute. The value of pool shares in LAIF which may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Council’s position in the pool. Investments in LAIF are highly liquid and are secured by the full faith and credit of the State of California. The Council’s investment in LAIF at June 30, 2011, was \$81,915.

*Investments in Public Financial Management and CAMP*

Public Financial Management (PFM) manages a significant portion of the Council’s investments. These investments include corporate notes, federal agency bonds/notes, U.S. Treasury bonds/notes, commercial paper, federal agency discounted notes, and money market funds.

The U.S. Government money market funds invest in short-term debt obligations issued or guaranteed by the U.S. Government, its agencies, or instrumentalities, some of which may be subject to repurchase agreements. The securities in the fund have an average life as of June 30, 2011, of 237 days.

CAMP is a Joint Powers Authority formed to provide professional investment management services and allows the participants to combine the use of a money market portfolio with an individually managed portfolio. The money market portfolio offers daily liquidity and is rated Aam by Standard and Poor’s. To maintain the Aam rating, the portfolio weighted average maturity may not exceed 70 days.

Included in the CAMP money market fund balances are accounts that are created for the payment and tracking of interest and principal on the commercial paper debt obligations, totaling \$288,636 and \$93,130,069, respectively. The investments with fiscal agents as well as the \$8,268,793 of the CAMP balances are also created for the payment and tracking of Measure K project expenditures.

Investments for the Council as well as its component unit are reported at fair value as determined by quoted market prices. Changes in the fair value of investments are included with all other investment income. Cash on deposit with the San Joaquin County Treasurer is invested as authorized by statutes.

**NOTE 4 – RECEIVABLES**

Accounts receivables as of year-end for the Council’s individual major funds are as follows:

	General	Measure K	Local Trans- portation	State Transit Assistance	RTIF	SJCOG INC.	Total
Receivables:							
Interest	\$ 20	\$ 1,371,344	\$ 8,230	\$ 1,125	\$ 399	\$ -	\$ 1,381,118
Sales taxes	-	2,936,100	1,351,800	-	-	-	4,287,900
Intergovernmental	1,260,540	-	-	-	89,568	-	1,350,108
Intergovernmental - Restricted	-	-	-	-	-	276,830	276,830
Interest - restricted	-	-	-	-	-	822	822
Total Receivables	<u>\$ 1,260,560</u>	<u>\$ 4,307,444</u>	<u>\$ 1,360,030</u>	<u>\$ 1,125</u>	<u>\$ 89,967</u>	<u>\$ 277,652</u>	<u>\$ 7,296,778</u>

**NOTE 4 – RECEIVABLES** (Continued)

*Intergovernmental Receivables*

The intergovernmental receivable balance consisted of \$89,568 of Regional Transportation Impact Fees receivable and \$1,260,540 of General Fund claims receivable from various federal, state, and local agencies.

The restricted intergovernmental receivable balance of \$276,830 and related interest balances of \$822 for SJCOG INC. are for mitigation fees receivable and related interest.

*Notes receivable*

On December 14, 2008, the Council extended a line of credit of \$9,174,426 to the San Joaquin Regional Rail Commission (Commission) to provide the resources to purchase land for their anticipated maintenance facility. This line was to be repaid by the Commission with receipts of a loan from the Federal Rail Administration within 180 days. The FRA loan did not occur; however, the Commission was able to use a bond program created in the American Recovery and Restoration Act to acquire the needed resources for the facility. The bond issuance, however, required the line of credit to be subordinated to the bonds. At this time, there is no repayment schedule for the line; however, the line is still backed by Measure K Renewal receipts to be allocated to the Commission.

The Commission note balance as of June 30, 2011, is \$8,286,208. Accrued interest receivable on these borrowings is \$800,337 at June 30, 2011.

On July 23, 2009, the Council extended a line of credit for \$10,000,000 to assist San Joaquin Regional Transit District (SJRTD) with cash flow challenges. In accordance with the line of credit agreement, SJRTD agrees the immediate availability amount of the line of credit is limited to \$7.6 million, unless SJRTD makes an additional request substantiated by additional sources of funds, and whereas, SJRTD will fully pay any balance of the borrowed monies, principal and accrued interest, no later than December 31, 2011; however, early repayment is allowed and encouraged. The SJRTD line of credit balance as of June 30, 2011, is \$4,399,128. Accrued interest receivable on these borrowings is \$75,720.

The interest accrued through February 28, 2011, was paid at 3.852% per annum, comprising the Net Interest Cost of the 2008 Bond Anticipation Notes (3.402%) and, pursuant to the Measure K Loan Policy, an administration charge of 45 basis points (0.450%). Effective March 1, 2011, the arbitrage yield on the \$212,175,000 Sales Tax Revenue Bonds, 2011 Series A was 5.406962%. The \$75,000,000 Commercial Paper continues to be remarketed which resets the interest rate on the notes each time. With the Federal Reserve continuing to keep the federal funds rate between 0 and 25 basis points (bps), Commercial Paper has remarketed at around 17 bps.

On December 9, 2008, the Council extended a line of credit of \$863,589 in Measure K Renewal funds to allow the City of Stockton to prepare preliminary design plans for the I-5/Otto Drive interchange. The City of Stockton's note receivable balance as of June 30, 2011, is \$646,793

The Commission, SJRTD, and City of Stockton depend on the SJCOG for a significant portion of their transportation related operating funds, and therefore are considered to be related parties.

*Advances*

On July 1, 2008, the Council advanced \$6,543,238 of Measure K Funds to the City of Stockton for Local Streets and Roads (LSR) projects. The advance is amortized quarterly from future allocations to the City. At June 30, 2011 the outstanding advance balance is \$3,268,209.

On July 1, 2008, the Council advanced \$9,647,678 of Measure K Funds to the County of San Joaquin for LSR projects. The advance is amortized quarterly from future allocations to the County. At June 30, 2011 the outstanding advance balance is \$4,818,811. There is also \$19,449 of other outstanding advances.

**NOTE 4 – RECEIVABLES** (Continued)*Advances* (Continued)

Originally, the City and County advances were to have been absorbed through growth in sales tax revenue by March 31, 2011. However, with the lack of growth in sales tax revenue, and each agency's loss of other LSR funds, they were not able to completely resolve the advances. The Board approved the two agencies to amortize the payments over an extended period of time, including allowing payments beyond March 31, 2011. Upon the expiration date of the Measure K program (March 31, 2011), the advances were reclassified as notes receivable. Interest on any unpaid balance was assessed at the Council's then current borrowing rate plus .45%.

The City of Stockton and County of San Joaquin depend on the SJCOG for a significant portion of their transportation related funding, and therefore are considered to be related parties.

Advances of \$19,449 to various other agencies were outstanding as of June 30, 2011.

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2011, was as follows:

	June 30, 2010	Additions	Disposals	June 30, 2011
Governmental activities:				
Capital assets, not being depreciated:				
Conservation easements and credits	\$ 37,585,983	\$ 603,385	\$ -	\$ 38,189,368
Land	400,000	-	-	400,000
Total capital assets, not being depreciated	<u>37,985,983</u>	<u>603,385</u>	<u>-</u>	<u>38,589,368</u>
Capital assets, being depreciated:				
Office furniture and fixtures	242,294	5,359	-	247,653
Office building	7,102,653	-	-	7,102,653
Building improvements	505,330	67,661	-	572,991
Office and computer equipment	326,234	37,939	(66,744)	297,429
	8,176,511	110,959	(66,744)	8,220,726
Less accumulated depreciation for:				
Office furniture and fixtures	(106,192)	(16,272)	-	(122,464)
Office building	(1,173,537)	(177,566)	-	(1,351,103)
Building improvements	(177,537)	(29,568)	-	(207,105)
Office and computer equipment	(258,498)	(50,315)	66,744	(242,069)
	<u>(1,715,764)</u>	<u>(273,721)</u>	<u>66,744</u>	<u>(1,922,741)</u>
Total capital assets being depreciated, net	<u>6,460,747</u>	<u>(162,762)</u>	<u>-</u>	<u>6,297,985</u>
Governmental activities capital assets, net	<u>\$ 44,446,730</u>	<u>\$ 440,623</u>	<u>\$ -</u>	<u>\$ 44,887,353</u>

**NOTE 4 – RECEIVABLES** (Continued)

*Depreciation*

All depreciation expense is related to the general administrative functions of the Council.

Depreciation expense was charged to the following activities of the Council as follows:

	<u>2011</u>	<u>2010</u>
Governmental activities		
General government	\$ 273,721	\$ 285,991

**NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2011, is as follows:

Due To/From

	<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>
Governmental Funds:		
General Fund	\$ 7,407	\$ 5,258,361
Measure K/Measure K Renewal	5,258,241	-
Local Transportation Fund	-	-
Regional Transportation Impact Fund	-	7,374
SJCOG, INC.	120	33
Totals	<u>\$ 5,265,768</u>	<u>\$ 5,265,768</u>

General Fund receivable from the Regional Transportation Impact Fund (RTIF) represent the final accrued RTIF planning funds due to the General Fund at June 30, 2011.

Measure K Fund receivables from the General Fund represents the balance of advance utilized to finance construction of SJCOG's office building.

SJCOG, INC. receivable from the General Fund in the amount of \$120 represents reimbursement of travel incorrectly paid from the INC account.

*Interfund Advance*

The Council completed major construction of new administrative facilities in November of 2003. Total cost for completion of the three story structure, including equipment upgrades, furnishings, and fixtures, was \$7,935,244. Land, valued at \$400,000, was donated by the Stockton, California, Redevelopment Agency for the building site. Commercial paper obligations in the amount of \$8,000,000 were issued in October of 2003. \$2,000,000 was repaid from General Fund reserves to the Measure K Fund in April of 2005. The Measure K Fund, in turn, retired \$2,000,000 of commercial paper obligations. The General Fund reserves of \$2,000,000 covered the cost of construction of the third floor of the building. Debt service on the commercial paper obligations is being reimbursed from the General Fund to the Measure K Fund. The repayment schedule consists of monthly principal and interest payments that vary from month to month at a rate of 45 basis points over the Commercial Paper's rate.

The balance of debt service and interest for the General Fund as of fiscal year ended June 30, 2011, was \$5,258,241. The Council currently occupies the lower two floors of the three story building. The Council may rent the third floor to a commercial tenant.

## NOTE 7 – LEASES

### *Operating leases*

The Council leases various office equipment under noncancellable operating leases as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 118,868
2013	118,868
2014	118,868
2015	117,842
2016	<u>64,265</u>
Total	<u>\$ 538,711</u>

### *Capital leases*

The Council entered into various lease agreements to provide office and computer equipment for Council staff. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

<u>Asset:</u>	<u>Governmental Activities</u>
Machinery and equipment	\$ 96,584
Less: Accumulated depreciation	<u>(52,726)</u>
Total	<u>\$ 43,858</u>

As of June 30, 2011, the future minimum lease payments and the net present value of these minimum lease payments were as follows:

<u>Fiscal Year Ending June 30,</u>	
2012	\$ 25,680
2013	15,107
2014	6,650
2014	-
2015	<u>-</u>
Total payments	47,437
Less amounts representing interest	<u>(3,579)</u>
Net present value of future minimum lease payments	<u>\$ 43,858</u>

## NOTE 8 – DEBT OBLIGATIONS AND LONG-TERM LIABILITIES

Activity during the year ended June 30, 2011, was as follows:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Bonds:					
Bond anticipation notes	\$ 203,355,000	\$ 212,175,000	\$ (203,355,000)	\$ 212,175,000	\$ -
Premium, net of amortization	1,759,860	901,407	(1,774,168)	887,099	42,924
<b>Total bonds</b>	<b>205,114,860</b>	<b>213,076,407</b>	<b>(205,129,168)</b>	<b>213,062,099</b>	<b>42,924</b>
Commercial paper	167,000,000	-	(92,000,000)	75,000,000	-
Sick leave benefits payable	217,188	38,334	(9,325)	246,197	-
Compensated absences	170,037	164,402	(170,003)	164,436	131,486
Capital leases	44,770	37,938	(38,850)	43,858	23,322
<b>Total</b>	<b>\$ 372,546,855</b>	<b>\$ 213,317,081</b>	<b>\$ (297,347,346)</b>	<b>\$ 288,516,590</b>	<b>\$ 197,732</b>

### *Commercial paper obligations*

The Council was originally authorized to issue up to \$100,000,000 of these notes. In September 2005, the SJCOG Board of Directors authorized an additional \$67,000,000 of commercial paper notes, bringing the total authorization up to \$167,000,000. The Council issued an additional \$72,000,000 of commercial paper notes (\$5 million unissued from the original authorization and \$67 million from the September 2005 authorization) on November 29, 2005, in order to provide interim financing for the State of California in order to facilitate construction of Interstate 205 Freeway improvements. These improvements began in the spring of 2006. The California Transportation Commission (CTC) has reimbursed the Council on all three installments. As a component of the defeasing of the BANs, in order constrain coverage to 35%, the Council's Board reduced the CP authorization to \$75,000,000 on March 1, 2011.

These notes are payable from and secured by a subordinate pledge of certain revenues derived from the one-half of one percent retail transactions and use tax in San Joaquin County. The notes mature anywhere from 1 to 270 days and are repaid with new notes. These notes can be rolled over until March 31, 2013, at which time all principal must be repaid. These notes are considered a long-term obligation because the Council does not intend to refund or retire the principal within the next operating cycle. The notes outstanding as of June 30, 2011, bear interest at .17% which is payable upon maturity of the note. There are no minimum debt service requirements. Revenues of the Measure K Fund are used to repay the commercial paper obligations.

In addition, under an irrevocable direct draw letter of credit issued by JP Morgan Chase Bank, N.A., the trustee or the remarketing agent is entitled to draw an amount sufficient to pay the purchase price of notes delivered to it. The letter of credit is valid through March 1, 2013, at which time it may be renewed. The letter of credit fees are paid at an annual rate of .82% of the stated amount. Citibank, N.A., issuer of the previous letter of credit, was replaced by JP Morgan Chase Bank, N.A on March 1, 2011.

If the remarketing agent is unable to resell any notes drawn on the letter of credit after 90 days, JP Morgan Chase, NA will convert the notes to a term loan payable over a three-year period bearing an interest rate equal to the Bank Rate (base rate plus 1 percent). The term out agreement expires March 1, 2013. If the term out agreement were to be exercised because the entire outstanding balance of \$75,000,000 of notes was not resold, the Council would be required to pay \$28,448,432 a year for three years under the installment loan agreement assuming a 6.75% interest rate.

**NOTE 8 – DEBT OBLIGATIONS AND LONG-TERM LIABILITIES** (Continued)

The annual obligation on commercial paper as of June 30, 2011, is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2012	<u>\$ 75,000,000</u>
Total	<u>\$ 75,000,000</u>

*Bond Anticipation Notes*

In relation to the Council's Measure K program, the Council authorized the issuance of Bond Anticipation Notes (BANs) on May 21, 2008, to provide cash flow to fund project development and early construction on Measure K Renewal projects and to provide local matching revenue for State Proposition 1B projects in San Joaquin County.

Under the terms of the BANs, these notes were payable by a replacement debt issuance no later than April 1, 2011, and were secured by a senior pledge of certain revenues derived from the one-half of one percent retail transactions and use tax in San Joaquin County. An issuance of BANs totaling \$210,003,362 (equal to the aggregate principal amount of the notes of \$203,355,000 plus net original issue premium of \$7,734,159 less underwriters' discount of \$863,686 less issuance fees of \$222,111) closed on May 21, 2008.

The Series 2008 Notes bore interest until maturity date at the rates per annum as set forth below:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Coupon</u>	<u>Price</u>
4/1/2011	\$134,780,000	5.000%	104.935
4/1/2011	\$50,000,000	4.000%	102.222
4/1/2011	\$18,575,000	3.125%	99.848

The BANs were short-term bonds with an initial interest rate fixed to their maturity date, in this case April 1, 2011. BAN payments were interest-only through the maturity in 2011. The BANs were secured by a pledge which was repaid from the proceeds of another bond issued in 2011.

BANs enabled SJCOG to retain the ability to revisit its entire debt structure in 2011. BANs avoided the need for a bank liquidity facility (LOC) required for short-term notes such as commercial paper. The San Joaquin County Transportation Authority has an underlying short-term rating of SP1+ and long-term rating of AA from Standard & Poor's.

2011 Series A Sales Tax Revenue Bonds

The Council issued long-term debt on March 1, 2011, to defease the BANs totaling \$212,175,000. Actual Measure K sales tax revenue received in fiscal year 2009/10 constrained the amount of the new issuance; however, there were sufficient proceeds to defease the BANs, fund cost of issuance and a debt service reserve fund at one-half Maximum Annual Debt Service (MADS). The Council pledges 100% of the Measure K Renewal sales tax as a security for the new bonds; however, in order to maintain a high credit and coverage level, debt service is constrained at 35% of last year's actual sales tax. MADS is expected to be 2.26x with annual coverage at 2.8x. The structure insures all the other programs in the Measure K Renewal will have full funding.

**NOTE 8 – DEBT OBLIGATIONS AND LONG-TERM LIABILITIES** (Continued)

The Series 2011 Bonds bear interest until maturity date at the rates per annum as set forth below:

Bond Component	Maturity Date	Principal Amount	Coupon	Price
Serial Bonds:	3/1/2016	\$ 475,000	3.00%	102.858
	3/1/2017	1,530,000	4.00%	106.699
	3/1/2018	2,700,000	5.00%	111.607
	3/1/2019	4,015,000	4.00%	103.321
	3/1/2020	5,025,000	5.00%	108.995
	3/1/2021	5,275,000	5.00%	107.151
	3/1/2022	5,540,000	5.25%	107.151
	3/1/2023	5,830,000	5.25%	105.491
	3/1/2024	6,135,000	5.25%	104.024
	3/1/2025	6,455,000	5.25%	102.741
	3/1/2026	6,795,000	5.25%	101.633
	3/1/2027	7,150,000	5.00%	98.058
	3/1/2028	7,510,000	5.75%	103.930
	3/1/2029	7,940,000	5.75%	103.301
	3/1/2030	8,400,000	5.75%	102.755
3/1/2031	<u>8,880,000</u>	5.25%	96.754	
		89,655,000		
2036 Term Bond:	3/1/2032	9,350,000	6.00%	103.031
	3/1/2033	9,910,000	6.00%	103.031
	3/1/2034	10,505,000	6.00%	103.031
	3/1/2035	11,135,000	6.00%	103.031
	3/1/2036	<u>11,800,000</u>	6.00%	103.031
		52,700,000		
2041 Term Bond:	3/1/2037	12,510,000	5.50%	96.445
	3/1/2038	13,200,000	5.50%	96.445
	3/1/2039	13,925,000	5.50%	96.445
	3/1/2040	14,690,000	5.50%	96.445
	3/1/2041	<u>15,495,000</u>	5.50%	96.445
		69,820,000		

*Defeased Debt*

The 2008 Bond Anticipation Notes (BANs) of the Council have been defeased by placing the proceeds of the 2011 Series A Sales Tax Revenue Bonds in irrevocable escrow accounts held and managed by bank trustees, and invested in U.S. Treasury Obligations, the principal and interest on which would provide amounts sufficient to pay the principle and interest on the defeased bonds in accordance with the schedule of remaining payments due. Accordingly, the escrow account and the defeased bonds are not included in the Council's financial statements. The defeased bonds outstanding at June 30, 2011, considered extinguished are as follows:

2008 Bond Anticipation Notes	\$203,355,000
------------------------------	---------------

## **NOTE 9 – OTHER INFORMATION**

### *Risk management*

In January 2010, the Council became independent of San Joaquin County for all payroll and payroll related activities. For workers' compensation, SJCOG retains and pays premiums to ICW Group Insurance Services.

In March 2010, the Council moved health benefit coverage and all health benefit related activities from San Joaquin County to a variety of private health care providers. This includes dental and vision coverage, life insurance, short- and long-term disability, and long-term care. The medical benefit program utilizes a high deductible, Health Savings Account (HSA) approach. Exempt employees are able to use their current cafeteria allocation to deposit into their individual HSAs while the Council contributes \$2,500 into each non-exempt employee's HSA.

The Council is self-funded for dental and vision benefits. This coverage is administered by Administrative Solutions, Inc, which provides claims review and processing services.

As of January 2010, the Council contracted Paychex Payroll Services to provide a Flexible Spending Account option for all employees. The annual maximum was set at \$2,600. These pre-tax dollars can be used for eligible medical costs and dependent care.

The Council carries commercial insurance to cover all claims for other risks of loss to which the Council is exposed, including automobile liability, property damage, public official's errors and omissions, personal injury, physical loss or damage, commercial crime, machinery, and employee health. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

### *Compensated absences*

Council employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation at various rates. Employees have the option to sell accrued vacation hours at their current base rate of pay as long as they have a minimum of 80 hours remaining following the transaction. Employees that have reached the normal retirement age or have completed twenty years of continuous service and have accrued a minimum of 160 hours of sick leave may elect to convert unused sick leave to cover the continuation of health care insurance at retirement. As of June 30, 2011, only one retiree met these eligibility requirements. Other than this conversion at retirement, there is no cash payment of sick leave. As of June 30, 2011, accrued vacation and sick leave pay totaled \$410,632. The non-current portion of accrued vacation and sick leave totaled \$131,486. Payment of accrued sick leave to eligible employees upon termination is the only post employment benefit provided by the Council.

### *Contract commitments*

Measure K funded the design, environmental, and/or construction work on state highways, some of which are in progress. In January 2008, the SJCOG Board adopted the Measure K Renewal Strategic Plan to begin delivering some of the Renewal projects prior to 2011. The Council has active projects as of June 30, 2011, funded through Measure K and Measure K Renewal programs and has outstanding commitments of \$1,732,362 and \$128,016,560, respectively, under these programs.

### *Employee retirement plan*

The Council participates in a defined contribution pension plan through the Council Retirement Plan which is available to all employees who have attained 19 years of age. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. Contributions to the plan are entrusted to the ICMA Retirement Corporation, which provides investment consultation and administration.

**NOTE 9 – OTHER INFORMATION** (Continued)

Contributions to the plan by the Council are limited to 15% of compensation. The Council's contributions are fully vested after six years of continuous service or when they reach the age of 50. The plan does not provide for employee contributions. The Council will not be required to pay prior year employer contributions for anyone having worked for the Council prior to the initiation of the retirement program.

Plan provisions and contribution requirements for the plan are established and may be amended by the Council's Board of Directors. The Council's total salaries, including vacation and termination pay, for the year ended June 30, 2011, was \$2,460,747. The Council's total contributions to the retirement plans on behalf of employees were \$433,599 for the year ended June 30, 2011.

**NOTE 10 – EXCESS EXPENDITURES OVER APPROPRIATIONS**

For the fiscal year ended June 30, 2011, General Fund expenditures did not exceed appropriations. A provision for compensated absences related to vacation sales and related fringe benefit costs was not made in the 2010-11 budget.

The following special revenue funds had excess expenditures over appropriations at June 30, 2011:

	Measure K Fund & Measure K Renewal Fund	Local Transportation Fund	State Transit Assistance
General Administration	\$ -	\$ -	\$ (72,019)
Streets and Roads	(658,800)	-	-
Transit	-	(3,193,988)	(4,565,697)
Congestion Relief	(10,943,275)	-	-
Railroad Safety Crossing	(2,751,543)	-	-
Investment Expense	(2,021,595)	-	-
Interest Expense	(6,990,799)	-	-

**NOTE 11 – FUND DEFICITS**

The General Fund has a fund balance deficit of \$(2,910,804) at June 30, 2011. See Note 6. Once this advance for the construction of the Council's administrative building has been repaid, the negative unreserved fund balance is expected to be corrected.

**NOTE 12 – PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA)**

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Of the \$19.925 billion of State general obligation bonds authorized, \$4 billion was set aside by the State as instructed by the statute as the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation, or replacement.

**NOTE 12 – PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA)** (Continued)

SJCOG is the recipient agency of PTMISEA funds for the cities of Escalon, Manteca, and Tracy. During the fiscal years ended June 30, 2011 and 2010, SJCOG received \$40,000 from the State's PTMISEA account for disbursement to the above mentioned cities. As of June 30, 2011 and 2010, PTMISEA funds received and claims paid to cities were verified in the course of our audit as follows:

	<u>2011</u>	<u>2010</u>
PTMISEA balance designated for future claims, beginning	\$ 207,634	\$ 114,514
PTMISEA funds received	40,000	89,000
Interest earned on PTMISEA deposits	1,210	4,120
Claims paid to cities	<u>(46,733)</u>	<u>-</u>
PTMISEA balance designated for future claims, ending	<u>\$ 202,111</u>	<u>\$ 207,634</u>
<b>RECONCILIATION TO FINANCIAL STATEMENT</b>		
Designated for PTMISEA claims	\$ 202,111	\$ 207,634
Designated for other STA claims	<u>40,867</u>	<u>4,628,131</u>
Designated for future claims	<u>\$ 242,978</u>	<u>\$ 4,835,765</u>

**REQUIRED SUPPLEMENTAL INFORMATION**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
ORIGINAL, FINAL BUDGET, AND ACTUAL –  
GENERAL FUND (By Object)  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b><u>REVENUES</u></b>				
Intergovernmental	\$ 6,895,243	\$ 7,294,443	\$ 5,959,611	\$(1,334,832)
Use of money and property	5,000	5,000	5,399	399
Other	15,000	15,000	45,562	30,562
Total Revenues	<u>6,915,243</u>	<u>7,314,443</u>	<u>6,010,572</u>	<u>(1,303,871)</u>
<b><u>EXPENDITURES</u></b>				
Salaries and benefits:				
Salaries	3,647,295	2,547,295	2,400,921	146,374
Salaries - vacation sales	-	-	59,826	(59,826)
Fringe benefits	-	1,100,000	1,011,751	88,249
Total Salaries and Benefits	<u>3,647,295</u>	<u>3,647,295</u>	<u>3,472,498</u>	<u>174,797</u>
Service and supplies:				
Office expense	362,000	362,000	177,609	184,391
Communications	60,000	60,000	65,845	(5,845)
Memberships	42,000	42,000	30,254	11,746
Rents and leases - equipment	167,000	167,000	128,805	38,195
Debt service:				
Principal	39,000	39,000	38,849	151
Interest - leases	4,000	4,000	3,965	35
Interest - building debt service	240,500	240,500	43,091	197,409
Transportation, travel, and training	110,000	110,000	91,482	18,518
Allocated service cost	4,000	4,000	1,476	2,524
Publications and legal notices	27,000	27,000	7,291	19,709
Insurance	85,000	85,000	83,460	1,540
Rents - other	1,000	1,000	-	1,000
Maintenance - equipment	13,000	13,000	2,323	10,677
Maintenance - building and grounds	49,000	49,000	58,309	(9,309)
Utilities	71,000	71,000	71,172	(172)
Total Service and Supplies	<u>1,274,500</u>	<u>1,274,500</u>	<u>803,931</u>	<u>470,569</u>
Professional and special services	1,912,948	2,312,148	1,434,047	878,101
Capital outlay	80,500	80,500	110,957	(30,457)
Total Expenditures	<u>6,915,243</u>	<u>7,314,443</u>	<u>5,821,433</u>	<u>1,493,010</u>
<b><u>OTHER FINANCING SOURCES</u></b>				
Capital leases	-	-	37,938	37,938
Transfer In	-	-	255,239	255,239
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>293,177</u>	<u>293,177</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	482,316	<u>\$(2,503,704)</u>
Fund Balance (Deficit) - Beginning			(3,393,120)	
Fund Balance (Deficit) - Ending			<u>\$(2,910,804)</u>	

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
ORIGINAL, FINAL BUDGET, AND ACTUAL –  
MEASURE K AND MEASURE K SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b><u>REVENUES</u></b>				
Measure K sales tax revenue	\$ 36,600,000	\$ 36,600,000	\$ 39,113,518	\$ 2,513,518
Other	-	-	22,109,000	22,109,000
Use of money and property	-	-	3,352,466	3,352,466
 Total Revenues	 <u>36,600,000</u>	 <u>36,600,000</u>	 <u>64,574,984</u>	 <u>27,974,984</u>
<b><u>EXPENDITURES</u></b>				
General administration	366,000	366,000	264,681	101,319
Streets and roads	12,444,000	12,444,000	13,102,800	(658,800)
Transit	11,895,000	11,895,000	11,867,799	27,201
Congestion relief	9,150,000	9,150,000	20,093,275	(10,943,275)
Railroad safety crossings	2,745,000	2,745,000	5,496,543	(2,751,543)
Smart Growth	-	-	794,512	(794,512)
Investment expense	-	-	2,021,595	(2,021,595)
Interest expense	-	-	6,990,799	(6,990,799)
 Total Expenditures	 <u>36,600,000</u>	 <u>36,600,000</u>	 <u>60,632,004</u>	 <u>(24,032,004)</u>
 Net Change in Fund Balance	 <u>\$ -</u>	 <u>\$ -</u>	 3,942,980	 <u>\$ 3,942,980</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Bldg Debt			(255,239)	
Bans Defeasement			(206,469,378)	
2011 Tax Bond Proceeds			216,190,785	
Commercial Paper Paydown			<u>(92,000,000)</u>	
 Total Other Financing Sources (Uses)			 (82,533,832)	
 Net Change in Fund Balance			 <u>(78,590,852)</u>	
 Fund Balance (Deficit) - Beginning of Year			 <u>338,148,357</u>	
 Fund Balance (Deficit) - Ending			 <u>\$ 259,557,505</u>	

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
ORIGINAL, FINAL BUDGET, AND ACTUAL –  
LOCAL TRANSPORTATION SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b><u>REVENUES</u></b>				
LTF sales tax revenue	\$ 18,300,000	\$ 19,609,278	\$ 19,609,278	\$ -
Use of money and property	-	-	21,624	21,624
<b>Total Revenues</b>	<b>18,300,000</b>	<b>19,609,278</b>	<b>19,630,902</b>	<b>21,624</b>
<b><u>EXPENDITURES</u></b>				
General administration	801,000	839,728	800,450	39,278
Streets and roads	6,664,141	7,148,380	3,472,579	3,675,801
Pedestrian and bicycle	366,000	392,186	366,464	25,722
Transit	10,468,859	11,228,984	14,422,972	(3,193,988)
<b>Total Expenditures</b>	<b>18,300,000</b>	<b>19,609,278</b>	<b>19,062,465</b>	<b>546,813</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>568,437</b>	<b>\$ 568,437</b>
Fund Balance - Beginning			451,984	
Fund Balance - Ending			<b>\$ 1,020,421</b>	

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
ORIGINAL, FINAL BUDGET, AND ACTUAL –  
STATE TRANSIT ASSISTANCE SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b><u>REVENUES</u></b>				
Prop 1B PTMISEA PUC 99313	\$ -	\$ 40,000	\$ 40,000	\$ -
Use of money and property PTMISEA	-	-	1,210	1,210
Use of money and property	-	-	3,719	3,719
 Total Revenues	 -	 40,000	 44,929	 4,929
<b><u>EXPENDITURES</u></b>				
General administration	-	-	72,019	(72,019)
RTIF program updates	-	40,000	46,733	(6,733)
Transit	-	-	4,518,964	(4,518,964)
 Total Expenditures	 -	 40,000	 4,637,716	 (4,597,716)
 Net Change in Fund Balance	 <u>\$ -</u>	 <u>\$ -</u>	 (4,592,787)	 <u>\$ (4,592,787)</u>
 Fund Balance - Beginning			 <u>4,835,765</u>	
 Fund Balance - Ending			 <u>\$ 242,978</u>	

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
ORIGINAL, FINAL BUDGET, AND ACTUAL –  
REGIONAL TRANSPORTATION IMPACT SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Charges for services	\$ 365,000	\$ 365,000	\$ 367,617	\$ 2,617
Use of money and property	-	-	16,292	16,292
 Total Revenues	 <u>365,000</u>	 <u>365,000</u>	 <u>383,909</u>	 <u>18,909</u>
<b><u>EXPENDITURES</u></b>				
General administration	5,000	5,000	(10,310)	15,310
RTIF program updates	-	-	(25,000)	25,000
Transit	-	-	800,000	(800,000)
 Total Expenditures	 <u>5,000</u>	 <u>5,000</u>	 <u>764,690</u>	 <u>(759,690)</u>
 Net Change in Fund Balance	 <u><u>\$ 360,000</u></u>	 <u><u>\$ 360,000</u></u>	 <u>(380,781)</u>	 <u><u>\$ (740,781)</u></u>
 Fund Balance - Beginning			 <u>3,624,736</u>	
 Fund Balance - Ending			 <u><u>\$ 3,243,955</u></u>	

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
ORIGINAL, FINAL BUDGET, AND ACTUAL –  
SJCOG, INC. BLENDED COMPONENT UNIT  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b><u>REVENUES</u></b>				
Charges for services	\$ 1,900,000	\$ 1,900,000	\$ 2,428,132	\$ 528,132
Use of money and property	-	-	126,890	126,890
Total Revenues	<u>1,900,000</u>	<u>1,900,000</u>	<u>2,555,022</u>	<u>655,022</u>
<b><u>EXPENDITURES</u></b>				
General administration	600,000	600,000	333,429	266,571
Habitat plan	<u>1,300,000</u>	<u>1,300,000</u>	<u>904,774</u>	<u>395,226</u>
Total Expenditures	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,238,203</u>	<u>661,797</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,316,819	<u>\$ 1,316,819</u>
Fund Balance - Beginning			<u>8,138,003</u>	
Fund Balance - Ending			<u>\$ 9,454,822</u>	

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
NOTE TO REQUIRED SUPPLEMENTAL INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**BUDGETARY BASIS OF ACCOUNTING**

As required by the San Joaquin Council of Government's (Council) Joint Powers Authority agreement, the Council prepares and legally adopts a final operating budget on or before April 1 of each fiscal year. Annual budgets are legally adopted for the General Fund. As required by the Joint Powers Authority, the budget is adopted and ratified by member agencies. Operating budgets are prepared on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the object level. Transfers of appropriations within major objects may be approved by the Executive Director. Significant amendments, appropriation transfers between objects, and transfers from contingencies must be approved by the Council's Board of Directors. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board. No supplemental appropriations were required during the year ended June 30, 2011. The bi-annual Strategic Plan and revenue estimate for the Measure K Fund are approved by the SJCOG Board. The Local Transportation Fund (LTF) budgeted revenue is created by Council staff and approved by the San Joaquin County Auditor-Controller. The budgeted revenue is allocated to each claimant based on population. The State Transit Assistance Fund (STA) budget is created and allocated by the California State Controller's Office. Budgets for the LTF, STA, and Regional Transportation Impact (RTIF) funds are approved by the SJCOG Board; however, they are not considered to be legally adopted. Budgetary amounts for the special revenue funds are presented at their lowest level of budgetary control, which is the object level, as described above.

During the year, certain amendments were approved by the Board. Certain reclassifications were made within an object category, which were approved by the Executive Director. The supplemental budgetary appropriations and reclassifications within object categories made in the General Fund were not material.

**EXCESS EXPENDITURES OVER APPROPRIATIONS**

For the fiscal year ended June 30, 2011, General Fund expenditures did not exceed appropriations. A provision for compensated absences related to vacation sales and related fringe benefit costs was not made in the 2010-11 budget.

The following special revenue funds had excess expenditures over appropriations at June 30, 2011:

	Measure K Fund & Measure K Renewal Fund	Local Transportation Fund	State Transit Assistance
General Administration	\$ -	\$ -	\$ (72,019)
Streets and Roads	(658,800)	-	-
Transit	-	(3,193,988)	(4,565,697)
Congestion Relief	(10,943,275)	-	-
Railroad Safety Crossing	(2,751,543)	-	-
Investment Expense	(2,021,595)	-	-
Interest Expense	(6,990,799)	-	-

**THIS PAGE INTENTIONALLY LEFT BLANK**

**OTHER SUPPLEMENTARY INFORMATION**

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
OVERALL WORK PROGRAM COSTING SYSTEM  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
OTHER ITEMS BY FUNDING SOURCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budget	General Fund					Fwy Service Patrol
		Local Transp. Funds	State Transit Assist.	LTF ALUP	Surland Settlement	CMAQ	
<b>Revenues:</b>							
Local Transportation Fund	\$ 559,603	\$ 549,000	\$ -	\$ 10,603	\$ -	\$ -	\$ -
State Transit Assistance	72,019	-	72,019	-	-	-	-
Local Transportation Fund (ALUP) Update	100,000	-	-	50,000	-	-	-
Surland Settlement	40,000	-	-	-	15,537	-	-
Congestion Mitigation Air Quality	809,638	-	-	-	-	918,808	-
State/Caltrans - Fwy Svc patrol	430,729	-	-	-	-	-	217,845
RSTP	99,805	-	-	-	-	-	-
StanCOG CMAQ TDM Ridesharing	178,500	-	-	-	-	-	-
Merced COG CMAQ TDM Ridesharing	50,000	-	-	-	-	-	-
Planning - SJCOG (TDA)	242,475	-	-	-	-	-	-
FTA MPO Planning	272,588	-	-	-	-	-	-
Caltrans SP&R Smart Growth Plan	100,000	-	-	-	-	-	-
FTA 5304 ESCALON with match	20,503	-	-	-	-	-	-
FTA 5304 SJCOG Internship Grant	29,770	-	-	-	-	-	-
FTA 5304 SJRTD Internship Grant	21,520	-	-	-	-	-	-
Federal Highway Plannng & Admin.	1,221,508	-	-	-	-	-	-
FHWA - SP&R Partnership Planning	208,906	-	-	-	-	-	-
Interest	20,000	-	-	-	-	-	-
Measure K (LTA admin)	366,000	-	-	-	-	-	-
Measure K (LTA planning )	1,000,000	-	-	-	-	-	-
RTIF	76,600	-	-	-	-	-	-
JARC FTA 5316	150,356	-	-	-	-	-	-
Valley Wide Air Quality	170,000	-	-	-	-	-	-
STIP PPM 09/10	13,941	-	-	-	-	-	-
STIP PPM 10/11	205,000	-	-	-	-	-	-
Amador County / Rideshare	12,000	-	-	-	-	-	-
SJCOG Fees/Local other	30,000	-	-	-	-	-	-
SJCOG Fees/ ALUC	-	-	-	-	-	-	-
Fresno COG: Valley Blueprint	20,884	-	-	-	-	-	-
SACOG SAFE	147,000	-	-	-	-	-	-
SACOG SP & R	-	-	-	-	-	-	-
Habitat Plan Administration SJCOG, INC.	561,000	-	-	-	-	-	-
<b>Total Revenues</b>	<b>7,230,345</b>	<b>549,000</b>	<b>72,019</b>	<b>60,603</b>	<b>15,537</b>	<b>918,808</b>	<b>217,845</b>
<b>Expenditures:</b>							
601.01 RTP Update	185,000	15,980	-	-	-	-	-
601.02 RTP - Studies	305,000	8,368	-	-	-	-	-
602.01 R.T.I.P.	349,101	-	-	-	-	-	-
603.01 Road/Street Monitoring	610,400	-	-	-	-	-	-
603.02 Transit Coordination	530,176	-	36,315	-	-	-	-
603.03 Transportation Air Quality	317,558	-	-	-	-	-	-
603.04 Trans/Air Quality Model	160,690	-	-	-	-	-	-
701.01 Technical Assistance	40,000	-	-	-	-	-	-
801.01 Intergov. Coordination	310,000	57,133	-	-	-	-	-
801.02 Projects & Forecasts	91,000	7,336	-	-	-	-	-
801.03 Aviation and Land Use	170,603	52,017	-	60,603	15,537	-	-
801.04 Congestion Mgmt.	284,405	-	-	-	-	-	-
801.05 Regional Planning	62,000	10,587	-	-	-	-	-
801.06 Valley MPO Coord.	119,940	-	-	-	-	-	-
801.07 Interregional Partnership	281,006	50,999	-	-	-	-	-
801.08 S.J. Valley Blueprint	70,884	35,373	-	-	-	-	-
801.09 Habitat Plan Implementation	571,000	11,223	-	-	-	-	-
901.01 Measure K program mgt.	259,270	-	-	-	-	-	-
901.02 RTIF	76,600	-	-	-	-	-	-
901.03 Smart Growth	125,000	-	-	-	-	-	-
1001.01 COG OWP mgmt. & admin.	184,390	-	-	-	-	-	-
1001.02 TDA Administration	277,475	-	-	-	-	-	-
1001.03 Community Involvement	159,000	10,208	35,704	-	-	918,808	-
1101.01 TDM Ridesharing	1,309,894	-	-	-	-	-	-
1201.01 Freeway Service Patrol	543,729	-	-	-	-	-	217,845
<b>Total Expenditures</b>	<b>7,394,121</b>	<b>259,224</b>	<b>72,019</b>	<b>60,603</b>	<b>15,537</b>	<b>918,808</b>	<b>217,845</b>
<b>Other Items (not billed through OWP):</b>							
Additional Provision for Capital Outlay	-	110,958	-	-	-	-	-
Depreciation Cost Recovery (A-87 Eligible Only)	-	(221,220)	-	-	-	-	-
Cumulative Under-Recovered	-	251,777	-	-	-	-	-
<b>Total Other Items</b>	<b>-</b>	<b>141,515</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures and Other Items</b>	<b>7,394,121</b>	<b>400,739</b>	<b>72,019</b>	<b>60,603</b>	<b>15,537</b>	<b>918,808</b>	<b>217,845</b>
<b>Excess (Deficiency) of Revenues over Expenditures and Other Items Current</b>	<b>\$ (163,776)</b>	<b>\$ 148,261</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>





**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
OVERALL WORK PROGRAM COSTING SYSTEM  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
OTHER ITEMS BY FUNDING SOURCE (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

General Fund						
Fresno Blue Print	SAFE 511 & FSP Match	SACOG SP & R	Habitat Plan Admin. SJCOG, INC.	Unreserved Fund Balance	Totals	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 559,603	\$ -
-	-	-	-	-	72,019	-
-	-	-	-	-	50,000	(50,000)
-	-	-	-	-	15,537	(24,463)
-	-	-	-	-	918,808	109,170
-	-	-	-	-	217,845	(212,884)
-	-	-	-	-	22,510	(77,295)
-	-	-	-	-	143,779	(34,721)
-	-	-	-	-	2,578	(47,422)
-	-	-	-	-	242,475	-
-	-	-	-	-	267,227	(5,361)
-	-	-	-	-	90,845	(9,155)
-	-	-	-	-	17,527	(2,976)
-	-	-	-	-	13,067	(16,703)
-	-	-	-	-	3,634	(17,886)
-	-	-	-	-	875,829	(345,679)
-	-	-	-	-	203,998	(4,908)
-	-	-	-	-	5,400	(14,600)
-	-	-	-	-	252,460	(113,540)
-	-	-	-	-	1,113,540	113,540
-	-	-	-	-	59,160	(17,440)
-	-	-	-	-	63,545	(86,811)
-	-	-	-	-	99,653	(70,347)
-	-	-	-	-	13,941	-
-	-	-	-	-	205,000	-
-	-	-	-	-	12,000	-
-	-	-	-	-	30,026	26
-	-	-	-	-	1,842	1,842
20,884	-	-	-	-	20,884	-
-	79,818	-	-	-	79,818	(67,182)
-	-	2,595	-	-	2,595	2,595
-	-	-	333,429	-	333,429	(227,571)
<u>20,884</u>	<u>79,818</u>	<u>2,595</u>	<u>333,429</u>	<u>-</u>	<u>6,010,574</u>	<u>(1,219,771)</u>
-	-	-	-	-	139,323	45,677
-	-	-	-	-	72,953	232,047
-	-	-	-	-	348,879	222
-	-	-	-	-	610,351	49
-	-	-	-	-	337,770	192,406
-	-	-	-	-	301,574	15,984
-	-	2,595	-	-	74,382	86,308
-	-	-	-	-	30,920	9,080
-	-	-	-	-	278,606	31,394
-	-	-	-	-	74,837	16,163
-	-	-	-	-	129,999	40,604
-	-	-	-	-	131,578	152,827
-	-	-	-	-	10,587	51,413
-	-	-	-	-	112,993	6,947
-	-	-	-	-	254,997	26,009
20,884	-	-	-	-	56,257	14,627
-	-	-	-	-	11,223	559,777
-	-	-	-	-	252,460	6,810
-	-	-	-	-	76,580	20
-	-	-	-	-	113,557	11,443
-	-	-	-	-	166,163	18,227
-	-	-	-	-	242,475	35,000
-	-	-	-	-	1,000,362	(841,362)
-	7,346	-	-	-	267,411	1,042,483
-	72,472	-	-	-	290,506	253,223
<u>20,884</u>	<u>79,818</u>	<u>2,595</u>	<u>-</u>	<u>-</u>	<u>5,386,743</u>	<u>2,007,378</u>
-	-	-	-	-	110,958	(110,958)
-	-	-	-	-	(221,220)	221,220
-	-	-	-	-	251,777	(251,777)
-	-	-	-	-	141,515	(141,515)
<u>20,884</u>	<u>79,818</u>	<u>2,595</u>	<u>-</u>	<u>-</u>	<u>5,528,258</u>	<u>1,865,863</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 333,429</u>	<u>\$ -</u>	<u>\$ 482,316</u>	<u>\$ 646,092</u>

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
SCHEDULE OF DIRECT AND INDIRECT EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Direct</u>	<u>Indirect</u>	<u>Unallowable Expense</u>	<u>Total</u>
Salaries	\$ 1,258,936	\$ 1,177,192	\$ 24,618	\$ 2,460,746
Fringe benefits	635,545	370,211	5,995	1,011,751
Office expense	42,353	135,256	-	177,609
Communications	8,575	57,270	-	65,845
Memberships	958	23,009	6,286	30,253
Rent - equipment	-	128,805	-	128,805
Capital lease principal payments	-	-	38,849	38,849
Capital lease interest payments	-	3,965	-	3,965
Interest - building debt service	-	11,491	31,601	43,092
Transportation, travel, and training	73,714	12,137	5,631	91,482
Professional and special services	1,223,268	132,963	77,816	1,434,047
Departmental costs allocated	-	1,476	-	1,476
Publications and legal notices	7,291	-	-	7,291
Insurance	-	67,193	16,267	83,460
Rents - other	-	-	-	-
Capital outlay	-	-	110,958	110,958
Maintenance - equipment	-	2,323	-	2,323
Maintenance - structures and grounds	-	56,082	2,227	58,309
Utilities	-	67,790	3,381	71,171
	<u>3,250,640</u>	<u>2,247,163</u>	<u>323,629</u>	<u>5,821,432</u>
<b>TOTAL EXPENDITURES</b>				
Other reconciling items:				
Depreciation	-	221,220	52,500	273,720
	<u>-</u>	<u>221,220</u>	<u>52,500</u>	<u>273,720</u>
Total expenditures recovered under indirect cost rate	<u>\$ 3,250,640</u>	2,468,383	<u>\$ 376,129</u>	<u>\$ 6,095,152</u>
Direct Salaries & Fringe Benefits	1,894,481			
Allocated Indirect Cost Rate 125%		2,368,101		
Actual Indirect Cost, Excludes unallowable		<u>2,468,383</u>		
2010-11 under recovered indirect cost carryforward		<u>\$ (100,282)</u>		

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
ORIGINAL, FINAL BUDGET, AND ACTUAL –  
GENERAL FUND BY WORK PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Intergovernmental	\$ 6,895,243	\$ 7,344,121	\$ 5,959,611	\$ (1,384,510)
Use of Money and Property	5,000	5,000	5,399	399
Miscellaneous	15,000	45,000	45,563	563
	<u>6,915,243</u>	<u>7,394,121</u>	<u>6,010,573</u>	<u>(1,383,548)</u>
<b><u>EXPENDITURES</u></b>				
Regional Transportation Plan	225,000	185,000	139,322	45,678
Regional Planning Studies	425,000	305,000	72,953	232,047
Transportation Improvement Program	180,000	349,101	348,878	223
Roads and Streets Monitoring	728,000	610,400	610,351	49
Transit Coordination and Planning	420,774	530,176	337,769	192,407
Transportation Air Quality Planning	316,220	317,558	301,574	15,984
Goods Movement	115,000	160,690	74,382	86,308
Ongoing Technical Assistance	40,000	40,000	15,921	24,079
Intergovernmental Coordination	200,000	310,000	292,606	17,394
Projections and Forecasts	70,000	91,000	72,680	18,320
Aviation/Airport and Land Use	100,000	170,603	133,158	37,445
Congestion Management Prog/Sys	320,000	284,405	131,578	152,827
Regional Planning	8,000	62,000	10,587	51,413
Valley MPO Coordination	115,000	119,940	112,993	6,947
Interregional Partnership	213,000	281,006	254,997	26,009
S.J. Valley Blueprint	50,000	70,884	56,257	14,627
Habitat Plan Implementation	561,000	571,000	11,223	559,777
Measure K Program Mgmt/Admin	197,550	259,270	252,460	6,810
RTIF	50,000	76,600	76,580	20
Smart Growth	285,000	125,000	113,557	11,443
COG Overall Work Plan Administration	207,390	184,390	166,163	18,227
TDA Administration	237,000	277,475	242,475	35,000
Community Involvement Program	325,000	159,000	81,553	77,447
Transportation Demand Management	987,780	1,309,894	1,186,219	123,675
Freeway Service Patrol	538,529	543,729	290,506	253,223
	<u>6,915,243</u>	<u>7,394,121</u>	<u>5,386,742</u>	<u>2,007,379</u>
Total 2010/11 Project Expenditures				
Other (Not Billed Through Overall Work Program):				
Additional Provision for Capital Outlay	-	-	110,958	(110,958)
Depreciation Cost Recovery A-87 Assets Only	-	-	(221,220)	221,220
	<u>-</u>	<u>-</u>	<u>(110,262)</u>	<u>110,262</u>
Total Other				
Overhead (Overclaimed) Underclaimed - Prior Periods	-	-	251,777	(251,777)
	<u>-</u>	<u>-</u>	<u>251,777</u>	<u>(251,777)</u>
Total Adjusted Project Expenditures	<u>6,915,243</u>	<u>7,394,121</u>	<u>5,528,257</u>	<u>1,865,864</u>
Net Change in Fund Balance	-	-	482,316	482,316
Fund Balance (Deficit) - Beginning	-	-	(3,393,120)	(3,393,120)
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,910,804)</u>	<u>\$ (2,910,804)</u>

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
SCHEDULE OF BALANCES  
LOCAL TRANSPORTATION FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>SJRTD</u>	<u>Lathrop</u>	<u>Lodi</u>	<u>Manteca</u>	<u>Tracy</u>	<u>Ripon</u>	<u>Escalon</u>	<u>SJRRC</u>	<u>S.J. County</u>	<u>Stockton</u>	<u>SJCOG Planning</u>	<u>SJCOG TDA Admin.</u>	<u>S.J. County Auditor</u>	<u>Total LTF Funds</u>
<b>ASSETS:</b>														
Cash in treasury	\$ 84,187	\$363,427	\$ 14,945	\$ 18,051	\$ 1,865,603	\$ 3,125	\$ 1,793	\$ 1,196	\$ 5,953	\$ 507	\$ -	\$ -	\$ -	\$ 2,358,787
Sales tax apportionment receivable	702,002	30,040	107,631	115,180	318,612	25,942	12,177	-	40,216	-	-	-	-	1,351,800
Interest receivable	(61,097)	(1,996)	(7,009)	(7,497)	(9,031)	(1,731)	(842)	36,950	2,000	10,975	39,278	-	-	-
Due from other funds	161	741	1,980	1,769	2,404	163	132	238	642	-	-	-	-	8,230
<b>Total Assets</b>	<b>\$ 725,253</b>	<b>\$392,212</b>	<b>\$ 117,547</b>	<b>\$ 127,503</b>	<b>\$ 2,177,588</b>	<b>\$ 27,499</b>	<b>\$ 13,260</b>	<b>\$ 38,384</b>	<b>\$ 48,811</b>	<b>\$ 11,482</b>	<b>\$ 39,278</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,718,817</b>
<b>LIABILITIES AND FUND EQUITY</b>														
Liabilities:														
Intergovernmental payable	\$ 723,120	\$ -	\$ -	\$ -	\$ 1,975,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,698,396
Fund Equity:														
Apportioned	2,133	392,212	117,547	127,503	202,312	27,499	13,260	38,384	48,811	11,482	39,278	-	-	1,020,421
<b>Total Liabilities and Fund Equity</b>	<b>\$ 725,253</b>	<b>\$392,212</b>	<b>\$ 117,547</b>	<b>\$ 127,503</b>	<b>\$ 2,177,588</b>	<b>\$ 27,499</b>	<b>\$ 13,260</b>	<b>\$ 38,384</b>	<b>\$ 48,811</b>	<b>\$ 11,482</b>	<b>\$ 39,278</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,718,817</b>

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
LOCAL TRANSPORTATION FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>SJRTD</u>	<u>Lathrop</u>	<u>Lodi</u>	<u>Manteca</u>	<u>Tracy</u>	<u>Ripon</u>	<u>Escalon</u>	<u>SJRRRC</u>	<u>S.J. County</u>	<u>Stockton</u>	<u>SJCOG Planning</u>	<u>SJCOG TDA Admin.</u>	<u>S.J. County Auditor</u>	<u>Total LTF Funds</u>
<b>REVENUE:</b>														
Sales Tax	\$ 10,674,745	\$ 466,848	\$ 1,672,660	\$ 1,789,987	\$ 2,158,795	\$ 403,153	\$ 189,239	\$ 554,240	\$ 694,694	\$ 165,189	\$ 638,278	\$ 200,000	\$ 1,450	\$ 19,609,278
Interest	1,586	1,964	4,570	4,710	7,428	684	612	2,296	1,707	451	-	-	-	26,008
Unrealized Gains (Losses) on Investments	4	(56)	(295)	(279)	(2,097)	(486)	(168)	(918)	(89)	-	-	-	-	(4,384)
<b>Total Revenue</b>	<b>10,676,335</b>	<b>468,756</b>	<b>1,676,935</b>	<b>1,794,418</b>	<b>2,164,126</b>	<b>403,351</b>	<b>189,683</b>	<b>555,618</b>	<b>696,312</b>	<b>165,640</b>	<b>638,278</b>	<b>200,000</b>	<b>1,450</b>	<b>19,630,902</b>
<b>EXPENDITURES:</b>														
SJRTD	10,674,745	-	-	-	-	-	-	-	-	-	-	-	-	10,674,745
Lathrop	-	231,384	-	-	-	-	-	-	-	-	-	-	-	231,384
Lodi	-	-	1,640,823	-	-	-	-	-	-	-	-	-	-	1,640,823
Manteca	-	-	-	1,807,395	-	-	-	-	-	-	-	-	-	1,807,395
Tracy	-	-	-	-	1,975,276	-	-	-	-	-	-	-	-	1,975,276
Ripon	-	-	-	-	-	376,357	-	-	-	-	-	-	-	376,357
Escalon	-	-	-	-	-	-	235,500	-	-	-	-	-	-	235,500
SJRRRC	-	-	-	-	-	-	-	518,195	-	-	-	-	-	518,195
S.J. County	-	-	-	-	-	-	-	-	647,717	-	-	-	-	647,717
Stockton	-	-	-	-	-	-	-	-	-	154,623	-	-	-	154,623
SJCOG Planning	-	-	-	-	-	-	-	-	-	-	599,000	-	-	599,000
SJCOG TDA Admin.	-	-	-	-	-	-	-	-	-	-	-	200,000	-	200,000
S.J. County Auditor/Contr.	-	-	-	-	-	-	-	-	-	-	-	-	1,450	1,450
<b>Total Expenditures</b>	<b>10,674,745</b>	<b>231,384</b>	<b>1,640,823</b>	<b>1,807,395</b>	<b>1,975,276</b>	<b>376,357</b>	<b>235,500</b>	<b>518,195</b>	<b>647,717</b>	<b>154,623</b>	<b>599,000</b>	<b>200,000</b>	<b>1,450</b>	<b>19,062,465</b>
Excess (Deficiency) of Revenues Over Expenditures	1,590	237,372	36,112	(12,977)	188,850	26,994	(45,817)	37,423	48,595	11,017	39,278	-	-	568,437
Fund Balance Beginning of Year	543	154,840	81,435	140,480	13,462	505	59,077	961	216	465	-	-	-	451,984
Fund Balance End of Year	\$ 2,133	\$ 392,212	\$ 117,547	\$ 127,503	\$ 202,312	\$ 27,499	\$ 13,260	\$ 38,384	\$ 48,811	\$ 11,482	\$ 39,278	\$ -	\$ -	\$ 1,020,421

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
SCHEDULE OF ALLOCATIONS AND EXPENDITURES  
LOCAL TRANSPORTATION FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

<b>PUC Section</b>	<b>Purpose</b>	<b>Allocated/ Expended</b>
99233.1	Administration: Council County of San Joaquin	\$ 200,000 <u>1,450</u>
		201,450
99234	Pedestrian and Bicycle Facilities: County of San Joaquin City of Escalon City of Stockton City of Tracy City of Lodi City of Manteca City of Ripon City of Lathrop	77,606 3,802 154,623 43,377 33,609 35,966 8,101 <u>9,380</u>
		366,464
99260	Public Transportation: San Joaquin Regional Transit District City of Ripon	10,674,745 <u>1,029</u>
		10,675,774
99260	Public Transportation System Planning: Council	599,000
99400(a)	Streets, Roads, Pedestrian and Bicycle Projects: County of San Joaquin City of Escalon City of Lodi City of Ripon City of Manteca City of Lathrop	570,111 193,669 1,362,050 367,227 757,518 <u>222,004</u>
		3,472,579
99400(c)	Contracted Public Transportation - Operations: City of Escalon San Joaquin Regional Rail Commission City of Tracy City of Lodi City of Manteca	38,029 518,195 217,708 1,607,214 <u>211,815</u>
		2,592,961
99400(e)	Contracted Public Transportation - Capital: City of Tracy City of Manteca	352,141 <u>802,096</u>
		1,154,237
99400(b,c,d)	Other: City of Lathrop	 <u>-</u>
	Total:	<u><u>\$19,062,465</u></u>

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
SCHEDULE OF BALANCES  
STATE TRANSIT ASSISTANCE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>SJRTD</u>	<u>Lodi</u>	<u>Ripon</u>	<u>SJRRC</u>	<u>Manteca</u>	<u>Tracy</u>	<u>Escalon</u>	<u>SJCOG TDA Admin.</u>	<u>Total STA Funds</u>
<b><u>ASSETS</u></b>									
Cash in treasury	\$ 34,422	\$ 213,719	\$ 5	\$ 3,787	\$ 157,119	\$ 127,380	\$ 21,965	\$ -	\$ 558,397
Interest receivable	49	304	-	305	255	181	31	-	1,125
Total Assets	<u>\$ 34,471</u>	<u>\$ 214,023</u>	<u>\$ 5</u>	<u>\$ 4,092</u>	<u>\$ 157,374</u>	<u>\$ 127,561</u>	<u>\$ 21,996</u>	<u>\$ -</u>	<u>\$ 559,522</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>									
Liabilities:									
Intergovernmental payable	\$ -	\$ 213,086	\$ -	\$ -	\$ 27,585	\$ 70,932	\$ 4,941	\$ -	\$ 316,544
Total Liabilities	<u>-</u>	<u>213,086</u>	<u>-</u>	<u>-</u>	<u>27,585</u>	<u>70,932</u>	<u>4,941</u>	<u>-</u>	<u>316,544</u>
Fund Balance:									
Apportioned	<u>34,471</u>	<u>937</u>	<u>5</u>	<u>4,092</u>	<u>129,789</u>	<u>56,629</u>	<u>17,055</u>	<u>-</u>	<u>242,978</u>
Total Liabilities and Fund Balance	<u>\$ 34,471</u>	<u>\$ 214,023</u>	<u>\$ 5</u>	<u>\$ 4,092</u>	<u>\$ 157,374</u>	<u>\$ 127,561</u>	<u>\$ 21,996</u>	<u>\$ -</u>	<u>\$ 559,522</u>

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
STATE TRANSIT ASSISTANCE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>SJRTD</u>	<u>Lodi</u>	<u>Ripon</u>	<u>SJCRRRC</u>	<u>Manteca</u>	<u>Tracy</u>	<u>Escalon</u>	<u>SJCOG STA Admin.</u>	<u>Total STA Funds</u>
<b><u>REVENUE:</u></b>									
Prop 1B PTMISEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ 40,000
Interest STA	5,918	1,198	19	3,091	127	468	26	-	10,847
Interest PTMISEA	-	-	-	-	961	154	93	-	1,208
Unrealized Gains (Losses) on Investments	(5,344)	(257)	(8)	(989)	(250)	(144)	(26)	(108)	(7,126)
Total Revenue	<u>574</u>	<u>941</u>	<u>11</u>	<u>2,102</u>	<u>838</u>	<u>40,478</u>	<u>93</u>	<u>(108)</u>	<u>44,929</u>
<b><u>EXPENDITURES:</u></b>									
SJRTD	3,541,267	-	-	-	-	-	-	-	3,541,267
Lodi	-	213,086	-	-	-	-	-	-	213,086
Ripon	-	-	5,027	-	-	-	-	-	5,027
SJRRRC	-	-	-	660,420	-	-	-	-	660,420
Manteca	-	-	-	-	23,291	-	-	-	23,291
Manteca (PTMISEA)	-	-	-	-	46,733	-	-	-	46,733
Tracy	-	-	-	-	-	70,932	-	-	70,932
Escalon (PTMISEA)	-	-	-	-	-	-	4,941	-	4,941
SJCOG TDA Admin.	-	-	-	-	-	-	-	72,019	72,019
Total Expenditures	<u>3,541,267</u>	<u>213,086</u>	<u>5,027</u>	<u>660,420</u>	<u>70,024</u>	<u>70,932</u>	<u>4,941</u>	<u>72,019</u>	<u>4,637,716</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,540,693)	(212,145)	(5,016)	(658,318)	(69,186)	(30,454)	(4,848)	(72,127)	(4,592,787)
<b><u>OTHER FINANCING SOURCES (USES):</u></b>									
Interfund Transfers	(24)	(133)	(59)	144	105	26	(59)	-	-
Fund Balances Beginning of Year	<u>3,575,188</u>	<u>213,215</u>	<u>5,080</u>	<u>662,266</u>	<u>198,870</u>	<u>87,057</u>	<u>21,962</u>	<u>72,127</u>	<u>4,835,765</u>
Fund Balances End of Year	<u>\$ 34,471</u>	<u>\$ 937</u>	<u>\$ 5</u>	<u>\$ 4,092</u>	<u>\$ 129,789</u>	<u>\$ 56,629</u>	<u>\$ 17,055</u>	<u>\$ -</u>	<u>\$ 242,978</u>

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
SCHEDULE OF ALLOCATIONS AND EXPENDITURES  
STATE TRANSIT ASSISTANCE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

<u>PUC Section</u>	<u>Purpose</u>	<u>Allocated/ Expended</u>
6730(a)	Public Transit:	
	San Joaquin Regional Transit District	\$ 3,007,753
	San Joaquin Regional Rail Commission	660,420
	City of Escalon	4,941
	City of Lodi	31,086
	City of Ripon	5,027
	City of Manteca	23,291
	City of Tracy	70,932
		<u>3,803,450</u>
6730(b)	Transit Capital:	
	San Joaquin Regional Transit District	533,514
	City of Lodi	182,000
		<u>715,514</u>
6731(b)	Transit Administration/Planning:	
	Council	72,019
Prop 1B	PTMISEA (CAPITAL)	
	City of Manteca	<u>46,733</u>
		<u>46,733</u>
	Total:	<u><u>\$ 4,637,716</u></u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**STATISTICAL SECTION  
(Unaudited)**

# SAN JOAQUIN COUNCIL OF GOVERNMENTS STATISTICAL SECTION

---

This part of the San Joaquin Council of Governments' comprehensive annual financial report presents detailed information as a context for a better understanding of SJCOG's overall financial condition.

Contents	Page
Financial Trends.....	91-100
These schedules contain trend information to help the reader understand how SJCOG's financial performance has changed over time.	
Revenue Capacity.....	101-102
These schedules contain information to help the reader assess SJCOG's most significant local revenue sources, the sales tax.	
Debt Capacity.....	103
This schedule presents information to help the reader assess the affordability of SJCOG's current levels of outstanding debt and SJCOG's ability to issue additional debt in the future.	
Demographic and Economic Information.....	104-106
These schedules offer demographic and economic indicators to help the reader understand the environment within which SJCOG's financial activities take place.	
Operating Information .....	107-108
These schedules contain service and infrastructure data to help the reader understand how the information in SJCOG's financial report relates to the services SJCOG 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.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
NET ASSETS BY COMPONENT  
LAST NINE FISCAL YEARS<sup>(1)</sup>  
(accrual basis of accounting)**

	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
<b>Governmental Activities:</b>									
Invested in capital assets, net of related debt	\$ 143,686	\$ 8,199,237	\$ 1,922,459	\$ 15,326,492	\$ 21,546,388	\$ 31,734,543	\$ 35,758,363	\$ 38,656,399	\$ 39,585,252
Restricted for:									
Habitat acquisition and management	5,773,546	8,379,820	10,772,195	10,747,589	13,485,889	11,582,285	7,811,087	8,138,003	9,454,822
Apportioned	64,449,709	45,263,481	42,408,568	70,648,046	72,126,166	95,593,101	8,837,068	-	-
Debt service	2,952,922	135,443	443	183,693	230,773	2,568,434	91,671,112	-	-
Unrestricted	<u>972,217</u>	<u>833,460</u>	<u>7,019,869</u>	<u>(35,798,151)</u>	<u>(66,054,863)</u>	<u>(130,293,050)</u>	<u>(100,703,058)</u>	<u>(23,072,945)</u>	<u>(22,060,434)</u>
Total Primary Government Net Assets	<u>\$ 74,292,080</u>	<u>\$ 62,811,441</u>	<u>\$ 62,123,534</u>	<u>\$ 61,107,669</u>	<u>\$ 41,334,353</u>	<u>\$ 11,185,313</u>	<u>\$ 43,374,572</u>	<u>\$ 23,721,457</u>	<u>\$ 26,979,640</u>

<sup>(1)</sup> 2002-03 Marks the year of GASB Statement No. 34 implementation for the San Joaquin Council of Governments.  
GASB Statement No. 34 does not require the "government-wide" presentation of data for fiscal years ended prior to June 30, 2003.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
GOVERNMENT-WIDE REVENUES BY SOURCE  
LAST NINE FISCAL YEARS<sup>(1)</sup>**

	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
<b><u>Program Revenues:</u></b>									
Governmental activities:									
Charges for services	\$ 2,813,277	\$ 2,687,413	\$ 2,890,046	\$ 13,486,878	\$ 10,132,732	\$ 9,439,404	\$ 1,515,686	\$ 4,425,233	\$ 2,555,273
Operating grants and contributions	66,270,395	64,893,087	73,098,323	83,038,339	93,886,407	90,771,419	146,120,142	68,236,918	89,467,495
Capital grants and contributions	-	34,291	-	-	-	-	-	-	-
 Total Program Revenues - primary government	 <u>69,083,672</u>	 <u>67,614,791</u>	 <u>75,988,369</u>	 <u>96,525,217</u>	 <u>104,019,139</u>	 <u>100,210,823</u>	 <u>147,635,828</u>	 <u>72,662,151</u>	 <u>92,022,768</u>
<b><u>General Revenues:</u></b>									
Governmental activities:									
Unrestricted investment earnings	173,892	28,231	16,210	33,470	48,782	38,103	40,790	7,308	5,399
Miscellaneous	82,685	39,484	73,578	59,766	96,255	66,404	28,029	27,602	45,312
 Total General Revenues - primary government	 <u>256,577</u>	 <u>67,715</u>	 <u>89,788</u>	 <u>93,236</u>	 <u>145,037</u>	 <u>104,507</u>	 <u>68,819</u>	 <u>34,910</u>	 <u>50,711</u>
 Total Revenues - primary government	 <u>\$ 69,340,249</u>	 <u>\$ 67,682,506</u>	 <u>\$ 76,078,157</u>	 <u>\$ 96,618,453</u>	 <u>\$ 104,164,176</u>	 <u>\$ 100,315,330</u>	 <u>\$ 147,704,647</u>	 <u>\$ 72,697,061</u>	 <u>\$ 92,073,479</u>

<sup>(1)</sup> 2002-03 Marks the year of GASB Statement No. 34 implementation for the San Joaquin Council of Governments.  
GASB Statement No. 34 does not require the "government-wide" presentation of data for fiscal years ended prior to June 30, 2003.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS<sup>(1)</sup>  
(accrual basis of accounting)**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
<b>EXPENSES</b>									
<b>Governmental Activities:</b>									
General government	\$ 3,985,528	\$ 4,069,600	\$ 4,483,182	\$ 4,708,473	\$ 6,986,738	\$ 6,493,431	\$ 6,292,146	\$ 6,203,470	\$ 5,921,697
Transportation	71,275,686	74,914,345	71,652,827	92,855,576	115,748,171	122,691,177	124,121,214	84,886,628	82,211,723
Habitat development	349,176	316,077	494,808	682,184	968,753	1,062,862	1,080,070	1,055,063	634,819
Interest expense	8,714	112,417	135,247	195,905	233,830	216,900	212,874	205,015	47,057
<b>Total Primary Government Expenses</b>	<b>75,619,104</b>	<b>79,412,439</b>	<b>76,766,064</b>	<b>98,442,138</b>	<b>123,937,492</b>	<b>130,464,370</b>	<b>131,706,304</b>	<b>92,350,176</b>	<b>88,815,296</b>
<b>PROGRAM REVENUES</b>									
<b>Governmental Activities:</b>									
Charges for services:									
General government	4,478	1,158	2,863	2,998	1,801	722	696	815	251
Habitat development	2,808,799	2,686,255	2,887,183	13,483,880	10,130,931	9,438,682	1,514,990	4,424,418	2,555,022
Operating grants and contributions	66,270,395	64,893,087	73,098,323	83,038,339	93,886,407	90,771,419	146,120,142	68,236,918	89,467,495
Capital grants and contributions	-	34,291	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>69,083,672</b>	<b>67,614,791</b>	<b>75,988,369</b>	<b>96,525,217</b>	<b>104,019,139</b>	<b>100,210,823</b>	<b>147,635,828</b>	<b>72,662,151</b>	<b>92,022,768</b>
<b>Total Primary Government</b>	<b>(6,535,432)</b>	<b>(11,797,648)</b>	<b>(777,695)</b>	<b>(1,916,921)</b>	<b>(19,918,353)</b>	<b>(30,253,547)</b>	<b>15,929,524</b>	<b>(19,688,025)</b>	<b>3,207,472</b>
<b>GENERAL REVENUES AND OTHER</b>									
<b>CHANGES IN NET ASSETS</b>									
<b>Governmental Activities:</b>									
Unrestricted investment earnings	173,892	28,231	16,210	33,470	48,782	38,103	40,790	7,308	5,399
Miscellaneous	82,685	39,484	73,578	59,766	96,255	66,404	28,029	27,602	45,312
<b>Total General Revenues - primary government</b>	<b>256,577</b>	<b>67,715</b>	<b>89,788</b>	<b>93,236</b>	<b>145,037</b>	<b>104,507</b>	<b>68,819</b>	<b>34,910</b>	<b>50,711</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ (6,278,855)</b>	<b>\$ (11,729,933)</b>	<b>\$ (687,907)</b>	<b>\$ (1,823,685)</b>	<b>\$ (19,773,316)</b>	<b>\$ (30,149,040)</b>	<b>\$ 15,998,343</b>	<b>\$ (19,653,115)</b>	<b>\$ 3,258,183</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ (6,278,855)</b>	<b>\$ (11,729,933)</b>	<b>\$ (687,907)</b>	<b>\$ (1,823,685)</b>	<b>\$ (19,773,316)</b>	<b>\$ (30,149,040)</b>	<b>\$ 15,998,343</b>	<b>\$ (19,653,115)</b>	<b>\$ 3,258,183</b>

<sup>(1)</sup> 2002-03 Marks the year of GASB Statement No. 34 implementation for the San Joaquin Council of Governments. GASB Statement No. 34 does not require the "government-wide" presentation of data for fiscal years ended prior to June 30, 2003.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2008-09</u>	<u>2009-10 *</u>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Unreserved	627,192	972,217	(4,583,715)	(4,722,759)	(4,042,126)	(3,732,171)	(3,172,720)	(2,686,636)	(3,393,120)	
Nonspendable										\$ 99,949
Unassigned										<u>(3,010,753)</u>
Total General Fund	<u>\$ 627,192</u>	<u>\$ 972,217</u>	<u>\$ (4,583,715)</u>	<u>\$ (4,722,759)</u>	<u>\$ (4,042,126)</u>	<u>\$ (3,732,171)</u>	<u>\$ (3,172,720)</u>	<u>\$ (2,686,636)</u>	<u>\$ (3,393,120)</u>	<u>\$ (2,910,804)</u>
All Other Governmental Funds										
Reserved	\$ 165,777,202	\$ 154,789,582	\$ 145,992,981	\$ 143,371,222	\$ 204,631,247	\$ 184,816,451	\$ 353,867,089	\$ 379,306,780	\$ 409,558,264	
Nonspendable										\$ 21,455,781
Restricted										242,609,078
Committed										<u>9,454,822</u>
Total All Other Governmental Funds	<u>\$ 165,777,202</u>	<u>\$ 154,789,582</u>	<u>\$ 145,992,981</u>	<u>\$ 143,371,222</u>	<u>\$ 204,631,247</u>	<u>\$ 184,816,451</u>	<u>\$ 353,867,089</u>	<u>\$ 379,306,780</u>	<u>\$ 409,558,264</u>	<u>\$ 273,519,681</u>

\* Beginning in 2010, the City began reporting fund balance in conformity with GASB Statement 54, which changed how fund balance is classified.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
<b>REVENUES</b>										
Sales tax	\$ 53,924,227	\$ 56,220,317	\$ 60,762,403	\$ 67,439,208	\$ 74,394,499	\$ 77,799,996	\$ 73,149,434	\$ 62,476,792	\$ 58,179,065	\$ 58,762,796
Intergovernmental	4,098,354	4,201,070	6,388,567	4,196,645	5,146,041	5,996,146	7,732,701	70,387,640	5,500,686	28,143,994
Charges for services	1,994,084	2,813,277	2,610,642	2,745,671	13,218,708	10,777,411	9,627,908	1,645,111	4,757,357	2,796,000
Investment earnings	8,592,953	6,687,520	1,363,123	3,305,289	5,671,684	10,844,856	11,528,055	14,579,218	5,359,772	3,452,217
Charitable contributions - easements	589,717	-	201,805	-	-	-	-	-	-	-
Other	91,212	82,685	39,484	73,578	59,766	146,155	68,875	28,029	27,602	45,311
<b>Total Revenues</b>	<b>69,290,547</b>	<b>70,004,869</b>	<b>71,366,024</b>	<b>77,760,391</b>	<b>98,490,698</b>	<b>105,564,564</b>	<b>102,106,973</b>	<b>149,116,790</b>	<b>73,824,482</b>	<b>93,200,318</b>
<b>EXPENDITURES</b>										
General administration	4,296,173	4,729,944	7,586,419	5,896,553	6,277,914	8,559,267	8,457,347	7,848,755	7,408,261	7,084,839
Transportation	55,271,248	69,608,545	73,511,899	69,645,387	88,117,490	109,520,850	111,268,790	112,255,930	75,118,626	74,982,641
Habitat plan	948,288	349,176	66,077	112,392	297,201	488,657	534,850	601,724	707,193	301,390
Investment expense	-	446,428	582,363	633,784	840,548	740,270	5,397,353	748,954	699,422	2,021,595
Debt service:										
Principal	29,474	29,028	28,519	38,583	40,901	54,075	54,296	65,901	58,620	38,849
Interest	1,686,433	1,229,427	1,182,500	1,759,929	4,578,834	5,688,210	6,416,338	13,654,547	11,598,938	7,037,856
Capital outlay:										
Capital assets	30,759	14,556	7,935,244	42,191	21,998	6,441,954	13,576,217	4,206,120	3,047,841	676,403
Capital leases	15,542	49,693	49,516	24,085	18,368	87,314	72,344	50,316	8,330	37,938
<b>Total Expenditures</b>	<b>62,277,917</b>	<b>76,456,797</b>	<b>90,942,537</b>	<b>78,152,904</b>	<b>100,193,254</b>	<b>131,580,597</b>	<b>145,777,535</b>	<b>139,432,247</b>	<b>98,647,231</b>	<b>92,181,511</b>
Excess of Revenues Over (Under) Expenditures	7,012,630	(6,451,928)	(19,576,513)	(392,513)	(1,702,556)	(26,016,033)	(43,670,562)	9,684,543	(24,822,749)	1,018,807
<b>OTHER FINANCING SOURCES (USES)</b>										
Commercial paper proceeds	-	-	8,000,000	-	72,000,000	-	-	-	-	216,190,785
Bond anticipation note proceeds	-	-	-	-	-	-	210,003,362	-	-	-
Bond anticipation note defeasement	-	-	-	-	-	-	-	-	-	(206,469,378)
Commercial paper proceeds	-	-	-	-	-	-	-	-	-	-
Commercial paper retirements	-	-	(2,000,000)	-	-	-	-	-	-	(92,000,000)
Operating transfers - in	2,462	-	-	-	-	-	-	-	-	255,239
Operating transfers - out	(2,462)	-	-	-	-	-	-	-	-	(255,239)
Insurance proceeds	-	-	-	-	-	-	-	-	-	-
Proceeds on sale of assets	-	-	-	-	-	-	3,204,945	-	-	-
Capital leases	15,542	49,693	49,516	24,085	18,368	87,314	72,344	50,316	8,330	37,938
<b>Total Other Financing Sources (Uses)</b>	<b>15,542</b>	<b>49,693</b>	<b>6,049,516</b>	<b>24,085</b>	<b>72,018,368</b>	<b>87,314</b>	<b>213,280,651</b>	<b>50,316</b>	<b>8,330</b>	<b>(82,240,655)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 7,028,172</b>	<b>\$ (6,402,235)</b>	<b>\$ (13,526,997)</b>	<b>\$ (368,428)</b>	<b>\$ 70,315,812</b>	<b>\$ (25,928,719)</b>	<b>\$ 169,610,089</b>	<b>\$ 9,734,859</b>	<b>\$ (24,814,419)</b>	<b>\$ (81,221,848)</b>
Debt service as a percentage of noncapital expenditures	0.08%	0.09%	9.77%	0.09%	0.04%	5.47%	10.86%	3.50%	3.64%	0.85%

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES BY SOURCE  
GENERAL FUND**

**FOR THE FISCAL YEARS ENDING JUNE 30, 2002 THROUGH JUNE 30, 2011**

	<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>
<b><u>INTERGOVERNMENTAL</u></b>										
TDA Administration	\$ 133,000	\$ 133,000	\$ 158,000	\$ 160,000	\$ 200,000	\$ 190,531	\$ 181,271	\$ 214,176	\$ 146,711	\$ 242,475
State Transit Assistance	28,651	16,658	18,003	20,459	35,607	18,988	137,964	40,822	-	72,019
RTIF Administration & third party costs	-	-	-	-	-	20,072	22,169	2,126	11,109	-
State Subventions/Mandated Costs	7,078	-	-	-	-	-	-	-	-	59,160
Freeway Service Patrol	289,759	289,007	336,806	330,361	323,127	437,571	469,166	478,210	217,446	217,845
Ridesharing - S.J. County TDM	160,000	164,000	-	-	-	-	-	-	-	-
Ridesharing - Stanislaus Co.	107,000	109,000	121,000	139,000	155,000	155,000	160,000	141,500	132,247	143,779
Ridesharing - Merced County TDM	-	-	-	-	-	-	-	-	-	2,578
National Fish & Wildlife	-	-	-	-	-	21,100	12,000	12,000	12,000	12,000
Habitat Funds/Habitat Management	40,006	296,163	250,000	382,415	384,983	434,797	528,012	478,344	347,870	333,429
Measure K	900,000	965,000	3,515,617	1,038,517	1,644,128	1,181,080	1,180,287	1,401,413	1,000,000	1,366,000
Fed. Highways Plng. & Admin/SPR/PPM	762,049	801,168	872,450	980,375	782,606	1,187,526	1,546,086	1,518,403	1,555,945	1,079,826
Federal Transit Administration	263,621	184,297	172,757	188,008	179,054	149,338	218,673	296,091	213,067	301,454
JARC Mobility & Operations FTA 5316	-	-	-	-	-	-	-	-	-	63,545
RSTP	-	-	-	-	-	-	-	-	151,195	22,510
Department of Education	172,635	257,990	-	32,352	-	-	-	-	-	-
CMAQ/IRP/WTW/CIRIS	74,295	91,339	120,030	105,414	79,733	-	-	-	-	-
CMAQ/Congest. Mitigation/Rideshare	-	179,798	68,924	24,956	343,911	353,139	404,113	488,462	486,047	918,808
San Joaquin Valley APCD	750	500	500	-	-	-	-	-	-	-
Airport Land Use Commission	4,747	3,920	3,270	4,390	3,430	2,702	665	900	1,610	1,843
Sacramento COG 511 Program	-	-	-	-	-	-	-	115,016	94,621	79,818
Sacramento COG SP&R	-	-	-	-	-	-	-	-	-	2,595
Great Valley Ctr. Legacy Grant	-	15,000	-	-	-	-	-	-	-	-
Caltrans SP&R Smart Growth Program	-	-	-	-	-	-	-	-	-	90,845
Caltrans PPM Program	101,000	212,000	-	-	-	-	-	-	-	-
Caltrans ITS Program	76,772	-	-	-	-	-	-	-	-	-
SB 45 STIP PP&M Program	-	-	-	90,556	94,444	249,677	431,323	300,000	192,059	218,941
Urban Area Focus/Strat. Deployment	102,592	-	-	-	-	-	-	-	-	-
Manteca/Lathrop Interchange Feasibility	-	55,161	43,454	-	-	-	-	-	-	-
Interregional Partnership - ABAG	-	12,938	46,651	-	-	-	-	-	-	-
San Joaquin A-Plus Reading Program	22,495	76,621	-	-	-	-	-	-	-	-
Valley CAN/Valley blue print	-	-	-	24,000	80,070	423,640	172,673	129,449	71,448	20,884
USDOT SR130/FAA	-	-	-	-	90,692	401,144	300,494	86,096	-	-
Valley Wide Air Quality	-	-	-	-	-	-	-	-	148,436	99,653
ALUP - SJCOG TDA	-	-	-	-	-	-	255,399	344,601	139,397	50,000
Planning - SJCOG TDA	601,979	547,500	626,815	675,842	749,256	789,912	829,407	608,125	538,590	559,603
<b>Total Intergovernmental</b>	<b>3,848,429</b>	<b>4,411,060</b>	<b>6,354,277</b>	<b>4,196,645</b>	<b>5,146,041</b>	<b>6,016,217</b>	<b>6,849,702</b>	<b>6,655,734</b>	<b>5,459,798</b>	<b>5,959,610</b>
<b><u>USE OF MONEY AND PROPERTY</u></b>										
Interest Income	19,914	18,606	29,025	16,255	32,942	48,782	44,261	31,670	8,519	6,496
Unrealized Gain (Loss) On Inv.	587	(2,169)	(794)	(45)	529	531	(6,158)	9,120	(1,211)	(1,097)
<b>Total Use of Money and Property</b>	<b>20,501</b>	<b>16,437</b>	<b>28,231</b>	<b>16,210</b>	<b>33,471</b>	<b>49,313</b>	<b>38,103</b>	<b>40,790</b>	<b>7,308</b>	<b>5,399</b>
<b><u>OTHER REVENUE</u></b>										
SJCOG Fees - Data Sales	13,254	4,478	1,158	1,406	2,827	539	364	696	815	251
Donations & Other Local Revenue	76,094	82,685	39,484	75,034	59,936	77,446	66,762	25,903	27,602	45,312
<b>Total Other Revenue</b>	<b>89,348</b>	<b>87,163</b>	<b>40,642</b>	<b>76,440</b>	<b>62,763</b>	<b>77,985</b>	<b>67,126</b>	<b>26,599</b>	<b>28,417</b>	<b>45,563</b>
<b>Total Revenues</b>	<b>\$ 3,958,278</b>	<b>\$ 4,514,660</b>	<b>\$ 6,423,150</b>	<b>\$ 4,289,295</b>	<b>\$ 5,242,275</b>	<b>\$ 6,143,515</b>	<b>\$ 6,954,931</b>	<b>\$ 6,723,123</b>	<b>\$ 5,495,523</b>	<b>\$ 6,010,572</b>

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES BY FUNCTION  
GENERAL FUND  
FOR THE FISCAL YEARS ENDING JUNE 30, 2002 THROUGH JUNE 30, 2011**

	<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>
<b>EXPENDITURES</b>										
RTP Update	\$ 121,613	\$ 45,629	\$ 74,841	\$ 87,440	\$ 89,731	\$ 413,442	\$ 104,159	\$ 150,218	\$ 409,341	\$ 139,322
RTP Studies	35,145	57,967	18,752	72,319	149,458	344,264	504,228	567,449	286,784	72,953
Regional Transp. Improv. Plan	170,378	232,800	151,315	182,096	341,682	177,677	267,209	255,668	334,835	348,878
Road/Street Monitoring	185,305	366,457	321,224	506,476	357,210	540,141	773,030	830,392	547,751	610,351
Transit Coordination	185,089	211,690	200,209	213,414	203,517	162,369	356,637	483,932	240,499	337,769
Transportation Air Quality	124,280	131,709	90,903	173,907	258,762	316,860	211,804	219,606	362,956	301,574
Transportation A.Q. Model	53,077	-	-	-	-	-	-	-	-	-
Good Movements	-	-	-	-	-	-	124,998	97,093	57,032	74,382
Technical Assistance	710,190	458,423	76,221	100,838	50,921	37,429	37,267	25,453	20,643	15,921
Intergovernmental Coordination	361,850	304,212	299,515	340,899	291,893	424,375	406,864	344,386	280,077	292,606
Projects and Forecasts	103,304	143,816	124,636	97,117	10,299	25,676	100,092	65,407	75,957	72,680
Aviation and Land Use	5,877	6,242	12,808	3,740	80,379	266,781	260,339	367,155	139,397	133,158
Congestion Management	1,152	283	1,161	13,444	12,653	51,727	290,491	160,898	325,680	131,578
Regional Planning	292,626	302,577	515,446	539,041	26,890	17,192	86,888	33,502	2,010	10,587
Valley M.P.O. Coordination	126,084	23,160	15,073	14,515	7,926	100,638	123,667	169,988	108,074	112,993
Interregional Partnership	43,907	107,511	59,563	6,791	1,607	5,991	10,323	17,819	7,444	254,997
Measure K Program Management	147,860	201,596	157,741	243,150	312,057	259,198	346,961	256,309	169,049	56,257
San Joaquin Valley Blueprint	-	-	-	-	80,506	438,418	208,222	214,025	116,721	11,223
Habitat Implementation	-	-	-	-	241,459	43	-	5,125	23,302	252,460
RTIF	-	-	-	-	-	-	34,877	32,419	16,596	76,580
Smart Growth	-	-	-	-	-	-	99,672	31,285	-	113,557
COG OWP Mgmt. & Admin.	161,942	171,771	153,050	155,404	166,162	189,732	237,752	203,873	139,644	166,163
TDA Administration	126,316	134,823	154,835	133,284	199,767	190,531	181,271	214,176	146,711	242,475
Community Involvement	192,502	249,420	330,221	296,176	687,150	630,564	349,511	277,043	143,789	81,553
Capital Outlay/Deprec/Ins Adjustment	(1,402)	(6,106)	7,818,061	(152,087)	(200,121)	(136,175)	(93,171)	(170,027)	(206,027)	182,914
ISTEA/TEA-21 Management	4,032	5,096	1,742	735	8,276	13,866	-	-	-	-
Ridesharing - S.J. County/Stan. County TDM	489,054	546,020	442,989	431,861	511,567	709,962	818,667	663,440	643,407	1,186,219
Freeway Service Patrol	-	361,259	421,007	414,316	443,969	567,343	570,490	577,445	299,876	290,506
Under (Over) - Applied Costs	85,024	161,438	537,768	553,463	469,795	85,516	55,576	193,278	1,524,189	251,777
<b>Total Expenditures</b>	<b>\$ 3,725,205</b>	<b>\$ 4,217,793</b>	<b>\$ 11,979,081</b>	<b>\$ 4,428,339</b>	<b>\$ 4,803,515</b>	<b>\$ 5,833,560</b>	<b>\$ 6,467,824</b>	<b>\$ 6,287,357</b>	<b>\$ 6,215,737</b>	<b>\$ 5,821,433</b>

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
PROFILE OF TAXABLE SALES  
2002 – 2011  
(UNAUDITED)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Retail Stores										
Apparel stores	1.92%	3.29%	3.39%	3.49%	3.54%	3.72%	3.79%	4.77%	4.87%	* n/a
General merchandise	11.78%	10.99%	10.79%	10.58%	10.59%	10.67%	9.91%	11.14%	11.22%	* n/a
Specialty stores	7.57%	9.82%	9.79%	9.76%	9.77%	6.08%	5.31%	6.87%	6.82%	* n/a
Eating and drinking group	6.43%	8.70%	8.65%	8.64%	8.80%	9.21%	9.77%	11.21%	11.15%	* n/a
Building material group	6.53%	6.13%	6.83%	6.73%	6.46%	5.83%	5.22%	5.45%	5.46%	* n/a
Automotive group	23.88%	20.60%	20.70%	20.89%	20.58%	21.01%	21.36%	18.55%	19.59%	* n/a
Other retail stores	11.69%	10.06%	9.86%	9.91%	9.79%	12.47%	12.16%	9.66%	9.48%	* n/a
Business and personal services	3.97%	4.71%	4.46%	4.30%	4.23%	4.16%	4.19%	4.79%	4.57%	* n/a
All other	<u>26.23%</u>	<u>25.70%</u>	<u>25.53%</u>	<u>25.70%</u>	<u>26.24%</u>	<u>26.85%</u>	<u>28.29%</u>	<u>27.56%</u>	<u>26.84%</u>	* n/a
Total	<u>100.00%</u>	<u>0.00%</u>								

SOURCE: CALIFORNIA STATE BOARD OF EQUALIZATION

\* 2010 Data reflects 1<sup>st</sup>, 2<sup>nd</sup>, & 3<sup>rd</sup> quarter, 4<sup>th</sup> quarter data was not yet available.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
GOVERNMENT-WIDE EXPENSES BY FUNCTION  
LAST NINE FISCAL YEARS<sup>(1)</sup>**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
<u>Governmental Activities:</u>									
General government	\$ 3,985,528	\$ 4,069,600	\$ 4,483,182	\$ 4,708,473	\$ 6,986,738	\$ 6,493,431	\$ 6,292,146	\$ 6,203,470	\$ 5,921,697
Transportation	71,275,686	74,914,345	71,652,827	92,855,576	115,748,171	122,691,177	124,121,214	84,886,628	82,211,723
Habitat development	349,176	316,077	494,808	682,184	968,753	1,062,862	1,080,070	1,055,063	634,819
Interest expense	8,714	112,417	135,247	195,905	233,830	216,900	212,874	205,015	47,057
Total Expenses	<u>\$ 75,619,104</u>	<u>\$ 79,412,439</u>	<u>\$ 76,766,064</u>	<u>\$ 98,442,138</u>	<u>\$ 123,937,492</u>	<u>\$ 130,464,370</u>	<u>\$ 131,706,304</u>	<u>\$ 92,350,176</u>	<u>\$ 88,815,296</u>

<sup>(1)</sup> 2002-03 Marks the year of GASB Statement No. 34 implementation for the San Joaquin Council of Governments.  
GASB Statement No. 34 does not require the "government-wide" presentation of data for fiscal years ended prior to June 30, 2003.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
GOVERNMENTAL ACTIVITIES SALES TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

Fiscal Year	Local Transportation Fund	State Transit Assistance	Measure K	Total
2010-11	\$ 19,609,278	\$ -	\$ 39,113,518	\$ 58,722,796
2009-10	17,953,026	4,587,275	35,549,764	58,179,065
2008-09	20,270,843	1,739,077	40,466,872	62,476,792
2007-08	23,155,198	3,661,440	45,580,925	72,397,563
2006-07	23,709,474	6,927,579	47,162,943	77,799,996
2005-06	24,975,210	2,251,762	47,167,527	74,394,499
2004-05	22,528,054	1,285,581	43,625,573	67,439,208
2003-04	20,375,418	1,165,914	39,221,071	60,762,403
2002-03	18,768,399	1,073,638	36,378,280	56,220,317
2001-02	17,632,624	1,913,861	34,377,742	53,924,227

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
DIRECT AND OVERLAPPING SALES TAX RATES  
2002 – 2011**

Fiscal Year	Sales Tax Measure K	County of San Joaquin *	City of Manteca	City of Stockton
2011	0.50%	7.75%	8.25%	8.00%
2010	0.50%	8.75%	9.25%	9.00%
2009	0.50%	8.25%	8.75%	8.50%
2008	0.50%	7.25%	7.75%	7.50%
2007	0.50%	7.25%	7.75%	7.50%
2006	0.50%	7.25%	7.25%	7.50%
2005	0.50%	7.25%	7.25%	7.50%
2004	0.50%	7.25%	7.25%	7.25%
2003	0.50%	7.25%	7.25%	7.25%
2002	0.50%	7.25%	7.25%	7.25%

Source: California State Board of Equalization

\* Excludes the City of Manteca and Stockton

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
TAXABLE RETAIL SALES BY JURISDICTION  
2010**

County and Cities	2010			2001	
	Rank	Taxable Sales	Percentage of Total	Taxable Sales	Percentage of Total
San Joaquin County		\$ 7,260,073	100.00%	\$ 6,995,905	100.00%
Stockton	1	2,844,988	39.19%	2,811,410	40.19%
Unincorporated	2	1,019,455	14.04%	1,020,000	14.58%
Tracy	3	878,925	12.11%	752,663	10.76%
Unallocated	4	786,839	10.84%	741,787	10.60%
Manteca	5	682,492	9.40%	595,564	8.51%
Lodi	6	648,128	8.93%	728,405	10.41%
Lathrop	7	190,852	2.63%	169,955	2.43%
Ripon	8	158,067	2.18%	113,849	1.63%
Escalon	9	50,327	0.68%	62,272	0.89%
Total San Joaquin County		<u>\$ 7,260,073</u>	<u>100.00%</u>	<u>\$ 6,995,905</u>	<u>100.00%</u>

Source: California State Board of Equalization  
Data for 2011 is not yet available.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

FISCAL YEAR	GOVERNMENTAL ACTIVITIES					TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME
	BOND ANTICIPATION NOTES	2011 Sales Tax Bond	CAPITAL LEASES	COMMERCIAL PAPER			
2011	\$ - *	\$ 212,175,000	\$ 43,858	\$ 75,000,000	\$ 75,043,858	N/A	
2010	205,114,860	- **	44,770	167,000,000	372,159,630	N/A	
2009	207,461,341	- **	95,059	167,000,000	374,556,400	1.7863%	
2008	209,807,822	- **	110,644	167,000,000	376,918,466	1.7845%	
2007	- *	- **	92,597	167,000,000	167,092,597	0.8705%	
2006	- *	- **	47,825	167,000,000	167,047,825	0.9216%	
2005	- *	- **	70,358	95,000,000	95,070,358	0.5509%	
2004	- *	- **	84,856	95,000,000	95,084,856	0.5743%	
2003	- *	- **	63,860	89,000,000	89,063,860	0.5718%	
2002	- *	- **	31,473	89,000,000	89,031,473	0.6020%	

SOURCE: FINANCE DEPARTMENT

Data not available because:

(\*) Bond Anticipation Notes were not issued until May 2008 and were defeased in March of 2011.

(\*\*) Sales Tax Bonds were not issued until March 2011.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
DEMOGRAPHIC INFORMATION  
(UNAUDITED)  
LAST TEN YEARS**

YEAR	COUNTY POPULATION (JANUARY 1)	TOTAL HOUSING UNITS	NEW HOUSING UNITS	TAXABLE SALES (IN THOUSANDS)
2011	690,899	234,355	4,528 **	n/a **
2010	694,293	229,827	846 *	\$ 3,633,620
2009	689,480	228,981	1,642	\$ 7,260,073
2008	682,316	227,339	3,370	\$ 8,696,074
2007	679,687	223,969	4,252	\$ 9,326,761
2006	668,265	219,717	5,950	\$ 9,528,419
2005	653,333	213,688	6,239	\$ 9,612,059
2004	636,466	207,449	6,074	\$ 8,703,241
2003	616,500	201,375	4,082	\$ 7,745,868
2002	596,000	197,316	5,048	\$ 7,305,586

**SOURCES:**

POPULATION AND NEW HOUSING – CALIFORNIA DEPARTMENT OF FINANCE

TAXABLE SALES – CALIFORNIA STATE BOARD OF EQUALIZATION

\* TAXABLE SALES DATA FOR 2010 REFLECTS 1<sup>ST</sup>, 2<sup>ND</sup>, & 3<sup>RD</sup> QUARTER, 4<sup>TH</sup> QUARTER DATA NOT AVAILABLE

\*\* TAXABLE SALES DATA FOR 2011 WAS NOT YET AVAILABLE

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
(UNAUDITED)  
LAST TEN FISCAL YEARS**

CALENDAR YEAR	COUNTY <sup>(1)</sup> POPULATION (JANUARY 1)	PERSONAL <sup>(2)</sup> INCOME \$ THOUSANDS	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT <sup>(2)</sup> RATE
2011	690,899	N/A *	N/A	N/A
2010	694,293 *	N/A *	N/A	17.30%
2009	689,480	20,968,710	30,412	15.39%
2008	682,316	21,121,955	30,956	10.39%
2007	679,687	19,194,503	28,240	8.10%
2006	668,265	18,125,182	27,123	7.40%
2005	653,333	17,256,675	26,413	7.90%
2004	636,466	16,555,526	26,012	8.80%
2003	616,500	15,576,802	25,267	9.20%
2002	596,000	14,788,895	24,814	8.90%

SOURCE: California Employment Development Department

(1) California Department of Finance

(2) California Employment Development Department

(\*) Data for 2010-2011 is not yet available, therefore, 2009 data is the most current year provided.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
SAN JOAQUIN COUNTY EMPLOYMENT BY INDUSTRY  
CALENDAR YEAR 2010 AND TEN YEARS PRIOR**

Industry Type	2001		2010	
	Average Annual Employment	% of Total Employment	Average Annual Employment	% of Total Employment
Agriculture	\$ 15,700	7.59%	\$ 15,400	7.57%
Natural Resources & Mining	13,400	6.48%	7,700	3.79%
Manufacturing	22,500	10.88%	17,600	8.65%
Trade, Transportation & Utilities	43,600	21.08%	47,100	23.16%
Financial Activities	8,900	4.30%	7,800	3.83%
Professional & Business Services	16,900	8.17%	15,600	7.67%
Government	38,800	18.76%	38,300	18.83%
Educational & Health Services	22,300	10.78%	28,600	14.06%
Leisure & Hospitality	15,300	7.40%	16,200	7.96%
Other Services	6,100	2.95%	7,000	3.44%
Information	3,300	1.60%	2,100	1.03%
Total, All Industries	<u>\$ 206,800</u>	<u>100.0%</u>	<u>\$ 203,400</u>	<u>100.0%</u>

SOURCE: California Employment Development Department, Labor Market Information Division, Industry Employment & Labor Force - by Annual Average, March 2008 Benchmark.

Employment figures may not add up to totals due to rounding.

(1) Data for 2011 is not yet available; therefore, 2010 data is provided.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
FULL-TIME EQUIVALENT COUNCIL EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN YEARS**

<b>FUNCTION</b>	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Executive Director	1	1	1	1	1	1	1	1	1	1
Deputy Executive Director/CFO	1	1	1	1	1	1	1	1	1	1
Deputy Director	1	1	1	1	1	1	1	1	1	1
Manager of Administrative Services	1	1	1	1	1	1	1	1	1	1
Public Communications Manager	-	-	-	-	-	-	1	1	1	1
Project Manager	-	-	-	-	1	1	1	1	1	1
Planners	11	13	13	15	15	15	15	15	15	16
Finance	3	3	3	4	5	5	5	5	4	4
Information Technology	1	1	1	1	1	1	2	2	2	1
Administration	4	4	4	4	5	5	5	4	4	4
Building Maintenance	-	1	1	1	1	1	1	1	1	-
Interns	-	-	-	-	-	-	1	-	-	1
<b>Total Approved Full-Time Positions</b>	<b>23</b>	<b>26</b>	<b>26</b>	<b>29</b>	<b>32</b>	<b>32</b>	<b>35</b>	<b>33</b>	<b>32</b>	<b>32</b>

**BY PROJECT  
LAST TEN YEARS**

<b>DIRECT PROJECTS</b>	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Regional Transportation Plan Update	0.48	0.19	0.36	0.42	0.43	1.51	0.36	0.51	1.80	0.53
Regional Planning Studies	0.14	0.24	0.09	0.35	0.71	1.26	1.74	1.93	1.26	0.28
Regional Transportation Improvement Plan	0.68	0.95	0.73	0.88	1.62	0.65	0.92	0.87	1.47	1.33
Roads & Streets Planning	0.74	1.49	1.55	2.45	1.69	1.97	2.67	2.83	2.40	2.32
Transit coordination Planning	0.74	0.86	0.97	1.03	0.97	0.59	1.23	1.65	1.06	1.29
Transportation Air Quality	0.49	0.53	0.44	0.84	1.23	1.16	0.73	0.75	1.59	1.15
Transportation Air Quality Planning/Modeling	0.21	-	-	-	-	-	-	-	-	-
Goods Movement	-	-	-	-	-	-	0.43	0.33	0.25	0.28
Ongoing Technical Assistance	2.83	1.86	0.37	0.49	0.24	0.14	0.13	0.09	0.09	0.06
Intergovernmental Coordination	1.44	1.24	1.45	1.65	1.38	1.55	1.41	1.17	1.23	1.11
Projections & Forecast	0.41	0.58	0.60	0.47	0.05	0.09	0.35	0.22	0.33	0.28
Aviation and Land Use	0.02	0.03	0.06	0.02	0.38	0.97	0.90	1.25	0.61	0.51
Congestion Management Prog/Sys	0.00	0.00	0.01	0.07	0.06	0.19	1.00	0.55	1.43	0.50
Regional Planning Studies	1.17	1.23	2.49	2.61	0.13	0.06	0.30	0.11	0.01	0.04
Valley MPO Coordination	0.50	0.09	0.07	0.07	0.04	0.37	0.43	0.58	0.47	0.43
Interregional Partnerships	0.17	0.44	0.29	0.03	0.01	0.02	0.04	0.06	0.03	0.97
S.J. Valley Blueprint	-	-	-	-	0.38	1.60	0.72	0.73	0.51	0.21
Habitat Implementation	-	-	-	-	1.15	0.00	-	0.02	0.10	0.04
Measure K Administration	0.59	0.82	0.76	1.18	1.48	0.95	1.20	0.87	0.74	0.96
Regional Transportation Impact Fee	-	-	-	-	-	-	0.12	0.11	0.07	0.29
Smart Growth	-	-	-	-	-	-	0.34	0.11	-	0.43
COG OWP Management & Administration	0.64	0.70	0.74	0.75	0.79	0.69	0.82	0.69	0.61	0.63
TDA Administration	0.50	0.55	0.75	0.65	0.95	0.70	0.63	0.73	0.64	0.92
Community Involvement	0.77	1.01	1.59	1.43	3.26	2.30	1.21	0.94	0.63	0.31
ISTEA/TEA-21 Management	0.02	0.02	0.01	0.00	0.04	0.05	-	-	-	-
Transportation Demand Management	1.95	2.22	2.14	2.09	2.43	2.59	2.83	2.26	2.82	4.51
Freeway Service Patrol	-	1.47	2.03	2.01	2.11	2.07	1.97	1.97	1.32	1.12
<b>Subtotal - Direct Projects</b>	<b>14.50</b>	<b>16.50</b>	<b>17.50</b>	<b>19.50</b>	<b>21.50</b>	<b>21.50</b>	<b>22.50</b>	<b>21.33</b>	<b>21.50</b>	<b>20.50</b>
<b>INDIRECT</b>	<b>8.50</b>	<b>9.50</b>	<b>8.50</b>	<b>9.50</b>	<b>10.50</b>	<b>10.50</b>	<b>12.50</b>	<b>11.50</b>	<b>10.50</b>	<b>11.50</b>
<b>Total FTEs Based on Total Hours</b>	<b>23</b>	<b>26</b>	<b>26</b>	<b>29</b>	<b>32</b>	<b>32</b>	<b>35</b>	<b>33</b>	<b>32</b>	<b>32</b>

SOURCE: San Joaquin Council of Governments

**SAN JOAQUIN COUNCIL OF GOVERNMENTS  
CAPITAL ASSETS STATISTICS BY FUNCTION  
LAST TEN YEARS**

FUNCTION/PROGRAM	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Government</b>										
Square footage of SJCOG Complex	-	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
<b>SJCOG INC.</b>										
Acres of Habitat Easements	690.19	690.19	1,094.10	1,239.10	2,592.40	6,138.40	7,815.41	8,327.41	8,910.11	9,510.11
Preservation Credit	-	-	-	10.34	10.34	10.34	10.34	10.34	10.34	10.34

SOURCE: San Joaquin Council of Governments Records