

SAN JOAQUIN COUNCIL OF GOVERNMENTS
STOCKTON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2009

Prepared by:

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
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 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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INTRODUCTORY SECTION

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SAN JOAQUIN COUNCIL OF GOVERNMENTS

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www.sjcog.org

December 15, 2009

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 (Council) for the fiscal year ended June 30, 2009.

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, 2009 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 auditor 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, 2009, 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 auditor 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.

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 Agency 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 21st 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 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 do not start until April 1, 2011, expenditures attributed to that program will be 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 County residents under a contract with Stanislaus Council of Governments. The Commute Connection program operates using Federal funds under a contract with the State of California and Stanislaus Council of Governments. The Council has approximately 10,000 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, 2009.

Budget-to-actual comparisons are provided in this report for the Council's general fund. This comparison is provided on page 61 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 new car sales, sales taxes declined by 11.3% in 2008-09. The economic decline is estimated to continue into 2009-10 with sales tax receipts forecast to drop as much as 25%.

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 has stalled for the moment.

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 forecast to continue to climb until 2010.

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) and Amador County to provide services in those counties. StanCOG pays for these services using their CMAQ funds. Amador 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.

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 – 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 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:

AB 3090 Financing Agreements on Measure K Projects – The San Joaquin Council of Governments (SJCOG) currently holds one AB 3090 cash reimbursement agreement with the State of California.

SJCOG has loaned the State, 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 in fiscal years 2008/2009, 2009/2010, and 2010/2011. The first two 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 \$3.1 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 in April 2011. In January 2008 the SJCOG Board (Council) adopted the Measure K Renewal Strategic Plan to begin delivering some of the Renewal projects prior to 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 Delivery – The Council is in the eighteenth 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 21st 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.

Cash Management Policies and Practices

The Council's cash is 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.

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, 2009, 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.

Risk Management

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.

Debt Management

In relation to the Council's Measure K program, the Council has \$167,000,000 of Sales Tax Revenue Tax Exempt Commercial Paper Notes outstanding at June 30, 2009. The proceeds are used to finance transportation projects under the twenty year transportation expenditure plan. 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, 2009. 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 are planned to partially fund the Early Action Program of Measure K Renewal. The BANs expire April 1, 2011. On or before that date, the BANs must be retired through another debt issuance. The BANs are rated A-1 by Standard and Poor's (S&P), the highest short term rating. For the subsequent issuance, S&P has issued a AA long term rating.

Retirement and Other Post Employment Benefits

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

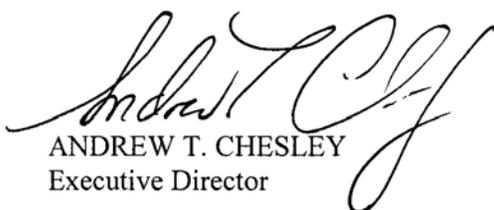
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the San Joaquin Council of Governments for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008. This was the eleventh consecutive year 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

BOARD OF DIRECTORS

City of Escalon	Councilman Gary Haskin
City of Lathrop	Mayor Kristy Sayles
City of Lodi	Vice Chair: Mayor Larry Hansen
City of Manteca	Mayor Pro Tem Steve DeBrum
City of Ripon	Mayor Charles Winn
City of Stockton	Mayor Ann Johnston
City of Stockton	Vice Mayor Kathy Miller
City of Stockton	Councilman Dale Fritchen
City of Tracy	Chairman: 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	Ken Baxter
Port of Stockton	Steve Herum
SJRTD	Gary Giovanetti

CITIZENS ADVISORY COMMITTEE

City of Escalon	Steve Castellanos
City of Lathrop	Chairman: Jim Hilson
City of Lodi	Richard Blackston
City of Manteca	Glen Page
City of Ripon	Vacant
City of Stockton	Vice Chair: Karl "Nate" Knodt
City of Tracy	Charles R. Manne
Great Stockton Chamber of Commerce	Vacant
League of Women Voters	Esther Vasquez
NAACP	Vacant
San Joaquin Business Council	Ron Addington
San Joaquin County	Robert Bivens
Sierra Club	Michael Ballot
Transit Advocate	Brian Young
University of Pacific	Marcus Perrot
Wine Grape Commission	Vacant

EXECUTIVE COMMITTEE

City of Lodi	Vice Chair: Mayor Larry Hansen
City of Manteca	Mayor Pro Tem Steve DeBrum
City of Stockton	Mayor Ann Johnston
City of Tracy	Chairman: Mayor Brent Ives
City of Ripon	Mayor Charles Winn
San Joaquin County	Supervisor Ken Vogel

MANAGEMENT & FINANCE COMMITTEE

City of Escalon	Greg Greeson
City of Lathrop	Cary Keaten
City of Lodi	Vice Chair: Blair King
City of Manteca	Steve Pinkerton
City of Ripon	Chairman: Leon Compton
City of Stockton	Gordon Palmer
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	Al Lacson Gali
City of Lodi	Julia Tyack
City of Manteca	Johanna Ferriera
City of Tracy	Ed Lovell
ARC San Joaquin	Chairman: Ann Fisler
Caltrans	Kathy Selsor
Caltrans, District 10	Barbara Hempstead
Community Center for the Blind	Joni Bauer
Human Services Agency – Department of Aging	Annette DePauli
SJRTD	Nathaniel Atherstone
SJRTD	Julie Bristow
SJRTD	Jean Foletta
Transportation Consumer	Sean Reilly
United Cerebral Palsy	Toby Hunter
Valley Mountain Regional Center	Wilma Murray

TECHNICAL ADVISORY COMMITTEE

City of Escalon	John Abrew
City of Lathrop	Cary Keaten
City of Lodi	Paula Fernandez
City of Lodi	Julia Tyack
City of Lodi	Wally Sandelin
City of Manteca	Mark Houghton
City of Manteca	Johanna Ferriera
City of Manteca	Mark McAvoy
City of Ripon	Keven Werner
City of Ripon	Ken Zuidervaart
City of Stockton	Eric Alvarez
City of Stockton	Vice Chair: Gary Dickson
City of Stockton	Bob Murdoch
City of Tracy	Zabih Zaca
City of Tracy	Ed Lovell
Caltrans	Tom Dumas
Caltrans	Kathy Selsor
Caltrans	Barbara Hempstead
Caltrans	Sinaren Pheng
Port of Stockton	Henry McKay
San Joaquin County	Tom Gau
San Joaquin County	Mike Selling
San Joaquin County	Manuel Solario

TECHNICAL ADVISORY COMMITTEE (Continued)

San Joaquin County	Peter Martin
SJRRC	Chairman: Brian Schmidt
SJRRC	Brennan Buttram
SJRTD	Nathaniel Atherstone
Stockton Metro Airport	Susan Palmeri

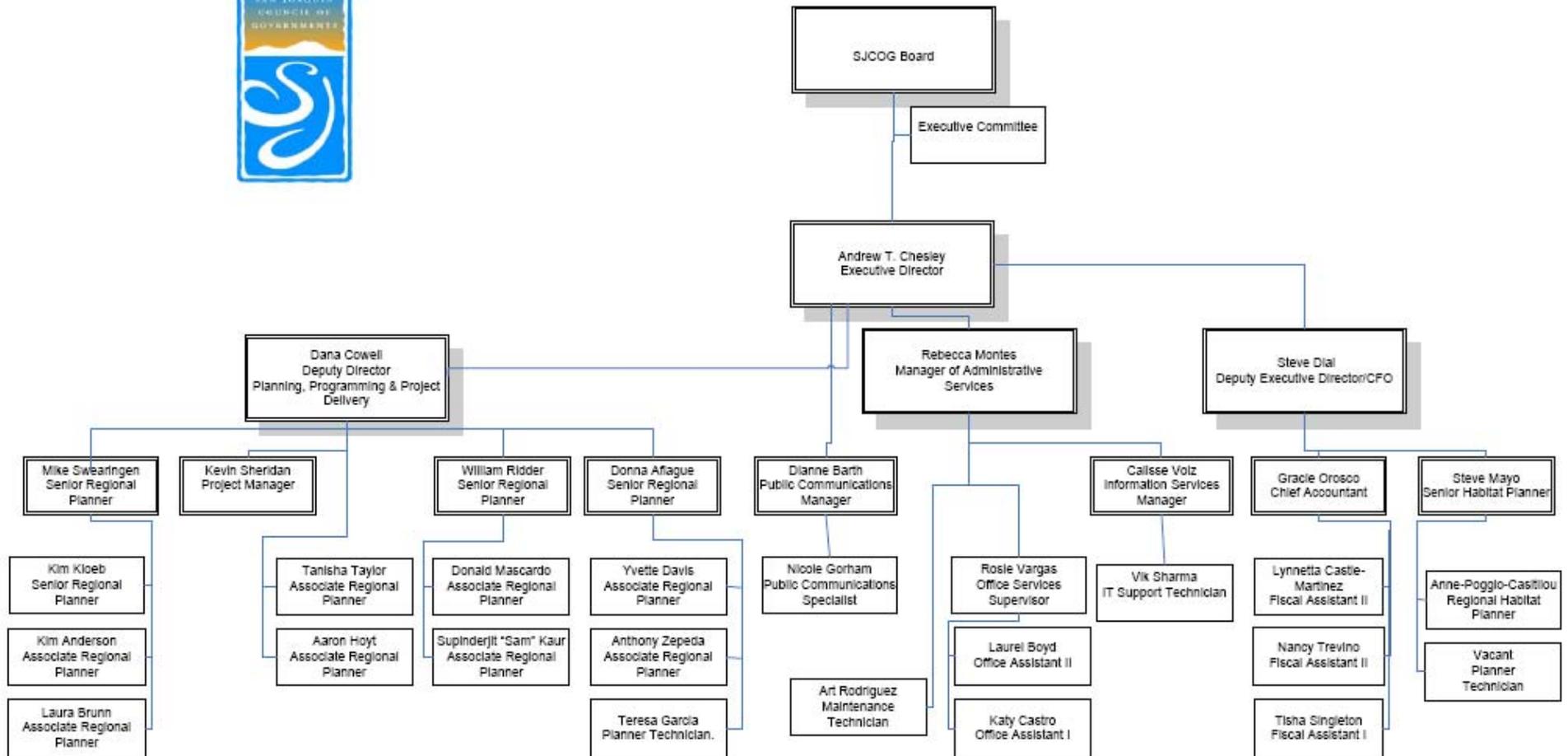
HABITAT COMMITTEE

City of Escalon	Duane Peterson
City of Lathrop	Tendai Mtunga
City of Lodi	David Morimoto
City of Ripon	Ken Zuidervaart
City of Stockton	Chairman: Mike Niblock
City of Tracy	Vicky Lombardo
Agricultural Commissioner's Office	Gary Stockdale
Building Industry Association	John Beckman
Community Development	Ray Hoo
Conservation	Jane Humes
Dept. of Fish and Game	Dan Gifford
Jones & Stokes	Douglas Leslie
Lange Twins, Inc.	Brad Lange
Lantz Rey	City of Manteca
Neumiller & Beardslee	Rod Attebery
Neumiller & Beardslee	Monica Streeter
U.S. Fish and Wildlife	Susan Jones
U.S. Fish and Wildlife	Ellen McBride

INTERAGENCY TRANSIT COMMITTEE

City of Escalon	Duane Peterson
City of Escalon	John Andoh
City of Lathrop	Al Gali
City of Lodi	Julia Tyack
City of Manteca	Johanna Ferriera
City of Ripon	Barbara Schnieder
City of Stockton	Gary Dickson
City of Tracy	Rod Buchanan
City of Tracy	Ed Lovell
San Joaquin County	Candis Oldham
SJRRC	Chairman: Brian Schmidt
SJRRC	Thomas Reeves
SJRTD	Jean Foleta
SJRTD	Laurie Brown

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, 2008

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.



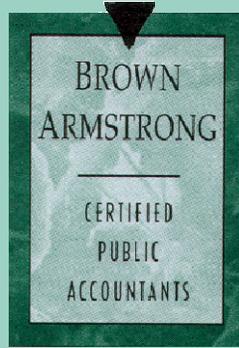
President

Executive Director

FINANCIAL SECTION

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Burton H. Armstrong, CPA, MST
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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, 2009, 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 GASB Statements No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*.

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, 2009, 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 15, 2009 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.

The Management's Discussion and Analysis, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, 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 15, 2009

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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, 2009. 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. From a financial perspective, the most significant program for which the Council is responsible, is managing 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 \$43,374,572 (net assets) for the fiscal year ended June 30, 2009. This compares to the previous year when assets exceeded liabilities by \$11,185,313.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt of \$35,758,363, 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 \$108,319,267 are restricted by constraints imposed from outside the Council, such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net assets of (\$100,703,058) represent the portion available to maintain the Council's continuing obligations and Measure K contract commitments in excess of current available resources. Continuing obligations and Measure K contract commitments are secured by sales tax revenues anticipated through the expiration of the program on March 31, 2011.
- The Council's governmental funds reported total ending fund balance of \$376,620,143 this year. This compares to the prior year ending fund balance of \$350,694,369, showing an increase of \$25,925,774 during the current year. The Council's governmental funds reported a total unreserved fund balance of (\$106,160,464) for fiscal year 2008-209 shows a \$29,892,351 increase over the prior year due primarily to the debt service liability of the Measure K fund.
 - At the end of the current fiscal year, unreserved fund balance for Measure K was (\$28,051,870), showing a \$91,099,734 increase over the prior year.
 - At the end of the current fiscal year, unreserved fund balance for the General Fund was (\$2,686,636) representing building debt, showing an increase of \$486,084 over the prior year.

- At the end of the current fiscal year, unreserved fund balance for Measure K Renewal was (\$75,421,957), showing a \$61,693,466 increase over the prior year.
- Total liabilities of the Council increased by \$1,509,034 to \$397,211,749 during the fiscal year. Commercial paper obligations outstanding during the fiscal year did not increase, and remain fixed at \$167 million. In May, 2008, the Council issued \$203,355,000 in Bond Anticipation Notes (BANs) generating \$210,003,362. Also see Note 8 of the notes to the financial statements.

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 agency'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 San Joaquin Council of Governments that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The Council conducts no business-type activities. The governmental activities of the San Joaquin Council of Governments include General administration, Transportation Development Act Fund and Measure K Fund administration.

The government-wide financial statements include not only the San Joaquin Council of Governments itself (known as the *primary government*), but also a legally separate not-for-profit corporation, SJCOG, INC., the San Joaquin County Multi-species Habitat Plan, for which the San Joaquin Council of Governments 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 30 & 31 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 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The San Joaquin Council of Governments maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the all funds which are considered to be major funds.

The San Joaquin Council of Governments 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 32 - 38 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 39 - 58 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 San Joaquin Council of Governments, assets exceeded liabilities by \$43,374,572 at the close of the most recent fiscal year.

The largest portion of the Council's assets (86.7 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 San Joaquin Council of Governments 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 (\$100,703,058) is due to Measure K and Measure K Renewal contract commitments that are based upon anticipated 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, 2009 fiscal year. Overall, SJCOG's net assets increased by \$32,189,259 as shown in the table below. The most significant reason for the variance in current and other assets is the increase of \$22,109,000 intergovernmental receivable applicable to the State's second AB3090 installment. Advances to other agencies increased by \$13,492,430, the end result of a prior period adjustment applicable to inaccurate reporting on Local Street and Road advances issued to City of Stockton and San Joaquin County Public Works.

Capital assets increased \$3,933,277 due to easement acquired in accordance with the San Joaquin County Habitat Conservation Plan.

	Governmental Activities 2009	2008	Increase (Decrease)
Current and other assets	\$ 398,909,771	\$ 369,144,755	\$ 29,765,016
Capital assets	<u>41,676,550</u>	<u>37,743,273</u>	<u>3,933,277</u>
Total assets	<u>440,586,321</u>	<u>406,888,028</u>	<u>33,698,293</u>
Long-term liabilities outstanding	374,959,116	377,310,461	(2,351,345)
Other liabilities	<u>22,252,633</u>	<u>18,392,254</u>	<u>3,860,379</u>
Total liabilities	<u>397,211,749</u>	<u>395,702,715</u>	<u>1,509,034</u>
Net assets			
Invested in capital assets, net of related debt	35,758,363	31,734,543	4,023,820
Restricted	108,319,267	109,743,820	(1,424,553)
Unrestricted	<u>(100,703,058)</u>	<u>(130,293,050)</u>	<u>29,589,992</u>
Total net assets	<u>\$ 43,374,572</u>	<u>\$ 11,185,313</u>	<u>\$ 32,189,259</u>

	Governmental Activities 2009	2008	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for services	\$ 1,515,686	\$ 9,439,404	\$ (7,923,718)
Operating grants and contributions			
Sales tax	126,170,792	73,149,434	53,021,358
Other operating grants and contributions	19,949,350	17,621,985	2,327,365
General revenues - investments and miscellaneous	<u>68,819</u>	<u>104,507</u>	<u>(35,688)</u>
Total revenues	<u>147,704,647</u>	<u>100,315,330</u>	<u>47,389,317</u>
Expenses:			
General government	6,505,020	6,710,331	(205,311)
Transportation	124,121,214	122,691,177	1,430,037
Habitat development and management	<u>1,080,070</u>	<u>1,062,862</u>	<u>17,208</u>
Total expenses	<u>131,706,304</u>	<u>130,464,370</u>	<u>1,241,934</u>
Increases (Decreases) in net assets	15,998,343	(30,149,040)	46,147,383
Net assets, July 1, 2008 - as restated	<u>27,376,229</u>	<u>41,334,353</u>	<u>(13,958,124)</u>
Net assets, June 30, 2009	<u>\$ 43,374,572</u>	<u>\$ 11,185,313</u>	<u>\$ 32,189,259</u>

There was an overall \$47,389,317 (47.24%) increase in total revenues during the year. This was primarily due to \$63,000,000 of AB3090 State revenue. However, this increase was offset by a decrease in State Assistance (STA) PUC 99313, Measure K Sales Tax, Local Transportation (LTF) revenues, and Regional Transportation Impact Fee collections (RTIF). Another contributing factor was the additional interest revenues and the cumulative impact in fair market valuations for investments and cash balances in the major funds.

The State Assistance (STA) revenue decreased by \$2,674,233, Measure K decreased by \$5,114,053, Local Transportation Fund (LTF) revenue decreased by \$2,884,356 and the Regional Transportation Impact Fee (RTIF) decreased by \$1,234,133. This is due to a decrease in sales tax, gasoline tax revenues, and decreased development fee collections during the current fiscal year. General revenues decreased by \$35,687.

Financial Analysis of the Council's Funds

As noted earlier, the San Joaquin Council of Governments 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 combined ending fund balances of \$376,620,143 an increase of \$25,925,774 in comparison with the prior year. Of this total amount, (\$106,160,465) constitutes *unreserved fund balance*. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed (1) to liquidate future Measure K and Measure K Renewal contract commitments \$94,626,527, (2) to pay debt service \$374,461,341, (3) to pay future LTF Fund claims of \$1,824,805, and STA Fund claims of \$868,437 and (4) to pay future RTIF claims of \$3,188,410, (5) for habitat acquisition, maintenance and management \$7,811,087.

General Fund - The general fund is the chief operating fund of the San Joaquin Council of Governments. At the end of the current fiscal year, unreserved fund balance of the general fund was (\$2,686,636) as noted on page 1. The Council's general fund currently has no reserved fund balance. The Planning and Administration's overall fund balance increased by \$486,084 during the current fiscal year. Primarily due to cost savings on Indirect Salaries, Indirect Fringe Benefits, and Indirect Office expense.

Measure K Fund - The Measure K 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 \$40,466,872 for the June 30, 2009 fiscal year end. The Measure K Fund balance increased by \$42,357,827 over the previous year due to the following:

A \$16,190,916 prior period adjustment applicable to Local Street and Road advances issued to City of Stockton and San Joaquin County Public Works. In addition, receipt of \$63,000,000 of AB3090 revenue accounted for an excess of revenue over in the amount of \$26,166,911.

The **Measure K Renewal Fund**, which is used to account for the additional ½ cent sales tax approved by the San Joaquin County voters as an extension of Measure K. The Measure K renewal sales tax collections begin in April 2011. In anticipation of those revenues, SJCOG developed a strategic plan to begin delivering some of the Renewal projects prior to 2011. These projects accounted for an excess of expenditures over revenue in the amount of \$13,268,145.

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, 2009 fiscal year, totaled \$20,270,843, a decrease of 12.5% over the previous fiscal year. The LTF fund balance decreased by \$52,205 due to an increase in total claims from various entities and the decrease 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, 2009 fiscal year end totaled \$1,739,077, a decrease of 60.6% over the previous fiscal year. The STA fund balance decreased by \$261,046 due to a decrease in sales tax revenues.

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 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, 2009 fiscal year totaled \$1,280,004, a decrease of 84.1% over the previous fiscal year, reflecting a decrease in mitigation fee collections. The SJCOG, INC. fund balance decreased by \$3,771,198 in the June 30, 2009 fiscal year. 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, 2009 fiscal year totaled \$364,411, a decrease of 77.2% over the previous fiscal year, reflecting a significant decrease in RTIF fee collections. The RTIF fund balance increased by \$434,457 in the June 30, 2009 fiscal year. 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. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board. No supplemental appropriations were required during the year ended June 30, 2009.

Analysis of budget to actual depicts a \$1,144,056 shortfall in revenue, largely due to a decrease in State and Federal multi-year grants which will roll over to next years' budget.

	Original Budget	Final Budget	Actual	Difference Between Final Budget and Actual
REVENUES:				
Intergovernmental:				
Federal grants	\$ 2,775,785	\$ 2,889,515	\$ 2,573,905	\$ (315,610)
State grants	1,563,469	1,565,528	905,128	(660,400)
Local	3,535,000	3,362,138	3,176,702	(185,436)
Interest	20,000	20,000	40,791	20,791
Other	30,000	30,000	26,599	(3,401)
Total revenues	7,924,254	7,867,181	6,723,125	(1,144,056)
EXPENDITURES:				
Planning and administration	7,843,754	7,786,681	6,237,041	1,549,640
Capital outlay	80,500	80,500	50,316	30,184
Total expenditures	7,924,254	7,867,181	6,287,357	1,579,824
OTHER FINANCING SOURCES:				
Capital leases	-	-	50,316	50,316
Change in fund balance	\$ -	\$ -	\$ 486,084	\$ 486,084

Capital Asset and Debt Administration

Capital assets

The San Joaquin Council of Governments' investment in capital assets for its governmental type activities as of June 30, 2009 amounts to \$41,676,550 (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 and office and computer equipment. The net increase in the Council's investment in capital assets, net of depreciation, for the current fiscal year was \$3,933,277.

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

The Council acquired \$4,206,120 of conservation easements. In addition, the Council acquired \$50,316 of office and computer equipment under various capital leases during the 2008-2009 fiscal year. The Council disposed of \$23,245 of capital assets in the fiscal year ended June 30, 2009.

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

	Governmental Activities	
	June 30, 2009	June 30, 2008
Land and conservation easements	\$ 34,943,544	\$ 30,737,424
Office furniture and fixtures	152,255	168,408
Office building	6,106,682	6,284,248
Building improvements	355,387	382,981
Office and computer equipment	118,682	170,212
Total	<u>\$ 41,676,550</u>	<u>\$ 37,743,273</u>

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

Long-term debt

At the end of the current fiscal year, the San Joaquin Council of Governments had total commercial paper debt outstanding of \$167,000,000, and Bond Anticipation Notes of \$207,461,342. Of this amount, backup liquidity consisted of \$145,230,299 of liquid investments in the Public Financial Management portfolio, \$177,925,906 in California Asset Management Pool, \$80,756 in State of California Local Agency Investment Fund, \$2,856,269 in the San Joaquin County Pool.

SAN JOAQUIN COUNCIL OF GOVERNMENTS Outstanding Debt Commercial Paper Obligations

	Governmental Activities	
	June 30, 2009	June 30, 2008
Commercial paper obligations	\$ 167,000,000	\$ 167,000,000
Bond anticipation notes, net of amortization	207,461,342	209,807,822
Total	<u>\$ 374,461,342</u>	<u>\$ 376,807,822</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 in order to facilitate construction of Interstate 205 Freeway improvements. These improvements began in Spring 2006. The California Transportation Commission (CTC) is scheduled to repay the Council with cash, beginning in the 2008-09 fiscal year.

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 will partially fund the Early Action Program of Measure K Renewal. The BANs expire April 1, 2011. On or before that date, the BANs must be retired through another debt issuance. The BANs are rated A-1 by Standard and Poor's (S&P), the highest short term rating. For the subsequent issuance, S&P has issued a AA long term rating.

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 San Joaquin Council of Governments 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 nearly 12% over last fiscal year. The economic decline is estimated to continue into 2009-10 with sales tax receipts forecast to drop as much as 25%. The primary economic segments responsible for the fall off in sales tax are businesses associated with home building and development and new car sales.

Notwithstanding these declines, SJCOG will continue to be able to perform its responsibilities without any major disruptions. The impact will be few sales tax dollars for distribution to Measure K local street repair projects, the possible deletion or postponement of Measure K congestion relief projects that have not experienced any activity to date and fewer LTF transit dollars.

Total operating revenues are expected to increase by \$.55 million or 6.9% in the 2009-2010 fiscal years.

Measure K and Local Transportation Fund revenue sources that account for 32.8% is expected to decline at a 7.5%-10% rate.

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, 2009**

	Governmental Activities
<u>ASSETS</u>	
Cash and cash equivalents	\$ 13,830,644
Investments	231,565,849
Sales tax receivable	4,711,562
Interest receivable	2,455,663
Intergovernmental receivables	23,925,138
Advances to other agencies	13,492,430
Prepays	107,763
Refunds and miscellaneous receivables	50,848
Deferred issuance costs	36,994
Notes receivable	8,669,902
Restricted assets:	
Temporarily restricted:	
Cash and cash equivalents	99,002,222
Interest receivable	18,578
Intergovernmental receivables	697,978
Deposits with State of California	344,200
Capital assets:	
Land and conservation easements	34,943,544
Capital assets, net of accumulated depreciation	6,733,006
Total Assets	440,586,321
<u>LIABILITIES</u>	
Accounts payable	21,002,839
Wages and benefits payable	86,684
Interest payable	801,521
Unearned revenue	322,892
Liabilities payable from restricted assets	38,697
Noncurrent liabilities	
Due within one year:	
Compensated absences	112,062
Lease obligations	56,873
Bond premium	2,346,481
Due in more than one year	
Sick leave and compensated absences	290,653
Lease obligations	38,186
Commercial paper	167,000,000
Bond anticipation notes, net of amortization	205,114,861
Total Liabilities	397,211,749
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	35,758,363
Restricted for:	
Habitat acquisition and management	7,811,087
Apportioned	8,837,068
Debt service	91,671,112
Unrestricted	(100,703,058)
Total Net Assets	\$ 43,374,572

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, 2009**

Functions	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
<u>Functions/Programs</u>					
Primary Government:					
Governmental activities:					
General government	\$ 6,292,146	\$ 696	\$ 5,241,466	\$ -	\$ (1,049,984)
Transportation	124,121,214	-	140,878,676	-	16,757,462
Habitat development	1,080,070	1,514,990	-	-	434,920
Interest expense	212,874	-	-	-	(212,874)
Totals	\$ 131,706,304	\$ 1,515,686	\$ 146,120,142	\$ -	15,929,524
General Revenues:					
					40,790
					28,029
					<u>68,819</u>
					15,998,343
					11,185,313
					16,190,916
					<u>\$ 43,374,572</u>

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009**

	General	Measure K	Measure K Renewal	Local Transportation Fund
ASSETS				
Cash and cash equivalents	\$ 1,117,879	\$ 1,737,351	\$ -	\$ 5,400,073
Investments	-	231,565,849	-	-
Sales tax receivable	-	2,828,200	-	1,328,500
Interest receivable	2,985	2,424,687	-	14,246
Intergovernmental receivable	1,096,083	22,736,931	-	-
Advances to Other Agencies	-	13,492,430	-	-
Prepays	96,060	11,667	-	-
Refunds and miscellaneous receivables	13,668	-	-	-
Due from other funds	1,449,764	17,695,027	-	117,875
Notes receivable	-	8,363,904	305,998	-
Cash and investments - restricted	-	91,671,113	-	-
Interest receivable - restricted	-	-	-	-
Intergovernmental receivable - restricted	-	-	-	-
Deposits with State of California - restricted	-	344,200	-	-
Total Assets	<u>\$ 3,776,439</u>	<u>\$ 392,871,359</u>	<u>\$ 305,998</u>	<u>\$ 6,860,694</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ 290,718	\$ 6,706,837	\$ 6,797,458	\$ 5,035,889
Accrued salaries and benefits	86,684	-	-	-
Interest payable	15,814	785,707	-	-
Due to other funds	5,941,002	1,401,414	11,871,900	-
Deferred revenue	128,857	-	-	-
Total Liabilities	<u>6,463,075</u>	<u>8,893,958</u>	<u>18,669,358</u>	<u>5,035,889</u>
Fund Balances:				
Reserved for:				
Debt service	-	374,461,341	-	-
Advances to other funds	-	17,695,027	-	-
Contract commitments	-	37,567,931	59,809,641	-
Habitat acquisition and management	-	-	-	-
Unreserved:				
Designated for future claims	-	-	-	1,824,805
Unreserved	(2,686,636)	(45,746,898)	(78,173,001)	-
Total Fund Balances	<u>(2,686,636)</u>	<u>383,977,401</u>	<u>(18,363,360)</u>	<u>1,824,805</u>
Total Liabilities and Fund Balances	<u>\$ 3,776,439</u>	<u>\$ 392,871,359</u>	<u>\$ 305,998</u>	<u>\$ 6,860,694</u>

(Continued)

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS
JUNE 30, 2009**

	State Transit Assistance Fund	Regional Transportation Impact	SJCOG, Inc.	Total
ASSETS				
Cash and cash equivalents	\$ 2,437,011	\$ 3,138,330	\$ -	\$ 13,830,644
Investments	-	-	-	231,565,849
Sales tax receivable	554,862	-	-	4,711,562
Interest receivable	5,817	7,928	-	2,455,663
Intergovernmental receivable	-	92,124	-	23,925,138
Advances to Other Agencies	-	-	-	13,492,430
Prepays	-	-	36	107,763
Refunds and miscellaneous receivables	-	-	37,180	50,848
Due from other funds	-	-	-	19,262,666
Notes receivable	-	-	-	8,669,902
Cash and investments - restricted	-	-	7,331,109	99,002,222
Interest receivable - restricted	-	-	18,578	18,578
Intergovernmental receivable - restricted	-	-	697,978	697,978
Deposits with State of California - restricted	-	-	-	344,200
Total Assets	<u>\$ 2,997,690</u>	<u>\$ 3,238,382</u>	<u>\$ 8,084,881</u>	<u>\$ 418,135,443</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ 2,129,253	\$ 42,684	\$ 38,697	\$ 21,041,536
Accrued salaries and benefits	-	-	-	86,684
Interest payable	-	-	-	801,521
Due to other funds	-	7,288	41,062	19,262,666
Deferred revenue	-	-	194,035	322,892
Total Liabilities	<u>2,129,253</u>	<u>49,972</u>	<u>273,794</u>	<u>41,515,299</u>
Fund Balances:				
Reserved for:				
Debt service	-	-	-	374,461,341
Advances to other funds	-	-	-	17,695,027
Contract commitments	-	-	-	97,377,572
Habitat acquisition and management	-	-	7,811,087	7,811,087
Unreserved:				
Designated for future claims	868,437	3,188,410	-	5,881,652
Unreserved	-	-	-	(126,606,535)
Total Fund Balances	<u>868,437</u>	<u>3,188,410</u>	<u>7,811,087</u>	<u>376,620,144</u>
Total Liabilities and Fund Balances	<u>\$ 2,997,690</u>	<u>\$ 3,238,382</u>	<u>\$ 8,084,881</u>	<u>\$ 418,135,443</u>

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

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**SAN JOAQUIN COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

Total Fund Balances - Governmental Funds \$ 376,620,144

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 \$34,543,544 plus \$8,655,693, and the accumulated depreciation is \$1,522,687. 41,676,550

Unamortized costs: In governmental funds, charges for commercial paper issuance costs are recognized as expenditures in the period they as incurred. In the government-wide statements, debt issuance costs are amortized over the life of the debt. Unamortized debt issuance costs included on the statement of net assets are: 36,993

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	(167,000,000)
Bond Anticipation Notes	(203,355,000)
Bond Premium	(4,106,341)
Capital Leases Payable	(95,059)
Compensated Absences	(402,715)
	(402,715)

Total Net Assets - Governmental Activities \$ 43,374,572

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, 2009**

	General	Measure K	Measure K Renewal	Local Transportation Fund
REVENUES				
Sales tax	\$ -	\$ 40,466,872	\$ -	\$ 20,270,843
Intergovernmental	6,653,610	-	-	-
Charges for services	696	-	-	-
Interest	31,670	11,449,410	-	104,896
Dividends	-	1,032,319	-	-
Unrealized gains (losses) on investments	9,120	1,597,722	-	22,972
Other	28,029	63,694,000	-	-
Total Revenues	6,723,125	118,240,323	-	20,398,711
EXPENDITURES				
General administration	5,958,266	269,273	-	1,110,125
RTIF program updates	-	-	-	-
Streets and roads	-	13,851,586	-	5,294,807
Pedestrian and bicycle	-	-	-	479,340
Transit	-	23,926,147	-	13,566,644
Congestion relief	-	39,697,950	13,192,341	-
Railroad safety crossings	-	137,829	-	-
Smart Growth	-	-	75,803	-
Habitat plan	-	-	-	-
Investment expense	-	748,954	-	-
PTMISEA disbursements	-	-	-	-
Debt service				
Principal	65,901	-	-	-
Interest	212,874	13,441,673	-	-
Capital outlay				
Capital assets	-	-	-	-
Capital leases	50,316	-	-	-
Total Expenditures	6,287,357	92,073,412	13,268,144	20,450,916
Excess (Deficiency) of Revenues over Expenditures	435,768	26,166,911	(13,268,144)	(52,205)
OTHER FINANCING SOURCES				
Capital leases	50,316	-	-	-
Total Other Financing Sources (Uses)	50,316	-	-	-
Change in Fund Balance	486,084	26,166,911	(13,268,144)	(52,205)
Fund Balance (Deficit) at Beginning of Year, as previously reported	(3,172,720)	341,619,574	(5,095,216)	1,877,010
Prior Period Adjustment	-	16,190,916	-	-
Fund Balance (Deficit) at Beginning of Year, as restated	(3,172,720)	357,810,490	(5,095,216)	1,877,010
Fund Balance (Deficit) at End of Year	\$ (2,686,636)	\$ 383,977,401	\$ (18,363,360)	\$ 1,824,805

(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, 2009**

	State Transit Assistance	Regional Transportation Impact	SJCOG, Inc.	Total
REVENUES				
Sales tax	\$ 1,739,077	\$ -	\$ -	\$ 62,476,792
Intergovernmental	-	-	-	6,653,610
Charges for services	-	364,411	1,280,004	1,645,111
Interest	43,998	60,513	155,936	11,846,423
Dividends	-	-	-	1,032,319
Unrealized gains (losses) on investments	16,946	14,696	39,020	1,700,476
Other	-	-	40,030	63,762,059
Total Revenues	1,800,021	439,620	1,514,990	149,116,790
EXPENDITURES				
General administration	27,584	5,163	478,344	7,848,755
RTIF program updates	-	-	-	-
Streets and roads	-	-	-	19,146,393
Pedestrian and bicycle	-	-	-	479,340
Transit	1,380,794	-	-	38,873,585
Congestion relief	-	-	-	52,890,291
Railroad safety crossings	-	-	-	137,829
Smart Growth	-	-	-	75,803
Habitat plan	-	-	601,724	601,724
Investment expense	-	-	-	748,954
PTMISEA disbursements	652,689	-	-	652,689
Debt service				
Principal	-	-	-	65,901
Interest	-	-	-	13,654,547
Capital outlay				
Capital assets	-	-	4,206,120	4,206,120
Capital leases	-	-	-	50,316
Total Expenditures	2,061,067	5,163	5,286,188	139,432,247
Excess (Deficiency) of Revenues over Expenditures	(261,046)	434,457	(3,771,198)	9,684,543
OTHER FINANCING SOURCES				
Capital leases	-	-	-	50,316
Total Other Financing Sources (Uses)	-	-	-	50,316
Change in Fund Balance	(261,046)	434,457	(3,771,198)	9,734,859
Fund Balance (Deficit) at Beginning of Year, as previously reported	1,129,483	2,753,953	11,582,285	350,694,369
Prior Period Adjustment	-	-	-	16,190,916
Fund Balance (Deficit) at Beginning of Year, as restated	1,129,483	2,753,953	11,582,285	366,885,285
Fund Balance (Deficit) at End of Year	\$ 868,437	\$ 3,188,410	\$ 7,811,087	\$ 376,620,144

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, 2009**

Total Net Change in Fund Balances - Governmental Funds \$ 9,734,859

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 (\$4,256,436) exceeded depreciation (\$323,159) in the current period. 3,933,276

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. (50,316)

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. 65,901

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: (21,138)

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. (10,720)

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 issue 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: 2,346,481

Change in Net Assets of Governmental Activities \$ 15,998,343

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, 2009**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The 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 and provides technical assistance to local agencies and member jurisdictions as needed and is overseeing 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 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 San Joaquin Council of Governments is responsible for the administration of SJCOG, INC. and the San Joaquin County Multispecies Habitat Conservation Plan. The Council's Board of Directors 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 changes in net assets) report information on all of the nonfiduciary 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 segments 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

GASB Statement 34 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 either 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 *Measure K Fund* is used to account for the additional ½ cent sales tax approved by the San Joaquin County voters under Measure K to fund a twenty year 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 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 Program, and the Council derives revenues from the fund for administrative and project management functions related to Measure K.

The 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 November 2006, to fund a thirty-year transportation expenditure plan. Commonly referred to as an extension of the original Measure K, sales tax revenues for the renewal will 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 Directors that provides funding for Renewal projects prior to the initiation of sales tax collection. Funding for those projects will come from a Bond Financing program. Project expenses and debt service are tracked in the Measure K Renewal Fund. Council management and staff administer the Measure-K Renewal Program; and the Council derives revenues from the fund for administrative and project management functions related to Measure-K Renewal.

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 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. Council management and staff administer the STA program, and the Council derives revenues from the fund for administrative and planning functions related to STA.

Proposition 1B Funds – in 2006, California voters approved a statewide initiative to provide funding for transportation infrastructure improvements and transit capital projects. SJCOG is eligible to receive funding from various categories of these funds.

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 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.

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deposits and investments (Continued)

Under State law the Council may invest in obligations of the U.S. Treasury, U.S. agencies, State of California and local agencies and instrumentalities, commercial paper of the highest short-term rating category as provided by Moody's Investor Service, Inc. or Standard and Poors Corporation, banker's acceptances, repurchase agreements, medium-term corporate notes, mutual funds, time certificates of deposit and 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, 2009 are considered to be current and due to be repaid within the upcoming fiscal year.

All accounts receivable and intergovernmental receivables are shown at their net collectible balances. Accounts receivable represent various non-intergovernmental collectible amounts due at June 30, 2009. Intergovernmental receivables represent claims for reimbursements and sales tax revenues receivable from various federal, state and local governmental agencies as of June 30, 2009.

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 the fund balance that are not available for appropriation or expenditure and/or are legally segregated for a specific future use. The restricted balance for noncurrent notes receivable is for amounts not expected to be collected during the current year and does not represent available expendable resources. The restricted balance for debt service is the portion of fund balance legally restricted for the payment of interest and principal on the commercial paper obligations and Bond Anticipation Notes. Designations of unrestricted fund balances in governmental funds indicate management's tentative plans for use of financial resources in a future period for possible contingencies and to cover infrequent or onetime costs that may not be covered by regularly budgeted allocations. Apportioned fund balance represents amounts that have been reserved for allocation and payment under the Transportation Development Act to certain jurisdictions upon the submission of a claim by a claimant for that jurisdiction and the approval of the claim by the Council. A component of the Measure K Fund Balance is titled Reserved For Contract Commitments. This component represents contract committed Measure K and Measure K Renewal funds that remain in the Fund and are not a component of current Accounts Payable or Intergovernmental Payable. This portion of fund balance represents Measure K and Measure K Renewal funds that have been committed to specific long-term contracted projects.

Capital assets

Capital assets, which include office furniture and equipment, leasehold improvements and assets under capital leases, are reported in the governmental activity 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.

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 leave 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 leave. 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 \$112,062 at June 30, 2009.

Long-term 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 \$167,000,000 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, 2011. These notes can be rolled over until March 31, 2011, 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 Council issued Bond Anticipation Notes on May 21, 2008 to provide funding for the Measure K and Measure K renewal programs. The Council received \$210 million in proceeds at a discount of \$203,355,000. The BANS will be replaced by a future issuance. Proceeds are invested in both the CAMP pool and in an individual portfolio with PFM.

Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

C. Current Governmental Accounting Standards Board Statements – Implemented Pronouncements

Governmental Accounting Standards Board Statement No. 49

In November of 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This Statement is effective for periods beginning after December 15, 2007. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. For recognized pollution remediation liabilities and recoveries, this Statement requires governments to disclose the nature and source of pollution remediation obligations, the amount of the estimated liability (if not apparent from the financial statements), the methods and assumptions used for the estimate, the potential for changes in estimates, and estimated recoveries that reduce the measurement of the liability.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Current Governmental Accounting Standards Board Statements – Implemented Pronouncements (Continued)

Governmental Accounting Standards Board Statement No. 55

The Agency implemented GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* effective for the year ended June 30, 2009. This statement incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature.

Governmental Accounting Standards Board Statement No. 56

The Agency implemented GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards* for the year ended June 30, 2009. This statement incorporates the Governmental Accounting Standards Board's (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountant's Statement on Auditing Standards.

D. Future Governmental Accounting Standards Board Statements

Governmental Accounting Standards Board Statement No. 51

In June of 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This Statement is effective for financial statements for periods beginning after June 15, 2009. Governments possess many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to enhance the comparability of the accounting and financial reporting of such assets among state and local governments. This Statement requires that an intangible asset be recognized in the statement of net assets only if it is considered identifiable. Additionally, this Statement establishes a specified-conditions approach to recognizing intangible assets that are internally generated. This Statement also establishes guidance specific to intangible assets related to amortization. SJCOG has elected not to early implement GASB No. 51 and has not determined its effect on the SJCOG financial statements.

Governmental Accounting Standards Board Statement No. 52

In November of 2007, GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. This Statement more appropriately reports the resources available in endowments and more closely aligns financial reporting with the objectives of endowments. It results in property held for similar purposes by comparable entities being reported in the same manner. Reporting land and other real estate held as investments at fair value enhances users' ability to meaningfully evaluate an entity's investment decisions and performance. SJCOG has elected not to early implement GASB No. 52 and has not determined its effect on the SJCOG financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Future Governmental Accounting Standards Board Statements (Continued)

Governmental Accounting Standards Board Statement No. 53

In June of 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments used by governments include interest rate and commodity swaps, interest rate locks, options (caps, floors, and collars), swaptions, forward contracts, and futures contracts. Governments enter into derivative instruments as investments; as hedges of identified financial risks associated with assets or liabilities, or expected transactions (that is, hedgeable items); or to lower the costs for borrowings. Governments often enter into derivative instruments with the intention of effectively fixing cash flows or synthetically fixing prices. Governments also enter into derivative instruments to offset the changes in fair value of hedgeable items. A key provision in this Statement is that derivative instruments covered in its scope, with the exception of synthetic guaranteed investment contracts (SGICs) that are fully benefit-responsive, are reported at fair value. The objectives, terms, and risks of hedging derivative instruments are required disclosures. Disclosures also include a summary of derivative instrument activity that provides an indication of the location of fair value amounts reported on the financial statements. The disclosures for investment derivative instruments are similar to the disclosures of other investments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. SJCOG has elected not to early implement GASB No. 53 and has not determined its effect on the SJCOG financial statements.

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. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. SJCOG has elected not to early implement GASB No. 54 and has not determined its effect on the SJCOG financial statements.

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 30 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, 2009. The bi-annual Strategic Plan and revenue estimate for the Measure K Special Revenue Fund are approved by the SJCOG Board. The Local Transportation Special Revenue 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 Special Revenue 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	\$ 13,830,644
Investments	231,565,849
Restricted - Cash	7,331,109
Restricted - Investments	<u>91,671,113</u>
 Total cash and investments	 <u><u>\$ 344,398,715</u></u>

Cash and investments as of June 30, 2009 consist of the following:

Cash in county treasury	\$ 21,161,753
Local Agency Investment Fund (LAIF)	80,800
Cash and investments held by bond trustee	<u>323,156,162</u>
 Total cash and investments	 <u><u>\$ 344,398,715</u></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

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.

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investments authorized by debt agreements (Continued)

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	\$ 21,161,753	\$ 21,161,753	\$ -	\$ -	\$ -
State investment pool	80,800	80,800	-	-	-
Held by trustee:					
Cash	102,508	102,508	-	-	-
Money market funds	91,671,072	91,671,072	-	-	-
Muni bond	2,013,400	2,013,400	-	-	-
Corporate debt securities	27,233,081	3,927,703	8,038,387	15,266,991	-
US Treasury securities	58,762,231	698,916	25,651,995	32,411,320	-
Federal agency securities	143,373,870	98,090,977	29,703,648	15,579,245	-
	<u>\$ 344,398,715</u>	<u>\$ 217,747,129</u>	<u>\$ 63,394,030</u>	<u>\$ 63,257,556</u>	<u>\$ -</u>

Investments with fair values highly sensitive to interest rate fluctuations

Highly Sensitive Investments	Fair Value at Year-End
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>\$ 143,373,870</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	\$ 21,161,753	N/A	N/A	\$ 21,161,753
State investment pool	80,800	N/A	N/A	80,800
Held by trustee:				
Cash	102,508			102,508
Money market funds	91,671,072	AAA/Aa	AAAm	-
Muni Bond	2,013,400		A/A2	-
Corporate debt securities:				
Suntrust Banks	3,095,223	A	AAA/Aaa	-
Citigroup, Inc.	2,494,364	A	AAA/Aaa	-
Regions Bank	3,631,481	A	AAA/Aaa	-
Sovereign Bank	1,722,704	A	AAA/Aaa	-
Bank of America Corp. MTN	3,505,334	A	AAA/Aaa	-
JPMorgan Chase & Co.	3,312,250	A	AAA/Aaa	-
US Bankcorp SR MTN	1,209,945	A	A+/Aa3	-
Merrill Lynch & Co. MTN	1,502,136	A	A/A2	-
General Electric Capital Corp.	2,811,996	A	AA+/Aa2	-
Goldman Sachs Corp. Note	2,425,567	A	AA-/A1	-
Merrill Lynch & Co. Inc Notes		A		-
Credit Suisse USA INC GL FRN	1,522,081	A	A+/Aa1	-
US Treasury Bonds/Notes	58,762,231	TSY	TSY	-
Federal agency securities	143,373,870	N/A	AAA/Aaa	-
	<u>\$ 344,398,715</u>			<u>\$ 21,345,061</u>

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
FHLMC	Federal agency securities	\$ 44,689,925
FNMA	Federal agency securities	68,493,989
FHLB	Federal agency securities	30,189,956

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.

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investment in San Joaquin County Pool

The Council maintains its cash balances in the San Joaquin County Treasury Investment Pool. The pool is non-SEC registered, but 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 Board of Supervisors and causes an audit of investments to occur annually.

At year-end, the carrying amount of the County's cash on hand and authorized deposits at various financial institutions was \$26,217,515. Of the total deposits, \$24,886,031 was uninsured but secured by the pledging banks and, therefore, was exposed to custodial credit risk. Statutes and County investment policy allow the pool deposits to be covered by federal depository insurance or by a multiple financial institution collateral pool, which is maintained at a minimum of 110% of the uninsured deposits with the pledging institution's agent in the institution's name. The County has made no exception to this requirement during the current year.

The fair value of the Council's shares in the San Joaquin County Pool is the same as the value of the pool shares. The San Joaquin Council of Governments had a total of \$21,161,753 invested in the San Joaquin County Pool at June 30, 2009.

Investment in State Investment Pool

The Agency 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. 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.

The total fair value amount invested by all public agencies in LAIF at June 30, 2009, is \$50.9 billion, managed by the State Treasurer. Of that amount, 100 percent is invested in non-derivative financial products and -0- percent in derivative financial products. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The 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, 2009 was \$80,800.

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, US 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, 2009 of 131 days.

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investment in State Investment Pool (Continued)

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 Poors. To maintain the Aam rating, the portfolio weighted average maturity may not exceed 70 days.

Included in the CAMP money market fund balances above are accounts that are created for the payment and tracking of interest and principal on the commercial paper debt obligations, totaling \$519, \$97, \$39,127,810, and \$52,542,687 respectively. The investments with fiscal agents as well as the \$91,671,113 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 County Treasurer is invested as authorized by statutes.

NOTE 4 – RECEIVABLES

Receivables as of year end for the Council's individual major funds are as follows:

	<u>General</u>	<u>Measure K</u>	<u>Local Trans- portation</u>	<u>State Transit Assistance</u>	<u>RTIF</u>	<u>SJCOG INC.</u>	<u>Total</u>
Receivables:							
Interest	\$ 2,985	\$ 2,424,687	\$ 14,246	\$ 5,817	\$ 7,928	\$ -	\$ 2,455,663
Sales taxes	-	2,828,200	1,328,500	554,862	-	-	4,711,562
Intergovernmental	1,096,083	36,229,361	-	-	92,124	-	37,417,568
Intergovernmental - Restricted	-	-	-	-	-	697,978	697,978
Interest - restricted	-	-	-	-	-	18,578	18,578
Total Receivables	<u>\$ 1,099,068</u>	<u>\$ 41,482,248</u>	<u>\$ 1,342,746</u>	<u>\$ 560,679</u>	<u>\$ 100,052</u>	<u>\$ 716,556</u>	<u>\$ 45,301,349</u>

Notes receivable

Notes receivable represents advance loans of Measure K Fund monies to the San Joaquin Regional Rail Commission to facilitate Measure K projects.

The San Joaquin Regional Rail Commission note balance as of June 30, 2009, is \$8,363,904. Accrued interest receivable on these borrowings is reflected in the Measure K Fund at June 30, 2009.

There was no outstanding balance or accrued interest receivable on the San Joaquin Regional Rail Commission line of credit at June 30, 2009.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	June 30, 2008	Increases	Decreases	June 30, 2009
Governmental activities:				
Capital assets, not being depreciated:				
Land and conservation easements	\$ 30,737,424	\$ 4,206,120	\$ -	\$ 34,943,544
Capital assets, being depreciated:				
Office furniture and fixtures	242,294	-	-	242,294
Office building	7,102,653	-	-	7,102,653
Building improvements	505,330	-	-	505,330
Office and computer equipment	378,345	50,316	(23,245)	405,416
	8,228,622	50,316	(23,245)	8,255,693
Less accumulated depreciation for:				
Office furniture and fixtures	(73,886)	(16,153)	-	(90,039)
Office building	(818,405)	(177,566)	-	(995,971)
Building improvements	(122,349)	(27,594)	-	(149,943)
Office and computer equipment	(208,133)	(101,846)	23,245	(286,734)
	(1,222,773)	(323,159)	23,245	(1,522,687)
Total capital assets being depreciated, net	7,005,849	(272,843)	-	6,733,006
Governmental activities capital assets, net	<u>\$ 37,743,273</u>	<u>\$ 3,933,277</u>	<u>\$ -</u>	<u>\$ 41,676,550</u>

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:

	2009	2008
Governmental activities		
General government	\$ 323,159	\$ 309,864

Financing - Regional Center and administrative facilities

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 in the amount of \$22,949, bearing a nominal annual interest rate of 3.418%.

The balance of debt service, and interest, for the General Fund, as of fiscal year ended June 30, 2009, was \$5,823,127. 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 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2009 is as follows:

<u>Due To/From</u>	<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>
Governmental Funds		
General Fund	\$ 1,449,764	\$ 5,941,002
Measure K Fund	17,695,027	1,401,414
Measure K Renewal	-	11,871,901
Local Transportation Fund	117,875	-
Regional Transportation Impact Fund	-	7,288
SJCOG, Inc.	-	41,061
Totals	<u>\$ 19,262,666</u>	<u>\$ 19,262,666</u>

General Fund receivables from the Measure K Fund represent one year of MK Planning and Administrative revenues due to the General Fund as of June 30, 2009. General Fund receivables from the Regional Transportation Impact Fund (RTIF) represent the final accrued RTIF Planning funds due to the General Fund at June 30, 2009. Habitat Management fees in the amount of \$41,061 were due from the SJCOG, Inc. Fund to the General Fund at June 30, 2009.

Measure K receivables from the General Fund represents balance of advance utilized to finance construction of SJCOG's Office Building. Measure K receivable from Measure K Renewal Fund represents balance of advance to finance Measure K Renewal Projects.

Local Transportation receivable from the General Fund in the amount of \$117,875 represents LTF Administrative revenues over claimed at June 30, 2009.

NOTE 6A – INTERFUND ADVANCE

The Measure K Receivable from the General Fund represents the balance of funds per Note 5, Capital Assets.

The Measure K Receivable from the Measure K Renewal Fund represents funds advanced in order to expedite the delivery of Measure K Renewal projects. In November 2006, voters in San Joaquin County approved the renewal of Measure K, the ½ cent sales tax dedicated to transportation in San Joaquin County, for an additional 30 years beyond the 2011 end date of the existing 20-year program. Concurrently, voters in California approved Proposition 1B, a transportation bond program totaling over \$19.9 billion over ten years. Following the passage of both programs, the SJCOG Board acted in January 2007 to commit \$205 million in Measure K Renewal Congestion Relief (state highway) funds as part of applications for Proposition 1B bond funds on five state highway projects in San Joaquin County. The approval of this commitment of funds included the advancement of these funds prior to 2011 to facilitate project development activities. In March 2007 the SJCOG Board increased the commitment of Measure K Renewal Congestion Relief (state highway) funds to the State Route 99 South Stockton Widening project by \$45 million to make up the difference of a lower Proposition 1B funding award. With the SJCOG Board adoption of the first Measure K Renewal Strategic Plan in January 2008, an Early Action Program of projects was adopted to provide for the advancement of Measure K Renewal funds to four program categories including state highway, regional arterial, passenger rail, and railroad crossing safety projects. This Early Action Program extended from fiscal year 2007/08 to fiscal year 2014/15 and provided for the early use of funds for an increased number of projects prior to 2011. Following the adoption of the Measure K Renewal Strategic Plan the SJCOG Board began to enter into Measure K funding cooperative agreements with local agencies for the delivery of specific projects within these program categories.

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>
2010	\$ 131,930
2011	129,593
2012	129,593
2013	4,944
2014	4,944
Total	<u>\$ 401,004</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	\$ 209,974
Less: Accumulated depreciation	<u>(114,915)</u>
Total	<u>\$ 95,059</u>

As of June 30, 2009, 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>	
2010	\$ 63,820
2011	32,158
2012	8,373
2013	-
2014	-
Total payments	104,351
Less amounts representing interest	<u>(9,292)</u>
Net present value of future minimum lease payments	<u>\$ 95,059</u>

NOTE 8 – LONG-TERM DEBT

Long-term liability activity during the year ended June 30, 2009 was as follows:

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009	Due Within One Year
Bonds					
Bond anticipation notes	\$ 203,355,000	\$ -	\$ -	\$ 203,355,000	\$ -
Premium, net of amortization	6,452,822	-	(2,346,480)	4,106,342	2,346,481
Total bonds	209,807,822	-	(2,346,480)	207,461,342	2,346,481
Commercial paper	167,000,000	-	-	167,000,000	-
Sick leave benefits payable	238,269	10,730	(10,104)	238,895	-
Compensated absences	153,726	143,736	(133,642)	163,820	112,062
Capital leases	110,644	50,316	(65,901)	95,059	56,873
Total	\$ 377,310,461	\$ 204,782	\$ (2,556,127)	\$ 374,959,116	\$ 2,515,416

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) is scheduled to repay the Council with cash beginning in the 2008-09 fiscal year.

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 7 days and are repaid with new notes. These notes can be rolled over until March 31, 2011, 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, 2009 bear interest at 3.94% which is payable upon maturity of the note. There are no minimum debt service requirements. Revenues of the Measure K Trust Fund are used to repay the commercial paper obligations.

In addition, under an irrevocable direct draw letter of credit issued by Citibank, 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 31, 2011, at which time it may be renewed. The line of credit fees are paid at an annual rate of .18% of the stated amount. West LB was replaced by Citibank on November 30, 2005. If the remarketing agent is unable to resell any notes within 60 days of the letter of credit draw date, the Council has a take out agreement with the same bank to convert the notes to an installment loan payable over a three-year period bearing an adjustable interest rate equal to the base rate plus 1 percent. The term out agreement expires March 31, 2011. If the term out agreement were to be exercised because the entire outstanding balance of \$167,000,000 of notes was not resold, the Council would be required to pay \$63,345,176 a year for 3 years under the installment loan agreement assuming a 6.75 percent interest rate.

The Council is required to pay to the Bank an annual commitment fee for the letter of credit of .22% per annum for any utilized amount and .18% per annum for any unused portion of the stated amount of \$181,824,110. No amounts were utilized on the letter of credit during the year ended June 30, 2009. The Council has paid commitment fees of \$349,316 to the Bank during the year ended June 30, 2009.

NOTE 8 – LONG-TERM DEBT (Continued)

The annual obligation on commercial paper as of June 30, 2009 is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2010	\$ -
2011	<u>167,000,000</u>
Total	<u><u>\$ 167,000,000</u></u>

Derivatives

The Council uses a variable interest rate swap to hedge its exposure to certain risks. The Council pays the counter party (Citigroup) 3.168% of the par value of the commercial paper obligations. Citigroup in turn pays the Council a variable rate of 53.8% of monthly LIBOR plus 44 basis points of the par value of the commercial paper. The financial instruments are valued at market and, as such, income and losses are recognized daily based on changes in their market value. The use of these financial instruments exposes the Council to the risk of dealing with financial counter-parties and to market risk associated with a possible adverse change in interest rates and currency movement. These instruments are included in investments in the accompanying Statement of Net Assets as of June 30, 2009.

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.

These notes are payable by a replacement debt issuance no later than April 1, 2011 and are 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 bear 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 Bond Anticipation Notes (BANs) are short-term bonds with an initial interest rate fixed to their maturity date, in this case April 1, 2011. BAN payments are interest-only through the maturity in 2011. The BANs are secured by a pledge they will be repaid from the proceeds of another bond issue in 2011 or before.

BAN's enable SJCOG to retain the ability to revisit its entire debt structure in 2011. BAN's avoid 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 & Poors.

NOTE 8 – LONG-TERM DEBT (Continued)

The annual obligation on bond anticipation notes as of June 30, 2009 is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2010	\$ -
2011	<u>203,355,000</u>
Total	<u>\$ 203,355,000</u>

NOTE 9 – OTHER INFORMATION

Risk management

The Council participates in the County of San Joaquin self-insurance program for workers compensation insurance. Loss contingency reserves established by the County of San Joaquin self-insurance program are funded by contributions from all funds of the County and other participants based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses. The Council pays monthly premiums to the County of San Joaquin self-insurance program that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the County of San Joaquin self-insurance program.

The County of San Joaquin self-insurance program is currently fully funded. No provision has been made on these financial statements for liabilities related to possible additional assessments.

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 officials 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 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, 2009, 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, 2009, accrued vacation and sick leave pay totaled \$402,715. The non-current portion of accrued vacation pay and sick leave totaled \$290,653. Payment of accrued sick leave to eligible employees upon termination is the only post employment benefit provided by the Council.

Employee retirement plans

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.

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. 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.

NOTE 9 – OTHER INFORMATION (Continued)

Plan provisions and contribution requirements for both retirement plans 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, 2009 was \$2,425,303. The Council's total contributions to the retirement plans on behalf of employees were \$412,574 for the year ended June 30, 2009.

NOTE 10 – EXCESS EXPENDITURES OVER APPROPRIATIONS

For the fiscal year ended June 30, 2009, general fund expenditures exceeded appropriations in the salaries – vacation sales, communications, rents and leases – equipment, debt service – principal, allocated service cost, and maintenance – building and grounds categories by \$38,893, \$4,287, \$1,792, \$901, \$843 and \$4,338, respectively. A provision for vacation sales and related fringe benefit costs was not made in the 2008-2009 budget. The excess expenditures not covered by private party reimbursement were funded by other local revenues in the General Fund.

The following special revenue funds had excess expenditures over appropriations at June 30, 2009:

	Measure K Fund	Measure K Renewal	Local Transportation Fund	State Transit Assistance	Regional Transport- ation Impact Fund	SJCOG Inc.
General Administration	\$ -	\$ -	\$ -	\$ -	\$ (3,128)	\$ -
RTIF Program Updates	-	-	-	-	-	-
Transit	(10,276,147)	-	(1,230,856)	-	-	-
Congestion Relief	(29,197,950)	(9,689,115)	-	-	-	-
Habitat Plan	-	-	-	-	-	(3,343,844)
PTMISEA	-	-	-	(652,689)	-	-
Smart Growth	-	(75,804)	-	-	-	-
Investment Expense	(748,954)	-	-	-	-	-
Interest Expense	(13,441,673)	-	-	-	-	-

NOTE 11 – FUND DEFICITS

The General Fund has a fund balance deficit of \$(2,686,636) at June 30, 2009. See Note 5. Once this advance has been repaid, the negative unreserved fund balance is expected to be corrected.

The Measure K Renewal fund has a fund balance deficit of \$(18,363,360) at June 30, 2009. The deficit is due to the fact that project expenses have been incurred, however, sales tax revenues for the renewal will not begin to be collected until April 1, 2011.

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, 2009 and 2008, SJCOG received \$0 and \$751,870, respectively, from the State's PTMISEA account for disbursement to the above mentioned cities. As of June 30, 2009 and 2008, PTMISEA funds received and claims paid to cities were verified in the course of our audit as follows:

	<u>2009</u>	<u>2008</u>
PTMISEA balance designated for future claims, beginning	\$ 751,870	\$ -
PTMISEA funds received	-	751,870
Interest earned on PTMISEA deposits	15,333	-
Claims paid to cities	<u>(652,689)</u>	<u>-</u>
PTMISEA balance designated for future claims, ending	<u>\$ 114,514</u>	<u>\$ 751,870</u>

RECONCILIATION TO FINANCIAL STATEMENT

Designated for PTMISEA claims	\$ 114,514	\$ 751,870
Designated for other STA claims	<u>753,923</u>	<u>377,613</u>
Designated for future Claims	<u>\$ 868,437</u>	<u>\$ 1,129,483</u>

NOTE 13 – RESTATEMENT

Restatement of Fund Balance – Measure K

A prior period adjustment in the amount of \$16,190,916 was made to the Measure K Fund. This adjustment was a result of inaccurate reporting on Local Street and Road advance issued to City of Stockton and San Joaquin County Public Works.

	<u>Measure K Fund</u>
Fund Balance at June 30, 2008 - as previously reported	\$ 341,619,574
Prior Period Adjustments	<u>16,190,916</u>
Fund Balance at June 30, 2008 - as restated	<u>\$ 357,810,490</u>

NOTE 14 – SUBSEQUENT EVENT

On July 23, 2009, the San Joaquin Council of Governments extended a line of credit for \$10,000,000 to assist San Joaquin Regional Transit District 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, SRJTD 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 interest accrued through March 30, 2011 will be paid at 3.852% per annum, comprising the Net Interest Cost of the 2008 Bond Anticipation Notes (3.402%) and, pursuant to the MK Loan Policy, an administration charge of 45 basis points (0.450%). The rate is subject to change after this time as SJCOG's cost of borrowing will change when the BANs are taken out in 2011.

REQUIRED SUPPLEMENTAL INFORMATION

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SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
ORIGINAL, FINAL BUDGET AND ACTUAL –
GENERAL FUND (By Object)
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Intergovernmental	\$ 7,874,254	\$ 7,817,181	\$ 6,655,735	\$(1,161,446)
Use of money and property	20,000	20,000	40,791	20,791
Other	30,000	30,000	26,599	(3,401)
Total Revenues	<u>7,924,254</u>	<u>7,867,181</u>	<u>6,723,125</u>	<u>(1,144,056)</u>
<u>EXPENDITURES</u>				
Salaries and Benefits				
Salaries	3,647,633	2,683,633	2,386,410	297,223
Salaries - vacation sales	-	-	38,893	(38,893)
Fringe benefits	-	964,000	924,935	39,065
Total Salaries and Benefits	<u>3,647,633</u>	<u>3,647,633</u>	<u>3,350,238</u>	<u>297,395</u>
Service and Supplies				
Office expense	362,000	362,000	268,612	93,388
Communications	60,000	60,000	64,287	(4,287)
Memberships	42,000	42,000	35,366	6,634
Rents and leases - equipment	140,000	132,000	133,792	(1,792)
Debt service				
Principal	55,000	65,000	65,901	(901)
Interest - leases	15,000	13,000	12,649	351
Interest - building debt service	238,500	238,500	200,225	38,275
Transportation, travel and training	110,000	110,000	105,672	4,328
Allocated service cost	4,000	4,000	4,843	(843)
Publications and legal notices	27,000	27,000	19,761	7,239
Insurance	85,000	85,000	83,822	1,178
Rents - other	3,000	3,000	984	2,016
Maintenance - equipment	13,000	13,000	4,386	8,614
Maintenance - building and grounds	49,000	49,000	53,338	(4,338)
Utilities	71,000	71,000	69,524	1,476
Total Service and Supplies	<u>1,274,500</u>	<u>1,274,500</u>	<u>1,123,162</u>	<u>151,338</u>
Professional and special services	2,921,621	2,864,548	1,763,641	1,100,907
Capital outlay	80,500	80,500	50,316	30,184
Total Expenditures	<u>7,924,254</u>	<u>7,867,181</u>	<u>6,287,357</u>	<u>1,579,824</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Capital leases	-	-	50,316	50,316
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	486,084	<u>\$ 486,084</u>
Fund Balance (Deficit) - Beginning			<u>(3,172,720)</u>	
Fund Balance (Deficit) - Ending			<u>\$ (2,686,636)</u>	

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
ORIGINAL, FINAL BUDGET AND ACTUAL –
MEASURE K SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Measure K sales tax revenue	\$ 48,500,000	\$ 42,000,000	\$ 40,466,872	\$ (1,533,128)
Use of money and property	-	-	77,773,451	77,773,451
Total Revenues	48,500,000	42,000,000	118,240,323	76,240,323
<u>EXPENDITURES</u>				
General administration	485,000	420,000	269,273	150,727
Streets and roads	16,490,000	14,280,000	13,851,586	428,414
Transit	15,762,500	13,650,000	23,926,147	(10,276,147)
Congestion relief	12,125,000	10,500,000	39,697,950	(29,197,950)
Railroad safety crossings	3,637,500	3,150,000	137,829	3,012,171
Investment expense	-	-	748,954	(748,954)
Interest expense	-	-	13,441,673	(13,441,673)
Total Expenditures	48,500,000	42,000,000	92,073,412	(50,073,412)
Net Change in Fund Balances	\$ -	\$ -	26,166,911	\$ 26,166,911
Fund Balance (Deficit) - Beginning of Year, as previously reported			341,619,574	
Prior Period Adjustment			16,190,916	
Fund Balance (Deficit) - Beginning of Year, as restated			<u>357,810,490</u>	
Fund Balance (Deficit) - Ending			<u>\$ 383,977,401</u>	

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
ORIGINAL, FINAL BUDGET AND ACTUAL –
MEASURE K SPECIAL REVENUE FUND RENEWAL
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Measure K renewal sales tax revenue	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	-	-
 Total Revenues	 -	 -	 -	 -
<u>EXPENDITURES</u>				
General administration	105,258	105,258	-	105,258
Congestion relief	3,503,226	3,503,226	13,192,341	(9,689,115)
Smart Growth	-	-	75,803	(75,803)
 Total Expenditures	 3,608,484	 3,608,484	 13,268,144	 (9,659,660)
 Net Change in Fund Balances	 <u><u>\$(3,608,484)</u></u>	 <u><u>\$(3,608,484)</u></u>	 (13,268,144)	 <u><u>\$(9,659,660)</u></u>
 Fund Balance (Deficit) - Beginning			 (5,095,216)	
 Fund Balance (Deficit) - Ending			 <u><u>\$(18,363,360)</u></u>	

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
ORIGINAL, FINAL BUDGET AND ACTUAL –
LOCAL TRANSPORTATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
LTF sales tax revenue	\$ 24,200,000	\$ 21,780,000	\$ 20,270,843	\$ (1,509,157)
Use of money and property	-	-	127,868	127,868
 Total Revenues	 <u>24,200,000</u>	 <u>21,780,000</u>	 <u>20,398,711</u>	 <u>(1,381,289)</u>
<u>EXPENDITURES</u>				
General administration	1,228,000	1,228,000	1,110,125	117,875
Streets and roads	8,668,503	7,732,212	5,294,807	2,437,405
Pedestrian and bicycle	479,960	484,000	479,340	4,660
Transit	<u>13,823,537</u>	<u>12,335,788</u>	<u>13,566,644</u>	<u>(1,230,856)</u>
 Total Expenditures	 <u>24,200,000</u>	 <u>21,780,000</u>	 <u>20,450,916</u>	 <u>1,329,084</u>
 Net Change in Fund Balances	 <u>\$ -</u>	 <u>\$ -</u>	 (52,205)	 <u>\$ (52,205)</u>
 Fund Balance - Beginning			 <u>1,877,010</u>	
 Fund Balance - Ending			 <u>\$ 1,824,805</u>	

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
ORIGINAL, FINAL BUDGET AND ACTUAL –
STATE TRANSIT ASSISTANCE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
STA PTA 99313, 99314 tax revenue	\$ 8,277,984	\$ 3,552,875	\$ 1,739,077	\$ (1,813,798)
Use of money and property	-	-	45,611	45,611
Use of money and property PTMISEA	-	-	15,333	15,333
 Total Revenues	 <u>8,277,984</u>	 <u>3,552,875</u>	 <u>1,800,021</u>	 <u>(1,752,854)</u>
<u>EXPENDITURES</u>				
General administration	134,049	55,193	27,584	27,609
PTMISEA	-	-	652,689	(652,689)
Transit	<u>8,143,935</u>	<u>3,497,682</u>	<u>1,380,794</u>	<u>2,116,888</u>
 Total Expenditures	 <u>8,277,984</u>	 <u>3,552,875</u>	 <u>2,061,067</u>	 <u>1,491,808</u>
 Net Change in Fund Balances	 <u>\$ -</u>	 <u>\$ -</u>	 (261,046)	 <u>\$ (261,046)</u>
 Fund Balance - Beginning			 <u>1,129,483</u>	
 Fund Balance - Ending			 <u>\$ 868,437</u>	

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
ORIGINAL, FINAL BUDGET AND ACTUAL –
REGIONAL TRANSPORTATION IMPACT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Charges for services	\$ 360,000	\$ 360,000	\$ 364,411	\$ 4,411
Use of money and property	-	-	75,209	75,209
 Total Revenues	 <u>360,000</u>	 <u>360,000</u>	 <u>439,620</u>	 <u>79,620</u>
<u>EXPENDITURES</u>				
General administration	22,035	2,035	5,163	(3,128)
RTIF program updates	<u>12,500</u>	<u>12,500</u>	<u>-</u>	<u>12,500</u>
 Total Expenditures	 <u>34,535</u>	 <u>14,535</u>	 <u>5,163</u>	 <u>9,372</u>
 Net Change in Fund Balances	 <u><u>\$ 325,465</u></u>	 <u><u>\$ 345,465</u></u>	 <u>434,457</u>	 <u><u>\$ 88,992</u></u>
 Fund Balance - Beginning			 <u>2,753,953</u>	
 Fund Balance - Ending			 <u><u>\$ 3,188,410</u></u>	

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
ORIGINAL, FINAL BUDGET AND ACTUAL –
SJCOG, INC. BLENDED COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Charges for services	\$ 2,000,000	\$ 2,000,000	\$ 1,280,004	\$ (719,996)
Use of money and property	-	-	234,986	234,986
Total Revenues	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,514,990</u>	<u>(485,010)</u>
<u>EXPENDITURES</u>				
General administration	536,000	536,000	478,344	57,656
Habitat plan	<u>1,464,000</u>	<u>1,464,000</u>	<u>4,807,844</u>	<u>(3,343,844)</u>
Total Expenditures	<u>2,000,000</u>	<u>2,000,000</u>	<u>5,286,188</u>	<u>(3,286,188)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(3,771,198)	<u>\$ (3,771,198)</u>
Fund Balance, Beginning			<u>11,582,285</u>	
Fund Balance - Ending			<u>\$ 7,811,087</u>	

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTE TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

BUDGETARY BASIS OF ACCOUNTING

As required by the Council's Joint Powers Authority agreement, the Council prepares and legally adopts a final operating budget on or before April 30 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, 2009. The bi-annual Strategic Plan and revenue estimate for the Measure K Special Revenue Fund are approved by the SJCOG Board. The Local Transportation Special Revenue 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 Special Revenue 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.

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, 2009**

	General Fund					
	Budget	Local Transp. Funds	State Transit Assist.	LTF ALUP	CMAQ	Fwy Service Patrol
Revenues:						
Local Transportation Fund	\$ 608,126	\$ 608,125	\$ -	\$ -	\$ -	\$ -
State Transit Assistance	27,584	-	27,584	-	-	-
State Transit Assistance (07/08 Deferred Revenue)	13,300	-	13,238	-	-	-
Local Transportation Fund (ALUP) Update	300,000	-	-	300,000	-	-
Local Transportation Fund (ALUP) Update 07/08	44,700	-	-	44,601	-	-
Congestion Mitigation Air Quality	650,000	-	-	-	488,462	-
State/Caltrans - Fwy Svc Patrol	432,858	-	-	-	-	339,322
State/Caltrans - FSP (Construction)	200,000	-	-	-	-	-
RSTP	176,000	-	-	-	-	-
StanCOG CMAQ TDM Ridesharing	165,000	-	-	-	-	-
Planning - SJCOG (TDA)	200,000	-	-	-	-	-
Planning - SJCOG (TDA Deferred Revenue)	15,000	-	-	-	-	-
FTA MPO Planning	251,403	-	-	-	-	-
FTA 5313(b) SJRTD	38,688	-	-	-	-	-
FTA 5313(b) SJRTD match	5,012	-	-	-	-	-
FTA 5304 ESCALON	30,000	-	-	-	-	-
FTA 5304 ESCALON match	3,441	-	-	-	-	-
USDOT Ramp Metering Project	87,671	-	-	-	-	-
Federal Highway Planning & Admin.	1,747,112	-	-	-	-	-
Partnership Planning HOT Lanes	50,000	-	-	-	-	-
FHWA - SP&R Partnership Planning	225,837	-	-	-	-	-
Interest	20,000	-	-	-	-	-
Measure K (LTA Admin)	420,000	-	-	-	-	-
Measure K (LTA Planning)	1,000,000	-	-	-	-	-
RTIF	3,000	-	-	-	-	-
STIP PPM (AB3090)	-	-	-	-	-	-
STIP PPM 07/08	-	-	-	-	-	-
STIP PPM 08/09	300,000	-	-	-	-	-
Amador County/Rideshare	12,000	-	-	-	-	-
SJCOG Fees/Local Other	30,000	-	-	-	-	-
SJCOG Fees/ ALUC	-	-	-	-	-	-
Merced Assoc. of Govt: Valley Blueprint	129,449	-	-	-	-	-
SAFE	145,000	-	-	-	-	-
Habitat Plan Administration SJCOG, INC.	536,000	-	-	-	-	-
Unreserved Fund Balance	-	-	-	-	-	-
Total Revenues	7,867,181	608,125	40,822	344,601	488,462	339,322
Expenditures:						
601.01 RTP Update	150,220	21,818	-	-	-	-
601.02 RTP - Studies	619,070	79,110	-	-	-	-
602.01 R.T.I.P.	255,669	20,660	-	-	-	-
603.01 Road/Street Monitoring	865,930	-	-	-	-	-
603.02 Transit Coordination	495,386	86,282	40,822	-	-	-
603.03 Transportation Air Quality	263,800	-	-	-	-	-
603.04 Trans/ Air Quality Model	100,000	11,136	-	-	-	-
701.01 Technical Assistance	33,000	-	-	-	-	-
801.01 Intergov. Coordination	466,600	255,584	-	-	-	-
801.02 Projects & Forecasts	86,390	-	-	-	-	-
801.03 Aviation and Land Use	367,700	21,653	-	344,601	-	-
801.04 Congestion Mgmt.	337,000	-	-	-	-	-
801.05 Regional Planning	33,600	23,502	-	-	-	-
801.06 Valley MPO Coord.	170,000	9,833	-	-	-	-
801.07 Interregional Partnership	231,537	5,680	-	-	-	-
801.08 S.J. Valley Blueprint	222,299	62,742	-	-	-	-
801.09 Habitat Plan Implementation	541,200	5,125	-	-	-	-
901.01 Measure K program mgt.	256,400	-	-	-	-	-
901.02 RTIF	33,300	-	-	-	-	-
901.03 Smart Growth	31,300	-	-	-	-	-
1001.01 COG OWP Mgmt. & Admin.	204,000	5,000	-	-	-	-
1001.02 TDA Administration	215,000	-	-	-	-	-
1001.03 Community Involvement	277,122	-	-	-	-	-
1101.01 TDM Ridesharing	860,600	-	-	-	488,462	-
1201.01 Freeway Service Patrol	750,058	-	-	-	-	339,322
Total 05/06 Project Expenditures	7,867,181	608,125	40,822	344,601	488,462	339,322
Other Items (not billed through OWP)						
Additional Provision for Capital Outlay	-	50,316	-	-	-	-
Depreciation Cost Recovery (A-87 Eligible Only)	-	(270,659)	-	-	-	-
Cumulative Under-Recovered	-	193,278	-	-	-	-
Total Other Items	-	(27,065)	-	-	-	-
Total Expenditures and Other Items	7,867,181	581,060	40,822	344,601	488,462	339,322
Excess (Deficit) Revenues, Expenditures and Other Items Current:	\$ -	\$ 27,065	\$ -	\$ -	\$ -	\$ -

**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, 2009**

	General Fund					Interest Other Local
	LTA Measure K	RTIF	STIP PP&M	6088(035) STIP PP&M	Amador County	
Revenues:						
Local Transportation Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Transit Assistance	-	-	-	-	-	-
State Transit Assistance (07/08 Deferred Revenue)	-	-	-	-	-	-
Local Transportation Fund (ALUP) Update	-	-	-	-	-	-
Local Transportation Fund (ALUP) Update 07/08	-	-	-	-	-	-
Congestion Mitigation Air Quality	-	-	-	-	-	-
State/Caltrans - Fwy Svc Patrol	-	-	-	-	-	-
State/Caltrans - FSP (Construction)	-	-	-	-	-	-
RSTP	-	-	-	-	-	-
StanCOG CMAQ TDM Ridesharing	-	-	-	-	-	-
Planning - SJCOG (TDA)	-	-	-	-	-	-
Planning - SJCOG (TDA Deferred Revenue)	-	-	-	-	-	-
FTA MPO Planning	-	-	-	-	-	-
FTA 5313(b) SJRTD	-	-	-	-	-	-
FTA 5313(b) SJRTD match	-	-	-	-	-	-
FTA 5304 ESCALON	-	-	-	-	-	-
FTA 5304 ESCALON match	-	-	-	-	-	-
USDOT Ramp Metering Project	-	-	-	-	-	-
Federal Highway Plannng & Admin.	-	-	-	-	-	-
Partnership Planning HOT Lanes	-	-	-	-	-	-
FHWA - SP&R Partnership Planning	-	-	-	-	-	-
Interest	-	-	-	-	-	40,791
Measure K (LTA Admin)	252,840	-	-	-	-	-
Measure K (LTA Planning)	1,148,573	-	-	-	-	-
RTIF	-	2,126	-	-	-	-
STIP PPM (AB3090)	-	-	-	-	-	-
STIP PPM 07/08	-	-	-	-	-	-
STIP PPM 08/09	-	-	-	300,000	-	-
Amador County/Rideshare	-	-	-	-	12,000	-
SJCOG Fees/Local Other	-	-	-	-	-	26,599
SJCOG Fees/ ALUC	-	-	-	-	-	-
Merced Assoc. of Govt: Valley Blueprint	-	-	-	-	-	-
SAFE	-	-	-	-	-	-
Habitat Plan Administration SJCOG, INC.	-	-	-	-	-	-
Unreserved Fund Balance	-	-	-	-	-	-
Total Revenues	1,401,413	2,126	-	300,000	12,000	67,390
Expenditures:						
601.01 RTP Update	-	-	-	-	-	-
601.02 RTP - Studies	89,343	-	-	136,100	-	-
602.01 R.T.I.P.	39,108	-	-	63,900	-	-
603.01 Road/Street Monitoring	457,124	-	-	100,000	-	-
603.02 Transit Coordination	60,737	-	-	-	-	-
603.03 Transportation Air Quality	20,367	-	-	-	-	5,326
603.04 Trans/ Air Quality Model	-	-	-	-	-	-
701.01 Technical Assistance	-	-	-	-	-	-
801.01 Intergov. Coordination	-	-	-	-	-	24,935
801.02 Projects & Forecasts	-	-	-	-	-	-
801.03 Aviation and Land Use	-	-	-	-	-	-
801.04 Congestion Mgmt.	113,718	-	-	-	-	-
801.05 Regional Planning	-	-	-	-	-	-
801.06 Valley MPO Coord.	100,155	-	-	-	-	-
801.07 Interregional Partnership	-	-	-	-	-	-
801.08 S.J. Valley Blueprint	-	-	-	-	-	-
801.09 Habitat Plan Implementation	-	-	-	-	-	-
901.01 Measure K program mgt.	256,308	-	-	-	-	-
901.02 RTIF	30,293	2,126	-	-	-	-
901.03 Smart Growth	31,285	-	-	-	-	-
1001.01 COG OWP Mgmt. & Admin.	21,873	-	-	-	-	-
1001.02 TDA Administration	-	-	-	-	-	-
1001.03 Community Involvement	181,102	-	-	-	-	37,129
1101.01 TDM Ridesharing	-	-	-	-	12,000	-
1201.01 Freeway Service Patrol	-	-	-	-	-	-
Total 05/06 Project Expenditures	1,401,413	2,126	-	300,000	12,000	67,390
Other Items (not billed through OWP)						
Additional Provision for Capital Outlay	-	-	-	-	-	-
Depreciation Cost Recovery (A-87 Eligible Only)	-	-	-	-	-	-
Cumulative Under-Recovered	-	-	-	-	-	-
Total Other Items	-	-	-	-	-	-
Total Expenditures and Other Items	1,401,413	2,126	-	300,000	12,000	67,390
Excess (Deficit) Revenues, Expenditures and Other Items Current:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2009**

General Fund						
ALUC	Merced Assoc of Govt	SAFE 511 & FSP Match	Habitat Plan Admin. SJCOG, INC.	Unreserved Fund Balance	Totals	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 608,125	\$ (1)
-	-	-	-	-	27,584	-
-	-	-	-	-	13,238	(62)
-	-	-	-	-	300,000	-
-	-	-	-	-	44,601	(99)
-	-	-	-	-	488,462	(161,538)
-	-	-	-	-	339,322	(93,536)
-	-	-	-	-	138,888	(61,112)
-	-	-	-	-	-	(176,000)
-	-	-	-	-	141,500	(23,500)
-	-	-	-	-	200,000	-
-	-	-	-	-	14,176	(824)
-	-	-	-	-	251,403	-
-	-	-	-	-	38,688	-
-	-	-	-	-	-	(5,012)
-	-	-	-	-	6,000	(24,000)
-	-	-	-	-	-	(3,441)
-	-	-	-	-	86,096	(1,575)
-	-	-	-	-	1,506,264	(240,848)
-	-	-	-	-	-	(50,000)
-	-	-	-	-	12,139	(213,698)
-	-	-	-	-	40,791	20,791
-	-	-	-	-	252,840	(167,160)
-	-	-	-	-	1,148,573	148,573
-	-	-	-	-	2,126	(874)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	300,000	-
-	-	-	-	-	12,000	-
-	-	-	-	-	26,599	(3,401)
900	-	-	-	-	900	900
-	129,449	-	-	-	129,449	-
-	-	115,016	-	-	115,016	(29,984)
-	-	-	478,344	-	478,344	(57,656)
-	-	-	-	19,325	19,325	-
900	129,449	115,016	478,344	19,325	6,742,449	(1,144,057)
-	-	-	-	-	150,218	2
-	-	-	-	-	567,449	51,621
-	-	-	-	-	255,668	1
-	-	-	-	-	830,392	35,538
-	-	-	-	-	483,932	11,454
-	-	-	-	-	219,606	44,194
-	-	-	-	-	97,092	2,908
-	-	-	-	2,947	25,456	7,544
-	-	-	-	-	344,386	122,214
-	-	-	-	7,502	65,407	20,983
900	-	-	-	-	367,154	546
-	-	-	-	3,179	160,897	176,103
-	-	-	-	-	33,502	98
-	-	-	-	-	169,988	12
-	-	-	-	-	17,819	213,718
-	129,449	-	-	-	214,025	8,274
-	-	-	-	-	5,125	536,075
-	-	-	-	-	256,308	92
-	-	-	-	-	32,419	881
-	-	-	-	-	31,285	15
-	-	-	-	-	203,873	127
-	-	-	-	-	214,176	824
-	-	-	-	-	277,043	79
-	-	20,910	-	567	663,439	197,161
-	-	94,106	-	5,130	577,446	172,612
900	129,449	115,016	-	19,325	6,264,105	1,603,076
-	-	-	-	-	50,316	(50,316)
-	-	-	-	-	(270,659)	270,659
-	-	-	-	-	193,278	(193,278)
-	-	-	-	-	(27,065)	27,065
900	129,449	115,016	-	19,325	6,237,040	1,630,141
\$ -	\$ -	\$ -	\$ 478,344	\$ -	\$ 505,409	\$ 486,084

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF DIRECT AND INDIRECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Direct</u>	<u>Indirect</u>	<u>Unallowable Expense</u>	<u>Total</u>
Salaries	\$ 1,314,883	\$ 1,110,420	\$ -	\$ 2,425,303
Fringe benefits	669,802	255,133	-	924,935
Office expense	98,380	170,232	-	268,612
Communications	11,106	53,180	-	64,286
Memberships	5,528	22,527	7,311	35,366
Rent - equipment	-	133,792	-	133,792
Capital lease principal payments	-	65,901	-	65,901
Capital lease interest payments	-	12,649	-	12,649
Interest - building debt service	-	141,025	59,200	200,225
Transportation, travel and training	86,610	7,600	11,462	105,672
Professional and special services	1,607,185	82,002	74,454	1,763,641
Departmental costs allocated	-	4,843	-	4,843
Publications and legal notices	17,231	2,530	-	19,761
Insurance	-	83,822	-	83,822
Rents - other	-	984	-	984
Capital outlay	-	-	50,316	50,316
Maintenance - equipment	-	4,386	-	4,386
Maintenance - structures and grounds	-	53,338	-	53,338
Utilities	-	69,524	-	69,524
TOTAL EXPENDITURES	3,810,725	2,273,888	202,743	6,287,356
Other reconciling items:				
Depreciation	-	270,659	52,500	323,159
Total Expenditures Recovered Under Indirect Cost Rate	<u>\$ 3,810,725</u>	<u>2,544,547</u>	<u>\$ 255,243</u>	<u>\$ 6,610,515</u>
Total expenditures recovered under Indirect Cost Rate		<u>2,893,208</u>		
2008-09 under recovered indirect cost carryforward		<u>\$ (348,661)</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental	\$ 7,874,254	\$ 7,817,181	\$ 6,655,735	\$ (1,161,446)
Use of money and property	20,000	20,000	40,791	20,791
Miscellaneous	30,000	30,000	26,599	(3,401)
Total Revenues	7,924,254	7,867,181	6,723,125	(1,144,056)
<u>EXPENDITURES</u>				
Regional Transportation Plan	225,000	150,220	150,218	2
Regional Planning Studies	706,965	619,070	567,449	51,621
Transportation Improvement Program	219,997	255,669	255,668	1
Roads and Streets Monitoring	730,004	865,930	830,392	35,538
Transit Coordination and Planning	424,052	495,386	483,932	11,454
Transportation Air Quality Planning	320,000	263,800	219,606	44,194
Goods Movement	100,000	100,000	97,093	2,907
Ongoing Technical Assistance	49,995	33,000	25,456	7,544
Intergovernmental Coordination	300,000	466,600	344,386	122,214
Projections and Forecasts	90,002	86,390	65,407	20,983
Aviation / Airport and Land Use	430,000	367,700	367,155	545
Congestion Management Prog/Sys	185,000	337,000	160,897	176,103
Regional Planning	35,000	33,600	33,502	98
Valley MPO Coordination	170,000	170,000	169,988	12
Interregional Partnership	232,500	231,537	17,819	213,718
S.J. Valley Blueprint	200,000	222,299	214,024	8,275
Habitat Plan Implementation	450,000	541,200	5,125	536,075
Measure K Program Mgmt/Admin	300,000	256,400	256,309	91
RTIF	35,000	33,300	32,419	881
Smart Growth	35,000	31,300	31,285	15
COG Overall Work Plan Administration	259,060	204,000	203,873	127
TDA Administration	202,000	215,000	214,176	824
Community Involvement Program	588,259	277,122	277,042	80
Transportation Demand Management	855,000	860,600	663,440	197,160
Freeway Service Patrol	781,420	750,058	577,445	172,613
Total 2008/09 Project Expenditures	7,924,254	7,867,181	6,264,106	1,603,075
Other (not billed through Overall Work Program)				
Additional provision for capital outlay	-	-	50,316	(50,316)
Depreciation cost recovery A-87 assets only	-	-	(270,659)	270,659
Total Other	-	-	(220,343)	220,343
Overhead (overclaimed) underclaimed - prior periods	-	-	193,278	(193,278)
Total Adjusted Project Expenditures	7,924,254	7,867,181	6,237,041	1,630,140
Net Change in Fund Balance	-	-	486,084	486,084
Fund Balance (Deficit) - Beginning	-	-	(3,172,720)	(3,172,720)
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,686,636)</u>	<u>\$ (2,686,636)</u>

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF BALANCES
LOCAL TRANSPORTATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<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>
ASSETS:														
Cash in treasury	\$ 1,051,105	\$ 40,844	\$ 1,602,083	\$ 200,272	\$ 204,188	\$ 37,538	\$ 141,687	\$ 2,056,487	\$ 61,868	\$ 4,001	\$ -	\$ -	\$ -	\$ 5,400,073
Sales tax apportionment receivable	800,848	32,209	123,910	127,196	157,353	28,488	13,860	-	44,636	-	-	-	-	1,328,500
Interest receivable	210	127	3,153	3,188	1,241	607	266	4,752	693	9	-	-	-	14,246
Due from other Funds	98,916	3,978	15,305	15,711	19,435	3,519	1,712	(46,214)	5,513	-	-	-	-	117,875
Total Assets	\$ 1,951,079	\$ 77,158	\$ 1,744,451	\$ 346,367	\$ 382,217	\$ 70,152	\$ 157,525	\$ 2,015,025	\$ 112,710	\$ 4,010	\$ -	\$ -	\$ -	\$ 6,860,694
LIABILITIES AND FUND EQUITY														
Liabilities:														
Intergovernmental payable	\$ 1,934,574	\$ 20,000	\$ 1,612,907	\$ 294,396	\$ 375,000	\$ 68,000	\$ -	\$ 623,012	\$ 108,000	\$ -	\$ -	\$ -	\$ -	\$ 5,035,889
Fund Equity:														
Apportioned	16,505	57,158	131,544	51,971	7,217	2,152	157,525	1,392,013	4,710	4,010	-	-	-	1,824,805
Total Liabilities and Fund Equity	\$ 1,951,079	\$ 77,158	\$ 1,744,451	\$ 346,367	\$ 382,217	\$ 70,152	\$ 157,525	\$ 2,015,025	\$ 112,710	\$ 4,010	\$ -	\$ -	\$ -	\$ 6,860,694

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
LOCAL TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2009**

	<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>
<u>REVENUE:</u>														
Sales Tax	\$ 10,884,574	\$ 449,503	\$ 1,729,248	\$ 1,775,101	\$ 2,195,964	\$ 397,568	\$ 193,424	\$ 620,653	\$ 708,327	\$ 206,356	\$ 908,125	\$ 200,000	\$ 2,000	\$ 20,270,843
Interest	14,059	8,657	11,503	14,194	8,926	2,478	3,512	34,880	4,222	2,465	-	-	-	104,896
Unrealized Gains (Losses) on Investments	2,496	1,504	4,890	1,265	1,312	292	845	9,962	371	35	-	-	-	22,972
Total Revenue	10,901,129	459,664	1,745,641	1,790,560	2,206,202	400,338	197,781	665,495	712,920	208,856	908,125	200,000	2,000	20,398,711
<u>EXPENDITURES:</u>														
SJRTD	10,884,574	-	-	-	-	-	-	-	-	-	-	-	-	10,884,574
Lathrop	-	846,205	-	-	-	-	-	-	-	-	-	-	-	846,205
Lodi	-	-	1,612,907	-	-	-	-	-	-	-	-	-	-	1,612,907
Manteca	-	-	-	1,994,396	-	-	-	-	-	-	-	-	-	1,994,396
Tracy	-	-	-	-	2,475,000	-	-	-	-	-	-	-	-	2,475,000
Ripon	-	-	-	-	-	398,000	-	-	-	-	-	-	-	398,000
Escalon	-	-	-	-	-	-	208,152	-	-	-	-	-	-	208,152
SJRRRC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
S.J. County	-	-	-	-	-	-	-	-	708,000	-	-	-	-	708,000
Stockton	-	-	-	-	-	-	-	-	-	213,557	-	-	-	213,557
SJCOG Planning	-	-	-	-	-	-	-	-	-	-	908,125	-	-	908,125
SJCOG TDA Admin.	-	-	-	-	-	-	-	-	-	-	-	200,000	-	200,000
S.J. County Auditor/Contr.	-	-	-	-	-	-	-	-	-	-	-	-	2,000	2,000
Total Expenditures	10,884,574	846,205	1,612,907	1,994,396	2,475,000	398,000	208,152	-	708,000	213,557	908,125	200,000	2,000	20,450,916
Excess (Deficit) of Revenues Over Expenditures	16,555	(386,541)	132,734	(203,836)	(268,798)	2,338	(10,371)	665,495	4,920	(4,701)	-	-	-	(52,205)
Fund Balance Beginning of Year	(50)	443,699	(1,190)	255,807	276,015	(186)	167,896	726,518	(210)	8,711	-	-	-	1,877,010
Fund Balance End of Year	\$ 16,505	\$ 57,158	\$ 131,544	\$ 51,971	\$ 7,217	\$ 2,152	\$ 157,525	\$ 1,392,013	\$ 4,710	\$ 4,010	\$ -	\$ -	\$ -	\$ 1,824,805

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
LOCAL TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2009**

PUC Section	Purpose	Allocated/ Expended
99233.1	Administration: Council County of San Joaquin	\$ 200,000 <u>2,000</u>
		202,000
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	101,670 5,049 213,557 57,327 45,143 46,215 10,379 <u>-</u>
		479,340
99260	Public Transportation: San Joaquin Regional Transit District City of Ripon	10,884,574 <u>4,500</u>
		10,889,074
99260	Public Transportation System Planning: Council of Governments	908,125
99400(a)	Streets, Roads, Pedestrian and Bicycle Projects: County of San Joaquin City of Escalon City of Tracy City of Ripon City of Manteca City of Lathrop	606,330 170,453 1,570,120 383,121 1,718,578 <u>846,205</u>
		5,294,807
99400(c)	Contracted Public Transportation - Operations: City of Escalon City of Tracy City of Lodi City of Manteca	32,650 427,538 1,345,310 <u>24,715</u>
		1,830,213
99400(e)	Contracted Public Transportation - Capital: City of Tracy City of Lodi City of Manteca	420,015 204,888 <u>222,454</u>
		847,357
99400(b,c,d)	Other: City of Lathrop	<u>-</u>
	Total:	<u><u>\$20,450,916</u></u>

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF BALANCES
STATE TRANSIT ASSISTANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<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 LTF Funds</u>
<u>ASSETS:</u>									
Cash in treasury	\$1,188,139	\$ 21,561	\$ 6	\$ 513,621	\$ 105,631	\$ 603,811	\$ 4,242	\$ -	\$2,437,011
Sales tax apportionment receivable	101,703	62,602	10	332,189	29,179	29,179	-	-	554,862
Interest receivable	2,808	49	-	1,186	243	1,394	137	-	5,817
Total Assets	<u>\$1,292,650</u>	<u>\$ 84,212</u>	<u>\$ 16</u>	<u>\$ 846,996</u>	<u>\$ 135,053</u>	<u>\$ 634,384</u>	<u>\$ 4,379</u>	<u>\$ -</u>	<u>\$2,997,690</u>
<u>LIABILITIES AND FUND EQUITY</u>									
Liabilities									
Intergovernmental payable	<u>\$1,262,982</u>	<u>\$ 82,648</u>	<u>\$ -</u>	<u>\$ 161,157</u>	<u>\$ 35,141</u>	<u>\$ 585,859</u>	<u>\$ 1,466</u>	<u>\$ -</u>	<u>\$2,129,253</u>
<u>FUND EQUITY</u>									
Apportioned	<u>29,668</u>	<u>1,564</u>	<u>16</u>	<u>685,839</u>	<u>99,912</u>	<u>48,525</u>	<u>2,913</u>	<u>-</u>	<u>868,437</u>
Total Liabilities and Fund Equity	<u>\$1,292,650</u>	<u>\$ 84,212</u>	<u>\$ 16</u>	<u>\$ 846,996</u>	<u>\$ 135,053</u>	<u>\$ 634,384</u>	<u>\$ 4,379</u>	<u>\$ -</u>	<u>\$2,997,690</u>

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
STATE TRANSIT ASSISTANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<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>
REVENUE:									
Sales tax	\$ 1,093,714	\$ 81,453	\$ 25	\$ 465,995	\$ 35,153	\$ 35,153	\$ -	\$ 27,584	\$ 1,739,077
Prop 1B : PTMISEA	-	-	-	-	-	-	-	-	-
Interest STA	21,823	256	-	6,552	17	17	-	-	28,665
Interest PTMISEA	-	-	-	-	1,993	11,970	1,370	-	15,333
Unrealized Gains (Losses) on Investments	10,629	103	-	1,945	584	3,436	249	-	16,946
Total Revenue	1,126,166	81,812	25	474,492	37,747	50,576	1,619	27,584	1,800,021
EXPENDITURES:									
SJRTD	1,262,982	-	-	-	-	-	-	-	1,262,982
Lodi	-	82,648	-	-	-	-	-	-	82,648
Ripon	-	-	23	-	-	-	-	-	23
SJRRC	-	-	-	-	-	-	-	-	-
Manteca	-	-	-	-	35,141	-	-	-	35,141
Tracy	-	-	-	-	-	585,859	-	-	585,859
Escalon	-	-	-	-	-	-	66,830	-	66,830
SJCOG TDA Admin.	-	-	-	-	-	-	-	27,584	27,584
Total Expenditures	1,262,982	82,648	23	-	35,141	585,859	66,830	27,584	2,061,067
Excess (Deficit) of Revenues Over Expenditures	(136,816)	(836)	2	474,492	2,606	(535,283)	(65,211)	-	(261,046)
Fund Balance Beginning of Year	166,484	2,400	14	211,347	97,306	583,808	68,124	-	1,129,483
Fund Balance End of Year	<u>\$ 29,668</u>	<u>\$ 1,564</u>	<u>\$ 16</u>	<u>\$ 685,839</u>	<u>\$ 99,912</u>	<u>\$ 48,525</u>	<u>\$ 2,913</u>	<u>\$ -</u>	<u>\$ 868,437</u>

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
STATE TRANSIT ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2009**

<u>PUC Section</u>	<u>Purpose</u>	<u>Allocated/ Expended</u>
6730(a)	Public Transit: San Joaquin Regional Transit District City of Ripon	\$ 1,262,982 <u>23</u>
		1,263,005
6730(b)	Transit Capital: San Joaquin Regional Transit District	-
6731(b)	Contracted Transit: City of Lodi City of Manteca	82,648 <u>35,141</u>
		117,789
6731(b)	Transit Administration/Planning: Council	27,584
Prop 1B	PTMISEA (CAPITAL) City of Tracy City of Escalon	585,859 <u>66,830</u>
		<u>652,689</u>
	Total:	<u><u>\$ 2,061,067</u></u>

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**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.....	85-94
These schedules contain trend information to help the reader understand how SJCOG's financial performance has changed over time.	
Revenue Capacity.....	95-96
These schedules contain information to help the reader assess SJCOG's most significant local revenue sources, the sales tax.	
Debt Capacity.....	97
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.....	98-100
These schedules offer demographic and economic indicators to help the reader understand the environment within which SJCOG's financial activities take place.	
Operating Information	101-102
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 TEN FISCAL YEARS⁽¹⁾
(accrual basis of accounting)**

	<u>1999-00</u>	<u>2000-01</u>	<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>
Governmental Activities:										
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
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
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	-	-	-	972,217	833,460	7,019,869	(35,798,151)	(66,054,863)	(130,293,050)	(100,703,058)
Total Primary Government Net Assets	\$ -	\$ -	\$ -	\$ 74,292,080	\$ 62,811,441	\$ 62,123,534	\$ 61,107,669	\$ 41,334,353	\$ 11,185,313	\$ 43,374,572

⁽¹⁾ 2002-03 Marks the year of GASB Statement No. 34 implementation for the San Joaquin Council of Governments.
GASB 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 TEN FISCAL YEARS⁽¹⁾**

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Program Revenues:										
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
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
Capital grants and contributions	-	-	-	-	34,291	-	-	-	-	-
Total Program Revenues - primary government	-	-	-	69,083,672	67,614,791	75,988,369	96,525,217	104,019,139	100,210,823	147,635,828
General Revenues:										
Governmental activities:										
Unrestricted investment earnings	-	-	-	173,892	28,231	16,210	33,470	48,782	38,103	40,790
Miscellaneous	-	-	-	82,685	39,484	73,578	59,766	96,255	66,404	28,029
Total General Revenues - primary government	-	-	-	256,577	67,715	89,788	93,236	145,037	104,507	68,819
Total Revenues - primary government	\$ -	\$ -	\$ -	\$ 69,340,249	\$ 67,682,506	\$ 76,078,157	\$ 96,618,453	\$ 104,164,176	\$ 100,315,330	\$ 147,704,647

⁽¹⁾ 2002-03 Marks the year of GASB Statement No. 34 implementation for the San Joaquin Council of Governments. GASB 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 TEN FISCAL YEARS⁽¹⁾
(accrual basis of accounting)**

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
EXPENSES										
Governmental Activities:										
General government	\$ -	\$ -	\$ -	\$ 3,985,528	\$ 4,069,600	\$ 4,483,182	\$ 4,708,473	\$ 6,986,738	\$ 6,493,431	\$ 6,292,146
Transportation	-	-	-	71,275,686	74,914,345	71,652,827	92,855,576	115,748,171	122,691,177	124,121,214
Habitat development	-	-	-	349,176	316,077	494,808	682,184	968,753	1,062,862	1,080,070
Interest expense	-	-	-	8,714	112,417	135,247	195,905	233,830	216,900	212,874
Total Primary Government Expenses	-	-	-	75,619,104	79,412,439	76,766,064	98,442,138	123,937,492	130,464,370	131,706,304
PROGRAM REVENUES										
Governmental Activities:										
Charges for services:										
General Government	-	-	-	4,478	1,158	2,863	2,998	1,801	722	696
Habitat Development	-	-	-	2,808,799	2,686,255	2,887,183	13,483,880	10,130,931	9,438,682	1,514,990
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
Capital grants and contributions	-	-	-	-	34,291	-	-	-	-	-
Total Governmental Activities	-	-	-	69,083,672	67,614,791	75,988,369	96,525,217	104,019,139	100,210,823	147,635,828
Total Primary Government Net Revenue (Expense)	-	-	-	(6,535,432)	(11,797,648)	(777,695)	(1,916,921)	(19,918,353)	(30,253,547)	15,929,524
GENERAL REVENUES AND OTHER										
CHANGES IN NET ASSETS										
Governmental Activities:										
Unrestricted investment earnings	-	-	-	173,892	28,231	16,210	33,470	48,782	38,103	40,790
Miscellaneous	-	-	-	82,685	39,484	73,578	59,766	96,255	66,404	28,029
Total General Revenues - primary government	-	-	-	256,577	67,715	89,788	93,236	145,037	104,507	68,819
CHANGE IN NET ASSETS										
TOTAL PRIMARY GOVERNMENT	\$ -	\$ -	\$ -	\$ (6,278,855)	\$ (11,729,933)	\$ (687,907)	\$ (1,823,685)	\$ (19,773,316)	\$ (30,149,040)	\$ 15,998,343

⁽¹⁾ 2002-03 Marks the year of GASB Statement No. 34 implementation for the San Joaquin Council of Governments.
GASB 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)**

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	205,802	166,514	627,192	972,217	(4,583,715)	(4,722,759)	(4,042,126)	(3,732,171)	(3,172,720)	(2,686,636)
Total General Fund	<u>\$ 205,802</u>	<u>\$ 166,514</u>	<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>
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
Unreserved, reported in Special revenue funds	171,635	230,068	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 171,635</u>	<u>\$ 230,068</u>	<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>

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

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
REVENUES										
Sales tax	\$ 45,221,350	\$ 51,234,707	\$ 53,924,227	\$ 56,220,317	\$ 60,762,403	\$ 67,439,208	\$ 74,394,499	\$ 77,799,996	\$ 73,149,434	\$ 62,476,792
Intergovernmental	3,963,490	3,907,406	4,098,354	4,201,070	6,388,567	4,196,645	5,146,041	5,996,146	7,732,701	70,387,640
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
Investment earnings	7,521,403	9,549,270	8,592,953	6,687,520	1,363,123	3,305,289	5,671,684	10,844,856	11,528,055	14,579,218
Charitable contributions - easements	-	-	589,717	-	201,805	-	-	-	-	-
Other	12,063	952,063	91,212	82,685	39,484	73,578	59,766	146,155	68,875	28,029
Total Revenues	56,718,306	65,643,446	69,290,547	70,004,869	71,366,024	77,760,391	98,490,698	105,564,564	102,106,973	149,116,790
EXPENDITURES										
General administration	740,879	2,218,276	4,296,173	4,729,944	7,586,419	5,896,553	6,277,914	8,559,267	8,457,347	7,848,755
Transportation	49,841,454	51,597,288	55,271,248	69,608,545	73,511,899	69,645,387	88,117,490	109,520,850	111,268,790	112,255,930
Habitat plan	-	-	948,288	349,176	66,077	112,392	297,201	488,657	534,850	601,724
Investment expense	-	-	-	446,428	582,363	633,784	840,548	740,270	5,397,353	748,954
Debt service										
Principal	72,593	68,685	29,474	29,028	28,519	38,583	40,901	54,075	54,296	65,901
Interest	2,309,840	3,244,588	1,686,433	1,229,427	1,182,500	1,759,929	4,578,834	5,688,210	6,416,338	13,654,547
Capital outlay										
Capital assets	35,488	54,585	30,759	14,556	7,935,244	42,191	21,998	6,441,954	13,576,217	4,206,120
Capital leases	114,080	10,958	15,542	49,693	49,516	24,085	18,368	87,314	72,344	50,316
Total Expenditures	53,114,334	57,194,380	62,277,917	76,456,797	90,942,537	78,152,904	100,193,254	131,580,597	145,777,535	139,432,247
Excess of Revenues Over (Under) Expenditures	3,603,972	8,449,066	7,012,630	(6,451,928)	(19,576,513)	(392,513)	(1,702,556)	(26,016,033)	(43,670,562)	9,684,543
OTHER FINANCING SOURCES (USES)										
Commercial paper proceeds	24,000,000	-	-	-	8,000,000	-	72,000,000	-	-	-
Bond anticipation note proceeds	-	-	-	-	-	-	-	-	210,003,362	-
Commercial paper retirements	-	-	-	-	(2,000,000)	-	-	-	-	-
Operating transfers - in	244,588	-	2,462	-	-	-	-	-	-	-
Operating transfers - out	(244,588)	-	(2,462)	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	-	-	-
Proceeds on sale of assets	-	-	-	-	-	-	-	-	3,204,945	-
Capital leases	114,080	10,958	15,542	49,693	49,516	24,085	18,368	87,314	72,344	50,316
Total Other Financing Sources (Uses)	24,114,080	10,958	15,542	49,693	6,049,516	24,085	72,018,368	87,314	213,280,651	50,316
NET CHANGE IN FUND BALANCES	\$ 27,718,052	\$ 8,460,024	\$ 7,028,172	\$ (6,402,235)	\$ (13,526,997)	\$ (368,428)	\$ 70,315,812	\$ (25,928,719)	\$ 169,610,089	\$ 9,734,859
Debt service as a percentage of noncapital expenditures	0.30%	0.12%	0.08%	0.09%	9.77%	0.09%	0.04%	5.47%	10.86%	3.50%

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES BY SOURCE
GENERAL FUND
FOR THE FISCAL YEARS ENDING JUNE 30, 1999 THROUGH JUNE 30, 2009**

	June 30, 1999	June 30, 2000	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
<u>INTERGOVERNMENTAL</u>											
TDA Administration	\$ 101,000	\$ 111,000	\$ 131,000	\$ 133,000	\$ 133,000	\$ 158,000	\$ 160,000	\$ 200,000	\$ 190,531	\$ 181,271	\$ 214,177
State Transit Assistance	16,425	16,444	16,652	28,651	16,658	18,003	20,459	35,607	18,988	137,964	40,822
State Subventions/Mandated Costs	-	-	-	7,078	-	-	-	-	20,072	22,169	-
Stockton - Arch Road/Hwy 99	-	-	1,620	-	-	-	-	-	-	-	-
Freeway Service Patrol	178,490	324,924	278,853	289,759	289,007	336,806	330,361	323,127	437,571	469,166	478,210
Ridesharing - S.J. County TDM	134,919	168,081	157,000	160,000	164,000	-	-	-	-	-	-
Ridesharing - Stanislaus Co.	100,000	104,500	105,000	107,000	109,000	121,000	139,000	155,000	155,000	160,000	141,500
National Fish & Wildlife	-	-	-	-	-	-	-	-	21,100	12,000	12,000
Habitat Funds/Habitat Management	-	250,000	-	40,006	296,163	250,000	382,415	384,983	434,797	528,012	478,345
Measure K	520,800	776,900	1,038,000	900,000	965,000	3,515,617	1,038,517	1,644,128	1,181,080	1,180,287	1,401,413
Fed. Highways Png. & Admin/SPR/PPM	586,655	606,890	696,187	762,049	801,168	872,450	980,375	782,606	1,187,526	1,546,086	1,518,403
Federal Transit Administration	77,983	102,589	104,816	263,621	184,297	172,757	188,008	179,054	149,338	218,673	296,091
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
San Joaquin Valley APCD	18,587	66,144	196,650	750	500	500	-	-	-	-	-
Airport Land Use Commission	9,820	3,675	5,715	4,747	3,920	3,270	4,390	3,430	2,702	665	900
Sacramento COG 511 Program	-	-	-	-	-	-	-	-	-	-	115,016
Great Valley Ctr. Legacy Grant	50,000	25,000	-	-	15,000	-	-	-	-	-	-
Caltrans PPM Program	58,000	75,000	77,000	101,000	212,000	-	-	-	-	-	-
Caltrans ITS Program	6,000	174,145	354,227	76,772	-	-	-	-	-	-	-
SB 45 STIP PP&M Program	-	-	-	-	-	-	90,556	94,444	249,677	431,323	300,000
Urban Area Focus/Strat. Deployment	-	-	-	102,592	-	-	-	-	-	-	-
Manteca/Lathrop Interchange Feasibility	-	-	-	-	55,161	43,454	-	-	-	-	-
Ripon Bike Bridge Funds	-	88,049	158,201	-	-	-	-	-	-	-	-
State Census 2000	-	93,533	-	-	-	-	-	-	-	-	-
Interregional Partnership - ABAG	-	-	-	-	12,938	46,651	-	-	-	-	-
San Joaquin A-Plus Reading Program	-	-	26,424	22,495	76,621	-	-	-	-	-	-
CCASP Aviation Plan	-	-	-	-	-	-	-	-	-	-	-
Valley CAN/Valley blue print	-	-	-	-	-	-	24,000	80,070	423,640	172,673	129,449
USDOT SR130/FAA	-	-	-	-	-	-	-	90,692	401,144	300,494	86,096
ALUP - SJCOG TDA	-	-	-	-	-	-	-	-	-	255,399	344,601
Planning - SJCOG TDA	284,224	454,375	456,750	601,979	547,500	626,815	675,842	749,256	789,912	829,407	608,125
Total Intergovernmental	2,142,903	3,441,249	3,804,095	3,848,429	4,411,060	6,354,277	4,196,645	5,146,041	6,016,217	6,849,702	6,653,612
<u>Use of Money and Property</u>											
Interest Income	22,911	28,833	28,935	19,914	18,606	29,025	16,255	32,942	48,782	44,261	31,670
Unrealized Gain (Loss) On Inv.	(390)	347	(2,462)	587	(2,169)	(794)	(45)	529	531	(6,158)	9,120
Total Use of Money and Property	22,521	29,180	26,473	20,501	16,437	28,231	16,210	33,471	49,313	38,103	40,790
<u>Miscellaneous</u>											
SJCOG Fees - Data Sales	703	2,228	2,043	13,254	4,478	1,158	1,406	2,827	539	364	696
Insurance Proceeds	10,423	1,900	-	-	-	-	-	-	-	-	-
Donations & Other Local Revenue	15,093	7,935	69,484	76,094	82,685	39,484	75,034	59,936	77,446	66,762	28,029
Total Other Revenue	26,219	12,063	71,527	89,348	87,163	40,642	76,440	62,763	77,985	67,126	28,725
Total Revenues	\$ 2,191,643	\$ 3,482,492	\$ 3,902,095	\$ 3,958,278	\$ 4,514,660	\$ 6,423,150	\$ 4,289,295	\$ 5,242,275	\$ 6,143,515	\$ 6,954,931	\$ 6,723,127

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES BY FUNCTION
GENERAL FUND
FOR THE FISCAL YEARS ENDING JUNE 30, 1999 THROUGH JUNE 30, 2009**

	June 30, 1999	June 30, 2000	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
EXPENDITURES											
RTP Update	\$ 15,954	\$ 18,649	\$ 135,995	\$ 121,613	\$ 45,629	\$ 74,841	\$ 87,440	\$ 89,731	\$ 413,442	\$ 104,159	\$ 150,218
RTP Studies	67,541	5,939	14,229	35,145	57,967	18,752	72,319	149,458	344,264	504,228	567,449
Foothill/Valley (94/96)	-	-	-	-	-	-	-	-	-	-	-
Regional Transp. Improv. Plan	84,177	147,832	141,533	170,378	232,800	151,315	182,096	341,682	177,677	267,209	255,668
Road/Street Monitoring	90,809	227,165	222,871	185,305	366,457	321,224	506,476	357,210	540,141	773,030	830,392
Transit Coordination	93,935	128,236	131,355	185,089	211,690	200,209	213,414	203,517	162,369	356,637	483,932
Transportation Air Quality	10,728	22,783	49,955	124,280	131,709	90,903	173,907	258,762	316,860	211,804	219,606
Transportation A.Q. Model	48,506	95,602	123,050	53,077	-	-	-	-	-	-	-
Good Movements	-	-	-	-	-	-	-	-	-	124,998	97,093
Technical Assistance	334,799	532,308	837,404	710,190	458,423	76,221	100,838	50,921	37,429	37,267	25,453
Intergovernmental Coordination	117,766	190,315	223,641	361,850	304,212	299,515	340,899	291,893	424,375	406,864	344,386
Projects and Forecasts	70,911	278,155	54,146	103,304	143,816	124,636	97,117	10,299	25,676	100,092	65,407
Aviation and Land Use	3,892	5,484	4,915	5,877	6,242	12,808	3,740	80,379	266,781	260,339	367,155
Congestion Management	22,720	5,240	3,563	1,152	283	1,161	13,444	12,653	51,727	290,491	160,898
Regional Planning	193,116	492,153	310,922	292,626	302,577	515,446	539,041	26,890	17,192	86,888	33,502
Valley M.P.O. Coordination	61,182	196,990	403,034	126,084	23,160	15,073	14,515	7,926	100,638	123,667	169,988
Interregional Partnership	-	-	16,453	43,907	107,511	59,563	6,791	1,607	5,991	10,323	17,819
Measure K Program Management	105,324	152,417	97,287	147,860	201,596	157,741	243,150	312,057	259,198	346,961	256,309
San Joaquin Valley Blueprint	-	-	-	-	-	-	-	80,506	438,418	208,222	214,025
Habitat Implementation	-	-	-	-	-	-	-	241,459	43	-	5,125
RTIF	-	-	-	-	-	-	-	-	-	34,877	32,419
Smart Growth	-	-	-	-	-	-	-	-	-	99,672	31,285
COG OWP Mgmt. & Admin.	213,742	87,607	121,714	161,942	171,771	153,050	155,404	166,162	189,732	237,752	203,873
TDA Administration	83,985	108,349	123,349	126,316	134,823	154,835	133,284	199,767	190,531	181,271	214,176
Community Involvement	78,590	161,330	224,955	192,502	249,420	330,221	296,176	687,150	630,564	349,511	277,043
Capital Outlay/Deprec/Ins Adjustment	(9,712)	(1,962)	(822)	(1,402)	(6,106)	7,818,061	(152,087)	(200,121)	(136,175)	(93,171)	(170,027)
ISTEA/TEA-21 Management	18,097	3,567	172	4,032	5,096	1,742	735	8,276	13,866	-	-
Ridesharing - S.J. County/Stan. County TDM	360,555	379,033	311,118	489,054	546,020	442,989	431,861	511,567	709,962	818,667	663,440
Freeway Service Patrol	-	-	-	-	361,259	421,007	414,316	443,969	567,343	570,490	577,445
Under (Over) - Applied Costs	449,203	354,428	332,111	85,024	161,438	537,768	553,463	469,795	85,516	55,576	193,278
Total Expenditures	\$ 2,515,820	\$ 3,591,620	\$ 3,882,950	\$ 3,725,205	\$ 4,217,793	\$ 11,979,081	\$ 4,428,339	\$ 4,803,515	\$ 5,833,560	\$ 6,467,824	\$ 6,287,357

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
PROFILE OF TAXABLE SALES
1999 – 2009
(UNAUDITED)**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Retail Stores											
Apparel stores	1.73%	1.80%	1.76%	1.92%	3.29%	3.39%	3.49%	3.54%	3.72%	3.79% *	n/a
General merchandise	12.28%	11.71%	10.53%	11.78%	10.99%	10.79%	10.58%	10.59%	10.67%	9.91% *	n/a
Specialty stores	6.27%	6.50%	6.05%	7.57%	9.82%	9.79%	9.76%	9.77%	6.08%	5.31% *	n/a
Eating and drinking group	6.37%	6.11%	6.34%	6.43%	8.70%	8.65%	8.64%	8.80%	9.21%	9.77% *	n/a
Building material group	5.83%	5.79%	6.46%	6.53%	6.13%	6.83%	6.73%	6.46%	5.83%	5.22% *	n/a
Automotive group	20.90%	22.39%	24.71%	23.88%	20.60%	20.70%	20.89%	20.58%	21.01%	21.36% *	n/a
Other retail stores	12.81%	12.35%	12.22%	11.69%	10.06%	9.86%	9.91%	9.79%	12.47%	12.16% *	n/a
Business and personal services	3.98%	3.53%	3.95%	3.97%	4.71%	4.46%	4.30%	4.23%	4.16%	4.19% *	n/a
All other	29.83%	29.82%	27.98%	26.23%	25.70%	25.53%	25.70%	26.24%	26.85%	28.29% *	n/a
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	n/a

SOURCE: CALIFORNIA STATE BOARD OF EQUALIZATION

* 2008 Data reflects 1st, 2nd & 3rd quarter, 4th quarter data was not yet available.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
GOVERNMENT-WIDE EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS⁽¹⁾**

	<u>1999-00</u>	<u>2000-01</u>	<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>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
Transportation	-	-	-	71,275,686	74,914,345	71,652,827	92,855,576	115,748,171	122,691,177	124,121,214
Habitat development	-	-	-	349,176	316,077	494,808	682,184	968,753	1,062,862	1,080,070
Interest expense	-	-	-	8,714	112,417	135,247	195,905	233,830	216,900	212,874
Total Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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>

⁽¹⁾ 2002-03 Marks the year of GASB Statement No. 34 implementation for the San Joaquin Council of Governments. GASB 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	PTMISEA	Measure K	Total
1999-00	\$ 15,145,856	\$ 981,296	\$ -	\$ 29,094,198	\$ 45,221,350
2000-01	17,238,128	1,007,740	-	32,988,839	51,234,707
2001-02	17,632,624	1,913,861	-	34,377,742	53,924,227
2002-03	18,768,399	1,073,638	-	36,378,280	56,220,317
2003-04	20,375,418	1,165,914	-	39,221,071	60,762,403
2004-05	22,528,054	1,285,581	-	43,625,573	67,439,208
2005-06	24,975,210	2,251,762	-	47,167,527	74,394,499
2006-07	23,709,474	6,927,579	-	47,162,943	77,799,996
2007-08	23,155,198	3,661,440	751,870	45,580,925	73,149,433
2008-09	20,270,843	1,739,077	-	40,466,872	62,476,792

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
DIRECT AND OVERLAPPING SALES TAX RATES
1999 – 2009**

Fiscal Year	Sales Tax Measure K	County of San Joaquin *	City of Manteca	City of Stockton
1999	0.50%	7.25%	7.25%	7.25%
2000	0.50%	7.25%	7.25%	7.25%
2001	0.50%	7.00%	7.00%	7.00%
2002	0.50%	7.25%	7.25%	7.25%
2003	0.50%	7.25%	7.25%	7.25%
2004	0.50%	7.25%	7.25%	7.25%
2005	0.50%	7.25%	7.25%	7.50%
2006	0.50%	7.25%	7.25%	7.50%
2007	0.50%	7.25%	7.75%	7.50%
2008	0.50%	7.25%	7.75%	7.50%
2009	0.50%	8.25%	8.75%	8.50%

Source: California State Board of Equalization

* Excludes the City of Manteca and Stockton

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
TAXABLE RETAIL SALES BY JURISDICTION
2007**

<u>County & Cities</u>	<u>Taxable Sales</u>	<u>Percentage of Total</u>	<u>Rank</u>
San Joaquin County	\$ 9,326,761	100.00%	
Stockton	3,663,679	39.27%	1
Unincorporated	1,407,633	15.09%	2
Tracy	1,133,674	12.16%	3
Unallocated	991,383	10.63%	4
Lodi	855,072	9.17%	5
Manteca	748,489	8.03%	6
Ripon	247,704	2.66%	7
Lathrop	202,657	2.17%	8
Escalon	76,470	0.82%	9
Total San Joaquin County	<u>\$ 9,326,761</u>	<u>100.00%</u>	

Source: California State Board of Equalization
Data for 2008 and 2009 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	PER CAPITA
	BOND ANTICIPATION NOTES	CAPITAL LEASES	COMMERCIAL PAPER			
2000	\$ -	\$ 262,661	\$ 89,000,000	\$ 89,262,661	0.6488%	158.4
2001	-	45,405	89,000,000	89,045,405	0.6235%	152.6
2002	-	31,473	89,000,000	89,031,473	0.6020%	149.4
2003	-	63,860	89,000,000	89,063,860	0.5718%	144.5
2004	-	84,856	95,000,000	95,084,856	0.5743%	149.4
2005	-	70,358	95,000,000	95,070,358	0.5509%	145.5
2006	-	47,825	167,000,000	167,047,825	0.9216%	250.0
2007	-	92,597	167,000,000	167,092,597	0.8705%	245.8
2008	209,807,822	110,644	167,000,000	376,918,466	N/A	552.4
2009	207,461,341	-	167,000,000	374,461,341	N/A	635.2

SOURCE: FINANCE DEPARTMENT

**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)
1998	525,249	184,238	1,794	\$ 5,080,400
1999	554,438	186,718	2,430	\$ 5,761,960
2000	563,598	189,160	2,442	\$ 6,582,353
2001	583,700	192,268	3,108	\$ 6,995,905
2002	596,000	197,316	5,048	\$ 7,305,586
2003	616,500	201,375	4,082	\$ 7,745,868
2004	636,466	207,449	6,074	\$ 8,703,241
2005	653,333	213,688	6,239	\$ 9,612,059
2006	668,265	219,717	5,950	\$ 9,528,419
2007	679,687	223,969	4,252	\$ 9,326,761
2008	682,316	227,339	3,370 *	\$ 6,667,780
2009	389,480	228,981	1,642 **	n/a **

SOURCES:

POPULATION AND NEW HOUSING – CALIFORNIA DEPARTMENT OF FINANCE

TAXABLE SALES – CALIFORNIA STATE BOARD OF EQUALIZATION

* TAXABLE SALES DATA FOR 2008 REFLECTS 1ST, 2ND & 3RD QUARTER, 4TH QUARTER DATA NOT AVAILABLE

** TAXABLE SALES DATA FOR 2009 WAS NOT YET AVAILABLE

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

CALENDAR YEAR	COUNTY POPULATION (JANUARY 1)	(1) PERSONAL INCOME \$ THOUSANDS	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
1998	525,249	11,859,624	21,952	10.60%
1999	554,438	12,632,069	22,867	8.90%
2000	563,598	13,757,148	24,217	7.00%
2001	583,700	14,281,186	24,140	7.50%
2002	596,000	14,788,895	24,259	8.90%
2003	616,500	15,576,802	24,838	9.20%
2004	636,466	16,555,526	25,725	8.80%
2005	653,333	17,256,675	26,239	7.90%
2006	668,265	18,125,182	27,272	7.40%
2007	679,687	19,194,503	28,739	8.10%
2008	685,660	N/A	N/A	10.40%
2009	689,480	N/A	N/A	N/A

SOURCE: California Employment Development Department

(1) California Department of Finance

(2) California Employment Development Department

(3) U.S. Census Bureau

(*) Data for 2008 and 2009 is not yet available, therefore, 2007 data is the most current year provided

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SAN JOAQUIN COUNTY EMPLOYMENT BY INDUSTRY
CALENDAR YEAR 2008**

Industry Type	1999		2008	
	Average Annual Employment	% of Total Employment	Average Annual Employment	% of Total Employment
Agriculture	\$ 18,100	9.2%	\$ 14,900	6.7%
Natural Resources & Mining	10,600	5.4%	11,500	5.2%
Manufacturing	23,800	12.1%	21,400	9.7%
Trade, Transportation & Utilities	40,400	20.5%	50,300	22.9%
Financial Activities	8,400	4.3%	9,300	4.2%
Professional & Business Services	16,100	8.2%	17,400	7.9%
Government	35,600	18.1%	40,300	18.2%
Educational & Health Services	21,500	10.9%	28,500	12.9%
Leisure & Hospitality	13,800	7.0%	17,500	7.9%
Other Services	5,700	2.9%	7,600	3.4%
Information	2,700	1.4%	2,300	1.0%
Total, All Industries	\$ 196,700	100.0%	\$ 221,000	100.0%

SOURCE: California Employment Development Department
Employment figures may not add up to totals due to rounding.
(1) Data for 2009 is not yet available, therefore, 2008 data is provided.

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

FUNCTION	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
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
Project Manager	-	-	-	-	-	-	1	1	1	1
Planners	9	11	11	13	13	15	15	15	15	15
Finance	3	3	3	3	3	4	5	5	5	5
Information Technology	-	-	1	1	1	1	1	1	2	2
Administration	3	4	4	4	4	4	5	5	5	4
Building maintenance	-	-	-	1	1	1	1	1	1	1
Interns	-	-	-	-	-	-	-	-	1	-
Total Approved Full-Time Positions	19	22	23	26	26	29	32	32	35	33

**BY PROJECT
LAST TEN YEARS**

DIRECT PROJECTS	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Regional Transportation Plan Update	0.08	0.56	0.48	0.19	0.36	0.42	0.43	1.51	0.36	0.51
Regional Planning Studies	0.02	0.06	0.14	0.24	0.09	0.35	0.71	1.26	1.74	1.93
Regional Transportation Improvement Plan	0.62	0.58	0.68	0.95	0.73	0.88	1.62	0.65	0.92	0.87
Roads & Streets Planning	0.95	0.91	0.74	1.49	1.55	2.45	1.69	1.97	2.67	2.83
Transit coordination Planning	0.53	0.54	0.74	0.86	0.97	1.03	0.97	0.59	1.23	1.65
Transportation Air Quality	0.09	0.20	0.49	0.53	0.44	0.84	1.23	1.16	0.73	0.75
Transportation Air Quality Planning/Modeling	0.40	0.50	0.21	-	-	-	-	-	-	-
Goods Movement	-	-	-	-	-	-	-	-	0.43	0.33
Ongoing Technical Assistance	2.22	3.42	2.83	1.86	0.37	0.49	0.24	0.14	0.13	0.09
Intergovernmental Coordination	0.79	0.91	1.44	1.24	1.45	1.65	1.38	1.55	1.41	1.17
Projections & Forecast	1.16	0.22	0.41	0.58	0.60	0.47	0.05	0.09	0.35	0.22
Aviation and Land Use	0.02	0.02	0.02	0.03	0.06	0.02	0.38	0.97	0.90	1.25
Congestion Management Prog/Sys	0.02	0.01	0.00	0.00	0.01	0.07	0.06	0.19	1.00	0.55
Regional Planning Studies	2.05	1.27	1.17	1.23	2.49	2.61	0.13	0.06	0.30	0.11
Valley MPO Coordination	0.82	1.65	0.50	0.09	0.07	0.07	0.04	0.37	0.43	0.58
Interregional Partnerships	-	0.07	0.17	0.44	0.29	0.03	0.01	0.02	0.04	0.06
S.J. Valley Blueprint	-	-	-	-	-	-	0.38	1.60	0.72	0.73
Habitat Implementation	-	-	-	-	-	-	1.15	0.00	-	0.02
Measure K Administration	0.64	0.40	0.59	0.82	0.76	1.18	1.48	0.95	1.20	0.87
Regional Transportation Impact Fee	-	-	-	-	-	-	-	-	0.12	0.11
Smart Growth	-	-	-	-	-	-	-	-	0.34	0.11
COG OWP Management & Administration	0.37	0.50	0.64	0.70	0.74	0.75	0.79	0.69	0.82	0.69
TDA Administration	0.45	0.50	0.50	0.55	0.75	0.65	0.95	0.70	0.63	0.73
Community Involvement	0.67	0.92	0.77	1.01	1.59	1.43	3.26	2.30	1.21	0.94
ISTEA/TEA-21 Management	0.01	0.00	0.02	0.02	0.01	0.00	0.04	0.05	-	-
Transportation Demand Management	1.58	1.27	1.95	2.22	2.14	2.09	2.43	2.59	2.83	2.26
Freeway Service Patrol	-	-	-	1.47	2.03	2.01	2.11	2.07	1.97	1.97
Subtotal - Direct Projects	13.50	14.50	14.50	16.50	17.50	19.50	21.50	21.50	22.50	21.33
INDIRECT	5.50	7.50	8.50	9.50	8.50	9.50	10.50	10.50	12.50	11.50
Total FTEs Based on Total Hours	19	22	23	26	26	29	32	32	35	33

SOURCE: San Joaquin Council of Governments

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

FUNCTION / PROGRAM	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Square footage of SJCOG Complex	-	-	-	30,000	30,000	30,000	30,000	30,000	30,000	30,000
SJCOG INC.										
Acres of Habitat Easments	310.00	310.00	690.19	690.19	1,094.10	1,239.10	2,592.40	6,138.40	7,815.41	8,327.41
Preservation Credit	-	-	-	-	-	10.34	10.34	10.34	10.34	10.34

SOURCE: San Joaquin Council of Governments Records