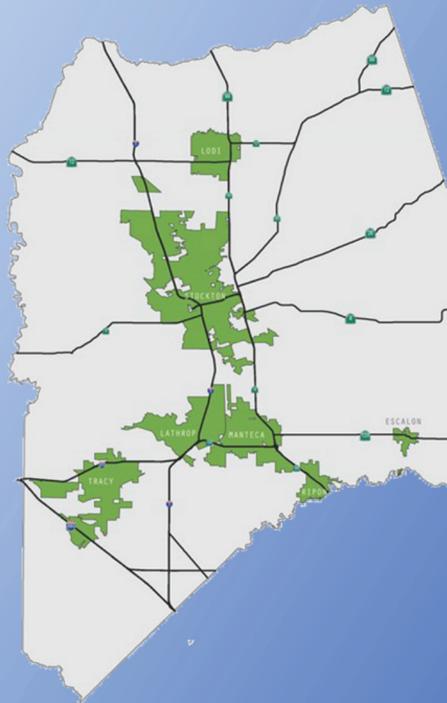




SAN JOAQUIN COUNCIL OF GOVERNMENTS
STOCKTON, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020



Prepared by:

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

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SAN JOAQUIN COUNCIL OF GOVERNMENTS

555 E. Weber Avenue • Stockton, California 95202 • P 209.235.0600 • F 209.235.0438 • www.sjcog.org

December 16, 2020

Honorable Board of Directors
San Joaquin Council of Governments

Sol Jobrack
CHAIR

Leo Zuber
VICE CHAIR

Andrew T. Chesle
EXECUTIVE DIRECTOR

Member Agencies

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

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 (SJCOC or the Council) for the fiscal year ended June 30, 2020.

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 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 Lance, Soll & Lunghard LLP, 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, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Council's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP requires that management provide a narrative, introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the 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 (County) 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 are described below. The Council is directed by a fifteen-member Board of Directors (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 are carried out by a professional staff.

The Roles of the San Joaquin Council of Governments

Since 1969, the Council 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 and the Multispecies Habitat Conservation Plan, are functions added on over the years. 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 and Sustainable Communities Strategy, 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 (MPO) is a federal designation identifying the Council 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), then the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), has expanded this role. Moving Ahead for Progress in the 21st Century (MAP – 21), was designed to create a streamlined and performance-based surface transportation program and builds on many of the highway, transit, and pedestrian programs and policies previously established that will have an impact on the activities of the Council. On December 4, 2015, President Obama signed the Fixing America's Surface Transportation (FAST) Act (Pub. L. No. 114-94) into law-the first federal law in over a decade to provide long-term funding certainty for surface transportation infrastructure planning and investment. The FAST Act authorizes \$305 billion over fiscal years 2016 through 2020 for highway, highway and motor vehicle safety, public transportation, motor carrier safety, hazardous materials safety, rail and research technology and statistics programs. The FAST Act maintains our focus on safety, keeps intact the established structure of the various highway-related programs we manage, continues efforts to streamline project delivery, and for the first time, provides a dedicated source of federal dollars for freight projects. With the enactment of the FAST Act, states and local governments are now moving forward with critical transportation projects with the confidence that they will have a federal partner over the long term.

The Council is responsible for the development of the Regional Transportation Plan (RTP). Included in those responsibilities is the development of the Federal Transportation Improvement Program (FTIP). The FTIP is a comprehensive transportation spending plan for the region that lists every transportation project that will receive federal funds or that is subject to federally required action, such as a review and approval of environmental documents. With the 2014 update to the RTP, California statute requires MPOs to

incorporate a Sustainable Communities Strategy (SCS) within the RTP. The SCS lays out how the region will meet greenhouse gas (GHG) reduction targets set by the California Air Resources Board (CARB).

The Roles of the San Joaquin Council of Governments

C. Airport Land Use Commission (ALUC)

The Council serves as the agency responsible for preparing and implementing the land use compatibility plan around each public access airport in San Joaquin County. The purpose is to comment and report findings on potentially conflicting land uses around airports 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. The 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.
- In partnership with the University of the Pacific Business Forecasting Center, analyzing and disseminating census data for posting on SJCOG's website and other means of distribution as well as collaborating on public workshops related to census and demographic information.
- 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 Congestion Management Agency for San Joaquin County. As the CMA, SJCOG prepares a Congestion Management Plan, monitors levels of service on the County's roadways and works to improve all methods of transportation locally and regionally.

The Congestion Management Plan incorporates the congestion management requirements adopted by SJCOG as a part of the Measure K Renewal transportation sales tax program and is updated biannually.

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 by the San Joaquin County Board of Supervisors and reaffirmed in 2006. 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 from 2011 to 2041. While sales tax collections for the Renewal did not start until April 1, 2011, expenditures attributed to that program were incurred pursuant to the Measure K Renewal Expenditure Plan.

G. Dibs – Transportation Demand Management

The Council operates the **dibs** program, which is a transportation demand management (TDM) 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 on local roadways, reduce traffic congestion, improve air quality, and more efficiently utilize existing road systems. In addition to helping San Joaquin County residents, the **dibs** program also provides TDM

services for Stanislaus and Merced County residents under a contract with Stanislaus Council of Governments and Merced Association of Governments. The **dibs** program operates using a mixture of funding sources including Federal Congestion Management Air Quality (CMAQ) funds, Measure K Renewal, vehicle registration fees collected under the Service Authority for Freeway Emergencies program, and contract fees paid by the Stanislaus Council of Governments and Merced Association of Governments. The Council has approximately 9,765 commuters participating in the program, including 231 vanpools.

H. Regional Housing Needs Allocation (RHNA) Plan

Preparation of the Regional Housing Needs Allocation (RHNA) is mandated by California Government Code Section 65584. The law requires that the California Department of Housing and Community Development (HCD) project housing construction needs at the county level.

HCD utilizes population and employment projections from SJCOG's Regional Transportation Plan and the Department of Finance's most recent projections as the basis for their projections. SJCOG is mandated to allocate the housing needs prepared by HCD to the jurisdictions and unincorporated areas within the County by income category.

I. Lead Agency – Transportation Air Quality Conformity

Federal planning regulations require that MPOs 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 Emission Factors (EMFAC) emissions model, where 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 the sole corporate member of SJCOG, INC., and 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.

K. Commute Connection, Inc.

Commute Connection, Inc., is a not-for-profit, public benefit corporation. The specific purpose of this corporation is to act as a designee of the Joint Powers Agency organized pursuant to the Commute Connection (**dibs**) program, which is to provide information regarding alternate transportation opportunities in, but not limited to, San Joaquin, Stanislaus, and Merced Counties and to promote alternative transportation solutions including carpooling, vanpooling, and biking or walking to work. This is a relatively new fund and there was minimal activity in the current year.

L. One Voice, Inc.

One Voice, Inc. is a not-for-profit public benefit corporation, established under Section 501©(3) of the Internal Revenue Code. The Council is the sole corporate member. One Voice, Inc., was formed to provide incentives to the private sector for donations, contributions, and sponsorships to support the One Voice® program, and take advantage of tax laws for charitable contributions. Funds received are used to offset costs associated with the annual One Voice® trip.

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 1st of each year. The approved budget must then be ratified by a majority of

member governments representing 55% of the population of the County. Operating budgets are prepared on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the object level. The Council's Board of Directors must approve significant amendments, appropriation transfers between objects, and transfers from contingencies. The Board must also approve supplemental appropriations financed by unanticipated revenues. No supplemental appropriations were required during the year ended June 30, 2020.

Budget to actual comparisons are provided in this report for the Council's General Fund. This comparison is provided on page 56 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 (as a proxy for overall economic activity) was 6.03% for 2002-2003, 6.5% in 2003-2004, 10.3% in 2004-2005, 7.6% in 2005-06, and fell to 0.289% in 2006-07 and declined 3.2% in 2007-08. Due to the economic downturn, caused primarily by the slumping housing market and significant decline in construction-related activities along with new car sales, sales taxes declined by 11.3% in 2008-09. The economic decline continued into 2009-10 with sales tax receipts falling 14.6%; however, the fiscal year ended with positive quarter over quarter comparisons. The economic decline bottomed out in 2009-10 with sales tax growth beginning in the 4th quarter of 2009-10. The growth trend continued into 2010-11 with sales tax receipts increasing 8.6% over 2009-10. Fiscal year 2011-12 continued the upward growth trend with the year over year sales tax increase at 11.02%. Fiscal year 2012-13 growth slowed to 6.37%. Fiscal year 13-14 continued to show slow growth at 4.2% for the year. Fiscal year 14-15 grew at a rate of 3.89%, fiscal year 15-16 ended at a 4.8% growth, fiscal year 16-17 grew at a rate of 4.55%. Sales tax for fiscal year 2017-18 grew at 8.2%. Sales tax for fiscal year 2018-19 grew at 11% and 2019-20 declined by .61%. Based on three months of revenue, fiscal year 2020-21 is estimated to grow 3.1%

Transportation related sales is the leading economic category in the County. Construction continues to rise with new home construction in the Cities of Tracy, Manteca, and Lathrop fueling an increase in building permits. With the on-set of the COVID-19 pandemic, general retail, restaurants and other hospitality businesses have suffered the largest impacts of restrictions intended to slow the spread of the virus. However, online sales have skyrocketed moving Amazon into being the second highest sales tax generator.

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. Amazon continues to expand the number of fulfillment centers in San Joaquin County. Logistical centers dominated the I-205 corridor.

San Joaquin County population growth in 2018 was 1.4%. and 1.1% in 2019. Population growth is supported by San Joaquin County's proximity to the Bay Area, greater housing affordability versus neighboring counties, continued economic diversity and expansion and a younger age profile.¹

Unemployment in the County traditionally is higher than the state average. That said, with a diverse job market, employment has continued to increase post-recession. The unemployment rate in the County has steadily declined since 2011 and in 2018, at 6% it was the lowest in the San Joaquin Valley. At the onset of the COVID-19 pandemic, unemployment spiked to above 17%. There has been some recovery reducing the unemployment rate to 14%

¹ Source: State of California, Department of Finance, Demographic Research Units

Long-Term Financial Planning

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

A. Federal Funding Sources

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

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

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

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

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

B. State Funding Sources

State Transit Assistance (STA) Funds

STA funds are allocated by the State Controller's office on a quarterly basis. The revenue is generated from the State Gas Tax. The allocation of the funds is made up of two components. Public Utilities Code (PUC) Section 93313 allocations are based on the latest available annual population estimates from the Department of Finance (the ratio of the region's population to the state's population). Once received by the RTPA, this portion of the allocation is distributed based on an approved distribution method by the Board of Directors. PUC 99314 funds are allocated to approved transit operators based on a revenue basis (the ratio of the locally generated revenue of each operator in the region to the locally generated revenue of all operators in the state).

Proposition 1B – PTMISEA Funding

The Public Transportation Modernization, Improvement, and Service Account Program (PTMISEA) funding account was created by Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Of the \$19.925 billion available to Transportation, \$4 billion dollars were allocated to PTMISEA to be available to transit operators over a ten-year period. PTMISEA funds may be used for transit rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or rolling stock (buses and rail cars) procurement, rehabilitation, or replacement. Funds in this account are appropriated annually by the Legislature to the State Controller's Office for allocation in accordance with PUC formula distributions: 50% allocated to Local Operators based on fare-box revenue and 50% to Regional Entities based on population.

Proposition 1B – TSSSDRA Funding

The Transit Safety, Security, and Disaster Response Account (TSSSDRA) funding account was created by Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. TSSSDRA funding is available for capital expenditures that provide an increased protection against a security or safety threat, increase the capacity of transit operators to develop disaster response transportation systems that can respond in the event of an emergency, or other allowable costs under California Government Code 16727 (a). TSSSDRA funding to SJCOG and local transit operators is allocated annually based on the State Transit Assistance formula found in PUC 99313 (population based)

and 99314 (fare revenue based), respectively. In fiscal year 2017, the State Controller's Office TSSSDRA schedule of apportionment provided \$533,574 for the San Joaquin County region. Of that total, \$428,706 is apportioned to SJCOG (Section 99313) and \$104,868 to the eligible transit operators (Section 99314). The final revenue for the TSSSDRA program was received in Fiscal Year 18-19. The TSSSDRA program is set to close in Fiscal Year 20-21. Jurisdictions have been asked to submit final billings on all TSSSDRA funds. The San Joaquin Regional Rail Commission (Rail) being the only Jurisdiction that has received and completed the process for claiming TSSSDRA funds submitted a final expenditure request in Fiscal year 19-20. The remaining monies being held in the Rail's TSSSDRA funds is interest earned. These funds will be disbursed to the Rail in Fiscal 20-21 once a final request is submitted.

State of Good Repair

The State of Good Repair (SGR) program revenue is SB1 funds received from the State Controller's Office on a quarterly basis. The program is funded from a portion of the New Transportation Improvement Fee on vehicle registrations due on or after January 1, 2018. A portion of this fee is transferred to the State Controller's Office for the SGR Program. The funds are then allocated under the State Transit Assistance (STA) program formula to eligible agencies pursuant to the Public Utilities Code 99312.1. Half of the funds are allocated according to population and half according to transit operator reported revenues.

C. Local Funding Sources

Local Transportation Fund (LTF) Funds – LTF Funds are retail sales tax monies, ¼ cent, 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 service for a local jurisdiction. That jurisdiction will either directly pay for the Council services or provide whatever matching funds are required to pay for the services.

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

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

Local Transportation Authority (Measure K) – In November of 1990, San Joaquin County voters passed a ½ cent sales tax to fund specified transportation projects. In November 2006, San Joaquin County voters voted to extend the transportation sales tax until 2041. The Council's administration (salaries and benefits) of that program cannot exceed 1% of receipts. Planning efforts undertaken to further a Measure K project are considered direct project delivery expenses not restricted by the 1% administration limitation and can use these monies as well.

Air Pollution Control District (APCD) Fees – The San Joaquin Valley Unified Air Pollution Control District (District) allocates funds raised from a \$19-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 San Joaquin Valley through Remove Grants to local and regional agencies.

It is expected that these funding sources 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, 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:

Measure K Renewal – In November 2006, San Joaquin County voters approved the extension of Measure K, the ½ cent transportation sales tax, originally approved by County voters in 1990 and scheduled to sunset in 2011. The renewal of Measure K will extend the sales tax for an additional 30 years (2041). The Measure K Renewal is estimated to generate \$2.6 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 began April 1, 2011. In August 2011, the SJCOG Board adopted the Measure K Renewal Strategic Plan update reflecting the impact the great recession had on the Measure K Renewal program. Approximately \$2.0 billion was taken out of the Measure K Strategic Plan. In 2017, the Council adopted a Measure K Strategic Plan update considering a revised revenue forecast and began programming projects through 2030.

Because the Measure K Renewal did not start collecting sales tax until April 1, 2011, funding for early project delivery is provided through a combination of using accumulated fund balance and the proceeds from the May 2008 Bond Anticipation Note (BAN) sale. In May 2008, the Council issued \$203,355,000 in BANs generating \$210,003,362. Proceeds were planned to partially fund certain capital portions of the Early Action Program of the Measure K Renewal program. The BANs were set to expire April 1, 2011; however, the Council issued Sales Tax Revenue Bonds on March 1, 2011, to defease the BANs totaling \$212,175,000. The Council pledges 100% of the Measure K Renewal sales tax as a security for the new bonds; however, in order to maintain a high credit rating and coverage level, debt service is constrained at 35% of the base year's actual sales tax. Please refer to Note 8 of the notes to the financial statements for further information on the Council's Sales Tax Revenue Bonds. An advanced refunding of the 2011 bonds closed in April 2017. This refunding substantially reduced the debt service requirement on the bonds providing improved cash flow through the final maturity in 2041. In addition, the refunding allowed the release of the \$8.3 million debt service reserve fund created for the 2011 bonds.

In February 2019 the Council issued bonds to replace the line of credit. \$63,960,000 was issued. On July 2, 2014, the Council issued Sales Tax Revenue Bonds, Series 2014 in the amount of \$49,245,000 which also uses bonding capacity under the 35% constraint. Please refer to Note 8 of the notes to the financial statements for further information on the Debt Obligations and Long-Term Liabilities. In addition, the Council has several capital equipment lease agreements outstanding at June 30, 2020. 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.

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 FAST Act – Fixing America's Surface Transportation (FAST) Act is a funding and authorization bill to govern United States federal surface transportation spending. It was passed by Congress on December 3, 2015, and President Barack Obama signed it on December 4, 2015.

Previous 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 in 2005 the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) was authorized. In October 2011, President Obama signed into law a new transportation authorization, Moving Ahead for Progress in the 21st Century (MAP – 21). Along with the responsibility to program the funds was the accountability to ensure the projects were delivered in a timely manner. The FAST Act is the first federal law in over a decade to provide long-term funding certainty for surface transportation infrastructure planning and investment. The FAST Act authorizes \$305 billion over fiscal years 2016 through 2020 for highway, highway and motor vehicle safety, public transportation, motor carrier safety, hazardous materials safety, rail, and research, technology, and statistics programs. The Council anticipates MPO planning activities will be funded at levels similar to the previous authorization.

The Council's treasury functions are with Farmer's and Mercantile Bank (FMB), headquartered in Lodi, CA. Pursuant to statute, Transportation Development Act (TDA) funds remain with the San Joaquin County Treasurer.

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, 2020, consists of money market funds and federal agency discounted notes. Steve Dial, Deputy Executive Director and Chief Financial Officer of the Council, currently serves as president on the Board of Trustees of CAMP in a voluntary, unpaid capacity.

In 2012, SJCOG diversified its portfolio by investing \$4 million of Measure K Renewal funds in the Eagle Asset Management program through Raymond James. The primary goal is capital preservation with low risk tolerance and a time horizon less than five years. Secondly, the goal is income with low risk and a short investment time horizon.

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

In January 2010, the Council became independent of the County of San Joaquin for all payroll and payroll related activities. For workers' compensation, SJCOG retained Berkshire Hathaway Insurance Services. The financial impact on the current period's financial statements for payroll activities was \$10,694.42 and \$13,287.23 for workers' compensation.

In March 2010, the Council moved health benefit coverage and all health benefit related activities from the County of San Joaquin to a variety of private health care providers. This includes dental and vision coverage, life insurance, short- and long-term disability, and long-term care.

The 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 accrual 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, 2019. This was the 21st consecutive year that the Council has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Council published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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 Lance, Soll, and Lunghard, LLP.

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

Respectfully submitted,



ANDREW T. CHESLEY
Executive Director



STEVE DIAL
Deputy Executive Director/CFO

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

BOARD OF DIRECTORS

Chair	Mayor Doug Kuehne	City of Lodi
Vice Chair	Councilmember Sol Jobrack	City of Stockton
Boardmember	Supervisor Kathy Miller	San Joaquin County
Boardmember	Supervisor Bob Elliott	San Joaquin County
Boardmember	Supervisor Chuck Winn	San Joaquin County
Boardmember	Vice Mayor Dan Wright	City of Stockton
Boardmember	Councilmember Jesus Andrade	City of Stockton
Boardmember	Councilmember Gary Singh	City of Manteca
Boardmember	Councilmember Leo Zuber	City of Ripon
Boardmember	Councilmember Walt Murken	City of Escalon
Boardmember	Mayor Sonny Dhaliwal	City of Lathrop
Boardmember	Mayor Robert Rickman	City of Tracy

EX-OFFICIO MEMBERS

Anthony Barkett – Port of Stockton
 Gary Giovanetti – San Joaquin Regional Transit District
 Dan McElhinney – Caltrans District 10

CITIZENS ADVISORY COMMITTEE

Chair	Paul Plathe	Sierra Club
Vice Chair	Rick Grewal	City of Stockton
Member	Robert Bivens	San Joaquin County
Member	Richard Blackston	City of Lodi
Member	Michael Carouba	Business Industry
Member	LaCresia Hawkins	NAACP
Member	Jim Hilson	City of Lathrop
Member	Stephanie Hobbs	City of Ripon
Member	Gracie Marx	City of Escalon
Member	Al Nunez	Trucking Industry
Member	Steve DeBrum	City of Manteca
Member	Lauren Ah Tye	League of Women Voters
Member	Eleassia Davis	City of Tracy
Member	Jessica Bilecki	University of Pacific
Member	Leonard Smith	Transit Advocate
Vacant		Agricultural Industry

EXECUTIVE COMMITTEE

Chair	Mayor Doug Kuehne	City of Lodi
Vice Chair	Councilmember Sol Jobrack	City of Stockton
Member	Supervisor Kathy Miller	San Joaquin County
Member	Councilmember Leo Zuber	City of Ripon
Member	Mayor Robert Rickman	City of Tracy
Alternate	Vacant	SJ County

SOCIAL SERVICES TRANSPORTATION ADVISORY COMMITTEE & INTERAGENCY TRANSIT COMMITTEE (COMBINED)

Member	Julia Tyack	City of Lodi
Member	John Andoh	City of Escalon
Member	Joni Bauer	Community Center for the Blind
Member	Georgia Lantsberger	City of Lodi
Member	Juan Portillo	City of Manteca
Member	James Pease	City of Ripon
Member	Toan Tran	SJRTD
Member	George Lorente	SJRTD
Member	Debra Gurley	Transit User Over 60
Member	Robert Balderama	Transit User with a Disability
Member	Michael King	City of Lathrop
Member	James Pease	City of Ripon
Member	Ed Lovell	City of Tracy
Member	Jordan Peterson	SJRRC
Member	Armando Valerio	SJ County Public Health Services
Member	Wilma Murray	Valley Mountain Regional Center

MANAGEMENT & FINANCE COMMITTEE

Chair	Steve Schwabauer	City of Lodi
Vice Chair	Harry Black	City of Stockton
Member	Monica Nino	San Joaquin County
Member	Tammy Alcantor	City of Escalon
Member	Stephen Salvatore	City of Lathrop
Member	Miranda Lutzow	City of Manteca
Member	Kevin Werner	City of Ripon
Member	Kimberly Gayle	SJRTD
Member	Stacey Mortensen	SJRRC
Member	Jenny Haruyama	City of Tracy

HABITAT TECHNICAL ADVISORY COMMITTEE

Chair	Megan Aguirre	SJC Community Development
Vice Chair	Matthew Diaz	City of Stockton
Member	Dominique Romo	City of Escalon
Member	Dan Gifford	Conservation
Member	Rick Caguiat	City of Lathrop
Member	John Della Monica	City of Lodi
Member	Rochelle Henson	City of Manteca
Member	Ken Zuidervaart	City of Ripon
Member	Kimberly Matlock	City of Tracy
Member	Ian Ralston	Dept. of Fish and Game, Region #2
Member	Melissa Farinha	Dept. of Fish and Game, Region #3
Member	Matthew Nelson	USFWS
Member	John Beckman	Building Industry Association
Member	Michelle Leinfelder-Miles	UCCE
Member	Jesse Fowler	SJ Ag Commission
Counsel	Rod Attebery	Neumiller & Beardslee

TECHNICAL ADVISORY COMMITTEE

Chair	George Lorente	SJ Regional Transit District
Vice Chair	John Andoh	City of Escalon
Member	Dominique Romo	City of Escalon
Member	Michael King	City of Lathrop
Member	Joseph Michael	City of Lathrop
Member	Jay Davidson	City of Lathrop
Member	Kevin Werner	City of Ripon
Member	Elizabeth Quilici	City of Ripon
Member	Alex Chetley	San Joaquin County
Member	Najee Zarif	San Joaquin County
Member	Dave Mendoza	San Joaquin County
Member	Eric Alvarez	City of Stockton
Member	Wes Johnson	City of Stockton
Member	Miguel Mendoza	City of Stockton
Member	Heba El Guindy	City of Stockton
Member	Dodgie Vidad	City of Stockton
Member	Charles Swimley	City of Lodi
Member	Julia Tyack	City of Lodi
Member	Georgia Lantsberger	City of Lodi
Member	Lyman Chang	City of Lodi
Member	Juan Portillo	City of Manteca
Member	Koosun Kim	City of Manteca
Member	Tracie Madison	City of Manteca
Member	Ed Lovell	City of Tracy
Member	Zabih Zaca	City of Tracy
Member	Anju Pillai	City of Tracy
Member	Dero In	SJ Regional Transit District
Member	Jordan Peterson	SJ Regional Rail Commission
Member	Juan Villanueva	Port of Stockton
Member	Tom Dumas	Caltrans, District 10
Member	Josh Swearingen	Caltrans, District 10
Member	Steven Martinez	Caltrans, District 10
Member	Russell Stark	Stockton Metropolitan Airport
Member	John Cadrett	SJVAPCD



SJCOG
Board of Directors

Executive Committee

Andrew T. Chesley
Executive Director

Diane Nguyen, AICP
Deputy Director
Planning, Programming, &
Project Delivery

Rebecca E. Caija
Manager of Administrative
Services

Steve Dial
Deputy Executive Director/
Chief Financial Officer

**Programming, Project
Delivery, Air Quality
& Transit Planning**
Ryan Niblock
Senior Regional Planner

- David Ripperda
Associate Regional
Planner
- Joel Campos
Associate Regional
Planner
- Isaiah Anderson
Assistant Regional
Planner

**Regional Transportation
Plan, Census Center,
Airport Land Use, &
Regional Impact Fees**
Timothy Kohaya, AICP
Senior Regional Planner

- Hailey Lang
Associate Regional
Planner
- Lauren Chetley
Planning Intern

**Modeling, Goods
Movement, Congestion
Management**
Kim Kloeb
Senior Regional Planner

- Travis Yokoyama
Associate Regional
Planner

**Communications &
Travel Demand
Management**
Yvette Davis
Senior Program
Specialist

- Christine Haruta
Associate Program
Specialist
- Michelle Prince
Assistant Regional
Planner
- Stephanie Maynard
Administrative
Analyst
- Teresa Garcia
Administrative
Technician

**Regional Planning
Studies, Regional
Housing, and
Community
Partnerships**

- Christine Corrales
Associate Regional
Planner
- Ashley Goldist
Assistant Regional
Planner
- Shyla Solis
Planning Intern

Administration
Rosie Gutierrez
Office Administrator

- Katy Castro
Administrative
Technician
- Melissa Ablang
Administrative
Technician
- Vacant
Maintenance
Technician

Finance
Grace Orosco
Chief Accountant

- Lynnetta Castle
Staff Accountant
- Kelly Bagley
Payroll Specialist/
HR Assistant
- Gregory Solario
Accounting
Assistant I
- Dajjit Saini
Accounting
Assistant I

**Information
Technologies**
Vik Sharma
IT Manager

- Vacant
IT Support
Technician

Habitat Planning
Steve Mayo
Program Manager

- Laurel Boyd
Associate
Habitat Planner
- Vacant
Planning
Technician

SJCOG ADVISORY COMMITTEES



15 Member SJCOG Board



Management & Finance Committee



Executive Committee



Habitat Committee



Technical Advisory Committee



Citizens Advisory Committee



**Social Services Transportation
Advisory Committee**



Interagency Transit Committee



Government Finance Officers Association

Certificate of
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Presented to

**San Joaquin Council of Governments
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Board of Directors
San Joaquin Council of Governments
City of Stockton, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the San Joaquin Council of Governments, (the Council) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Honorable Board of Directors
San Joaquin Council of Governments
City of Stockton, California

Opinions

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, 2020, and the respective changes in financial for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the management's discussion and analysis, the budgetary comparison schedules for the general fund, Measure K and Measure K Renewal Fund, Local Transportation Fund, State Transit Assistance Fund, Regional Transportation Impact Fee Fund, and SJCOG, Inc. Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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, supplementary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.



To the Honorable Board of Directors
San Joaquin Council of Governments
City of Stockton, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Lance, Soll & Lughard, LLP

Sacramento, California
December 16, 2020

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**SAN JOAQUIN COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Within this section of the San Joaquin Council of Governments (the Council) comprehensive annual financial report, the Council's management provides a narrative discussion and analysis of the financial activities of the Council for the fiscal year ended June 30, 2020. The Council's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. Additional information is available in the transmittal letter which precedes the Management's Discussion and Analysis. The discussion focuses on the Council's primary government and component units.

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

From a financial perspective, the most significant program for which the Council is responsible is managing the San Joaquin County Transportation Authority, otherwise known as the Measure K and Measure K Renewal 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 and deferred outflows of resources exceeded its liabilities by \$48,125,392. (Net Position) for the fiscal year ended June 30, 2020. This compares to the previous year's 26,765,966.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$91,984,295 includes easements and property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$280,874,729 is restricted by constraints imposed from outside the Council, such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$(324,733,632) represents the portion available to maintain the Council's continuing obligations and Measure K and Measure K Renewal contract commitments in excess of current available resources. Continuing obligations and Measure K and Measure K Renewal contract commitments are secured by future sales tax revenues.
- The Council's governmental funds reported total ending fund balance of \$280,885,008 this year. This compares to the prior year ending fund balance of \$265,478,682, showing an increase of \$15,406,326 during the current year. The Council's governmental funds reported a total unassigned fund balance deficit of \$119,494 for fiscal year 2019-20 which depicts a decrease of \$84,591.

- At the end of the current fiscal year, total fund balance for the General Fund was \$6,086 and depicts an increase of \$107,344 compared to the prior year.
- At the end of the current fiscal year, total fund balance of the combined Measure K and Measure K Renewal Fund increased by \$8,883,960 primarily due to the completion of various capital projects.
- Total liabilities of the Council increased by \$7,515,403 to \$375,251,712. This large swing in liabilities was due to the anticipation of decreased revenue. SJCOG paid 70% of the claimed amounts during the year until it was known what the final revenue would be. Therefore, the liability is higher due to the majority of the agency's claims being paid out after the fiscal year end.

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 basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Council's comprehensive annual financial 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 Position*. This is the Council-wide statement of position presenting information that includes all the Council's assets, deferred outflows of resources and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council as a whole is improving or deteriorating.

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

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

The government-wide financial statements include not only the Council itself (known as the *primary government*), but also three legally separate not-for-profit corporations: One Voice INC., SJCOG, INC., the San Joaquin County Multispecies Habitat Plan, for which the Council is financially accountable, as well as Commute Connection, Inc. Financial information for these *blended component units* are reported in conjunction with the financial information presented for the primary government. SJCOG, INC., and Commute Connection, Inc., are reported as major governmental funds.

The government-wide financial statements can be found on pages 16 and 17 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 Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

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

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

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

The basic governmental fund financial statements can be found on pages 18 – 24 of this report.

Notes to the Basic 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 basic financial statements can be found on pages 25 – 53 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Council, assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$48,125,392 at the close of the most recent fiscal year. In 2007, when the Council adopted the EAP and went to the capital markets to bond for \$203 million to fund the EAP, the Council recognized that the bond revenue was not sufficient to completely fund all of the projects in the EAP. Full funding would occur over time as new sales tax revenues were received. While the net assets only exceed liabilities by \$48.1 million, this reflects the funding for the projects in midstream. There is an adequate sales tax revenue stream in place to negate the liabilities. In addition, the bond liability is amortized over a 30-year period.

The largest portion of the Council's assets (54 percent) reflects its cash and investment portfolio. The Council plans to use these assets to fund future transportation related projects throughout the County of San Joaquin.

At the end of the current fiscal year, the Council is able to report positive balances in two of three categories of net position for the government as a whole. However, the negative unrestricted net position of

\$324,733,632 is due primarily to Measure K Renewal expenditures made in advance of future sales tax revenue.

The following tables related to net position reflect the above and other activities that took place during the June 30, 2020, fiscal year. Overall, the Council's net position increased by \$41,729,294 as shown in the table below. Two major factors contributing to the increase was the \$13,898,716 increase in Sales Tax Revenue and the \$27,650,857 of deferred outflow of resources applicable to the defeasement of the 2011 Tax Bond in March 2019. In accordance with paragraph 6 of GASB Statement No. 65, "For advance refunding's resulting in defeasance of debt reported by governmental activities, the difference between the reacquisition price and net carrying amount of the old debt is to be reported as deferred outflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter."

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Net Position

	Governmental Activities		Increase (Decrease)
	2020	2019	
Current and other assets	\$ 305,000,595	\$ 280,450,797	\$ 24,549,798
Capital assets	92,042,360	86,400,621	5,641,739
Total assets	397,042,955	366,851,418	30,191,537
Deferred outflows	26,334,149	27,650,857	(1,316,708)
Long-term liabilities outstanding	346,243,911	352,764,194	(6,520,283)
Other liabilities	29,007,801	14,972,115	14,035,686
Total liabilities	375,251,712	367,736,309	7,515,403
Net assets			
Invested in capital assets, net of related debt	91,984,295	86,357,946	5,626,349
Restricted	280,874,729	265,577,936	15,296,793
Unrestricted	(324,733,632)	(325,169,916)	436,284
Total net assets	\$ 48,125,392	\$ 26,765,966	\$ 21,359,426

Changes in Net Position

	Governmental Activities 2020	2019	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for services	\$ 8,711,487	\$ 22,157,972	\$ (13,446,485)
Operating grants and contributions			
Sales tax	110,698,556	113,035,176	(2,336,620)
Other operating grants and contributions	16,919,515	15,131,181	1,788,334
General revenues:			
Investments and miscellaneous	29,127	35,431	(6,304)
Total revenues	136,358,685	150,359,760	(14,001,075)
Expenses:			
General Administration	8,609,107	7,897,957	711,150
Transportation	88,229,188	85,961,328	2,267,860
Habitat Plan	1,248,664	1,327,767	(79,103)
Building interest expense	127,679	135,454	(7,775)
Investment interest expense	14,047,607	13,307,959	739,648
Total expenses	112,262,245	108,630,465	3,631,780
Increases (Decreases) in net position	24,096,440	41,729,295	(17,632,855)
Prior Period Adjustment	(2,737,014)	-	
Net position(deficit), beginning of year as restated	26,765,966	(14,963,329)	41,729,295
Net position(deficit), end of year	\$ 48,125,392	\$ 26,765,966	\$ 21,359,426

Financial Analysis of the Council's Funds

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

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, the *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.

Governmental funds

As of the end of the current fiscal year, the Council's governmental funds reported a combined ending fund balance of \$280,885,008, an increase of \$15,406,326. Of this total amount, \$129,773 is *non-spendable*, \$280,874,729 is *restricted*, and \$(119,494) *unassigned fund balance*.

General Fund – The General Fund is the chief operating fund of the Council. At the end of the current fiscal year, the fund balance of the General Fund was \$6,086, which is an increase of \$107,344.

Combined Measure K and Measure K Renewal Fund – The combined Measure K and Measure K Renewal Fund, which is used to account for the additional ½ cent sales tax revenue approved by the San Joaquin County voters under Measure K, had increased as compared to last year. For the June 30, 2020, fiscal year, Measure K revenue, including investment earnings, totaled \$72,092,250. The combined Measure K and Measure K Renewal Fund balance increased by \$8,883,960 over the previous

year primarily due to a decrease in project expenditures. These projects are in the areas of Transit, Congestion Relief, Railroad Safety, and Streets and Roads.

Local Transportation Fund (LTF) – The 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 increased slightly as compared to last year, which is encouraging. For the June 30, 2020, fiscal year LTF revenue, including investment earnings, totaled \$37,212,948 an increase of 2.3% over the previous fiscal year. The LTF Fund balance decreased slightly by \$24,950 due to an increase in claims from the City of Tracy.

State Transit Assistance Fund (STA) – The STA revenue is Public Transportation Modernization, Improvement, and Service Enhancement (PTMISEA) funds from Proposition 1B. The annual apportionment of PTMISEA funds is conducted by the State Controller using the historical STA apportioning methodology. This fiscal year-end revenue totaled \$9,594,393 compared to \$11,216,533 from the previous fiscal year.

The Transit Safety, Security, and Disaster Response Account (TSSSDRA) funding account was created by Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. In fiscal year 2017, the State Controller's Office TSSSDRA schedule of apportionment provided \$533,574 for the San Joaquin County region. Of that total, \$428,706 is apportioned to SJCOG (Section 99313) and \$104,868 to the eligible transit operators (Section 99314). The final revenue for the TSSSDRA program was received in Fiscal Year 18-19. The TSSSDRA program is set to close in Fiscal Year 20-21.

The State of Good Repair (SGR) program revenue is SB1 funds received from the State Controller's Office on a quarterly basis. The program is funded from a portion of the New Transportation Improvement Fee on vehicle registrations due on or after January 1, 2018. A portion of this fee is transferred to the State Controller's Office for the SGR Program. The funds are then allocated under the State Transit Assistance (STA) program formula to eligible agencies pursuant to the Public Utilities Code 99312.1. Half of the funds are allocated according to population and half according to transit operator reported revenues. The fiscal year-end revenue for SGR totaled, 1,322,727 compared to \$2,236,448 in the previous fiscal year.

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 deliver 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 is managed for the benefit of the entire San Joaquin County region by the Council. At the end of the current fiscal year, total fund balance increased \$2,023,321 primarily due to an increase of RTIF issued permits.

SJCOG, INC. – SJCOG, INC., is a not-for-profit public benefit corporation, formed to act as the Joint Powers Agency organized pursuant to the San Joaquin County Multispecies 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, 2020, fiscal year totaled \$7,181,753 a decrease of 90% over the previous fiscal year. This large decrease in development activity and mitigation fee collections is primarily due to Covid-19 and rainy weather. Project sponsors have the option to provide "land in lieu" rather than pay the acquisition component of the habitat fee. The land donated can be a fee title or the conservation easement on land. Land and/or easements donated must be consistent with the needs of the habitat plan. The total land in lieu for June 30, 2020 totaled \$574,250 The SJCOG, INC., fund balance increased by \$1,505,535 in the June 30, 2020, fiscal year to \$52,618,528. These funds are targeted for future habitat land and easement acquisitions and for management of the habitat plan.

One Voice, Inc. is a not-for-profit public benefit corporation, established under Section 501(c)(3) of the Internal Revenue Code. The Council is the sole corporate member. One Voice, Inc., was formed to provide incentives to the private sector for donations, contributions, and sponsorships to support the One Voice®

program, and take advantage of tax laws for charitable contributions. Funds received are used to offset costs associated with the annual One Voice® trip.

Commute Connection, Inc. – Commute Connection, Inc., is a not-for-profit, public benefit corporation. The specific purpose of this corporation is to act as a designee of the Joint Powers Agency organized pursuant to the Commute Connection program, which is to provide information regarding alternate transportation opportunities in, but not limited to, San Joaquin, Stanislaus, and Merced Counties and to promote alternative transportation solutions including carpooling, vanpooling, and biking or walking to work. This was a new fund and there was minimal activity in the current year.

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 of San Joaquin. Significant amendments, appropriation transfers between objects, and transfers from contingencies must be approved by the Council’s Board of Directors (Board). Supplemental appropriations financed by unanticipated revenues also must be approved by the Board. No supplemental appropriations were required during the year ended June 30, 2020.

The Council’s revenues are largely received on a reimbursement basis. All state and federal funding is secured through contracts, agreements, grants, etc. However, the funds are not paid to the Council until after related expenditures have occurred and been invoiced to the proper project. Therefore, while the Council’s approved budget may indicate a certain dollar amount from a particular grant, those funds may not be earned nor received in that budget period. An analysis of the General Fund budget to actual depicts a \$1,406,537 shortfall in revenue largely due to actual expenditures that were \$1,996,842 below final budgeted amounts, which is primarily due to decreased need for consultant’s professional services.

	Original Budget	Final Budget	Actual	Between Final Budget and Actual
REVENUES:				
Intergovernmental:				
Federal grants	\$ 2,836,633	\$ 4,822,753	\$ 2,952,020	\$ (1,870,733)
State grants	3,601,845	3,547,225	1,212,840.00	(2,334,385)
Local	4,331,209	4,744,609	4,252,606.00	(492,003)
Interest	5,000	5,000	20,927.00	15,927
Other	15,000	15,000	8,200.00	(6,800)
Total revenues	10,789,687	13,134,587	8,446,593	(4,687,994)
EXPENDITURES:				
Planning and administration	10,594,187	12,939,087	8,339,249	4,599,838
Capital outlay	195,500	195,500	52,216	143,284
Total expenditures	10,789,687	13,134,587	8,391,465	4,743,122
OTHER FINANCING SOURCES:				
Transfer out				
Capital leases	-	-	52,216	52,216
Change in fund balance	\$ -	\$ -	\$ 107,344	\$ 107,344

Capital Assets and Debt Administration

Capital assets

The Council's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$92,042,360 (net of accumulated depreciation). This investment in capital assets includes land and conservation easements; automobile; office building and improvements; office furniture and fixtures; electrical fixtures; and multi-media, office, capital improvements and computer equipment. The net increase in the Council's investment in capital assets, net of depreciation, for the current fiscal year was \$5,641,739.

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

The Council acquired \$5,911,326 of conservation easements. In addition, the Council acquired \$109,868 of building and capital improvements, office equipment, and computer equipment during the 2019-20 fiscal year. The Council disposed of \$21,667 of capital assets in the fiscal year ended June 30, 2020.

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

	Governmental Activities	
	June 30, 2020	June 30, 2019
Land and conservation easements	\$ 87,038,563	\$ 81,138,927
Automobile	-	-
Office furniture and fixtures	2,869	3,613
Office building	4,153,456	4,331,022
Building improvements	515,728	576,667
Office and computer equipment	162,127	238,427
Capital Improvements	169,617	111,965
Total	<u>\$ 92,042,360</u>	<u>\$ 86,400,621</u>

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

Debt administration

At the end of the current fiscal year, the Council had, a 2014 Sales Tax Revenue Bond of \$48,777,224, a 2017 Sales Tax Revenue Bond of \$222,023,596, and a 2019 Sales Tax Revenue Bond of \$74,803,593.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Outstanding Debt

	Governmental Activities	
	<u>June 30, 2020</u>	<u>June 30, 2019</u>
2014 Tax Bond, net of amortization	\$ 48,777,224	\$ 49,441,700
2017 Tax Bond, net of amortization	222,023,596	227,439,254
2019 Tax Bond, net of amortization	74,803,593	75,326,176
Total	<u><u>\$ 345,604,413</u></u>	<u><u>\$ 352,207,130</u></u>

In July 2014, the Council issued \$49,245,000 Sales Tax Revenue Bonds, 2014 Series to advance projects ready to proceed to construction. In November 2016, the Council issued \$209,075,000 Sales Tax Revenue Refunding Bonds, 2017 Series to defease the Sales Tax Revenue Bonds, 2011 Series A. In February 2019 the Council issued \$75,000,000 Sales Tax Revenue Bonds to defease the \$75,000,000 Line of Credit.

To achieve the advance refunding of the Series 2011 bonds, the Council retained Public Financial Management Asset Management (PFMAM) to establish an escrow portfolio at a cost of \$241,083,827. The portfolio consists of US Treasury notes and a US Agency with annual maturities until 2021. PFMAM purchased open-market securities for the escrow portfolio on a competitive, security-by-security basis. PFMAM made a bona fide solicitation for the purchase of each of the securities and received at least two (2) offers for each security purchased from broker/dealers that have no material financial interest in the bonds. PFMAM conducted the process in accordance with the standards and practices normally and customarily used in obtaining offers on securities of the type involved in this transaction. Each security was purchased from the dealer submitting the lowest cost qualifying offer. By soliciting offers from a pool of dealers, the Council was able to purchase the investments at the best available market prices at the given the specific terms and settlement of the trades. As a result of the process, PFMAM is of the opinion that the prices at which the securities were purchased represented fair market prices.

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 Budget and Rates

The Council’s recovery from the Great Recession has reduced from “robust” to “moderate.” Due to the nature of the Council funding from the state and the federal government, core planning funds remained very stable during the recession. However, from fiscal year 2006-07 into fiscal year 2009-10, sales taxes revenues generated by Measure K and LTF declined nearly 29%. In the 10 fiscal years since hitting the sales tax revenue low, average annual sales tax growth has been 6.35%. Growth rate for FY 2020-21 is estimated to be 2.54%. Transportation is the leading economic category in the county. Construction is on the rise with new home construction in the Cities of Lodi, Manteca, and Lathrop are fueling the increase in building permits. In March 2020, the COVID-19 pandemic started having an economic impact on sales tax collections in the mid-March through April time period. The average monthly decline (compared to the same months in 2019 was 8.8%. However, sales in May and June averaged 15.5% increase. The growth continues into the first quarter of FY 20-21 with the monthly average 10.2%. To estimate the FY 20-21 sales tax, SJCOG captured the first quarter gains and held the final three quarters flat compared to the same periods in FY 19-20.

At June 30, 2020, the Council held \$110,299,082 of liquid investments in the Public Financial Management portfolio, \$40,651,204 in the California Asset Management Pool, \$98,842 in the State of California Local

Agency Investment Fund, \$20,980,433 in the San Joaquin County Pool, and \$44,305,017 in Financial Institutions.

Total operating revenues are expected to be approximately the same in the 2020-21 fiscal year.

Requests for information

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

BASIC FINANCIAL STATEMENTS

SAN JOAQUIN COUNCIL OF GOVERNMENTS

STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 46,707,173
Investments	117,172,976
Sales tax receivable	22,581,556
Interest receivable	3,071,680
Intergovernmental receivable	3,122,858
Due from other agencies	675,753
Prepaid items	129,773
Refunds and miscellaneous receivables	21,325
Notes receivable - related parties	57,856,139
Intergovernmental receivable - restricted	41,862
Interest receivable - restricted	86,980
Deposits with State of CA - restricted	1,078,091
Cash and investments - restricted	52,454,429
Capital assets not being depreciated	87,038,563
Capital assets, net of depreciation	<u>5,003,797</u>
Total Assets	<u>397,042,955</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	<u>26,334,149</u>
Total Deferred Outflows of Resources	<u>26,334,149</u>
LIABILITIES	
Accounts payable	6,476,793
Accrued salaries and benefits	122,037
Interest payable	5,019,893
Advances from other agencies	112,753
Due to other agencies	17,276,325
Noncurrent liabilities:	
Due within one year:	
Compensated absences	197,606
Lease obligations	27,407
Bonds, net of amortization	5,220,000
Due in more than one year:	
Compensated absences	383,827
Lease obligations	30,658
Bonds, net of amortization	<u>340,384,413</u>
Total Liabilities	<u>375,251,712</u>
NET POSITION	
Net investment in capital assets	91,984,295
Restricted for:	
Habitat acquisition and management	52,617,598
Transportation projects	228,257,131
Unrestricted	<u>(324,733,632)</u>
Total Net Position	<u>\$ 48,125,392</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Contributions and Grants		
Functions/Programs					
Primary Government:					
Governmental Activities:					
General administration	\$ 8,609,107	\$ -	\$ 6,660,650	\$ -	\$ (1,948,457)
Transportation	88,229,188	-	120,957,421	-	32,728,233
Habitat plan	1,248,664	8,711,487	-	-	7,462,823
Building interest expense	127,679	-	-	-	(127,679)
Investment interest expense	14,047,607	-	-	-	(14,047,607)
Total Governmental Activities	\$ 112,262,245	\$ 8,711,487	\$ 127,618,071	\$ -	24,067,313
General Revenues:					
Unrestricted investment earnings					20,927
Other					8,200
Total General Revenues					29,127
Change in Net Position					24,096,440
Net Position at Beginning of Year					26,765,966
Restatement of Net Position					(2,737,014)
Net Position at End of Year					\$ 48,125,392

SAN JOAQUIN COUNCIL OF GOVERNMENTS

BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General	Measure K and Measure K Renewal Fund	Local Transportation Fund	State Transit Assistance Fund	Regional Transportation Impact Fee Fund
ASSETS					
Cash and cash equivalents	\$ 1,166,043	\$ 14,679,320	\$ 14,991,584	\$ 5,988,849	\$ 9,864,251
Investments	-	117,172,976	-	-	-
Sales tax receivable	-	12,956,116	7,340,829	2,284,611	-
Interest receivable	-	2,991,154	50,206	23,037	7,283
Intergovernmental receivable	2,342,422	-	-	-	780,436
Prepaid items	125,030	3,813	-	-	-
Refunds and miscellaneous receivables	21,325	-	-	-	-
Due from other funds	274,683	3,245,210	7,849	5,118	-
Due from other agencies	-	672,005	-	-	-
Notes receivable - related parties	-	57,856,139	-	-	-
Intergovernmental receivable - restricted	-	-	-	-	-
Interest receivable - restricted	-	-	-	-	-
Deposits with other agencies - restricted	-	678,000	-	-	-
Cash and investments - restricted	-	-	-	-	-
Total Assets	\$ 3,929,503	\$ 210,254,733	\$ 22,390,468	\$ 8,301,615	\$ 10,651,970
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 395,313	\$ 6,025,989	\$ -	\$ -	\$ -
Accrued salaries and benefits	122,037	-	-	-	-
Interest payable	127,679	-	-	-	-
Investment fee payable	-	1,019	-	-	-
Due to other agencies	-	221,165	14,508,166	2,546,994	-
Due to other funds	3,258,177	-	-	-	34,509
Advances from other agencies	20,211	-	-	-	-
Total Liabilities	3,923,417	6,248,173	14,508,166	2,546,994	34,509
Fund Balances:					
Nonspendable	125,030	3,813	-	-	-
Restricted	-	204,002,747	7,882,302	5,754,621	10,617,461
Unassigned	(118,944)	-	-	-	-
Total Fund Balances	6,086	204,006,560	7,882,302	5,754,621	10,617,461
Total Liabilities and Fund Balances	\$ 3,929,503	\$ 210,254,733	\$ 22,390,468	\$ 8,301,615	\$ 10,651,970

SAN JOAQUIN COUNCIL OF GOVERNMENTS

BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	SJCOG, Inc.	Commute Connection, Inc.	One Voice, Inc.	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 100	\$ 17,026	\$ 46,707,173
Investments	-	-	-	117,172,976
Sales tax receivable	-	-	-	22,581,556
Interest receivable	-	-	-	3,071,680
Intergovernmental receivable	-	-	-	3,122,858
Prepaid items	930	-	-	129,773
Refunds and miscellaneous receivables	-	-	-	21,325
Due from other funds	-	-	-	3,532,860
Due from other agencies	3,748	-	-	675,753
Notes receivable - related parties	-	-	-	57,856,139
Intergovernmental receivable - restricted	41,862	-	-	41,862
Interest receivable - restricted	86,980	-	-	86,980
Deposits with other agencies - restricted	400,091	-	-	1,078,091
Cash and investments - restricted	52,454,429	-	-	52,454,429
Total Assets	\$ 52,988,040	\$ 100	\$ 17,026	\$ 308,533,455
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 55,491	\$ -	\$ -	\$ 6,476,793
Accrued salaries and benefits	-	-	-	122,037
Interest payable	-	-	-	127,679
Investment fee payable	1,198	-	-	2,217
Due to other agencies	-	-	-	17,276,325
Due to other funds	222,498	650	17,026	3,532,860
Advances from other agencies	90,325	-	-	110,536
Total Liabilities	369,512	650	17,026	27,648,447
Fund Balances:				
Nonspendable	930	-	-	129,773
Restricted	52,617,598	-	-	280,874,729
Unassigned	-	(550)	-	(119,494)
Total Fund Balances	52,618,528	(550)	-	280,885,008
Total Liabilities and Fund Balances	\$ 52,988,040	\$ 100	\$ 17,026	\$ 308,533,455

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SAN JOAQUIN COUNCIL OF GOVERNMENTS

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Fund balances of governmental funds		\$ 280,885,008
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		92,042,360
Long-term liabilities and compensated absences that have not been included in the governmental fund activity:		
Measure K Renewal Series 2014 bond	\$ (43,650,000)	
Measure K Renewal Series 2014 bond premium	(5,127,224)	
Measure K Renewal Series 2017 bond	(195,660,000)	
Measure K Renewal Series 2017 bond premium	(26,363,596)	
Measure K Renewal Series 2019 bond	(63,960,000)	
Measure K Renewal Series 2019 bond premium	(10,843,593)	
Capital leases payable	(58,065)	
Compensated absences	<u>(581,433)</u>	(346,243,911)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(4,892,214)
Deferred charges relating to bond refundings are not considered current assets or financial resources and are, therefore, not reported in the governmental funds.		<u>26,334,149</u>
Net Position of Governmental Activities		<u><u>\$ 48,125,392</u></u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General	Measure K and Measure K Renewal Fund	Local Transportation Fund	State Transit Assistance Fund	Regional Transportation Impact Fee Fund
Revenues:					
Sales tax	\$ -	\$ 65,398,184	\$ 36,933,478	\$ 8,366,894	\$ -
State of good repair	-	-	-	1,094,419	-
Intergovernmental	8,417,466	-	-	-	-
Charges for services	-	-	-	-	1,929,866
Interest	19,803	4,812,831	204,055	58,494	127,964
Interest Prop 1B PTMISEA/TSSSDRA	-	-	-	44,706	-
Dividends	-	295,456	-	-	-
Gains (losses) on investments	1,124	1,585,779	75,415	29,880	-
Other	8,200	-	-	-	-
Total Revenues	8,446,593	72,092,250	37,212,948	9,594,393	2,057,830
Expenditures:					
General administration	8,174,744	234,620	1,363,071	129,273	29,406
Streets and roads	-	21,543,955	3,277,086	-	-
Pedestrian and bicycle	-	-	1,107,498	-	-
Transit	-	17,765,484	31,490,243	8,697,119	-
PTMISEA/TSSSDRA	-	-	-	16,919	-
Congestion relief	-	3,867,511	-	-	5,103
Smart growth	-	270,368	-	-	-
Habitat plan	-	-	-	-	-
Investment expense	-	187,902	-	-	-
Capital outlay	-	-	-	-	-
Capital assets	-	-	-	-	-
Capital leases	52,216	-	-	-	-
Debt service:	-	-	-	-	-
Principal	36,826	4,365,000	-	-	-
Interest	127,679	14,973,450	-	-	-
Total Expenditures	8,391,465	63,208,290	37,237,898	8,843,311	34,509
Excess (Deficiency) of Revenues Over (Under) Expenditures	55,128	8,883,960	(24,950)	751,082	2,023,321
Other Financing Sources (Uses):					
Initiation of capital leases	52,216	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-	-
Total Other Financing Sources (Uses)	52,216	-	-	-	-
Net Change in Fund Balances	107,344	8,883,960	(24,950)	751,082	2,023,321
Fund Balances, Beginning of Year, as previously reported	(101,258)	193,057,066	7,907,252	5,003,539	8,594,140
Restatements	-	2,065,534	-	-	-
Fund Balances, Beginning of Year, as restated	(101,258)	195,122,600	7,907,252	5,003,539	8,594,140
Fund Balances, End of Year	\$ 6,086	\$ 204,006,560	\$ 7,882,302	\$ 5,754,621	\$ 10,617,461

SAN JOAQUIN COUNCIL OF GOVERNMENTS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	SJCOG, Inc.	Commute Connection, Inc.	One Voice, Inc.	Total
Revenues:				
Sales tax	\$ -	\$ -	\$ -	\$ 110,698,556
State of good repair	-	-	-	1,094,419
Intergovernmental	-	-	-	8,417,466
Charges for services	7,181,753	-	-	9,111,619
Interest	644,493	-	-	5,867,640
Interest Prop 1B PTMISEA/TSSSDRA	-	-	-	44,706
Dividends	155,949	-	-	451,405
Gains (losses) on investments	133,549	-	-	1,825,747
Other	595,743	-	-	603,943
Total Revenues	8,711,487	-	-	138,115,501
Expenditures:				
General administration	649,472	-	-	10,580,586
Streets and roads	-	-	-	24,821,041
Pedestrian and bicycle	-	-	-	1,107,498
Transit	-	-	-	57,952,846
PTMISEA/TSSSDRA	-	-	-	16,919
Congestion relief	-	-	-	3,872,614
Smart growth	-	-	-	270,368
Habitat plan	599,192	-	-	599,192
Investment expense	-	-	-	187,902
Capital outlay				
Capital assets	5,968,978	-	-	5,968,978
Capital leases	-	-	-	52,216
Debt service:				
Principal	-	-	-	4,401,826
Interest	-	-	-	15,101,129
Total Expenditures	7,217,642	-	-	124,933,115
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,493,845	-	-	13,182,386
Other Financing Sources (Uses):				
Initiation of capital leases	-	-	-	52,216
Proceeds from sale of capital asset	11,690	-	-	11,690
Total Other Financing Sources (Uses)	11,690	-	-	63,906
Net Change in Fund Balances	1,505,535	-	-	13,246,292
Fund Balances, Beginning of Year, as previously reported	51,018,493	(550)	-	265,478,682
Restatements	94,500	-	-	2,160,034
Fund Balances, Beginning of Year, as restated	51,112,993	(550)	-	267,638,716
Fund Balances, End of Year	\$ 52,618,528	\$ (550)	\$ -	\$ 280,885,008

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
YEAR ENDED JUNE 30, 2020**

Net change in fund balances - total governmental funds \$ 13,246,292

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 5,968,978	
Capital outlay - leases	52,216	
Depreciation	(367,765)	
Proceeds from sale of capital assets	<u>(11,690)</u>	5,641,739

Repayment of long-term liabilities is an expenditure in the governmental funds, but the but the repayment reduces long-term liabilities in the statement of net position.

Issuance of long-term liabilities are other financing sources in the governmental funds, but increase long-term liabilities in the statement of net position.

Bond principal repayments	4,365,000	
Capital lease repayments/adjustments	36,826	
Capital leases entered into	(52,216)	
Amortization of bond premiums	2,237,717	
Amortization of deferred gain on refunding	<u>(1,316,708)</u>	5,270,619

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 4,834

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (67,044)

Change in Net Position of Governmental Activities \$ 24,096,440

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 1: Summary of Significant Accounting Policies

a. Description of Reporting Entity

The San Joaquin Council of Governments (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 ½ cent for transportation improvements. The Council oversees the collection and distribution of the sales tax in accordance with the 20-year transportation expenditure plan. In 2006, the voters of San Joaquin County approved the Measure K Renewal expenditure plan for the 30-year period starting 2011 and ending in 2041. This approval continued the collection of a ½ cent sales tax during the 30-year period for transportation improvements.

The Council also administers the Freeway Service Patrol Program and the Congestion Management Program in San Joaquin County, operates a regional rideshare program, serves as the Census Data Center, operates a Research and Forecasting Center, prepares a regional housing needs plan, serves as the Airport Land Use Commission, provides technical assistance to local agencies and member jurisdictions as needed, and oversees the administration of the habitat and open space master plan for San Joaquin County.

The Council is governed by a 15-member Board of Directors (the Board), made up of three members representing San Joaquin County; three members representing the City of Stockton City Council; one member from the City Councils of the Cities of Escalon, Lathrop, Lodi, Manteca, Ripon, and Tracy; and three ex-officio, non-voting members from Caltrans District 10, the Port of Stockton, and the San Joaquin Regional Transit District.

Blended Component Units

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

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Commute Connection, Inc., is a not-for-profit public benefit corporation, established under Section 501(c)(3) of the Internal Revenue Code. The Council is the sole corporate member. Commute Connection, Inc., was formed to provide incentives to the private sector for donations of cash, merchandise, and/or services to support Commute Connection, Inc., now *dibs*, and take advantage of tax laws for charitable contributions.

One Voice, Inc., is a not-for-profit public benefit corporation, established under Section 501(c)(3) of the Internal Revenue Code. The Council is the sole corporate member. One Voice, Inc., was formed to provide incentives to the private sector for donations, contributions, and sponsorships to support the One Voice® program, and take advantage of tax laws for charitable contributions. Funds received are used to offset costs associated with the annual One Voice® trip.

Government-Wide Financial Statements

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

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

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. However, the Council considers sales tax received in the Measure K and Measure K Renewal and Local Transportation funds and intergovernmental revenues received in the general fund to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of 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*.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

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 position 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.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements.

Major Funds

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

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

The Council reports the following major governmental funds:

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

The combined *Measure K and Measure K Renewal Fund* is used to account for the additional ½ cent sales tax approved by the San Joaquin County voters under Measure K in 1990 and Measure K Renewal in 2006. Sales tax revenues funded the 20-year Measure K transportation expenditure plan and will fund the 30-year Measure K Renewal transportation expenditure plan. Revenues are distributed to various entities and vendors for the design, construction, operation, and maintenance of specific projects. The Board bi-annually, if not more frequently, adopts a strategic plan implementing the expenditure plan approved by the voters and the Council enters into contracts with the agencies and vendors for the design and construction of specific projects and operations and maintenance. Council management and staff administer the Measure K and Measure K Renewal Programs, and the Council derives revenues from the fund for administrative and project management functions related to Measure K and Measure K Renewal. Sales taxes collected under the original Measure K ended March 31, 2011.

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

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

The *Local Transportation Fund (LTF)* is used to account for retail sales tax, collected statewide under the Transportation Development Act (TDA), 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 the LTF.

The *State Transit Assistance (STA) Fund* is used to account for revenue that is generated from the State Gas Tax that is allocated by the State Controller's office on a quarterly basis. The allocation of the funds is made up of two components. Public Utilities Code (PUC) Section 93313 and PUC Section 99314. It is also used to account for Transit Safety, Security, and Disaster Response (TSSSDRA), which was created by Proposition 1B. TSSSDRA funding to SJCOG and local transit operators is allocated annually based on the State Transit Assistance formula found in PUC Section 99313 and Section 99314. Lastly, it is used to account for Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) funds for Public Transit purposes. The State Controller's Office issues annual apportionment in January and a revised apportionment in August.

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

SJCOG, INC. is a not-for-profit public benefit corporation, established under 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.

Commute Connection, Inc., is a not-for-profit, public benefit corporation. The specific purpose of this corporation is to act as a designee of the Joint Powers Agency organized pursuant to the Commute Connection program, which is to provide information regarding alternate transportation opportunities in, but not limited to, San Joaquin, Stanislaus, and Merced Counties and to promote alternative transportation solutions including carpooling, vanpooling, and biking or walking to work.

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

One Voice, Inc., is a not-for-profit public benefit corporation, established under Section 501(c)(3) of the Internal Revenue Code. The Council is the sole corporate member. One Voice, Inc., was formed to provide incentives to the private sector for donations, contributions, and sponsorships to support the One Voice® program, and take advantage of tax laws for charitable contributions. Funds received are used to offset costs associated with the annual One Voice® trip.

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

San Joaquin County Transportation Authority (Authority)

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

b. Assets, Liabilities, and Net Position

Deposits and Investments

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

Under state law, the Council may invest in obligations of the U.S. Treasury, U.S. agencies, State of California, local agencies and instrumentalities, commercial paper of the highest short-term rating category as provided by Moody's Investors Service, Inc. (Moody's) or Standard and Poor's Corporation (S&P), bankers' acceptances, repurchase agreements, medium-term corporate notes, money market mutual funds, time certificates of deposit, the Local Agency Investment Fund (LAIF), local government investment pools, Public Financial Management (PFM), the California Asset Management Program (CAMP), and shares of beneficial interest issued by diversified management companies. All the above operate in accordance with appropriate state laws and regulations. The investments for the Council, as well as for its component units, 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, 2020, are considered to be current and due to be repaid within the upcoming fiscal year.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

All accounts receivable, intergovernmental receivables, and advances are shown at their net collectible balances. Accounts receivable represent various non-intergovernmental collectible amounts due at June 30, 2020. Intergovernmental receivables represent claims for reimbursements and sales tax revenues receivable from various federal, state, and local governmental agencies as of June 30, 2020.

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

Prepaid Items

The Council uses the consumption method on prepaid items. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

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

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

The restricted net position balance for habitat conservation and management represents the net position of SJCOG, INC., and represents net position that is restricted for the San Joaquin County Multispecies Habitat Conservation Plan.

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the Council recognizes deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the Council that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the Council that is applicable to a future reporting period. The Statement of Net Position includes an itemized listing of deferred outflows of resources the Council has recognized.

Net Position

In the statement of net position, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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

There is no minimum fund balance policy.

Capital Assets

Capital assets, which include office furniture and equipment, leasehold improvements, and assets under capital leases, are reported in governmental activities in the government-wide financial statements. Capital assets are defined by the Council 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 acquisition value, an entry price.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (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 5 years to 40 years. Land related to the Council's Headquarters building and parking lot is not subject to depreciation. Capital assets of the component units consist entirely of land and real property easements and are not subject to depreciation because they are considered to have indefinite lives.

Compensated Absences

It is the Council's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which are then paid out of the General Fund. There is limited liability for unpaid accumulated sick pay for employees. This benefit is limited to employees who have completed 20 years of service or have reached the normal retirement age, and have accumulated a minimum of 160 hours of sick pay. Compensated absences are reported in the governmental funds only if they have matured.

Debt Obligations

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

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 a \$1,087,797 discount). Proceeds were intended to partially fund the Early Action Program (EAP) of Measure K Renewal. The BANs were set to expire April 1, 2011. On March 1, 2011, the Council issued \$212,175,000 Sales Tax Revenue Bonds, 2011 Series A to defease the BANs. The Sales Tax Revenue Bonds, 2011 Series A are rated AA by S&P and Aa3 by Moody's.

In July 2014, the Council issued \$49,245,000 Sales Tax Revenue Bonds, 2014 Series to advance projects ready to proceed to construction. In November 2016, the Council issued \$44,030,000 Sales Tax Revenue Bonds, 2017 Series to defease the Sales Tax Revenue Bonds, 2011 Series A. For additional information on long-term debt activity, refer to Note 8 of the notes to the basic financial statements.

In April 2017, the Council issued \$209,075,000 Sales Tax Revenue Refunding Bonds, 2017 Series to refund the Sales Tax Revenue Bonds, 2011 Series A.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

To achieve the advance refunding of the Series 2011 bonds, the Council retained Public Financial Management Asset Management (PFMAM) to establish an escrow portfolio at a cost of \$241,083,827. The portfolio consists of US Treasury notes and a US Agency with annual maturities until 2021. PFMAM purchased open-market securities for the escrow portfolio on a competitive, security-by-security basis. PFMAM made a bona fide solicitation for the purchase of each of the securities and received at least two (2) offers for each security purchased from broker/dealers that have no material financial interest in the bonds. PFMAM conducted the process in accordance with the standards and practices normally and customarily used in obtaining offers on securities of the type involved in this transaction. Each security was purchased from the dealer submitting the lowest cost qualifying offer. By soliciting offers from a pool of dealers, the Council was able to purchase the investments at the best available market prices at the given the specific terms and settlement of the trades. As a result of the process, PFMAM is of the opinion that the prices at which the securities were purchased represented fair market prices.

c. Implemented GASB Statements

GASB Statement No. 88 - *Certain Disclosure Related to Debt, including Direct Borrowing and Direct Placements.*

GASB Statement No. 95 – *Postponement of Effective Dates of Certain Authoritative Guidance* – The following pronouncements have been postponed as a temporary relieve to governments and other stakeholders in light of the COVID-19 pandemic and the new effective date are reflected in the following fiscal years:

GASB 83 – *Certain Assets Retirement Obligations* – The requirements of this statement are effective for reporting periods beginning on or after June 15, 2020.

GASB 84 – *Fiduciary Activities* – The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

GASB 87 – *Leases* – The requirements of this statement are effective for reporting periods beginning on or after June 15, 2021.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 2: Stewardship, Compliance, and Accountability

Budgetary Information

As required by the Council's Joint Powers Authority agreement, the Council prepares and legally adopts a final operating budget on or before April 1 of each fiscal year. Annual budgets are legally adopted for the General Fund. As required by the Joint Powers Authority, the budget is adopted by the Board and ratified by member agencies. Operating budgets are prepared on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the object level. Transfers of appropriations within major objects may be approved by the Executive Director. Significant amendments, appropriation transfers between objects, and transfers from contingencies must be approved by the Council's Board. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board. No supplemental appropriations were required during the year ended June 30, 2020. The bi-annual Strategic Plan and revenue estimate for the combined Measure K and Measure K Renewal Fund are approved by the Council Board. The LTF revenue estimate is created by Council staff and approved by the San Joaquin County Auditor-Controller. The revenue estimate is apportioned to each claimant based on population. The STA budget revenue estimate is created and allocated by the California State Controller's Office. Budgets for the LTF, STA, and RTIF Funds are approved by the Council 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 are reported in the accompanying financial statements as follows:

Statement of net position:	
Cash	\$ 46,707,173
Investments	117,172,976
Restricted - cash	52,454,429
Total cash and investments	<u>\$ 216,334,578</u>

Cash and investments as of June 30, 2020, consist of the following:

Cash in San Joaquin County Treasury	\$ 20,980,433
Deposits in financial institutions	44,305,016
LAIF	98,841
Cash and investments held by bond trustee	150,950,288
Total cash and investments	<u>\$ 216,334,578</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 3: Cash and Investments (Continued)

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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
State and Local Agency Bonds	5 years	None	None
U.S. Treasury Securities	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers' Acceptances	180 days	40%	30%
Negotiable Certificates of Deposit	5 years	30%	5%
Repurchase Agreements	30 days	None	None
Commercial Paper	270 days	25%	5%
State of California Obligations	5 years	None	None
Medium-Term Corporate Notes	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	10%
FDIC Certificates of Deposit	5 years	None	None
Negotiable Bank Certificates of Deposit	5 years	30%	5%
County Pooled Investment Funds	N/A	None	None
LAIF	N/A	None	None
CAMP	270 days	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 following table identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers' Acceptances	180 days	40%	30%
Money Market Mutual Funds	N/A	20%	10%
Investment Contracts	30 years	None	None

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 3: Cash and Investments (Continued)

Disclosure 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			
		12 months or less	13 to 24 months	25 to 60 months	More than 60 months
Cash in San Joaquin County Treasury	\$ 20,980,433	\$ 20,980,433	\$ -	\$ -	\$ -
State investment pool	98,841	98,841	-	-	-
Held by trustee:					
Cash	602,604	602,604	-	-	-
Money market mutual funds	21,534,374	21,534,374	-	-	-
Certificates of deposit	12,455,304	4,959,549	3,530,388	3,965,367	-
Corporate debt securities	31,671,899	5,497,460	9,464,367	16,710,072	-
Asset Backed Securities (ABS)/Mortgage Backed Securities (MBS)/Collateralized Mortgage Obligations (CMOs)	13,507,743	165,253	1,840,816	11,467,916	33,758
Supra-National Agency Bonds	794,646	-	-	794,646	-
Municipal Bonds	1,839,861	1,156,190	-	683,671	-
U.S. Treasury Securities	53,278,786	5,645,093	25,331,267	22,302,426	-
Federal agency securities	15,265,071	-	3,852,932	11,412,139	-
Commercial Paper	-	-	-	-	-
Bond Note	-	-	-	-	-
	<u>\$ 172,029,562</u>	<u>\$ 60,639,797</u>	<u>\$ 44,019,770</u>	<u>\$ 67,336,237</u>	<u>\$ 33,758</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

Highly Sensitive Investments

Federal agency 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.

Fair Value at
Year-End

\$ 15,265,071

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 3: Cash and Investments (Continued)

Disclosure 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	Rating as of Year-End	Not Rated
San Joaquin County investment pool	\$ 20,980,433	N/A	N/A	\$ 20,980,433
State investment pool	98,841	N/A	N/A	98,841
Held by trustee:				
Cash	143,106	N/A	N/A	143,106
Raymond James	459,498	N/A	N/A	18,133
Money market funds	21,534,374	AAA/Aa	AAA/m	-
	<u>22,136,978</u>			<u>161,239</u>
Certificates of deposit:				
DNB Bank	1,064,175	A	AA-/Aa2	-
Nordea Bank	1,056,128	A	AA-/Aa3	-
MUFG Bank	992,694	A	A-1/P-1	-
Credit Suisse	992,552	A	A-1/P-1	-
Skandinav Enskilda	1,056,348	A	A+/Aa2	-
Societe Generale	1,031,365	A	A/A1	-
Swedbank	981,817	A	A-1/P-1	-
Royal Bank of Canada	1,259,201	A	AA-/Aa3	-
Ally Bank	208,376	N/A	N/A	208,376
BMO Harris Bank	250,185	N/A	N/A	250,185
Bank OZK	250,230	N/A	N/A	250,230
Capital One Bank	251,453	N/A	N/A	251,453
Comenity Capital	272,275	N/A	N/A	251,825
Cross River Bank	103,823	N/A	A-1/P-1	-
Discover Bank	102,762	N/A	N/A	102,762
Encore Bank	113,322	N/A	N/A	113,322
Goldman Sachs Bank	212,447	N/A	N/A	212,447
Gulf Coast	150,588	N/A	N/A	150,588
Marlin Business Bank	100,248	N/A	N/A	100,248
Metabank	250,225	N/A	N/A	-
Morgan Stanley Bank	465,080	N/A	N/A	465,080
Safra National Bank	62,027	N/A	N/A	-
Sallie Mae	255,345	N/A	N/A	255,345
State Bank of India	255,918	N/A	N/A	255,918
Suntrust Bank	201,336	N/A	N/A	201,336
Synchrony Bank	102,772	N/A	N/A	102,772
United Fidelity Bank	250,180	N/A	N/A	250,180
Wells Fargo	162,432	N/A	N/A	162,432
	<u>12,455,304</u>			<u>3,584,499</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 3: Cash and Investments (Continued)

Investment Type	Total	Minimum Legal Rating	Ratings as of Year-End	Not Rated
Corporate debt securities:				
3M Company	\$ 562,991	A	A+/A1	\$ 562,991
Adobe Inc Corp	378,095	A	A/A2	378,095
Amazon.com Inc Corp	559,640	A	NR/A2	559,640
American Honda Finance	995,802	A	A-/A3	995,802
Apple Inc	1,158,262	A	AA+/Aa1	1,158,262
Bank of America Corp	978,928	A	A-/A2	978,928
BNY Mellon Corp	793,730	A	A/A1	-
Boeing Company	531,487	A	BBB-/Baa2	531,487
Branch Banking & Trust Corp	1,020,253	A	A-/A3	-
Burlingtn North Santa Fe Corp	375,572	A	A+/A3	375,572
Caterpillar	828,825	A	A/A3	828,825
Charles Schwab Corp	475,416	A	A/A2	475,416
Chevron Corp	693,132	A	AA/Aa2	693,132
Citigroup Inc	793,700	A	BBB+/A3	793,700
Clorox Company Corp	421,876	A	A-/Baa1	421,876
Comcast Corp	388,172	A	A-/A3	388,172
Commercial Paper(From Jaques Stmtnt)	699,661	A	AA+/Aaa	-
Corporate Notes	6,218,571	A	A-/A3	-
Exxon Mobil	770,172	A	AA/Aaa1	770,172
General Dynamics Corp	404,302	A	A/A2	404,302
Goldman Sachs Group Inc	506,928	A	BBB+/A3	506,928
Home Depot	298,906	A	A/A2	298,906
Honeywell International	217,294	A	A/A2	217,294
IBM Corp	539,524	A	A/A2	539,524
John Deere Capital Corp	647,385	A	A/A2	647,385
JP Morgan Chase & Co	1,083,170	A	A-/A2	1,083,170
Merk &Co Inc	489,826	A	AA-/A1	489,826
Morgan Stanley Corp	1,001,518	A	BBB+/A3	1,001,518
National Rural Util Coop	631,204	A	A/A2	631,204
PACCAR Financial Corp	740,567	A	A+/A1	740,567
Pepsico Inc Corp	262,351	A	A+/A1	262,351
Pfizer Inc	920,609	A	AA-/A1	920,609
Toyota Motor Credit Corp	846,570	A	A+/A1	-
United Parcel Service	587,397	A	A-/A2	587,397
US Bancorp	547,987	A	A+/A1	547,987
US Treasury Securities (From Jaques Stmtnt)	3,025,788	N/A	N/A	-
Walt Disney Company	276,287	A	A-/A2	276,287
	<u>31,671,899</u>			<u>19,067,326</u>
US Treasury Bonds/Notes	53,278,787	TSY	AA+/Aaa	53,278,787
Federal Agency Securities	15,265,071	N/A	AA+/Aaa	-
Supra-National Agency Bond	794,646	AAA	AAA/Aaa	-
Municipal Bond	1,839,861	AA-	AA-/Aa2	-
Asset Backed Securities (ABS)/Mortgage:				
ABS/MBS/CMOs	13,507,743	A	AAA/Aaa	-
Total:	<u>\$ 172,029,562</u>			<u>\$ 117,073,823</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 3: Cash and Investments (Continued)

Concentration of Credit Risk

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

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 fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Council deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment in San Joaquin County Pool

By statute, the Council maintains LTF and STA cash balances in the San Joaquin County Treasury Investment Pool. The pool is non-SEC (Securities and Exchange Commission) registered and is invested in accordance with the California State Government Code and the San Joaquin County Treasurer's Investment Policy. The 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 Investment Oversight Committee reviews the monthly investment report prior to presentation to San Joaquin County's Board of Supervisors and causes an audit of investments to occur annually. The fair value of the Council's shares in the San Joaquin County pool is the same as the value of the pool shares. The Council had a total of \$20,980,433, invested in the San Joaquin County pool at June 30, 2020 Cash on deposit with the San Joaquin County Treasurer is invested as authorized by statutes.

Deposits in Financial Institutions

All deposits in financial institutions are fully collateralized in accordance with Section 53652 of the California Government Code. The California Government Code requires California banks and savings and loan associations to secure the Council's deposits by pledging government securities as collateral. The Council had a total of \$44,305,016 deposited in financial institutions at year-end.

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 3: Cash and Investments (Continued)

Investment in State Investment Pool

The Council is a voluntary participant in the 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, 2020, was \$101.9 billion, managed by the State Treasurer. Of that amount, 100 percent was invested in non-derivative financial products and none in derivative financial products. The Local Investment Advisory Board (Advisory Board) has oversight responsibility for LAIF. The Advisory Board consists of five members as designated by state statute. The value of pool shares in LAIF which may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Council's position in the pool. Investments in LAIF are highly liquid and are secured by the full faith and credit of the State of California. The Council's investment in LAIF at June 30, 2020, was \$98,841.

Investments in PFM and CAMP

PFM manages a significant portion of the Council's investments. These investments include corporate notes, federal agency bonds/notes, U.S. Treasury bonds/notes, commercial paper, federal agency discounted notes, and money market mutual funds.

The U.S. Government money market mutual 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, 2020, of 270 days.

CAMP is a Joint Powers Authority formed to provide professional investment management services and allows the participants to combine the use of a money market portfolio with an individually managed portfolio. The money market portfolio offers daily liquidity and is rated Aam by S&P. The Pool is managed to maintain a dollar-weighted average maturity of no more than 60 days and a dollar-weighted average life (final maturity, adjusted for demand features but not interest rate adjustments) of no more than 120 days. In addition, it only buys investments that have a remaining maturity of three hundred ninety-seven (397) days or less at the time of purchase (except for variable-rate notes issued by the U.S. Government or its agencies or instrumentalities, which must have remaining maturities of 762 days or less. The SJCOG Deputy Executive Director/CFO is the president of the CAMP board of trustees.

Included in the CAMP money market mutual fund balances are accounts that are created for the payment and tracking of interest on the 2014 Series Bond issuance, the 2017 Series Bond Issuance and the 2019 Series Bond Issuance, as the indenture requires a debt service reserve fund, of \$1,215,838, \$4,640,058 and \$1,114,125 respectively. The investments with fiscal agents as well as the CAMP balances are also created for the payment and tracking of Measure K project expenditures, respectively.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 3: Cash and Investments (Continued)

Investments in Raymond James

In 2012, the Council diversified its portfolio by investing \$4 million of SJCOG, INC.'s endowment funds in the Eagle Asset Management Program through Raymond James. The primary goal is capital preservation with low risk tolerance and a time horizon less than five years. Secondly, the goal is income with low risk and a short investment time horizon. Since initiation of the Eagle Asset Management Program portfolio, as investments have matured, investment advisers at the Lodi, CA, office of Raymond James, in consultation with the SJCOG, INC. Treasurer, have been replacing the maturities with investment grade, corporate certificates of deposit. The result is a more actively managed portfolio with significantly reduced management fees.

Fair Value Measurements

Investments for the Council as well as its component units 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.

The Council categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets.
- Level 2: Investments are presented at fair value, except for short-term investments. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Corporate bonds not traded on a national or international exchange are based on equivalent values of comparable securities with similar yield and risk. Real estate debt is valued on the basis of future principal and interest payments and is discounted at prevailing interest rates for similar instruments. Other investments not having an established market are recorded at estimated fair value. Any investment type that is not commonly traded on the active market is classified as Level 2.
- Level 3: Investments reflect prices based upon unobservable sources.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 3: Cash and Investments (Continued)

The Council has the following recurring fair value measurements as of June 30, 2020:

Investments by fair value level	Total Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment type				
Certificates of deposit	\$ 12,455,304	\$ 12,455,304	\$ -	\$ -
Corporate debt securities	31,671,899	-	31,671,899	-
Asset Backed Securities (ABS)/Mortgage Backed Securities (MBS)/Collateralized Mortgage Obligations (CMOs)	13,507,743	13,507,743	-	-
Supra-National Agency Bonds	794,646	-	794,646	-
Municipal Bonds	1,839,861	-	1,839,861	-
U.S. Treasury securities	53,278,786	53,278,786	-	-
Federal agency securities	15,265,071	-	15,265,071	-
Total investments measure at fair value	<u>128,813,310</u>	<u>\$ 79,241,833</u>	<u>\$ 49,571,477</u>	<u>\$ -</u>
Investments not subject to fair market value measurement				
Cash in San Joaquin County Treasury	20,980,433			
State investment pool	98,841			
Cash held by trustee	602,604			
Money market mutual funds	21,534,374			
Total investment portfolio	<u>\$ 172,029,562</u>			

Cash

Cash on deposit as of June 30, 2020, include approximately \$44,305,016 held by a financial institution which exceeded the insurance limits of the Federal Deposit Insurance Corporation.

Note 4: Receivables

Accounts receivable balances as of year-end for the Council's individual major funds are as follows:

	General	Measure K and Measure K Renewal	Local Transportation	State Transit Assistance	RTIF	SJCOG, Inc.	Total
Receivables							
Interest	\$ -	\$ 2,991,154	\$ 50,206	\$ 23,037	\$ 7,283	\$ -	\$ 3,071,680
Sales taxes	-	12,956,116	7,340,829	2,284,611	-	-	22,581,556
Refunds and Miscellaneous receivables	21,325	-	-	-	-	-	21,325
Intergovernmental	2,342,422	-	-	-	780,436	-	3,122,858
Intergovernmental - restricted	-	-	-	-	-	41,862	41,862
Interest - restricted	-	-	-	-	-	86,980	86,980
Total Receivables	<u>\$ 2,363,747</u>	<u>\$ 15,947,270</u>	<u>\$ 7,391,035</u>	<u>\$ 2,307,648</u>	<u>\$ 787,719</u>	<u>\$ 128,842</u>	<u>\$ 28,926,261</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 3: Cash and Investments (Continued)

Intergovernmental Receivables

The intergovernmental receivable balance consisted of \$780,436 of RTIF receivable and \$2,342,422 of General Fund claims receivable from various federal, state, and local agencies.

The restricted intergovernmental receivable balance of \$41,862 and related interest balance of \$86,980 for SJCOG, INC., are for mitigation fees receivable and related interest.

Notes Receivable

On December 14, 2008, the Council extended a line of credit of \$9,174,426 to the San Joaquin Regional Rail Commission (Commission) to provide the resources to purchase land for their anticipated maintenance facility. This line was to be repaid by the Commission with receipts of a loan from the Federal Rail Administration (FRA) within 180 days. The FRA loan did not occur; however, the Commission was able to use a bond program created in the American Recovery and Restoration Act to acquire the needed resources for the facility. The bond issuance, however, required the line of credit to be subordinated to the bonds. In accordance with terms of the agreement, the Commission will make principal only payments for the first year of the 15-year note and make 14 years of principal and interest payments. In accordance with the agreement, the majority of the balance will be paid as soon as Federal Transit Administration 5307 and 5309 formula funds are released. In June of 2016, the Board approved a restructuring of the loan. The new loan would forgive interest payments and defer payment of the principal. The accrued interest on the loan would be rolled into the loan balance. The loan principal is to be paid annually over a 20-year period. The first principal payment on the loan was paid July 1, 2016. The balance of the restructured loan as of June 30, 2020, is \$16,936,510.

In April of 2014, the Council Board approved the Port of Stockton (the Port) to redirect a portion of its previously approved \$4.2 million loan for a real estate transaction at the Port. The original loan was left with \$1,297,100 to be used for previously stated purposes. The Port requested that the Board approve the remaining \$1,207,100 to be used for the Navy Drive Widening project. The project would increase the lanes on the existing road from two lanes to potentially five lanes. The expanded lanes accommodated the increased traffic for the Port due to the completion of the Crosstown Freeway interchange to the Port. The Board approved the modification to the Port's original Measure K loan allowing the Port to use the remaining funds for the Navy Drive Widening project. As of June 30, 2020, the loan receivable was \$487,808.

In January of 2014, the Council approved Measure K Bond Program projects. The authorized projects resulted in several approved funding agreements. They are detailed below:

On November 20, 2014, the Council approved a loan agreement with the San Joaquin Regional Transit District (SJRTD) in the amount of \$14,500,000. The proceeds for the loan were derived from the bonds the Council issued in July 2014. The purpose of the bonds was to advance Measure K projects. SJRTD requested funds for its Regional Transit Center capital project. SJRTD has agreed to reimburse the Council the cost of the interest bi-annually on the \$14.5 million, plus 0.45% administration fee over a seventeen year amortization schedule. The principal will be paid through the reduction of Measure K SJRTD Bus Transit programming over the seventeen year period. The loan is secured by the future Measure K funds allocated to SJRTD. SJRTD's loan balance as of June 30, 2020, was \$9,800,000.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 4: Receivables (Continued)

In June of 2014, the Council approved a Measure K Expenditure Plan and Ordinance amendment including the Stockton Metropolitan Airport as an eligible sales tax recipient. Pursuant to the Measure K Renewal Ordinances, the Council is authorized to issue sales tax revenue bonds for the purpose of advancing projects eligible for funding under the ordinances. As part of the Measure K Expenditure Plan, in June of 2015, the Council approved a Bond Financing Plan for the Stockton Metropolitan Airport Capital Improvements. The Capital Improvements included \$9.7 million for terminal expansion and modernization. As of June 30, 2020, Stockton Metropolitan Airport had drawn down on \$6,644,310 of the approved \$9.7 million.

In May of 2016, the Council authorized the City of Stockton to flexibly spend bond funds on the Thornton Road Widening and Hammer Lane Widening projects. The authorization allowed Measure K Bond Funds to be transferred between the subject projects with the total not to exceed a combined \$24,000,000.

Thornton Loan \$16,030,000 – In March of 2015, the Council Board approved a Measure K financing agreement with the City of Stockton for the Thornton Road Widening project. The funds not to exceed \$14,500,000 include design, construction, contingency, and construction management. During fiscal year 2019-20, the Council Board approved additional financings for this project. The City of Stockton agreed to annual reductions in Stockton's Regional Arterial Programming account amortized for the period the loan is outstanding not to exceed 10 years from the date of the Project Notice of Completion. The interest accrual rate is 3.81% (average interest of bonds plus 0.45% for administration per the Council Loan Policy). As of June 30, 2020, the loan balance was \$16,030,000.

Hammer Loan \$7,957,511 – In March of 2015, the Council Board approved a Measure K financing agreement with the City of Stockton for Hammer Lane Widening. The agreement approved, as part of the Series 2014 Measure K Renewal Bond Issue, \$9,500,000 for the City of Stockton for the Hammer Lane project. The widening project includes design, construction, contingency, and construction management. The City of Stockton agreed to annual reductions in Stockton's Regional Arterial Programming account amortized for the period the loan is outstanding not to exceed 10 years from the date of the Project Notice of Completion. The interest accrual rate is 3.81% (average interest rate of bonds plus 0.45% for administration per the Council Loan Policy). As of June 30, 2020, the loan balance was \$7,957,511.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Disposals	Balance June 30, 2020
Governmental activities				
Capital assets, not being depreciated:				
Conservation easements and credits	\$ 80,738,927	\$ 5,911,326	\$ (11,690)	\$ 86,638,563
Land	400,000	-	-	400,000
Total capital assets, not being depreciated	<u>81,138,927</u>	<u>5,911,326</u>	<u>(11,690)</u>	<u>87,038,563</u>
Capital assets, being depreciated:				
Automobile	38,039	-	-	38,039
Office furniture and fixtures	247,653	-	-	247,653
Office building	7,102,653	-	-	7,102,653
Building improvements	1,168,210	-	-	1,168,210
Office and computer equipment	786,969	52,216	(21,667)	817,518
Capital Improvements	111,965	57,652	-	169,617
	<u>9,455,489</u>	<u>109,868</u>	<u>(21,667)</u>	<u>9,543,690</u>
Less accumulated depreciation for:				
Automobile	(38,039)	-	-	(38,039)
Office furniture and fixtures	(244,040)	(744)	-	(244,784)
Office building	(2,771,631)	(177,567)	-	(2,949,198)
Building improvements	(591,543)	(60,938)	-	(652,481)
Office and computer equipment	(548,542)	(128,516)	21,667	(655,391)
	<u>(4,193,795)</u>	<u>(367,765)</u>	<u>21,667</u>	<u>(4,539,893)</u>
Total capital assets being depreciated, net	<u>5,261,694</u>	<u>(257,897)</u>	<u>-</u>	<u>5,003,797</u>
Governmental activities capital assets, net	<u>\$ 86,400,621</u>	<u>\$ 5,653,429</u>	<u>\$ (11,690)</u>	<u>\$ 92,042,360</u>

Depreciation

Depreciation expense of \$367,765 was recorded for the year ended June 30, 2020, and is related to the general administrative functions of the Council.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 6: Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, was as follows:

Due to/From	Interfund	
	Receivables	Payables
Governmental Funds:		
General Fund	\$ 274,683	\$ 3,258,177
Measure K and Measure K Renewal Fund	3,245,210	-
State Transit Assistance Fund	5,118	-
Local Transportation Fund	7,849	-
Regional Transportation Impact Fee Fund	-	34,509
SJCOG, Inc.	-	222,498
Commute Connection, Inc.	-	650
One Voice, Inc.	-	17,026
Totals	\$ 3,532,860	\$ 3,532,860

The General Fund receivable from RTIF, LTF, STA, Commute Connection, Inc., and One Voice, Inc., Funds represent the final accrued planning funds due to the General Fund at June 30, 2020.

The combined Measure K and Measure K Renewal Fund receivable from the General Fund represents the balance of advances utilized to finance construction of the Council's Office Building. The repayment schedule consists of monthly principal and interest payments comprised of the average interest rate on the Series 2019 Bonds plus 45 basis points.

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 \$7,953,244. Land, valued at \$400,000, was donated by the City of 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 combined Measure K and Measure K Renewal Fund in April of 2005. The combined Measure K and Measure K Renewal 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 combined Measure K and Measure K Renewal Fund. The repayment schedule consists of monthly principal and interest payments that vary from month to month at a rate of 45 basis points over the commercial paper's rate.

The balance of debt service and interest for the General Fund as of fiscal year ended June 30, 2020, was \$3,024,965.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 7: Lease

Operating Leases

The Council leases various office equipment under non-cancellable operating leases as follows:

Year Ending June 30,	Amount
2021	\$ 6,363
2022	6,363
2023	2,653
Total	\$ 15,379

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:

Asset	Governmental Activities
Machinery and equipment	\$ 148,775
Less: Accumulated depreciation	(90,710)
Total	\$ 58,065

As of June 30, 2020, the future minimum lease payments and the net present value of these minimum lease payments were as follows:

Fiscal Year Ending June 30,	
2021	\$ 27,407
2022	17,405
2023	13,253
Total payments	58,065
Less amounts representing interest	-
Net present value of future minimum lease payments	\$ 58,065

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 8: Debt Obligations and Long-Term Liabilities

Activity during the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Sales Tax Revenue Bonds					
2014 Series, net of amortization	\$ 49,441,700	\$ -	\$ 664,476	\$ 48,777,224	\$ 1,360,000
Sales Tax Revenue Bonds					
2017 Series, net of amortization	227,439,254	-	5,415,658	222,023,596	3,860,000
Sales Tax Revenue Bonds					
2019 Series, net of amortization	75,326,176	-	522,583	74,803,593	-
Total	<u>\$ 352,207,130</u>	<u>\$ -</u>	<u>\$ 6,602,717</u>	<u>\$ 345,604,413</u>	<u>\$ 5,220,000</u>

2014 Series Sales Tax Revenue Bonds

The Council issued long-term debt on July 2, 2014, to advance projects ready to proceed to construction totaling \$49,245,000. The Council pledges 100% of the Measure K Renewal sales tax as a security for the new bonds; however, in order to maintain a high credit and coverage level, debt service is constrained at 35% of last year's actual sales tax.

Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,360,000	\$ 2,168,900	\$ 3,528,900
2022	1,530,000	2,114,500	3,644,500
2023	2,795,000	2,038,000	4,833,000
2024	3,445,000	1,898,250	5,343,250
2025	3,615,000	1,726,000	5,341,000
2025-2029	20,975,000	5,730,500	26,705,500
2030-2032	9,930,000	750,750	10,680,750
	<u>\$ 43,650,000</u>	<u>\$ 16,426,900</u>	<u>\$ 60,076,900</u>

2017 Series Sales Tax Revenue Bonds

On November 2016, the Council defeased \$211,700,000 of the outstanding 2011 Series Sales Tax Revenue Bonds by issuing a \$209,075,000 Sales Tax Revenue Bond, which includes a premium of \$30,509,484, to advance refund the defeased bonds. Accordingly, the assets and the liability for the defeased bonds are not included in the government's fund financial statements. The Council achieved a cash flow difference and an economic gain of approximately \$30,284,273 as a result of the refunding. The economic gain will be recorded as a deferred outflow of resources on the government-wide financial statements and amortized over the life of the debt. At June 30, 2020, \$26,334,149 of the economic gain is outstanding. The Council pledges 100% of the sales tax as a security for the new bonds; however, in order to maintain a high credit and coverage level, debt service is constrained at 35% of last year's actual sales tax.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 8: Debt Obligations and Long-Term Liabilities (Continued)

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3,860,000	\$ 9,352,000	\$ 13,212,000
2022	4,605,000	9,197,600	13,802,600
2023	4,310,000	9,027,350	13,337,350
2024	4,720,000	8,851,850	13,571,850
2025	5,725,000	8,615,850	14,340,850
2026-2030	35,425,000	38,583,000	74,008,000
2031-3035	53,460,000	27,706,250	81,166,250
2036-2040	68,020,000	13,148,550	81,168,550
2041	15,535,000	699,300	16,234,300
	<u>\$ 195,660,000</u>	<u>\$ 125,181,750</u>	<u>\$ 320,841,750</u>

<u>Year Ending June 30,</u>	<u>Deferred Loss on Refunding of Bond</u>
2021	\$ 1,316,708
2022	1,316,708
2023	1,316,708
2024	1,316,708
2025	1,316,708
2026-2030	6,583,540
2031-2035	6,583,540
2036-2040	6,583,529
	<u>\$ 26,334,149</u>

2019 Series Sales Tax Revenue Bonds

In February 2019, the Board, acting in its capacity as the San Joaquin County Transportation Authority, defeased \$75,000,000 of the line of credit by issuing a \$63,960,000 Sales Tax Revenue Bond, which includes a premium of \$11,583,919, to advance refund the defeased bonds. Accordingly, the assets and the liability for the defeased bonds are not included in the government's fund financial statements. The Council pledges 100% of the sales tax as a security for the new bonds; however, in order to maintain a high credit and coverage level, debt service is constrained at 35% of last year's actual sales tax.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 3,198,000	\$ 3,198,000
2022	-	3,198,000	3,198,000
2023	-	3,198,000	3,198,000
2024	-	3,198,000	3,198,000
2025	-	3,198,000	3,198,000
2026-2030	-	15,990,000	15,990,000
2031-2035	18,290,000	15,105,000	33,395,000
2036-2040	37,100,000	7,888,250	44,988,250
2041	8,570,000	428,500	8,998,500
	<u>\$ 63,960,000</u>	<u>\$ 55,401,750</u>	<u>\$ 119,361,750</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020**

Note 8: Debt Obligations and Long-Term Liabilities (Continued)

In the event of default on all sales tax bonds, the issuer shall immediately transfer to the trustee all revenues held by it and the trustee shall apply all revenue and any other funds then held or thereafter received by the trustee under any of the provisions of the indenture (excluding the rebate fund and any purchase fund and except as otherwise provided in the indenture). There are no advance payments clauses in the sales tax revenue bonds.

Note 9: Compensated Absences

Compensated absences activity during the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Compensated Absences	\$ 514,389	\$ 86,231	\$ (19,187)	\$ 581,433	\$ 197,606
Total	\$ 514,389	\$ 86,231	\$ (19,187)	\$ 581,433	\$ 197,606

Council employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation at various rates. Employees have the option to sell accrued vacation hours at their current base rate of pay as long as they have a minimum of 80 hours remaining following the transaction. Employees that have reached the normal retirement age or have completed twenty years of continuous service and have accrued a minimum of 160 hours of sick leave may elect to convert unused sick leave to cover the continuation of health care insurance premiums at retirement. As of June 30, 2020, there are no retirees who have met these eligibility requirements. Other than this conversion at retirement, there is no cash payment of sick leave. As of June 30, 2020, accrued vacation and sick leave pay totaled \$581,433. Payment of accrued sick leave to eligible employees upon termination is the only post-employment benefit provided by the Council. In previous years, the General Fund has been used to liquidate this liability.

Note 10: Commitments and Contingencies

Risk Management

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

In March 2010, the Council moved health benefit coverage and all health benefit related activities from San Joaquin County to a variety of private health care providers. This includes dental and vision coverage, life insurance, short- and long-term disability, and long-term care.

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

As of January 2010, the Council contracted Paychex Payroll Services to provide a Flexible Spending Account option for all employees. The annual maximum is currently set at \$2,650. These pre-tax dollars can be used for eligible medical costs and dependent care.

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

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 10: Commitments and Contingencies (Continued)

Contract Commitments

Measure K funded the design, environmental, and/or construction work on state highways, some of which are in progress. In January 2008, the Council Board adopted the Measure K Renewal Strategic Plan to begin delivering some of the Measure K Renewal projects prior to 2011. The Council has active projects as of June 30, 2020, funded through Measure K Renewal programs and has outstanding commitments of \$35,252,524 under these programs.

Employment Retirement Plan

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

Contributions to the plan by the Council are limited to 15% of compensation. The Council does not contribute into Social Security for employees. Certain legacy employees also do not have a Medicare contribution of the Council. Newer employees have a Medicare contribution. Employees are fully vested after six years of continuous service or when they reach the age of 55. The plan does not provide for employee contributions. The Council will not be required to pay prior year employer contributions for anyone having worked for the Council prior to the initiation of the retirement program.

Plan provisions and contribution requirements for the plan are established and may be amended by the Council's Board. The Council's total salaries, including vacation and termination pay, for the year ended June 30, 2020, were \$2,974,570. The Council's total contributions to the retirement plan on behalf of employees were \$502,929 for the year ended June 30, 2020.

COVID-19 National Health Emergency

On March 15, 2020, the Council's operations were impacted by the COVID-19 national health emergency which resulted in shelter in place orders by national, state and county health departments. The Council implemented customer and staff safety procedures based on recommendations from the health departments and industry specialists. The majority of the Council's operating revenues consist primarily of reimbursements and pass-through monies provided to claimants. As such, the Council's revenue has not been significantly impacted by the health emergency. The Council continues to evaluate the impact of this health emergency on the Council's operations.

Note 11: Fund Balance/Net Position Deficit

The Commute Connection, Inc., has a fund balance deficit of \$550 at June 30, 2020. The deficit is primarily related to an interfund advance from the General Fund for costs associated with the 501(c)(3)'s establishment. Once Commute Connection, Inc., receives cash donations to repay the advance, the negative unreserved balance is expected to be corrected.

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

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 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.

The Transit Safety, Security, and Disaster Response Account (TSSSDRA) funding account was created by Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. TSSSDRA funding is available for capital expenditures that provide an increased protection against a security or safety threat, increase the capacity of transit operators to develop disaster response transportation systems that can respond in the event of an emergency, or other allowable costs under California Government Code 16727 (a). TSSSDRA funding to the Council and local transit operators is allocated annually based on the State Transit Assistance formula found in Public Utilities Code (PUC) Section 99313 (population based) and Section 99314 (fare revenue based), respectively.

The Council is the recipient agency of PTMISEA funds for the Cities of Escalon, Manteca, and Tracy. During the fiscal year ended June 30, 2020, the Council received \$0 from the State's PTMISEA account for disbursement to the above-mentioned cities. As of June 30, 2020, PTMISEA funds received and claims paid to cities were verified in the course of our audit as follows:

	2020
PTMISEA/TSSSDRA balance designated for future claims, beginning	\$ 2,461,495
PTMISEA funds received	
Interest earned on PTMISEA deposits	41,560
TSSSDRA funds received	-
Interest earned on TSSSDRA deposits	3,146
Claims paid to cities	(16,919)
PTMISEA/TSSSDRA balance designated for future claims, ending	<u>\$ 2,489,282</u>
 RECONCILIATION TO FINANCIAL STATEMENT	
Designated for PTMISEA claims	\$ 2,305,583
Designated for TSSSDRA claims	183,699
Designated for other STA claims	3,265,339
Designated for future claims	<u>\$ 5,754,621</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

Note 13: Fund Balance Classifications

The purposes for certain fund balance classifications are as follows:

	General Fund	Combined Measure K and Measure K Renewal Fund	Local Transportation Fund	State Transit Assistance Fund	Regional Transportation Impact Fee Funds	SJCOG, Inc.	Commute Connection, Inc.	One Voice, Inc.	Total
Fund Balance									
Nonspendable:									
Prepaid	\$ 125,030	\$ 3,813	\$ -	\$ -	\$ -	\$ 930	\$ -	\$ -	\$ 129,773
Restricted for:									
Transportation projects and related debt	-	204,002,747	-	-	10,617,461	-	-	-	214,620,208
TDA funds restricted by State statute	-	-	7,882,302	5,754,621	-	-	-	-	13,636,923
Habitat plan development	-	-	-	-	-	52,617,598	-	-	52,617,598
Unassigned:	(118,944)	-	-	-	-	-	(550)	-	(119,494)
Total Fund Balances	\$ 6,086	\$ 204,006,560	\$ 7,882,302	\$ 5,754,621	\$ 10,617,461	\$ 52,618,528	\$ (550)	\$ -	\$ 280,885,008

Note 14: Restatement of Prior Year Balances

Beginning fund balance of the SJCOG Inc. fund was restated by \$94,500 due to unearned revenue related to deferred mitigation that was earned in fiscal year 2018-19. In addition, beginning fund balance of the Measure K and Measure K Renewal fund was restated by \$2,065,534 due to long-term interest payable related to the 2017 Sales Tax Revenue Bonds. Interest payable related to long-term liabilities should only be reported in the government-wide statements. In addition, beginning net position of governmental activities was restated by (\$4,897,048) due to long-term interest payable related to the 2017 Sales Tax Revenue Bonds for the fiscal year 2018-20 portion.

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REQUIRED SUPPLEMENTAL INFORMATION

SAN JOAQUIN COUNCIL OF GOVERNMENTS (SJCOG)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 GENERAL FUND (By Object)
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,769,687	\$ 13,114,587	\$ 8,417,466	\$ (4,697,121)
Interest	5,000	5,000	19,803	14,803
Gains (losses) on investments	-	-	1,124	1,124
Other	15,000	15,000	8,200	(6,800)
Total Revenues	10,789,687	13,134,587	8,446,593	(4,687,994)
Expenditures:				
Salaries and benefits:				
Salaries	3,058,856	3,058,856	2,937,472	121,384
Salaries - vacation sales	60,000	60,000	46,167	13,833
Fringe benefits	1,347,975	1,347,975	1,116,905	231,070
Total Salaries and Benefits	4,466,831	4,466,831	4,100,544	366,287
Services and supplies:				
Office expense	262,470	273,870	272,018	1,852
Communications	66,000	80,000	64,415	15,585
Memberships	50,000	38,600	34,815	3,785
Rents and leases - equipment	129,000	129,000	105,285	23,715
Transportation, travel, and training	114,500	114,500	55,306	59,194
Allocated service cost	-	-	778	(778)
Publications and legal notices	7,500	7,500	6,957	543
Insurance	120,000	133,000	119,823	13,177
Maintenance - equipment and auto	10,000	10,000	3,750	6,250
Maintenance - building, grounds and taxes	110,800	110,158	106,047	4,111
Utilities	89,200	89,842	108,768	(18,926)
Total Services and Supplies	959,470	986,470	877,962	108,508
Miscellaneous- ICAP reimbursement to CalTrans	-	-	593,354	(593,354)
Professional and special services	4,871,786	7,189,686	2,602,884	4,586,802
Capital outlay	195,500	195,500	52,216	143,284
Debt service:				
Principal	96,000	96,000	36,826	59,174
Interest	200,100	200,100	127,679	72,421
Total Expenditures	10,789,687	13,134,587	8,391,465	4,743,122
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	55,128	55,128
Other Financing Sources (Uses):				
Initiation of capital leases	-	-	52,216	52,216
Total Other Financing Sources (Uses)	-	-	52,216	52,216
Net Change in Fund Balances	-	-	107,344	107,344
Fund Balances, Beginning of Year	(101,258)	(101,258)	(101,258)	-
Fund Balances, End of Year	\$ (101,258)	\$ (101,258)	\$ 6,086	\$ 107,344

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
MEASURE K AND MEASURE K RENEWAL FUND
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales tax	\$ 66,200,000	\$ 66,200,000	\$ 65,398,184	\$ (801,816)
Interest	-	-	4,812,831	4,812,831
Dividends	-	-	295,456	295,456
Gains (losses) on investments	-	-	1,585,779	1,585,779
Total Revenues	66,200,000	66,200,000	72,092,250	5,892,250
Expenditures:				
General administration	662,000	662,000	234,620	427,380
Streets and roads	23,004,500	23,004,500	21,543,955	1,460,545
Transit	19,694,500	19,694,500	17,765,484	1,929,016
Congestion relief	21,349,500	21,349,500	3,867,511	17,481,989
Congestion relief	1,489,500	1,489,500	-	1,489,500
Smart growth	-	-	270,368	(270,368)
Investment expense	-	-	187,902	(187,902)
Debt service:				
Principal	-	-	4,365,000	(4,365,000)
Interest	-	-	14,973,450	(14,973,450)
Total Expenditures	66,200,000	66,200,000	63,208,290	2,991,710
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	8,883,960	8,883,960
Net Change in Fund Balances	-	-	8,883,960	8,883,960
Fund Balances, Beginning of Year, as restated	195,122,600	195,122,600	195,122,600	-
Fund Balances, End of Year	\$ 195,122,600	\$ 195,122,600	\$ 204,006,560	\$ 8,883,960

SAN JOAQUIN COUNCIL OF GOVERNMENTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
LOCAL TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales tax	\$ 34,800,000	\$ 36,933,478	\$ 36,933,478	\$ -
Interest	-	-	204,055	204,055
Gains (losses) on investments	-	-	75,415	75,415
Total Revenues	34,800,000	36,933,478	37,212,948	279,470
Expenditures:				
General administration	1,301,200	1,363,071	1,363,071	-
Streets and roads	11,414,454	12,120,339	3,277,086	8,843,253
Pedestrian and bicycle	669,976	711,408	1,107,498	(396,090)
Transit	21,414,370	22,738,660	31,490,243	(8,751,583)
Total Expenditures	34,800,000	36,933,478	37,237,898	(304,420)
Deficiency of Revenues Under Expenditures	-	-	(24,950)	(24,950)
Net Change in Fund Balances	-	-	(24,950)	(24,950)
Fund Balances, Beginning of Year	7,907,252	7,907,252	7,907,252	-
Fund Balances, End of Year	\$ 7,907,252	\$ 7,907,252	\$ 7,882,302	\$ (24,950)

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
STATE TRANSIT ASSISTANCE FUND
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales tax	\$ 9,134,069	\$ 8,138,585	\$ 8,366,894	\$ 228,309
State of good repair	-	-	1,094,419	1,094,419
Interest	-	-	58,494	58,494
Interest Prop 1B PTMISEA/TSSSDRA	-	-	44,706	44,706
Gains (losses) on investments	-	-	29,880	29,880
Total Revenues	9,134,069	8,138,585	9,594,393	1,455,808
Expenditures:				
General administration	134,391	129,273	129,273	-
Transit	8,999,678	8,009,312	8,697,119	(687,807)
PTMISEA/TSSSDRA	-	-	16,919	(16,919)
Total Expenditures	9,134,069	8,138,585	8,843,311	(704,726)
Excess of Revenues Over Expenditures	-	-	751,082	751,082
Net Change in Fund Balances	-	-	751,082	751,082
Fund Balances, Beginning of Year	5,003,539	5,003,539	5,003,539	-
Fund Balances, End of Year	\$ 5,003,539	\$ 5,003,539	\$ 5,754,621	\$ 751,082

SAN JOAQUIN COUNCIL OF GOVERNMENTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
REGIONAL TRANSPORTATION IMPACT FEE FUND
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ 2,000,000	\$ 1,929,866	\$ (70,134)
Interest	-	-	127,964	127,964
Total Revenues	-	2,000,000	2,057,830	57,830
Expenditures:				
General administration	-	30,000	29,406	594
Transit	-	960,000	-	960,000
Congestion relief	-	1,010,000	5,103	1,004,897
Total Expenditures	-	2,000,000	34,509	1,965,491
Excess of Revenues Over Expenditures	-	-	2,023,321	2,023,321
Net Change in Fund Balances	-	-	2,023,321	2,023,321
Fund Balances, Beginning of Year	8,594,140	8,594,140	8,594,140	-
Fund Balances, End of Year	\$ 8,594,140	\$ 8,594,140	\$ 10,617,461	\$ 2,023,321

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SJCOG, INC. BLENDED COMPONENT UNIT
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 10,000,000	\$ 10,000,000	\$ 7,181,753	\$ (2,818,247)
Interest	-	-	644,493	644,493
Dividends	-	-	155,949	155,949
Gains (losses) on investments	-	-	133,549	133,549
Other	-	-	595,743	595,743
Total Revenues	10,000,000	10,000,000	8,711,487	(1,288,513)
Expenditures:				
General administration	650,000	650,000	649,472	528
Habitat plan	600,000	600,000	599,192	808
Capital outlay				
Capital assets	8,750,000	8,750,000	5,968,978	2,781,022
Total Expenditures	10,000,000	10,000,000	7,217,642	2,782,358
Excess of Revenues Over Expenditures	-	-	1,493,845	1,493,845
Other Financing Sources:				
Proceeds from sale of capital asset	-	-	11,690	11,690
Total Other Financing Sources	-	-	11,690	11,690
Net Change in Fund Balances	-	-	1,505,535	1,505,535
Fund Balances, Beginning of Year, as restated	51,112,993	51,112,993	51,112,993	-
Fund Balances, End of Year	\$ 51,112,993	\$ 51,112,993	\$ 52,618,528	\$ 1,505,535

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2020**

Note 1: Budgetary Basis of Accounting

As required by the San Joaquin Council of Government's (the Council) Joint Powers Authority agreement, the Council prepares and legally adopts a final operating budget on or before April 1 of each fiscal year. Annual budgets are legally adopted for the General Fund. As required by the Joint Powers Authority agreement, 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 (the Board). Supplemental appropriations financed by unanticipated revenues also must be approved by the Board. No supplemental appropriations were required during the year ended June 30, 2020. The bi-annual Strategic Plan and revenue estimate for the combined Measure K and Measure K Renewal Fund are approved by the Council Board. The Local Transportation Fund (LTF) budgeted revenue is created by Council staff and approved by the San Joaquin County Auditor-Controller. The budgeted revenue is allocated to each claimant based on population. The State Transit Assistance (STA) Fund 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 Council Board; however, they are not considered to be legally adopted. Budgetary amounts for the special revenue funds are presented at their lowest level of budgetary control, which is the object level, as described above.

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

Note 2: Excess Expenditures Over Appropriations

The following General Fund and special revenue funds had excess expenditures over appropriations at June 30, 2020:

	<u>General Fund</u>	<u>Measure K and Measure K Renewal Fund</u>	<u>Local Transportation Fund</u>	<u>State Transit Assistance Fund</u>
Pedestrians and bicycle	\$ -	\$ -	\$ (396,090)	\$ -
Utilities	(18,926)	-	-	-
Investment expense	-	(187,902)	-	-
Interest expense	-	(14,973,450)	-	-
Transit	-	-	(8,751,583)	(687,807)
Smart growth	-	(270,368)	-	-
PTMISEA	-	-	-	(16,919)
Debt service - principal	-	(4,365,000)	-	-
Allocated service cost	(778)	-	-	-
Miscellaneous- ICAP reimbursement to CalTrans	(593,354)	-	-	-

OTHER SUPPLEMENTARY INFORMATION

SAN JOAQUIN COUNCIL OF GOVERNMENTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Grant Number	Expenditures
Highway Planning and Construction Cluster				
<u>U.S. Department of Transportation</u>				
Passed through the State of California				
Department of Transportation				
Highway Planning and Construction	20.205	05-956-9101	CML-6088(060)	\$ 400,063
			CMLNI-6088(067)	88,043
			RPSTCML-6088 (068)	1,375
			STPL-6088(057)	75,134
Total State of California Department of Transportation				<u>564,615</u>
Passed through the County of Merced				
Merced County Association of Governments				
Highway Planning and Construction	20.205	13-612-9918	CMAQ #C19-026	34,693
Passed through the County of Stanislaus				
Stanislaus Council of Governments				
Highway Planning and Construction	20.205	19-731-3732	CMAQ #C19-005	200,000
Total U.S. Department of Transportation				<u>799,308</u>
Total Highway Planning and Construction Cluster				<u>799,308</u>
<u>U.S. Department of Transportation</u>				
Passed through the State of California				
Department of Transportation				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research*	20.505	05-956-9101	MFTA#74A0139-Section 5303	346,932
			MFTA#74A0139-FHWA 2020	1,325,221
Total U.S. Department of Transportation				<u>1,672,153</u>
Total Federal Expenditures				<u>\$ 2,471,461</u>

* Major Program

Note a: Refer to Note 1 to the schedule of expenditures of federal awards for a description of significant accounting policies used in preparing this schedule.

Note b: There was no federal awards expended in the form of noncash assistance and insurance in effect during the year.

Note c: Total amount provided to subrecipients during the year was \$0.

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1: Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

a. Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the San Joaquin Council of Governments (the Council), that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the Council from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

b. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the Council becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The Council has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
 OVERALL WORK PROGRAM COSTING SYSTEMS
 SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER ITEMS BY FUNDING SOURCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget	General Fund											LTA Measure K
		Local Transp. Funds Planning	Local Transp. Funds TDA Admin	State Transit Assist.	CMAQ	RPSTCML	Merced CMAQ	Fwy Service Patrol Congestion	Ride-Sharing CMAQ Stan. Co.	FTA 5303	RSTP SR 99 and SR 120 Ramps	FHWA PL	
Revenues:													
Local Transportation Fund Planning	\$ 1,009,200	\$ 1,071,071	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Local Transportation Fund (TDA Administration)	290,000	-	290,000	-	-	-	-	-	-	-	-	-	
State Transit Assistance	88,557	-	-	129,273	-	-	-	-	-	-	-	-	
Congestion Mitigation Air Quality CML 6088(060)	1,355,000	-	-	-	879,937	-	-	-	-	-	-	-	
Congestion Mitigation Air Quality CMLNI 6088(067)	-	-	-	-	89,043	-	-	-	-	-	-	-	
Congestion Mitigation Air Quality RPSTCML 6088(068)	1,770,600	-	-	-	-	1,375	-	-	-	-	-	-	
Federal CMAQ (Merced)	85,000	-	-	-	-	-	34,693	-	-	-	-	-	
State/Caltrans - Fwy Svc patrol FSP19 SB1-6088(066)	429,381	-	-	-	-	-	-	42,797	-	-	-	-	
SB1 State/Caltrans - Fwy Svc patrol FSP14-6088(063)	403,022	-	-	-	-	-	-	357,127	-	-	-	-	
State/Caltrans - Fwy Svc patrol FSP14-6088(064)	398,751	-	-	-	-	-	-	305,235	-	-	-	-	
State/Caltrans - Fwy Svc patrol FSP20 SB1 - 6088(070)	490,646	-	-	-	-	-	-	-	-	-	-	-	
StanCOG CMAQ TDM Ridesharing	200,000	-	-	-	-	-	-	-	200,000	-	-	-	
FTA 5303 MPO Planning	346,932	-	-	-	-	-	-	-	346,932	-	-	-	
RSTP for SR99 and SR120 Ramps: STPL 6088(057)	100,000	-	-	-	-	-	-	-	-	75,134	-	-	
Federal Highway PL Planning & Admin.	1,325,221	-	-	-	-	-	-	-	-	-	1,325,905	-	
Interest	20,000	-	-	-	-	-	-	-	-	-	-	-	
Measure K (LTA admin)	662,000	-	-	-	-	-	-	-	-	-	-	600,000	
Measure K (LTA planning)	1,000,000	-	-	-	-	-	-	-	-	-	-	1,000,000	
State Senate Bill (SB1) awarded in FYE 17/18	225,994	-	-	-	-	-	-	-	-	-	-	-	
State Senate Bill (SB1) awarded in FYE 18/19	305,638	-	-	-	-	-	-	-	-	-	-	-	
State Senate Bill (SB1) awarded in FYE 19/20	353,812	-	-	-	-	-	-	-	-	-	-	-	
State Senate Bill (SB1) Competitive awarded in FYE 19/20	200,000	-	-	-	-	-	-	-	-	-	-	-	
RTF Admin Operating	257,120	-	-	-	-	-	-	-	-	-	-	-	
RTIF Project Operating	-	-	-	-	-	-	-	-	-	-	-	-	
RTIF 3rd party costs	-	-	-	-	-	-	-	-	-	-	-	-	
Valley Wide Air Quality	181,100	-	-	-	-	-	-	-	-	-	-	-	
SJCOG Fees/Local other (One Voice)	-	-	-	-	-	-	-	-	-	-	-	-	
SJCOG Fees/Local other (Unclaimed FSA Revenue)	10,000	-	-	-	-	-	-	-	-	-	-	-	
SJCOG Fees/Local other (Unclaimed FSA Revenue)	-	-	-	-	-	-	-	-	-	-	-	-	
SJCOG Fees/ALUC	207,000	-	-	-	-	-	-	-	-	-	-	-	
SACOG S11	-	-	-	-	-	-	-	-	-	-	-	-	
SACOG TDM Trip Planning System	150,000	-	-	-	-	-	-	-	-	-	-	-	
Rural Planning Assistance (RPA)	50,000	-	-	-	-	-	-	-	-	-	-	-	
Tri County RTP & SCE Services (local)	13,189	-	-	-	-	-	-	-	-	-	-	-	
Model Base Update (MAG LOA local)	-	-	-	-	-	-	-	-	-	-	-	-	
State grant on Affordable Housing	31,140	-	-	-	-	-	-	-	-	-	-	-	
Habitat Plan Administration SJCOG, INC.	605,000	-	-	-	-	-	-	-	-	-	-	-	
Total Revenues	\$ 13,134,587	\$ 1,071,071	\$ 290,000	\$ 129,273	\$ 967,980	1,375	\$ 34,693	\$ 705,159	\$ 200,000	\$ 346,932	\$ 75,134	\$ 1,325,905	\$ 1,600,000
Expenditures:													
601.01 RTP Update	\$ 665,299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,952	\$ -	\$ 214,347	\$ 273,320
601.011 RTP (AHSOC)	31,140	-	-	-	-	-	-	-	-	-	-	-	4
601.012 SCS Implementation (Awarded in FYE 17/18)	255,994	30,680	-	-	-	-	-	-	-	-	-	-	-
601.013 SCS Implementation (Awarded in FYE 18/19)	351,638	31,911	-	-	-	-	-	-	-	-	-	-	-
601.014 SCS Implementation (Awarded in FYE 19/20)	399,212	3,263	-	-	-	-	-	-	-	-	-	-	-
601.015 SB1 Adaptation planning grant (Awarded in FYE 19/20)	226,000	1,475	-	-	-	-	-	-	-	-	-	-	-
601.02 RTP - Studies	145,957	-	-	-	-	-	-	-	-	-	-	48,000	83,997
602.01 R.T.I.P.	371,000	-	-	-	-	-	-	-	-	-	-	296,653	73,122
603.01 Road/Street Monitoring	250,000	-	-	-	-	-	-	-	-	-	75,134	-	132,332
603.015 I-205 Managed Lane Project Development	2,000,000	-	-	-	-	1,375	-	-	-	-	-	-	-
603.02 Transit Coordination	511,315	-	-	129,273	-	-	-	-	-	189,980	-	-	105,357
603.03 Transportation Air Quality	627,404	-	-	-	-	-	-	-	-	-	-	192,000	203,578
603.04 Trans/Air Quality Model	20,543	-	-	-	-	-	-	-	-	-	-	3,000	4,197
701.01 Technical Assistance	86,000	-	-	-	-	-	-	-	-	-	-	23,000	60,759
801.01 Intergov. Coordination	289,000	-	-	-	-	-	-	-	-	-	-	57,000	122,540
801.012 Intergov. Coordination (RPA)	50,000	-	-	-	-	-	-	-	-	-	-	-	-
801.02 Projects & Forecasts	166,000	34,684	-	-	-	-	-	-	-	-	-	65,000	46,785
801.03 Aviation and Land Use	89,000	66,486	-	-	-	-	-	-	-	-	-	-	-
801.04 Congestion Mgmt.	167,000	-	-	-	-	-	-	-	-	-	-	107,000	31,868
801.05 Regional Planning	98,000	-	-	-	-	-	-	-	-	-	-	42,000	41,689
801.06 Valley MPO Coord.	110,000	-	-	-	-	-	-	-	-	-	-	40,000	68,206
801.09 Habitat Plan Implementation(See INC Task number)	605,000	-	-	-	-	-	-	-	-	-	-	-	-
901.01 Measure K program mgt.	323,220	-	-	-	-	-	-	-	-	-	-	-	234,620
901.02 RTIF	87,000	-	-	-	-	-	-	-	-	-	-	-	27,246
901.03 Smart Growth	5,000	-	-	-	-	-	-	-	-	-	-	-	993
1001.01 COG OWP mgmt. & admin.	115,000	-	-	-	-	-	-	-	-	-	-	85,000	26,823
1001.02 TDA Administration	417,000	6,391	290,000	-	-	-	-	-	-	-	-	-	-
1001.03 Community Involvement	131,221	-	-	-	-	-	-	-	-	-	-	83,221	46,262
1101.01 TDM Ridesharing	1,890,000	-	-	-	967,980	-	34,693	-	200,000	-	-	-	5,407
1201.01 Freeway Service Patrol	2,549,045	-	-	-	-	-	-	705,159	-	-	-	-	-
1201.03 SJCOG Interns	70,000	-	-	-	-	-	-	-	-	-	-	54,000	5,350
1301.01 Performance Based Planning & Programming	31,000	-	-	-	-	-	-	-	-	-	-	15,000	5,944
Total 19/20 Project Expenditures	13,134,587	174,890	290,000	129,273	967,980	1,375	34,693	705,159	200,000	346,932	75,134	1,325,221	1,600,000
Other Items (not billed through OWP)													
Additional provision for capital outlay	-	52,216	-	-	-	-	-	-	-	-	-	-	-
Depreciation cost recovery (A-87 Eligible Only)	-	(367,769)	-	-	-	-	-	-	-	-	-	-	-
Cumulative under-recovered	-	1,754,982	-	-	-	-	-	-	-	-	-	-	-
Total Other Items	-	1,439,433	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Other Items	13,134,587	1,614,323	290,000	129,273	967,980	1,375	34,693	705,159	200,000	346,932	75,134	1,325,221	1,600,000
Excess (Deficit) Revenues, Expenditures and Other Items Current:	\$ -	\$ (543,252)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 684	\$ -

SAN JOAQUIN COUNCIL OF GOVERNMENTS
 OVERALL WORK PROGRAM COSTING SYSTEMS
 SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER ITEMS BY FUNDING SOURCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

StateSenate Bill (SB)	RTIF	General Fund											Totals	Favorable (Unfavorable) Variance		
		Valley Wide Air Quality	STIP PP&M	Interest/ Other Local	ALUC	SACOG FSP Match	SACOG TDM Trip Planning system	Rural Planning Assistance (RPA)	RTP Modeling Service Reimb. (Local)	State Grant Affordable Housing	Habitat Plan Admin. S/COG, INC.					
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,071,071	\$ 61,871
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	290,000	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	129,273	40,676
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	879,937	(475,063)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88,043	88,043
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,375	(1,769,225)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,693	(56,307)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	42,797	(386,584)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	357,127	(45,895)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	305,235	(93,516)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	346,932	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75,134	(24,866)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,325,905	684
-	-	-	-	-	-	20,927	-	-	-	-	-	-	-	-	20,927	927
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600,000	(62,000)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000	-
218,638	-	-	-	-	-	-	-	-	-	-	-	-	-	-	218,638	(7,356)
184,055	-	-	-	-	-	-	-	-	-	-	-	-	-	-	184,055	(121,583)
18,735	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,735	(335,077)
11,386	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,386	(188,614)
-	29,406	-	-	-	-	-	-	-	-	-	-	-	-	-	29,406	(227,714)
-	5,103	-	-	-	-	-	-	-	-	-	-	-	-	-	5,103	5,103
-	6,465	-	-	-	-	-	-	-	-	-	-	-	-	-	6,465	6,465
-	-	194,019	-	-	-	-	-	-	-	-	-	-	-	-	194,019	12,919
-	-	-	-	-	-	8,200	-	-	-	-	-	-	-	-	8,200	8,200
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,000)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	10,503	-	-	-	-	-	-	-	10,503	10,503
-	-	-	-	-	-	-	-	190,506	-	-	-	-	-	-	190,506	(16,494)
-	-	-	-	-	-	-	-	-	71,102	-	-	-	-	-	71,102	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(150,000)
-	-	-	-	-	-	-	-	-	-	50,000	-	-	-	-	50,000	-
-	-	-	-	-	-	-	-	-	-	-	2,477	-	-	-	2,477	(10,712)
-	-	-	-	-	-	-	-	-	-	-	3,210	-	-	-	3,210	-
-	-	-	-	-	-	-	-	-	-	-	-	24,866	-	-	24,866	(6,274)
-	-	-	-	-	-	-	-	-	-	-	-	-	649,472	-	649,472	44,472
\$ 432,815	\$ 40,974	\$ 194,019	\$ -	\$ 29,127	\$ 10,503	\$ 190,506	\$ 71,102	\$ 50,000	\$ 5,686	\$ 24,866	\$ -	\$ 649,472	\$ 8,446,593	\$ -	\$ 4,117,748	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 644,610	\$ -	\$ 20,680	
-	-	-	-	-	-	-	-	-	-	-	-	24,866	-	-	24,870	6,269
218,638	-	-	-	-	-	-	-	-	-	-	-	-	-	-	249,318	6,676
184,055	-	-	-	-	-	-	-	-	-	-	-	-	-	-	215,966	135,672
18,735	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,998	377,814
11,386	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,862	213,138
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	131,597	14,360
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	369,775	1,225
-	5,103	-	-	-	-	-	-	-	-	-	-	-	-	-	207,466	42,534
-	-	194,019	-	-	-	-	-	-	-	-	-	-	-	-	6,478	1,993,522
-	-	-	-	-	-	-	-	-	-	-	-	5,686	-	-	424,610	86,705
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	595,284	32,120
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,197	13,346
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	83,759	2,241
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	208,227	80,773
-	-	-	-	-	-	-	-	-	-	50,000	-	-	-	-	50,000	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	146,469	19,531
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	76,989	12,911
-	-	-	-	-	-	10,503	-	-	-	-	-	-	-	-	138,868	28,132
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	83,689	14,311
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	108,206	1,794
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	605,000
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	234,620	88,600
-	35,871	-	-	-	-	-	-	-	-	-	-	-	-	-	63,117	23,883
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	993	4,007
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	111,823	3,177
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	296,391	120,609
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	129,483	1,738
-	-	-	-	-	-	-	-	190,506	71,102	-	-	-	-	-	1,279,192	610,818
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	895,065	1,653,380
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59,350	10,650
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,944	10,056
432,815	40,974	194,019	-	28,687	10,503	190,506	71,102	50,000	5,686	24,866	-	6,899,816	6,234,771			
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52,216	(52,216)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(367,765)	367,765
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,754,982	(1,754,982)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,439,433	(1,439,433)
432,815	40,974	194,019	-	28,687	10,503	190,506	71,102	50,000	5,686	24,866	-	8,339,249	4,795,338			
\$ -	\$ -	\$ -	\$ -	\$ 440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 649,472	\$ 107,344	\$ 677,590		

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Schedule of Direct and Indirect Expenditures
For the Year Ended June 30, 2020

	Direct	Indirect	Unallowable Expense	Total
	\$	\$	\$	\$
Salaries(Unallowable included in Direct base)	1,461,652	1,500,346	21,640	2,983,638
Fringe benefits(Unallowable included in Direct)	548,616	557,557	10,732	1,116,905
Office expense	22,245	245,607	3,920	271,772
Communications	2,148	62,267	-	64,415
Memberships	706	25,584	8,524	34,814
Rent - equipment	-	105,285	-	105,285
Capital lease principal payments	-	-	37,072	37,072
Interest - building debt service	-	75,845	51,834	127,679
Transportation, travel and training	26,658	15,890	12,758	55,306
Professional and special services	2,356,725	149,991	96,168	2,602,884
Departmental costs allocated	-	778	-	778
Publications and legal notices	1,228	5,729	-	6,957
Insurance	-	99,619	20,204	119,823
Capital outlay	-	-	52,216	52,216
Maintenance - equipment	-	3,750	-	3,750
Maint. - struct. & grounds - Taxes	-	103,194	2,855	106,049
Utilities	-	103,572	5,197	108,768
Misc(Reimburse Caltrans regarding ICAP Audit)	-	593,354	-	593,354
	4,419,978	3,648,368	323,120	8,391,465
SUBTOTAL EXPENDITURES				
Other reconciling items:				
Depreciation		309,168	58,597	367,765
	\$ 4,419,978	\$ 3,957,536	\$ 381,717	\$ 8,759,230
		TOTAL EXPENDITURES		

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Schedule of Revenues, Expenditures and Changes in Fund Balances
Final Budget and Actual - General Fund
By Work Program
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental	\$ 10,769,687	\$ 13,114,587	\$ 8,417,466	\$ (4,697,121)
Use of money and property	5,000	5,000	20,927	15,927
Miscellaneous	15,000	15,000	8,200	(6,800)
Total Revenues	10,789,687	13,134,587	8,446,593	(4,687,994)
EXPENDITURES				
Regional Transportation Plan	510,000	665,299	644,619	20,680
Regional Transportation Plan (Affordable Housing)	30,998	31,140	24,870	6,270
SB1 awarded FY 17/18 Sustainable Comm. Planning Studies	223,000	255,994	249,318	6,676
SB1 awarded FY 18/19 Sustainable Comm. Planning Studies	304,650	351,638	215,966	135,672
SB1 awarded FY 19/20 Sustainable Comm. Planning Studies	403,812	399,812	21,998	377,814
SB1 awarded FY 18/19 Sustainable Comm. Planning Studies		226,000	12,862	213,138
Regional Planning Studies	130,957	145,957	131,597	14,360
Transportation Improvement Program	279,000	371,000	369,775	1,225
Roads and Streets Monitoring	250,000	250,000	207,466	42,534
I-205 Managed Lanes Project		2,000,000	6,478	1,993,522
Transit Coordination and Planning	511,315	511,315	424,610	86,705
Transportation Air Quality Planning	627,404	627,404	595,284	32,120
Goods Movement	100,543	20,543	7,197	13,346
Ongoing Technical Assistance	63,000	86,000	83,759	2,241
Intergovernmental Coordination	329,000	289,000	208,227	80,773
Intergovernmental Coord. Rural Planning Assistance	250,000	50,000	50,000	-
Projections and Forecasts	196,000	166,000	146,469	19,531
Aviation / Airport and Land Use	29,000	89,000	76,989	12,011
Congestion Management Prog/Sys	167,000	167,000	138,868	28,132
Regional Planning	123,000	98,000	83,689	14,311
Valley MPO Coordination	206,000	110,000	108,206	1,794
Habitat Plan Implementation	561,000	605,000	-	605,000
Measure K Program Mgmt/Admin	323,220	323,220	234,620	88,600
RTIF	94,000	87,000	63,117	23,883
Smart Growth	15,000	5,000	994	4,006
COG Overall Work Plan Administration	105,000	115,000	111,823	3,177
TDA Administration	427,000	417,000	296,391	120,609
Community Involvement	66,000	131,221	129,483	1,738
Transportation Demand Management	1,620,000	1,890,000	1,279,182	610,818
Freeway Service Patrol	2,627,788	2,549,045	895,665	1,653,380
SJCOG Interns	130,000	70,000	59,350	10,650
Performance Based Planning & Programming	86,000	31,000	20,944	10,056
Total 2019/20 project Expenditures	10,789,687	13,134,587	6,899,816	6,234,771
Other (not billed through Overall Work Program)				
Additional provision for capital outlay	-	-	52,216	(52,216)
Depreciation cost recovery A-87 assets only	-	-	(367,765)	367,765
Total Other	-	-	(315,549)	315,549
Overhead (overclaimed) underclaimed - prior periods	-	-	1,754,982	(1,754,982)
Total Adjusted Project Expenditures	10,789,687	13,134,587	8,339,249	4,795,338
Net Change in Fund Balance	-	-	107,344	107,344
Fund Balance - Beginning	-	-	(101,258)	(101,258)
Fund Balance - Ending	\$ -	\$ -	\$ 6,086	\$ 6,086

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Schedule of Balances
Local Transportation Fund
For the Fiscal Year Ending June 30, 2020

	SJRTD	Lathrop	Lodi	Manteca	Tracy	Ripon	Escalon	SJRRRC	SJ County	Stockton	SJCOG Planning	Total LTF Funds
ASSETS:												
Cash in treasury	\$ 976,220	\$ 1,077,340	\$ 3,684,681	\$ 3,734,234	\$ 3,722,036	\$ 588,576	\$ 15,182	\$ 1,146,434	\$ 42,615	\$ 4,266	\$ -	\$ 14,991,584
Sales tax apportionment receivable	4,547,741	234,792	649,394	787,011	895,448	153,319	73,124	-	-	-	-	7,340,829
Interest receivable	76	3,022	10,642	10,528	10,271	1,600	771	12,975	308	13	-	50,206
Due from other Funds	24,733	1,344	3,718	4,505	5,126	878	419	(29,618)	(1,074)	(2,182)	-	7,849
Total Assets	\$ 5,548,770	\$ 1,316,498	\$ 4,348,435	\$ 4,536,278	\$ 4,632,881	\$ 744,373	\$ 89,496	\$ 1,129,791	\$ 41,849	\$ 2,097	\$ -	\$ 22,390,468
LIABILITIES AND FUND EQUITY												
Liabilities:												
Intergovernmental payable	\$ 5,548,345	\$ 1,124,725	\$ 2,791,311	\$ -	\$ 3,069,214	\$ 740,000	\$ 88,881	\$ 1,105,851	\$ 39,839	\$ -	\$ -	\$ 14,508,166
Total Liabilities	5,548,345	1,124,725	2,791,311	-	3,069,214	740,000	88,881	1,105,851	39,839	-	-	14,508,166
Fund Equity:												
Apportioned	425	191,773	1,557,124	4,536,278	1,563,667	4,373	615	23,940	2,010	2,097	-	7,882,302
Total Fund Equity	425	191,773	1,557,124	4,536,278	1,563,667	4,373	615	23,940	2,010	2,097	-	7,882,302
Total Liabilities and Fund Equity	\$ 5,548,770	\$ 1,316,498	\$ 4,348,435	\$ 4,536,278	\$ 4,632,881	\$ 744,373	\$ 89,496	\$ 1,129,791	\$ 41,849	\$ 2,097	\$ -	\$ 22,390,468

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Local Transportation Fund
For the Fiscal year Ending June 30, 2020

	SJRTD	Lathrop	Lodi	Manteca	Tracy	Ripon	Escalon	SJRRRC	SJ County	Stockton	SJCOG Planning	SJCOG TDA Admin.	S.J. County Auditor	Total LTF Funds
REVENUE:														
Sales tax	\$ 19,346,880	\$ 989,747	\$ 2,737,463	\$ 3,317,574	\$ 3,774,681	\$ 646,304	\$ 308,246	\$ 4,008,785	\$ 145,282	\$ 295,445	\$ 1,071,071	\$ 290,000	\$ 2,000	\$ 36,933,478
Interest	29,261	10,450	42,779	32,356	28,578	4,213	2,500	47,833	1,828	4,257	-	-	-	204,055
Unrealized Gains (Losses) on investments	4,951	5,351	18,396	18,889	18,798	2,974	48	5,813	216	(21)	-	-	-	75,415
Total Revenue	19,381,092	1,005,548	2,798,638	3,368,819	3,822,057	653,491	310,794	4,062,431	147,326	299,681	1,071,071	290,000	2,000	37,212,948
EXPENDITURES:														
SJRTD	22,460,803	-	-	-	-	-	-	-	-	-	-	-	-	22,460,803
Lathrop	-	1,124,725	-	-	-	-	-	-	-	-	-	-	-	1,124,725
Lodi	-	-	2,791,311	-	-	-	-	-	-	-	-	-	-	2,791,311
Manteca	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tracy	-	-	-	-	3,069,214	-	-	-	-	-	-	-	-	3,069,214
Ripon	-	-	-	-	-	740,000	-	-	-	-	-	-	-	740,000
Escalon	-	-	-	-	-	-	355,523	-	-	-	-	-	-	355,523
SJRRRC	-	-	-	-	-	-	-	4,423,403	-	-	-	-	-	4,423,403
S.J. County	-	-	-	-	-	-	-	-	159,356	-	-	-	-	159,356
Stockton	-	-	-	-	-	-	-	-	-	750,492	-	-	-	750,492
SJCOG Planning	-	-	-	-	-	-	-	-	-	-	1,071,071	-	-	1,071,071
SJCOG TDA Admin.	-	-	-	-	-	-	-	-	-	-	-	290,000	-	290,000
S.J. County Auditor/Contr.	-	-	-	-	-	-	-	-	-	-	-	-	2,000	2,000
Total Expenditures	22,460,803	1,124,725	2,791,311	3,368,819	3,822,057	740,000	355,523	4,423,403	159,356	750,492	1,071,071	290,000	2,000	37,237,898
Excess (deficit) of Revenues Over Expenditures	(3,079,711)	(119,177)	7,327	3,368,819	752,843	(86,509)	(44,729)	(360,972)	(12,030)	(450,811)	-	-	-	(24,950)
Fund Balance														
Beginning of Year	3,080,136	310,950	1,549,797	1,167,459	810,824	90,882	45,344	384,912	14,040	452,908	-	-	-	7,907,252
Fund Balance Beginning as retated	3,080,136	310,950	1,549,797	1,167,459	810,824	90,882	45,344	384,912	14,040	452,908	-	-	-	7,907,252
Fund Balance End of Year	425	191,773	1,557,124	4,536,278	1,563,667	4,373	615	23,940	2,010	2,097	-	-	-	7,882,302

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**SCHEDULE OF ALLOCATIONS AND EXPENDITURES
LOCAL TRANSPORTATION FUND**

For the Year Ended June 30, 2020

<u>PUC Section</u>	<u>Purpose</u>	<u>Allocated/ Expended</u>
99233.1	Administration:	
	Council	\$ 290,000
	County of San Joaquin	2,000
		<u>292,000</u>
99233.4	Rail Service:	
	San Joaquin Regional Rail Commission	4,423,403
99234	Pedestrian and Bicycle Facilities:	-
	County of San Joaquin	159,356
	City of Escalon	7,139
	City of Stockton	750,492
	City of Tracy	87,420
	City of Lodi	63,398
	City of Ripon	14,968
	City of Lathrop	24,725
		<u>1,107,498</u>
99260	Public Transportation:	
	San Joaquin Regional Transit District	21,788,703
99260	Public Transportation System Planning:	
	Council of Governments	1,071,071
Article 4.5 #99275	Community Transit Services	
	San Joaquin Regional Transit District	672,100
99400(a)	Streets, Roads, Pedestrian and Bicycle Projects:	
	County of San Joaquin	
	City of Escalon	302,054
	City of Tracy	150,000
	City of Lodi	1,000,000
	City of Ripon	725,032
	City of Lathrop	1,100,000
		<u>3,277,086</u>
99400(c)	Contracted Public Transportation - Operations:	
	City of Escalon	46,330
	City of Tracy	2,658,129
	City of Lodi	1,400,000
		<u>4,104,459</u>
99400(e)	Contracted Public Transportation - Capital:	
	City of Tracy	173,665
	City of Lodi	327,913
		<u>501,578</u>
	Total:	<u>\$ 37,237,898</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Schedule of Balances
State Transit Assistance Fund
For the Fiscal Year Ending June 30, 2020

	SJRTD	Lodi	Ripon	SJRRC	Manteca	Tracy	Escalon	SJCOG TDA Admin.	Total STA Funds
ASSETS:									
Cash in treasury	\$ 1,871,080	\$ 284,642	\$ 54,263	\$ 877,505	\$ 612,820	\$ 2,196,450	\$ 92,089	\$ -	\$ 5,988,849
Sales tax apportionment receivable	1,467,121	28,457	3,761	742,038	17,623	23,026	2,585	-	2,284,611
Due from other fund	3,627	-	-	1,491	-	-	-	-	5,118
Interest receivable	6,204	846	166	6,615	1,925	6,985	296	-	23,037
Total Assets	\$ 3,348,032	\$ 313,945	\$ 58,190	\$ 1,627,649	\$ 632,368	\$ 2,226,461	\$ 94,970	\$ -	\$ 8,301,615
LIABILITIES AND FUND EQUITY									
Intergovernmental payable	\$ 1,569,365	\$ 53,541	\$ 1,843	\$ 872,407	\$ 32,763	\$ 16,244	\$ 831	\$ -	\$ 2,546,994
Total Liabilities	1,569,365	53,541	1,843	872,407	32,763	16,244	831	-	2,546,994
FUND EQUITY									
Apportioned	1,778,667	260,404	56,347	755,242	599,605	2,210,217	94,139	-	5,754,621
Total Fund Equity	1,778,667	260,404	56,347	755,242	599,605	2,210,217	94,139	-	5,754,621
Total Liabilities and Fund Equity	\$ 3,348,032	\$ 313,945	\$ 58,190	\$ 1,627,649	\$ 632,368	\$ 2,226,461	\$ 94,970	\$ -	\$ 8,301,615

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Schedule of Revenues, Expenditures
And Changes in Fund Balances
State Transit Assistance Fund
For the Fiscal year Ending June 30, 2020

	SJRTD	Lodi	Ripon	SJRR	MANTECA	TRACY	ESCALON	SJCOG STA Admin.	Total STA Funds
REVENUE:									
Sales tax	\$ 5,995,423	\$ 141,514	\$ 20,968	\$ 2,931,581	\$ 100,544	\$ 128,608	\$ 13,402	\$ 129,273	\$ 9,461,313
Interest STA	27,839	3,558	725	18,462	3,353	4,488	69	-	58,494
Interest PTMISEA	-	-	-	-	7,164	32,004	2,392	-	41,560
Interest TSSSDRA	-	-	-	3,146	-	-	-	-	3,146
(Losses) on investments	9,369	1,426	272	4,388	3,037	10,943	445	-	29,880
Total Revenue	6,032,631	146,498	21,965	2,957,577	114,098	176,043	16,308	129,273	9,594,393
EXPENDITURES:									
SJRTD	5,635,313	-	-	-	-	-	-	-	5,635,313
Lodi	-	53,541	-	-	-	-	-	-	53,541
Ripon	-	-	1,843	-	-	-	-	-	1,843
SJRR	-	-	-	2,953,883	-	-	-	-	2,953,883
MANTECA	-	-	-	-	32,764	-	-	-	32,764
MANTECA(PTMISEA)	-	-	-	-	16,919	-	-	-	16,919
TRACY	-	-	-	-	-	16,244	-	-	16,244
ESCALON	-	-	-	-	-	-	3,531	-	3,531
SJCOG TDA Admin.	-	-	-	-	-	-	-	129,273	129,273
Total Expenditures	5,635,313	53,541	1,843	2,953,883	49,683	16,244	3,531	129,273	8,843,311
Excess (deficit) of Revenues Over Expenditures	397,318	92,957	20,122	3,694	64,415	159,799	12,777	-	751,082
Fund Balance Beginning of Year	1,381,349	167,447	36,225	751,548	535,190	2,050,418	81,362	-	5,003,539
Fund Balance End of Year	\$ 1,778,667	\$ 260,404	\$ 56,347	\$ 755,242	\$ 599,605	\$ 2,210,217	\$ 94,139	\$ -	\$ 5,754,621

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
STATE TRANSIT ASSISTANCE
For the Year Ended June 30, 2020**

<u>PUC Section</u>	<u>Purpose</u>	<u>Allocated/ Expended</u>
6730(a)	Public Transit:	
	San Joaquin Regional Transit District	\$ 1,330,262
	San Joaquin Regional Rail Commission	2,753,777
	City of Escalon	3,531
	City of Ripon	1,843
		<u>4,089,413</u>
6730(b)	Transit Capital:	
	San Joaquin Regional Transit District	4,032,638
	City of Lodi	53,541
	City of Tracy	16,244
		<u>4,102,423</u>
6731(b)	Transit Administration/Planning:	
	Council	129,273
Prop 1B	PTMISEA (CAPITAL)	
	City Of Manteca	16,919
		<u>16,919</u>
State of Goods Repair	State of Goods Repair	
	City of Manteca	32,763
	San Joaquin Regional Rail	200,107
	San Joaquin Regional Transit	272,413
		<u>505,283</u>
	Total:	\$ <u><u>8,843,311</u></u>

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SAN JOAQUIN COUNCIL OF GOVERNMENTS STATISTICAL SECTION

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

Contents:	Page
Financial Trends.....	78 - 82
These schedules contain trend information to help the reader understand how the Council's financial performance has changed over time.	
Revenue Capacity.....	83 – 89
These schedules contain information to help the reader assess the Council's most significant local revenue source, the sales tax.	
Debt Capacity.....	90
This schedule presents information to help the reader assess the affordability of the Council's current levels of outstanding debt and the Council's ability to issue additional debt in the future.	
Demographic and Economic Information.....	91
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Council's financial activities take place.	
Operating Information	92 - 96
These schedules contain service and infrastructure data to help the reader understand how the information in the Council's financial report relates to the services the Council 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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Governmental activities:										
Invested in capital assets, net of related debt	\$ 39,585,252	\$ 45,035,979	\$ 47,531,273	\$ 48,877,028	\$ 52,501,136	\$ 55,794,469	\$ 61,483,649	\$ 73,745,544	\$ 86,357,945	\$ 91,984,295
Restricted for:										
Habitat acquisition and management	9,454,822	10,839,874	12,654,148	14,517,762	19,915,476	27,881,404	30,468,909	42,995,332	51,018,002	52,617,598
Transportation projects	-	-	-	-	-	-	-	-	214,559,934	228,257,131
Unrestricted	(22,060,434)	(58,528,039)	(90,678,836)	(108,507,870)	(139,365,146)	(142,902,987)	(147,519,179)	(131,704,205)	(325,169,916)	(324,733,632)
Total primary government net assets	\$ 26,979,640	\$ (2,652,186)	\$ (30,493,415)	\$ (45,113,080)	\$ (66,948,534)	\$ (59,227,114)	\$ (55,566,621)	\$ (14,963,329)	\$ 26,765,965	\$ 48,125,392

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
GOVERNMENT-WIDE REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Program revenues:										
Governmental activities:										
Charges for services	\$ 2,555,273	\$ 2,302,513	\$ 4,921,911	\$ 3,899,205	\$ 10,067,603	\$ 12,471,563	\$ 9,598,068	\$ 26,525,906	\$ 22,157,972	\$ 8,711,487
Operating grants and contributions	89,467,495	81,560,358	81,103,164	85,599,338	88,569,743	94,013,210	94,334,399	108,636,662	128,166,357	127,618,071
Total program revenues - primary government	92,022,768	83,862,871	86,025,075	89,498,543	98,637,346	106,484,773	103,932,467	135,162,568	150,324,329	136,329,558
General revenues:										
Governmental activities:										
Unrestricted investment earnings	5,399	5,928	5,160	6,163	3,702	4,825	5,558	6,147	19,006	20,927
Miscellaneous	45,312	62,134	23,326	10,989	15,763	15,343	24,050	17,592	16,425	8,200
Total general revenues - primary government	50,711	68,062	28,486	17,152	19,465	20,168	29,608	23,739	35,431	29,127
Total revenues - primary government	\$ 92,073,479	\$ 83,930,933	\$ 86,053,561	\$ 89,515,695	\$ 98,656,811	\$ 106,504,941	\$ 103,962,075	\$ 135,186,307	\$ 150,359,760	\$ 136,358,685

SAN JOAQUIN COUNCIL OF GOVERNMENTS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
EXPENSES										
Governmental activities:										
General government	\$ 5,921,697	\$ 6,263,778	\$ 6,118,418	\$ 6,674,200	\$ 6,175,981	\$ 7,475,155	\$ 7,357,834	\$ 7,665,095	\$ 7,897,958	\$ 8,609,107
Transportation	82,211,723	95,878,429	94,290,443	84,563,205	93,990,838	75,397,967	76,213,793	79,788,320	85,961,328	88,229,188
Habitat development	634,819	530,619	545,955	626,915	899,905	1,224,372	1,092,612	1,471,277	1,327,767	1,248,664
Commuter Connection	-	-	500	50	-	-	-	-	-	-
Building Interest expense	47,057	36,147	19,923	55,843	53,346	51,073	37,298	53,444	135,454	127,679
Measure K Renewal Investment Interest expense	11,822,862	11,950,475	11,950,475	12,215,147	13,727,149	14,634,954	15,600,045	12,970,179	13,307,959	14,047,607
Total primary government expenses	88,815,296	114,531,835	112,925,714	104,135,360	114,847,219	98,783,521	100,301,582	101,948,315	108,630,466	112,262,245
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General Government	251	125	-	-	-	-	-	-	-	-
Habitat Development	2,555,022	2,302,388	4,921,911	3,899,205	10,067,603	12,471,563	9,598,068	26,525,906	22,157,972	8,711,487
Operating grants and contributions	89,467,495	81,560,358	81,103,164	85,599,338	88,569,743	94,013,210	94,334,399	108,636,662	128,166,357	127,618,071
Capital grants and contributions										
Total governmental activities program revenues	92,022,768	83,862,871	86,025,075	89,498,543	98,637,346	106,484,773	103,932,467	135,162,568	150,324,329	136,329,558
Total primary government net revenue (expense)	3,207,472	(30,668,964)	(26,900,639)	(14,636,817)	(16,209,873)	7,701,252	3,630,885	33,214,253	41,693,863	24,067,313
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Unrestricted investment earnings	5,399	5,928	5,160	6,163	3,702	4,825	5,558	6,147	19,006	20,927
Miscellaneous	45,312	62,134	23,326	10,989	15,763	15,343	24,050	17,592	16,425	8,200
Total general revenues - primary government	50,711	68,062	28,486	17,152	19,465	20,168	29,608	23,739	35,431	29,127
CHANGE IN NET POSITION	\$ 3,258,183	#####	#####	#####	#####	\$ 7,721,420	\$ 3,660,493	\$ 33,237,992	\$ 41,729,294	\$ 24,096,440
TOTAL PRIMARY GOVERNMENT										

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

	2010-11 *	2011-12 *	2012-13 *	2013-14 *	2014-15 *	2015-16 *	2016-17 *	2017-18 *	2018-19 *	2019-20 *
General fund										
Reserved										
Unreserved										
Nonspendable	\$ 99,949	\$ 134,925	\$ 105,199	\$ 94,515	\$ 134,269	\$ 97,503	\$ 74,606	\$ 141,195	\$ 102,277	\$ 125,030
Unassigned	(3,010,753)	(2,923,930)	(2,827,527)	(3,070,547)	(1,573,715)	(860,010)	(891,168)	(853,568)	(203,535)	(118,944)
Total general fund	(2,910,804)	(2,789,005)	(2,722,328)	(2,976,032)	(1,439,446)	(762,507)	(816,562)	(712,373)	(101,258)	6,086
All other governmental funds										
Reserved										
Nonspendable	21,455,781	15,632,083	18,919,010	28,466,395	30,216,271	33,797,012	39,440,333	2,535	2,554	4,743
Restricted	242,609,078	217,072,269	181,542,717	154,287,487	173,599,167	162,570,448	148,415,593	150,469,895	214,559,934	228,257,131
Committed	-	-	-	-	-	-	-	49,005,261	-	-
Assigned	9,454,822	10,839,584	12,654,048	14,517,792	19,915,065	27,881,404	30,468,785	42,994,858	51,018,002	52,617,598
Unassigned	-	-	(500)	(550)	(550)	(550)	(550)	(550)	(550)	(550)
Total all other governmental funds	273,519,681	243,543,936	213,115,275	197,271,124	223,729,953	224,248,314	218,324,161	242,471,999	265,579,940	280,878,922
Total Fund Balance	\$ 270,608,877	\$ 240,754,931	\$ 210,392,947	\$ 194,295,092	\$ 222,290,507	\$ 223,485,807	\$ 217,507,599	\$ 241,759,626	\$ 265,478,682	\$ 280,885,008

* Beginning in 2010, the Council began reporting fund balance in conformity with GASB Statement No. 54, which changed how fund balance is classified

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

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
REVENUES										
Sales Tax	\$ 58,722,796	\$ 65,431,665	\$ 68,941,867	\$ 76,691,276	\$ 79,216,703	\$ 82,361,177	\$ 85,631,201	\$ 99,136,460	\$ 109,796,117	\$ 110,698,556
Prop IB	40,000	1,575,000	18,463	36,926	100,000	18,463	345,704	388,284	3,239,059	1,094,419
Intergovernmental	28,143,994	10,746,511	10,898,070	6,485,807	7,524,225	8,154,036	7,115,748	7,484,526	8,387,768	8,417,466
Charges for services	2,796,000	4,132,250	4,636,072	4,200,784	8,463,814	13,229,792	10,001,229	25,046,584	16,001,894	9,111,619
Investment earnings	3,452,217	3,125,431	1,953,729	2,868,828	2,367,676	3,905,567	1,575,879	2,085,107	7,717,296	8,189,498
Other	45,311	83,489	797,874	402,439	2,403,574	122,998	721,055	3,040,790	7,010,482	603,943
Total revenues	93,200,318	85,094,346	87,246,075	90,686,060	100,075,992	107,792,033	105,390,816	137,181,751	152,152,616	138,115,501
EXPENDITURES										
General administration	7,084,839	7,441,201	7,403,493	8,035,616	7,817,690	8,937,608	8,804,389	9,769,185	9,928,102	10,580,586
Transportation	74,982,641	94,003,700	93,460,643	84,423,448	94,320,118	75,699,168	75,956,253	81,381,322	85,771,167	88,041,286
Habitat Plan	301,390	237,929	178,868	254,044	315,080	640,604	670,616	881,972	696,057	599,192
Investment expense	2,021,595	948,577	872,724	182,681	129,539	157,619	136,942	96,228	190,161	187,902
Debt service										
Principal	38,849	31,376	26,077	25,366	2,786,040	2,900,459	1,744,974	3,860,024	80,712,690	4,401,826
Interest	7,037,856	11,859,009	11,970,398	12,270,990	13,780,495	14,686,027	16,525,069	11,706,915	13,746,854	15,101,129
Capital outlay										
Capital assets	676,403	426,500	2,726,780	1,591,800	3,879,018	3,575,248	6,031,438	12,599,378	12,932,448	5,968,978
Capital leases	37,938	34,590	5,464	47,872	158,750	103,928	10,995	50,040	20,810	52,216
Total expenditures	92,181,511	114,982,882	116,644,447	106,831,817	123,186,730	106,700,661	109,880,676	120,345,064	203,998,289	124,933,115
Excess (Deficiency) of revenues over (under) expenditures	1,018,807	(29,888,536)	(29,398,372)	(16,145,757)	(23,110,738)	1,091,372	(4,489,860)	16,836,687	(51,845,673)	13,182,386
OTHER FINANCING SOURCES (USES)										
Commercial paper proceeds	-	-	-	-	-	-	-	-	-	-
2011 Tax Bond Proceeds	216,190,785	-	-	-	-	-	-	-	-	-
Bond Anticipation Note Proceeds	(206,469,378)	-	-	-	-	-	-	-	-	-
Commercial paper retirements	(92,000,000)	-	-	-	-	-	-	-	-	-
2014 Tax Bond Proceeds	-	-	-	-	56,592,479	-	-	-	-	-
Payment on 2014 Bond Principle	-	-	-	-	-	-	-	-	-	-
2011 Bond Defeasement	-	-	-	-	-	-	(241,083,827)	-	-	-
2017 Tax Bond Proceeds	-	-	-	-	-	-	239,584,484	-	75,543,919	-
Operating transfers-in	255,239	-	-	-	-	-	-	-	-	-
Operating transfers-out	(255,239)	-	-	-	-	-	-	-	-	-
Proceeds on sale of assets	-	-	-	-	-	-	-	-	-	11,690
Capital Leases	37,938	34,590	5,464	47,872	158,750	103,928	10,995	50,040	20,810	52,216
Total other financing sources (uses)	37,938	34,590	5,464	47,872	158,750	103,928	10,995	50,040	20,810	63,906
NET CHANGE IN FUND BALANCES	\$ (81,221,848)	\$(29,853,946)	\$(29,392,908)	\$(16,097,885)	\$ 33,640,491	\$ 1,195,300	\$(5,978,208)	\$ 16,886,727	\$ 23,719,056	\$ 13,246,292
Debt service as a percentage of noncapital expenditures	7.74%	10.38%	10.53%	11.69%	13.90%	17.07%	17.59%	14.45%	49.44%	16.40%

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

For the Fiscal years Ending June 30, 2009 Through June 30, 2020

	6/30/11	6/30/12	6/30/13	6/30/14	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19	6/30/20
INTERGOVERNMENTAL:										
TDA Administration	\$ 242,475	\$ 224,835	\$ 250,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 265,000	\$ 290,000	\$ 290,000	\$ 290,000
State Transit Assistance	72,019	73,175	76,832	75,072	71,168	54,342	-	144,767	126,947	129,273
RTIF Administration & third party costs	59,160	60,565	16,893	12,538	45,731	55,566	74,461	37,723	35,647	40,974
Freeway Service Patrol	217,845	218,774	537,791	832,446	848,758	777,908	317,490	273,936	487,661	305,235
Ridesharing - Stanislaus Co.	143,779	153,978	155,000	190,000	195,000	195,000	195,000	195,000	200,000	200,000
Ridesharing - Merced County TDM	2,578	36,867	46,734	-	-	8,327	-	19,206	63,794	34,693
Rideshare-Amador/Calaveras/Tuolumne County	12,000	12,000	3,000	-	-	-	-	-	-	-
Habitat Funds/Habitat Management	333,429	292,690	367,086	372,871	584,825	583,768	421,996	589,305	631,710	649,472
Measure K	1,366,000	1,375,150	1,448,350	1,490,000	1,505,000	1,505,000	1,542,000	1,250,000	1,593,200	1,600,000
Fed. Highways Plng. & Admin/SPR	1,079,826	1,213,771	1,154,608	1,190,763	1,575,259	1,505,580	1,243,678	1,262,697	1,306,208	1,325,904
FHWA Partnership Planning	301,454	300,610	380,023	203,105	437,164	343,739	212,908	295,198	423,132	346,932
JARC Mobility & Operations FTA 5316	-	-	1,108	78,598	68,788	140,774	154,717	-	-	-
RSTP	63,545	100,459	-	-	-	-	-	-	-	-
Calaveras COG	22,510	129,813	85,619	-	-	258,053	454,996	614,697	414,259	75,134
City of Manteca	-	-	3,714	14,707	9,807	21,171	3,851	-	-	-
State Affordable Housing	-	-	4,212	4,027	569	4,908	-	-	-	-
CMAQ/IRP/WTW/CIRIS	-	-	-	-	-	69,967	20,405	13,123	23,064	24,866
CMAQ/Congest. Mitigation/Rideshare	918,808	545,137	431,403	494,486	731,529	845,938	774,037	859,107	824,766	967,980
RPSTCML Federal (New funding FYE 19/20)	-	-	-	-	-	-	-	-	-	1,375
San Joaquin Valley Air District	-	-	-	20,000	-	-	-	-	-	-
Airport Land Use Commission	1,843	1,790	2,633	15,147	2,615	2,493	-	-	3,037	10,503
Sacramento COG 511/FSP Match/Website Upgrade	79,818	79,602	81,164	59,780	88,900	218,527	132,794	169,302	258,466	261,608
Sacramento COG SP&R	2,595	21,603	4,989	-	-	-	-	-	-	-
RTP / Sustainable Strategy	-	-	3,226	-	-	-	29,686	-	-	-
Caltrans SP&R Smart Growth Plan	90,845	209,155	-	-	-	-	-	-	-	-
SB 45 STIP PP&M Program	218,941	205,000	205,000	200,000	200,000	200,000	200,000	200,000	200,000	-
Caltrans State Public Trans Account Funds	-	-	-	18,000	-	-	-	-	-	-
Caltrans State Rural Planning Assistance	-	-	-	-	-	-	-	26,605	52,945	50,000
Caltrans State State Senate Bill (SB1)	-	-	-	-	-	-	-	17,629	170,219	432,815
Caltrans State State Senate Bill (FSP SB1)	-	-	-	25,000	-	-	51,612	-	109,841	399,924
Cost of issuance on Tax Bond	-	-	-	60,000	-	-	-	-	-	-
StanCOG Multi-County Travel Demand Model	-	-	-	-	-	-	-	-	-	-
Tri-County Forecasting	-	-	-	10,000	-	15,350	15,200	29,098	2,710	5,686
Valley blue print	20,884	-	-	-	-	-	-	-	-	-
USDOT SR130/FAA	-	-	-	-	-	-	-	-	-	-
Valley Wide Air Quality	99,653	190,061	155,331	165,750	134,624	192,710	145,089	164,590	112,734	194,019
ALUP - sjecog TDA	50,000	-	-	-	31,817	123,695	17,375	10,448	-	-
Planning - sjecog TDA	559,603	700,981	681,189	735,293	757,670	806,219	841,045	1,016,581	1,047,495	1,071,071
Miscellaneous	-	-	-	-	-	-	-	5,514	-	-
Total intergovernmental	\$ 5,959,611	\$ 6,146,015	\$ 6,092,679	\$ 6,485,808	\$ 7,524,225	\$ 8,154,034	\$ 7,113,340	\$ 7,484,526	\$ 8,377,835	\$ 8,417,466
Use of money and property:										
Interest income	6,496	5,699	5,084	6,163	3,701	4,825	5,557	6,150	19,003	19,803
Unrealized Gain (Loss) On Inv.	(1,097)	230	74	-	-	-	-	-	3	1,124
Total use of money and prop.	5,399	5,929	5,158	6,163	3,701	4,825	5,557	6,150	19,006	20,927
Miscellaneous:										
SICOG fees - data sales	251	125	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	-	-	-
Donations & Other local revenue	45,312	62,134	23,330	10,989	15,763	15,344	26,460	17,592	26,358	8,200
Total other revenue	45,563	62,259	23,330	10,989	15,763	15,344	26,460	17,592	26,358	8,200
Total Revenues	\$ 6,010,573	\$ 6,214,204	\$ 6,121,168	\$ 6,502,959	\$ 7,543,689	\$ 8,174,203	\$ 7,145,357	\$ 7,508,268	\$ 8,423,199	\$ 8,446,593

Source: Audited financial statements for the fiscal years ending June 30, 2011 through June 30, 2020

SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES BY FUNCTION
GENERAL FUND

For the Fiscal years Ending June 30, 2011 Through June 30, 2020

	6/30/11	6/30/12	6/30/13	6/30/14	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19	6/30/20
EXPENDITURES:										
RTP Update	\$ 139,322	\$ 161,325	\$ 463,545	\$ 897,004	\$ 631,264	\$ 612,405	\$ 342,379	\$ 942,262	\$ 389,453	\$ 644,618
RTP / Affordable Housing	-	-	-	-	-	69,967	19,805	13,127	23,674	24,870
SB1 Sustainable Planning Studies Awarded in FY 17/18	-	-	-	-	-	-	-	19,913	142,847	249,318
SB1 Sustainable Planning Studies Awarded in FY 18/19	-	-	-	-	-	-	-	-	55,646	215,966
SB1 Sustainable Planning Studies Awarded in FY 19/20	-	-	-	-	-	-	-	-	21,998	21,998
SB1 Adaptation Planning Grant awarded in FY 19/20	-	-	-	-	-	-	-	-	-	12,862
RTP studies	72,953	126,098	66,149	104,362	1,558	82,031	130,058	113,567	136,276	131,597
Regional Transp. Improv. Plan	348,878	284,602	352,156	377,440	420,885	426,434	211,197	261,659	399,500	369,775
Road/Street Monitoring	610,351	534,837	461,186	552,434	619,487	836,090	843,786	775,695	541,259	207,466
L205 Managed Lane Project Development	-	-	-	-	-	-	-	-	-	6,478
Transit Coordination	337,769	267,419	407,697	159,023	461,302	425,450	212,908	372,349	520,325	424,610
Transportation Air Quality	301,574	473,827	534,510	524,971	509,867	496,806	535,089	683,877	507,297	595,284
Goods Movement	74,382	82,034	46,885	4,472	45,858	52,365	13,017	23,199	10,096	7,197
Goods Movement/Partnership Planning	-	-	-	-	-	167,782	151,955	-	-	-
Ongoing Technical Assistance	15,921	11,045	14,832	19,119	10,377	48,584	12,571	2,001	1,260	83,759
Intergovernmental Coordination	292,606	250,967	231,065	233,658	260,088	240,638	247,793	294,456	320,999	208,227
Intergovernmental Coord. Rural Planning Assistance	-	-	-	-	-	-	-	26,605	52,945	50,000
Projects & Forecasts	72,680	91,988	89,751	79,036	121,028	199,628	150,142	172,296	185,615	146,469
Aviation/ Airport and Land Use	133,158	96,875	56,581	67,035	73,546	148,673	17,375	28,274	40,181	76,989
Congestion Management Prog/Sys	131,578	282,224	254,819	181,640	158,806	212,578	127,182	149,585	260,909	138,868
Regional Planning	10,587	28,117	31,040	34,841	27,620	37,969	45,103	56,529	131,176	83,689
Valley M.P.O. coordination	112,993	76,544	38,376	64,080	45,935	97,131	59,502	79,783	99,330	108,206
Interregional Partnership	254,997	16,804	-	-	-	-	-	-	-	-
San Joaquin Valley Blueprint	56,257	-	-	-	-	-	-	-	-	-
Habitat Implementation	11,223	41,014	7,767	-	-	-	-	-	-	-
Measure K Program Management	252,460	171,515	170,589	148,419	166,377	176,710	218,818	264,401	299,511	234,620
RTIF	76,580	85,853	30,392	24,892	63,291	86,951	182,004	68,479	125,423	63,117
Smart Growth	113,557	269,804	-	-	-	8,500	7,493	3,124	7,090	993
COG OWP Mgmt. & Admin.	166,163	146,601	142,159	210,804	305,226	358,938	197,178	275,729	124,044	111,823
TDA Administration	242,475	272,981	271,265	278,191	369,794	329,559	272,086	341,040	347,597	296,391
Community Involvement	81,553	125,327	84,236	36,153	56,645	35,879	17,465	18,779	10,756	129,483
Capital Outlay/Deprec/Ins adjustment	182,914	(103,927)	(31,976)	7,462	140,583	134,467	(291,148)	(258,938)	(210,460)	(263,333)
Ridesharing - S.J. County/Stan. County TDM	1,186,219	889,092	660,358	800,224	1,016,838	1,173,642	1,005,871	1,139,308	1,188,030	1,279,184
Freeway Service Patrol	290,506	285,575	633,961	888,767	944,524	876,094	399,931	378,034	771,314	895,665
SJCOG Interns	-	-	-	-	-	-	3,188	88,856	80,402	59,350
Performance Based Planning & Programming	-	-	-	-	-	-	-	-	79,106	20,944
Under (over) -applied costs	251,777	1,158,454	1,042,610	1,110,509	(285,045)	265,920	2,077,660	1,120,131	1,191,295	1,754,982
Total Expenditures	\$ 5,821,433	\$ 6,126,995	\$ 6,059,955	\$ 6,804,535	\$ 6,165,853	\$ 7,601,193	\$ 7,210,406	\$ 7,454,116	\$ 7,832,894	\$ 8,391,465

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
PROFILE OF TAXABLE SALES
LAST TEN YEARS**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Retail Stores										
Apparel stores	5.06%	5.17%	5.09%	5.08%	6.06%	6.12%	5.98%	5.95%	5.87%	* N/A
General merchandise	11.20%	10.85%	10.35%	9.92%	7.63%	7.43%	7.34%	7.98%	7.92%	* N/A
Specialty stores	6.58%	6.28%	5.98%	5.74%	6.32%	6.43%	6.21%	5.96%	5.77%	* N/A
Eating and drinking group	10.54%	10.60%	10.93%	11.22%	11.66%	12.09%	12.25%	12.03%	12.18%	* N/A
Building material group	5.02%	4.92%	5.31%	5.28%	5.31%	5.43%	5.58%	5.58%	5.49%	* N/A
Automotive group	20.89%	21.47%	21.88%	21.80%	20.15%	19.65%	19.98%	20.35%	19.45%	* N/A
Other retail stores	9.02%	8.57%	9.37%	9.44%	10.96%	11.06%	11.17%	11.18%	11.51%	* N/A
Business and personal services	4.42%	4.32%	4.32%	4.32%	4.52%	4.63%	4.67%	4.78%	5.41%	* N/A
All other	27.27%	27.82%	26.77%	27.20%	27.39%	27.16%	26.82%	26.19%	26.40%	* N/A
Total	100.00%									

SOURCE: CALIFORNIA STATE BOARD OF EQUALIZATION

* 2020 DATA WAS NOT YET AVAILABLE

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

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Governmental activities:										
General government	\$ 5,921,697	\$ 6,263,778	\$ 6,118,418	\$ 6,674,200	\$ 6,175,981	\$ 7,475,155	\$ 7,357,834	\$ 7,665,095	\$ 7,897,958	\$ 8,609,107
Transportation	82,211,723	95,878,429	94,290,443	84,563,205	93,990,838	75,397,967	76,213,793	79,788,320	85,961,328	88,229,188
Habitat development	634,819	530,619	545,955	626,915	899,905	1,224,372	1,092,612	1,471,277	1,327,767	1,248,664
Commuter Connection	-	-	500	50	-	-	-	-	-	-
Interest expense	47,057	36,147	19,923	55,843	53,346	51,073	37,298	53,444	135,454	127,679
MKR Investment Interest Expense	-	11,822,862	11,950,475	12,215,147	13,727,149	14,634,954	15,600,045	12,970,179	13,307,959	14,047,607
Total Expenditures	\$ 88,815,296	\$ 114,531,835	\$ 112,925,714	\$ 104,135,360	\$ 114,847,219	\$ 98,783,521	\$ 100,301,582	\$ 101,948,315	\$ 108,630,466	\$ 112,262,245

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

<u>Fiscal Year</u>	<u>Local Transportation Fund</u>	<u>State Transit Assistance</u>	<u>Measure K</u>	<u>Total</u>
2019-20	\$ 36,933,478	\$ 8,366,894	\$ 65,398,184	\$ 110,698,556
2018-19	36,120,516	7,875,177	65,800,424	109,796,117
2017-18	32,867,046	7,180,236	59,089,178	99,136,460
2016-17	28,034,833	3,090,860	54,505,508	85,631,201
2015-16	26,873,978	3,364,546	52,122,653	82,361,177
2014-15	25,255,642	4,387,887	49,573,174	79,216,703
2013-14	24,509,779	4,561,824	47,619,673	76,691,276
2012-13	22,706,297	4,805,389	46,235,570	73,747,256
2011-12	22,059,739	-	43,374,926	65,434,665
2010-11	19,609,278	-	39,113,518	58,722,796

**San Joaquin Council of Governments
Revenue Capacity
Direct & Overlapping Sales Tax Rates
2010 - 2019**

Fiscal Year	Sales Tax Measure K	County of San Joaquin *	City of Manteca	City of Stockton	City of Tracy	City of Lathrop	City of Lodi
2020	0.50%	7.75%	8.25%	9.00%	8.25%	8.75%	8.25%
2019	0.50%	7.75%	8.25%	9.00%	8.25%	8.75%	8.25%
2018	0.50%	7.75%	8.25%	9.00%	8.25%	8.75%	-
2017	0.50%	7.75%	8.25%	9.00%	8.25%	8.75%	-
2016	0.50%	8.00%	8.50%	9.00%	8.00%	9.00%	-
2015	0.50%	8.00%	8.50%	9.00%	8.50%	9.00%	-
2014	0.50%	8.00%	8.50%	9.00%	8.50%	9.00%	-
2013	0.50%	8.00%	8.51%	8.00%	8.50%	9.00%	-
2012	0.50%	7.75%	8.25%	8.00%	8.25%	-	-
2011	0.50%	7.75%	8.25%	8.00%	8.75%	-	-

Source: California State Board of Equalization

* Excludes the City of Manteca and Stockton, Tracy, Lathrop and Lodi

**San Joaquin Council of Governments
Taxable Sales by Jurisdiction**

County & Cities	2010			2019		
	Rank	Taxable Sales	Percentage of Total	Rank	Taxable Sales	Percentage of Total
San Joaquin County		\$ 7,602,089,663	100.00%		\$ 14,383,854,291	100.00%
Stockton	1	2,867,407,000	37.72%	1	4,741,400,361	32.96%
Unincorporated	2	1,083,086,087	14.25%	4	1,791,533,058	12.46%
Tracy	3	928,740,000	12.22%	2	2,694,119,637	18.73%
Unallocated	4	841,980,902	11.08%	3	1,996,830,849	13.88%
Lodi	5	745,216,000	9.80%	6	1,165,017,659	8.10%
Manteca	6	729,432,000	9.60%	5	1,150,065,341	8.00%
Lathrop	8	198,512,000	2.61%	8	458,634,826	3.19%
Ripon	7	154,352,000	2.03%	7	296,611,590	2.06%
Escalon	9	53,364,000	0.70%	9	89,640,970	0.62%
Total San Joaquin County		\$ 7,602,089,989	100.00%		\$ 14,383,854,291	100.00%

Source: California State Board of Equalization

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

FISCAL YEAR	GOVERNMENTAL ACTIVITIES										PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	2011 SALES TAX BOND	2014 SALES TAX BOND	2017 SALES TAX BOND	2019 SALES TAX BOND	CAPITAL LEASES	COMMERCIAL PAPER	LINE OF CREDIT	TOTAL PRIMARY GOVERNMENT				
2020	\$ -	\$ 48,777,224	\$ 222,023,596	\$ 74,803,593	\$ 58,065	-	-	\$ 345,662,478	N/A	446.8		
2019	-	49,441,700	227,439,254	75,326,176	42,675	-	-	352,249,805	N/A	457.2		
2018	-	49,558,899	234,379,912	***	79,104	-	75,000,000	359,017,915	1.0601%	473.2		
2017	-	50,129,794	239,265,570	***	121,766	-	75,000,000	364,517,130	1.1420%	488.1		
2016	212,372,478	50,665,689	**	-	205,745	-	75,000,000	338,243,912	1.1236%	461.2		
2015	212,890,402	53,421,584	**	-	176,671	-	75,000,000	341,488,657	1.2131%	474.6		
2014	212,933,326	*	-	-	48,962	-	75,000,000	287,982,288	1.1137%	405.2		
2013	212,976,251	*	-	-	26,387	-	75,000,000	288,002,638	1.1764%	405.2		
2012	213,019,175	*	-	-	47,072	-	75,000,000	288,066,247	1.2415%	415.7		
2011	213,062,099	*	-	-	43,858	-	75,000,000	288,105,957	1.3343%	418.1		

SOURCE: FINANCE DEPARTMENT

Data not available because:

(**) Sales Tax Bonds were not issued until July 2014

(**) Sales Tax Bonds were not issued until April 2017

(***) Sales Tax Bonds were not issued until February 2019

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
DEBT CAPACITY – DIRECT AND OVERLAPPING DEBT,
AND DEBT LIMITATIONS**

The San Joaquin Council of Governments (the Council) does not have overlapping debt with other governmental agencies. Information on the direct debt obligations of the Council can be found in Note 8 of the financial statements. Additionally, the Council does not have a legal debt limit.

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

CALENDAR YEAR	COUNTY POPULATION (JANUARY 1)	TOTAL HOUSING UNITS	NEW HOUSING UNITS	TAXABLE SALES (IN THOUSANDS)
2020	773,632	249,058	2,537 *	\$ 3,155,624
2019	770,385	246,521	3,101	14,388,854
2018	758,744	243,420	2,399	13,457,721
2017	746,868	241,021	1,616	12,153,268
2016	733,383	239,405	1,500	10,922,271
2015	719,511	237,905	962	10,467,213
2014	710,731	236,943	1,037	9,466,015
2013	701,745	235,906	914	4,609,442
2012	693,013	234,992	649	9,010,930
2011	689,160	234,343	4,516	8,426,952

SOURCES:

POPULATION AND NEW HOUSING - CALIFORNIA DEPARTMENT OF FINANCE

TAXABLE SALES - CALIFORNIA STATE BOARD OF EQUALIZATION

* TAXABLE SALES DATA FOR 2020 IS FIRST QUARTER ONLY

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

CALENDAR YEAR	(1) COUNTY POPULATION (JANUARY 1)	(4) PERSONAL INCOME \$ THOUSANDS	(4) PER CAPITA PERSONAL INCOME	(3) MEDIAN AGE	(2) UNEMPLOYMENT RATE	
2020	773,632	N/A *	N/A *	N/A **	N/A	**
2019	770,385	N/A *	N/A *	34.1	5.90%	
2018	758,744	33,866,043	44,995	34.4	6.00%	
2017	746,868	31,920,185	42,822	33.9	7.00%	
2016	733,383	30,102,917	40,996	33.7	8.10%	
2015	719,511	28,150,538	38,769	33.5	8.90%	
2014	710,731	25,859,136	36,136	33.7	11.10%	
2013	710,745	24,480,660	34,755	33.5	12.80%	
2012	693,013	23,203,279	33,024	33	15.00%	
2011	689,160	21,591,743	31,331	32.6	16.89%	

SOURCE:

(1) California Department of Finance

(2) California Employment Development Department

(3) U.S. Census Bureau

(4) U.S. dept of Commerce Bureau of Exconomic Analysis(BEA)

(*) Data for 2019-2020 is not yet available, therefore, 2018 data is the most current year provided

**San Joaquin Council of Governments
San Joaquin County Employment by Industry
Calendar Year 2019 and ten years prior**

Industry Type	2010		2019	
	Annual Average	% of Total	Annual Average	% of Total
Agriculture	15,700	7.55%	14,800	5.66%
Natural Resources & Mining	7,700	3.70%	13,200	5.05%
Manufacturing	17,700	8.51%	19,500	7.45%
Trade, Transportation & Utilities	47,400	22.79%	70,000	26.76%
Financial Activities	7,700	3.70%	8,000	3.06%
Professional & Business Services	15,400	7.40%	19,900	7.61%
Government	38,200	18.37%	44,900	17.16%
Educational & Health Services	33,500	16.11%	39,200	14.98%
Leisure & Hospitality	16,100	7.74%	22,600	8.64%
Other Services	6,500	3.13%	7,800	2.98%
Information	2,100	1.01%	1,700	0.65%
Total, All Industries	208,000	100%	261,600	100%

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

(1) Data for 2020 is not yet available, therefore, 2019 data is provided

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

FUNCTION	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Executive Director	1	1	1	1	1	1	1	1	1	1
Deputy Executive Director/ CFO	1	1	1	1	1	1	1	1	1	1
Deputy Director	1	1	1	1	1	1	1	1	1	1
Manager of Administrative Services	1	1	1	1	1	1	1	1	1	1
Public Communications Manager	1	1	1	1	1	1	1	1	1	1
Project Manager	1	1	1	1	1	1	1	1	1	1
Planners	16	16	16	15	13	16	16	16	16	16
Finance	4	4	4	4	4	4	4	4	4	4
Information Technology	1	1	1	1	1	1	1	1	1	1
Administration	4	4	4	4	2	2	3	3	3	3
Building maintenance	1	1	1	1	1	1	1	1	1	1
Interns	1	2	1	1	1	1	1	1	1	1
Total Approved Full-Time Positions	32	33	31	31	27	30	32	32	32	32

**BY PROJECT
LAST TEN YEARS**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
DIRECT PROJECTS										
Regional Transportation Plan Update	0.53	0.67	1.84	3.15	1.80	1.79	1.45	3.29	1.31	2.15
RTP Affordable Housing	-	-	-	-	-	0.20	0.08	0.05	0.08	0.08
SBI Sustainable Planning Studies Awarded in FY 17/18	-	-	-	-	-	-	-	0.07	0.48	0.83
SBI Sustainable Planning Studies Awarded in FY 18/19	-	-	-	-	-	-	-	-	0.19	0.72
SBI Sustainable Planning Studies Awarded in FY 19/20										
SBI Adaptation Planning Grant awarded in FY 19/20										
Regional Planning Studies	0.28	0.52	0.26	0.37	0.00	0.24	0.55	0.40	0.46	0.44
Regional Transportation Improvement Plan	1.33	1.18	1.39	1.33	1.20	1.24	0.90	0.91	1.34	1.23
Roads & Streets Planning	2.32	2.21	1.83	1.94	1.77	2.44	3.58	2.71	1.82	0.69
Transit coordination Planning	1.29	1.11	1.61	0.56	1.32	1.24	0.90	1.30	-	0.02
Transportation Air Quality	1.15	1.96	2.12	1.85	1.45	1.45	2.27	2.39	1.75	1.42
Goods Movement	0.28	0.34	0.19	0.02	0.13	0.15	0.06	0.08	1.70	1.98
Goods Movement w/ Partnership Planning	-	-	-	-	-	0.49	0.64	-	0.03	0.02
Ongoing Technical Assistance	0.06	0.05	0.06	0.07	0.03	0.14	0.05	0.01	-	-
Intergovernmental Coordination	1.11	1.04	0.92	0.82	0.74	0.70	1.05	1.03	0.00	0.28
Intergovernmental Coord. Rural Planning Assistance	-	-	-	-	-	-	-	0.09	1.08	0.69
Projections & Forecast	0.28	0.38	0.36	0.28	0.35	0.58	0.64	0.60	0.18	0.17
Aviation and Land Use	0.51	0.40	0.22	0.24	0.21	0.43	0.07	0.10	0.62	0.49
Congestion Management Prog/Sys	0.50	1.17	1.01	0.64	0.45	0.62	0.54	0.52	0.13	0.26
Regional Planning Studies	0.04	0.12	0.12	0.12	0.08	0.11	0.19	0.20	0.88	0.46
Valley MPO Coordination	0.43	0.32	0.15	0.23	0.13	0.28	0.25	0.28	0.44	0.28
Interregional Partnerships	0.97	0.07	-	-	-	-	-	-	0.33	0.36
S.J. Valley Blueprint	0.21	-	-	-	-	-	-	-	-	-
Habitat Implementation	0.04	0.17	0.03	-	-	-	-	-	-	-
Measure K Administration	0.96	0.71	0.68	0.52	0.47	0.52	0.93	0.92	-	-
Regional Transportation Impact Fee	0.29	0.36	0.12	0.09	0.18	0.25	0.77	0.24	1.01	0.78
Smart Growth	0.43	1.12	-	-	-	0.02	0.03	0.01	0.42	0.21
COG OWP Management & Administration	0.63	0.61	0.56	0.74	0.87	1.05	0.84	0.96	0.02	0.00
TDA Administration	0.92	1.13	1.07	0.98	1.05	0.96	1.15	1.19	0.42	0.37
Community Involvement	0.31	0.52	0.33	0.13	0.16	0.10	0.07	0.07	1.17	0.99
Transportation Demand Management	4.51	3.68	2.62	2.81	2.90	3.42	4.27	3.97	3.99	4.26
Freeway Service Patrol	1.11	1.18	2.51	3.13	2.69	2.55	1.70	1.32	2.59	2.99
SJCOG Interns	-	-	-	-	-	-	-	0.31	0.27	0.20
Performance Based Planning & Programming	-	-	-	-	-	-	-	-	0.27	0.07
Subtotal - Direct Projects	20.5	21.0	20.0	20.0	18.0	21.0	23.0	23.0	23.0	22.6
INDIRECT										
Total FTEs Based on Total Hours	11.5	12.0	11.0	11.0	9.0	9.0	9.0	9.0	9.0	9.0
32	33	31	31	27	30	32	32	32	32	32

SOURCE: SAN JOAQUIN COUNCIL OF GOVERNMENTS

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

FUNCTION / PROGRAM	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Square footage of SJCOG Complex	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
SJCOG INC.										
Acres of Habitat Easements	9,510.11	9,894.11	10,799.91	11,508.11	12,622.11	13,153.78	13,915.28	15,457.49	16,836.58	17,800.30
Acres of Habitat Land	-	-	-	-	-	-	-	158.25	158.25	156.58
Preservation Credit	10.34	10.34	10.34	10.34	10.34	10.34	10.34	10.34	10.34	10.34

SOURCE: SAN JOAQUIN COUNCIL OF GOVERNMENTS RECORDS



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS* AND
THE TRANSPORTATION DEVELOPMENT ACT

To the Board of Directors
San Joaquin Council of Governments
Stockton, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the San Joaquin Council of Governments (the Council), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated December 16, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed





To the Honorable Board of Directors
San Joaquin Council of Governments
Stockton, California

no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Lance, Soll & Lughard, LLP

Sacramento, California
December 16, 2020



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
San Joaquin Council of Governments
Stockton, California

Report on Compliance for Each Major Federal Program

We have audited the San Joaquin Council of Governments (the "Council")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2020. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Council's compliance.

Opinion on Each Major Federal Program

In our opinion, the Council, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.





To the Board of Directors
San Joaquin Council of Governments
Stockton, California

Report on Internal Control over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Council, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 16, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



To the Board of Directors
San Joaquin Council of Governments
Stockton, California

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lance, Solt & Loughard, LLP

Sacramento, California
December 16, 2020

SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.