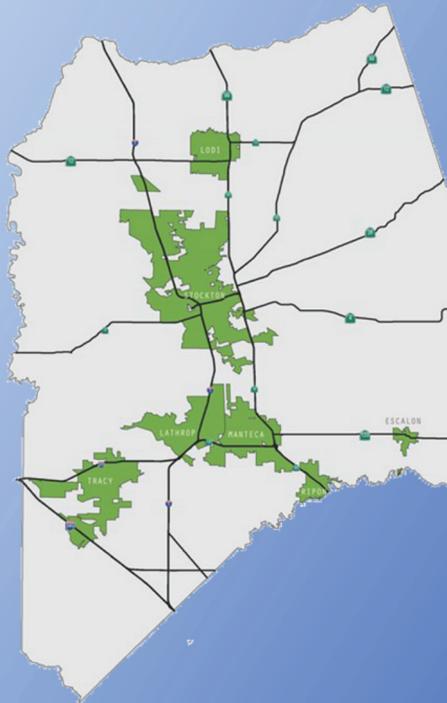




SAN JOAQUIN COUNCIL OF GOVERNMENTS
STOCKTON, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021



Prepared by:

Steven Dial, Deputy Executive Director/Chief Financial Officer
Grace Orosco, Manager of Finance

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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 10, 2021

Honorable Board of Directors
San Joaquin Council of Governments

Leo Zuber

CHAIR

Robert Rickman

VICE CHAIR

Diane Nguyen

EXECUTIVE DIRECTOR

Member Agencies

CITIES OF
ESCALON,
LATHROP,
LODI,
MANTECA,
RIPON,
STOCKTON,
TRACY,
AND
THE COUNTY OF SAN
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 Annual Comprehensive Financial Report of the San Joaquin Council of Governments (SJCOG or the Council) for the fiscal year ended June 30, 2021.

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 accounting firm. 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, 2021, 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, 2021, 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 FAST Act has been extended past its original authorization through a number of continuing resolutions.

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. Program wide, the Council has approximately 11,267 commuters participating in the program, including 486 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. 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(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.

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, 2021.

Budget-to-actual comparisons are provided in this report for the Council's General Fund. This comparison is provided on page 54 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%. As a result of the COVID-19 pandemic, sales tax growth exploded in FY 20-21 to 23.39% year over year (on a cash basis). Based on three months of revenue, fiscal year 2021-22 is estimated to grow another 20+%.

As the pandemic shut down the county, transportation related sales dropped dramatically, With the reopening of most business, transportation related sales tax is rebounding. 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. Additionally, the Wayfair decisions has delivered strong sales taxes due to out of state purchasing.

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%, 1.1% in 2019, 1.2% in 2019 and 1.3% in 2021. 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%

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

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

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 21-22 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, 2021. 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 original authorization carried forward through continuing resolutions after its expiration date. 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 on June 30, 2021, 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. Secondarily, 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 \$11,733.69 and \$9,615.02 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.

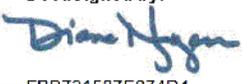
Awards and Acknowledgments

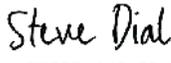
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the San Joaquin Council of Governments for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This was the 22nd consecutive year that the Council has achieved this prestigious award. To be awarded a Certificate of Achievement, the Council published an easily readable and efficiently organized ACFR. 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 & Lunghard LLP.

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

Respectfully submitted,

DocuSigned by:

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DIANE NGUYEN, AICP
Executive Director

DocuSigned by:

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STEVE DIAL
Deputy Executive Director/CFO

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

BOARD OF DIRECTORS

Chair	Councilmember Sol Jobrack	City of Stockton
Vice Chair	Councilmember Leo Zuber	City of Ripon
Boardmember	Supervisor Robert Rickman	San Joaquin County
Boardmember	Supervisor Miguel Villapudua	San Joaquin County
Boardmember	Supervisor Tom Patti	San Joaquin County
Boardmember	Vice Mayor Dan Wright	City of Stockton
Boardmember	Councilmember Christina Fugazi	City of Stockton
Boardmember	Vice Mayor Gary Singh	City of Manteca
Boardmember	Councilmember Dave Bellinger	City of Escalon
Boardmember	Councilmember Diane Lazard	City of Lathrop
Boardmember	Mayor Nancy Young	City of Tracy
Boardmember	Councilmember Doug Kuehne	City of Lodi

EX-OFFICIO MEMBERS

Anthony Barkett – Port of Stockton
 Gary Giovanetti – San Joaquin Regional Transit District
 Dennis T. Agar – Caltrans District 10

CITIZENS ADVISORY COMMITTEE

Chair	Robert Bivens	San Joaquin County
Vice Chair	Lauren Ah Tye	League of Women Voters
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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	Mary Kennedy-Bracken	City of Tracy
Member	Jessica Bilecki	University of Pacific
Member	Leonard Smith	Transit Advocate
Member	Paul Plathe	Sierra Club

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Member	Councilmember Leo Zuber	City of Ripon
Member	Supervisor Robert Rickman	San Joaquin County
Member	Councilmember Doug Kuehne	City of Lodi
Member	Mayor Nancy Young	City of Tracy
Alternate	Councilmember Dave Bellinger	City of Escalon

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

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Vice Chair	Kevin Werner	City of Ripon
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Member	Tammy Alcantor	City of Escalon
Member	Stephen Salvatore	City of Lathrop
Member	Leigh Ann Sutton	City of Manteca
Member	Kimberly Gayle	SJRTD
Member	Stacey Mortensen	SJRRC
Member	Jenny Haruyama	City of Tracy
Chair	Steve Schwabauer	City of Lodi

HABITAT TECHNICAL ADVISORY COMMITTEE

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Vice Chair	Matthew Diaz	City of Stockton
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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

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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

Diane Nguyen, AICP
Executive Director

Vacant
Deputy Director
Planning, Programming,
& Project Delivery

Communications & Travel Demand Management
Yvette Davis
Senior Program Specialist

Planning Studies, Regional Housing, and Community Partnerships
Christine Corrales
Senior Regional Planner

Administration
Rosie Gutierrez
Office Administrator

Rebecca E. Caija
Manager of Administrative Services

Finance
Grace Oroasco
Chief Accountant

Information Technologies
Vik Sharma
IT Manager

Steve Dial
Deputy Executive Director/
Chief Financial Officer

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

Joel Campos
Associate Regional Planner

Isaiah Anderson
Assistant Regional Planner

Shyla Solis
Programming Analyst

Regional Transportation Plan, Census Center, Airport Land Use, & Regional Impact Fees
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Senior Regional Planner

Hailey Lang
Senior Regional Planner

Vacant
CivicSpark Fellow

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

Travis Yokoyama
Senior Regional Planner

Communications & Travel Demand Management
Yvette Davis
Senior Program Specialist

Vacant
Associate Program Specialist

Stephanie Maynard
Assistant Program Specialist

Keith Michaud
Communications Journalist

Melissa Ablang
Administrative Technician

Planning Studies, Regional Housing, and Community Partnerships
Christine Corrales
Senior Regional Planner

Ashley Goldlist
Associate Regional Planner

Vacant
CivicSpark Fellow

Administration
Rosie Gutierrez
Office Administrator

Sarah Hersom
Administrative Technician

Katy Castro
Administrative Technician

Finance
Grace Oroasco
Chief Accountant

Lynneita Castle
Senior Accountant

Gregory Solario
Junior Accountant

Vacant
Contracts/Grant Specialist

Rosie Zelter
Accounting Assistant I

Dajjit Saini
Accounting Assistant I

Information Technologies
Vik Sharma
IT Manager

Laurel Boyd
Associate
Habitat Planner

Steve Mayo
Program Manager

Ariana Tolosig
Administrative 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, 2020

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

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

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 San Joaquin Council of Governments, (the Council), as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the date of the financial statements.



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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 is the responsibility of management and, 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.



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

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

The supplementary information, as listed in the table of contents, 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. Such 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 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2021, 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.

A handwritten signature in cursive script that reads "Lance, Solt & Lughard, LLP".

Sacramento, California
December 10, 2021

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**SAN JOAQUIN COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Within this section of the San Joaquin Council of Governments (the Council) annual comprehensive 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, 2021. 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 \$105,631,664. (Net Position) for the fiscal year ended June 30, 2021. This compares to the previous year's 48,125,392.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$99,773,985 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 \$322,966,000 is restricted by constraints imposed from outside the Council, such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$(317,108,321) 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 \$324,361,079 this fiscal year. This compares to the prior year ending fund balance of \$280,885,008, showing an increase of \$43,476,071 during the current year. The Council's governmental funds reported a total unassigned fund balance of \$1,257,928 for fiscal year 2020-21 which depicts an increase of \$1,377,422.

- At the end of the current fiscal year, total fund balance for the General Fund was \$1,391,188 and depicts an increase of \$1,385,102 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 \$8,763,255 primarily due to the completion of various capital projects.
- Total liabilities of the Council decreased by \$4,663,950 to \$370,587,762. This swing in liabilities was due to large principal payments on sales tax bonds.

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 annual comprehensive 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 schedule 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 – 52 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 \$105,631,664 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 \$105.6 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 (57 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 \$317,108,321 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, 2021, fiscal year. Overall, the Council’s net position increased by \$57,506,272 as shown in the table below. Two major factors contributing to the increase was the \$38,605,075 increase in Revenue and the \$20,246,457 of deferred outflow of resources applicable to the defeasement of the 2011 Tax Bond in March 2019. In accordance with paragraph 6 of GASB 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)
	2021	2020	
Current and other assets	\$ 351,352,216	\$ 305,000,595	\$ 46,351,621
Capital assets	99,849,768	92,042,360	7,807,408
Total assets	451,201,984	397,042,955	54,159,029
Deferred outflows	25,017,441	26,334,149	(1,316,708)
Long-term liabilities outstanding	338,825,641	346,243,911	(7,418,270)
Other liabilities	31,762,121	29,007,801	2,754,320
Total liabilities	370,587,762	375,251,712	(4,663,950)
Net position			
Net Investment in capital assets	99,773,985	91,984,295	7,789,690
Restricted	322,966,000	280,874,729	42,091,271
Unrestricted	(317,108,322)	(324,733,632)	7,625,310
Total net position	\$ 105,631,663	\$ 48,125,392	\$ 57,506,271

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Changes in Net Position

	Governmental Activities 2021	2020	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for services	\$ 20,831,520	\$ 8,711,487	\$ 12,120,033
Operating grants and contributions			
Sales tax	136,307,773	110,698,556	25,609,217
Other operating grants and contributions	19,157,106	16,919,515	2,237,591
General revenues:			
Investments and miscellaneous	424,177	29,127	395,050
Total revenues	176,720,576	136,358,685	40,361,891
Expenses:			
General Administration	13,984,948	8,609,107	5,375,841
Transportation	90,712,416	88,229,188	2,483,228
Habitat Plan	719,875	1,248,664	(528,789)
Building interest expense	120,405	127,679	(7,274)
Investment interest expense	13,676,660	14,047,607	(370,947)
Total expenses	119,214,304	112,262,245	6,952,059
Increases in net position	57,506,272	24,096,440	33,409,832
Prior Period Adjustment		(2,737,014)	
Net position, beginning of year as restated	48,125,392	26,765,966	21,359,426
Net position, end of year	\$ 105,631,664	\$ 48,125,392	\$ 57,506,272

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 \$324,361,079, an increase of \$43,476,071. Of this total amount, \$137,151 is *nonspendable*, \$322,966,000 is *restricted*, and \$1,257,928 *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 \$1,391,188, which is an increase of \$1,385,102.

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, 2021, fiscal year, Measure K revenue, including investment earnings, totaled \$83,044,445. The combined Measure K and Measure K Renewal Fund balance increased by \$8,763,255 over the previous year primarily due to an increase in Sales tax revenue.

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, 2021, fiscal year LTF revenue, including investment earnings, totaled \$49,323,657 an increase of 15.2% over the previous fiscal year. The LTF Fund balance increased by \$17,288,627 due to a \$12,110,709 increase in revenue and no claims from the City of Manteca.

State Transit Assistance Fund (STA) – The STA revenue is based off an allocation formula for sales tax on diesel fuel. This fund also includes 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 \$7,949,684 compared to \$9,594,393 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, 1,367,538 compared to \$1,322,727 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 \$2,284,279 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, 2021, fiscal year totaled \$20,750,212 an increase of 189% over the previous fiscal year. This large increase in development activity and mitigation fee collections is primarily due to higher fees and continued development activity. 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 SJCOG, INC., fund balance increased by \$11,735,434 in the June 30, 2021, fiscal year to \$64,353,962. 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©(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 (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 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, 2021.

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 \$4,999,485 shortfall in revenue largely due to actual expenditures that were \$6,209,366 below final budgeted amounts, which is primarily due to decreased need for consultant's professional services.

	Original Budget	Final Budget	Actual	Difference Between Final Budget and Actual
REVENUES:				
Intergovernmental:				
Federal grants	\$ 5,019,336	\$ 6,009,750	\$ 5,367,139	\$ (642,611)
State grants	3,023,089	5,641,511	1,628,882	(4,012,629)
Local	5,631,070	5,729,527	5,395,357	(334,170)
Interest	5,000	5,000	9,925	4,925
Other	15,000	15,000	-	(15,000)
Total revenues	13,693,495	17,400,788	12,401,303	(4,999,485)
EXPENDITURES:				
Planning and administration	13,497,995	17,205,288	10,995,922	6,209,366
Capital outlay	195,500	195,500	71,483	124,017
Total expenditures	13,693,495	17,400,788	11,067,405	6,333,383
OTHER FINANCING SOURCES:				
Transfer out	-	-	51,204	51,204
Capital leases	-	-	-	-
Change in fund balance	\$ -	\$ -	\$ 1,385,102	\$ 1,385,102

Capital Assets and Debt Administration

Capital assets

The Council's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$99,849,769 (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 \$7,807,409.

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

The Council acquired \$8,058,318 of conservation easements. In addition, the Council acquired \$71,483 of building and capital improvements, office equipment, and computer equipment during the 2020-21 fiscal year. The Council disposed of \$96,560 of capital assets in the fiscal year ended June 30, 2021.

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

	Governmental Activities	
	June 30, 2021	June 30, 2020
Land and conservation easements	\$ 95,096,881	\$ 87,038,563
Office furniture and fixtures	2,122	2,869
Office building	3,975,889	4,153,456
Building improvements	483,422	515,728
Office and computer equipment	121,838	162,127
Capital Improvements	169,617	169,617
Total	\$ 99,849,769	\$ 92,042,360

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 \$46,977,747, a 2017 Sales Tax Revenue Bond of \$216,887,938, and a 2019 Sales Tax Revenue Bond of \$74,281,010.

SAN JOAQUIN COUNCIL OF GOVERNMENTS Outstanding Debt

	Governmental Activities	
	June 30, 2021	June 30, 2020
2014 Tax Bond, net of amortization	\$ 46,977,747	\$ 48,777,224
2017 Tax Bond, net of amortization	216,887,938	222,023,596
2019 Tax Bond, net of amortization	74,281,010	74,803,593
Total	\$ 338,146,695	\$ 345,604,413

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%.

As a result of the COVID-19 pandemic, sales tax growth exploded in FY 20-21 to 23.39% year over year (on a cash basis). Based on three months of revenue, fiscal year 2021-22 is estimated to grow another 20+%.

As the pandemic shut down the county, transportation related sales dropped dramatically, With the reopening of most business, transportation related sales tax is rebounding. 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. Additionally, the Wayfair decisions has delivered strong sales taxes due to out of state purchasing.

At June 30, 2021, the Council held \$111,042,661 of liquid investments in the Public Financial Management portfolio, \$36,633,845 in the California Asset Management Pool, \$99,821 in the State of California Local Agency Investment Fund, \$32,872,813 in the San Joaquin County Pool, and \$78,604,251 in Financial Institutions.

Total operating revenues are expected to be approximately the same in the 2021-22 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.

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BASIC FINANCIAL STATEMENTS

SAN JOAQUIN COUNCIL OF GOVERNMENTS

STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 68,111,792
Investments	127,547,908
Sales tax receivable	29,544,173
Interest receivable	3,358,876
Intergovernmental receivable	3,146,746
Due from other agencies	273,043
Prepaid items	137,151
Refunds and miscellaneous receivables	22,281
Notes receivable - related parties	54,511,179
Intergovernmental receivable - restricted	276,618
Interest receivable - restricted	32,967
Deposits with State of CA - restricted	795,791
Cash and investments - restricted	63,593,691
Capital assets not being depreciated	95,096,881
Capital assets, net of depreciation	<u>4,752,888</u>
Total Assets	<u>451,201,985</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	<u>25,017,441</u>
Total Deferred Outflows of Resources	<u>25,017,441</u>
LIABILITIES	
Accounts payable	13,457,308
Accrued salaries and benefits	192,337
Interest payable	4,770,984
Advances from other agencies	907,399
Due to other agencies	12,434,093
Noncurrent liabilities:	
Due within one year:	
Compensated absences	224,109
Lease obligations	34,474
Bonds, net of amortization	6,135,000
Due in more than one year:	
Compensated absences	379,053
Lease obligations	41,310
Bonds, net of amortization	<u>332,011,695</u>
Total Liabilities	<u>370,587,762</u>
NET POSITION	
Net investment in capital assets	99,773,985
Restricted for:	
Habitat acquisition and management	64,353,334
Transportation projects	258,612,666
Unrestricted	<u>(317,108,321)</u>
Total Net Position	<u>\$ 105,631,664</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Expenses	Program Revenues		Capital Contributions and Grants	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Contributions and Grants		Governmental Activities
Functions/Programs					
Primary Government:					
Governmental Activities:					
General administration	\$ 13,984,948	\$ -	\$ 12,391,453	\$ -	\$ (1,593,495)
Transportation	90,712,416	-	143,062,681	-	52,350,265
Habitat plan	719,875	20,831,520	10,745	-	20,122,390
Building interest expense	120,405	-	-	-	(120,405)
Investment interest expense	13,676,660	-	-	-	(13,676,660)
Total Governmental Activities	\$ 119,214,304	\$ 20,831,520	\$ 155,464,879	\$ -	57,082,095
General Revenues:					
Unrestricted investment earnings					424,177
Total General Revenues					424,177
Change in Net Position					57,506,272
Net Position at Beginning of Year					48,125,392
Net Position at End of Year					\$ 105,631,664

SAN JOAQUIN COUNCIL OF GOVERNMENTS

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	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	\$ 3,393,781	\$ 19,957,440	\$ 24,929,693	\$ 7,943,120	\$ 11,887,560
Investments	-	127,547,908	-	-	-
Sales tax receivable	-	16,716,366	10,913,717	1,914,090	-
Interest receivable	-	3,330,240	19,510	6,661	2,465
Intergovernmental receivable	1,944,687	-	-	-	1,202,059
Prepaid items	132,710	3,813	-	-	-
Refunds and miscellaneous receivables	22,281	-	-	-	-
Due from other funds	817,899	2,933,016	-	-	-
Due from other agencies	68	272,966	-	-	-
Notes receivable - related parties	-	54,511,179	-	-	-
Intergovernmental receivable - restricted	-	-	-	-	-
Interest receivable - restricted	-	-	-	-	-
Deposits with other agencies - restricted	-	-	-	-	-
Cash and investments - restricted	-	-	-	-	-
Total Assets	\$ 6,311,426	\$ 225,272,928	\$ 35,862,920	\$ 9,863,871	\$ 13,092,084
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 981,097	\$ 12,356,298	\$ -	\$ -	\$ -
Accrued salaries and benefits	192,337	-	-	-	-
Investment fee payable	-	795	-	-	-
Due to other agencies	-	-	10,369,610	2,064,483	-
Due to other funds	2,933,016	146,020	322,381	25,490	190,344
Advances from other agencies	813,788	-	-	-	-
Total Liabilities	4,920,238	12,503,113	10,691,991	2,089,973	190,344
Fund Balances:					
Nonspendable	132,710	3,813	-	-	-
Restricted	-	212,766,002	25,170,929	7,773,898	12,901,740
Unassigned	1,258,478	-	-	-	-
Total Fund Balances	1,391,188	212,769,815	25,170,929	7,773,898	12,901,740
Total Liabilities and Fund Balances	\$ 6,311,426	\$ 225,272,928	\$ 35,862,920	\$ 9,863,871	\$ 13,092,084

SAN JOAQUIN COUNCIL OF GOVERNMENTS

BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
JUNE 30, 2021

	SJCOG, Inc.	Commut Connection, Inc.	One Voice, Inc.	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 101	\$ 97	\$ 68,111,792
Investments	-	-	-	127,547,908
Sales tax receivable	-	-	-	29,544,173
Interest receivable	-	-	-	3,358,876
Intergovernmental receivable	-	-	-	3,146,746
Prepaid items	628	-	-	137,151
Refunds and miscellaneous receivables	-	-	-	22,281
Due from other funds	-	-	-	3,750,915
Due from other agencies	9	-	-	273,043
Notes receivable - related parties	-	-	-	54,511,179
Intergovernmental receivable - restricted	276,618	-	-	276,618
Interest receivable - restricted	32,967	-	-	32,967
Deposits with other agencies - restricted	795,791	-	-	795,791
Cash and investments - restricted	63,593,691	-	-	63,593,691
Total Assets	\$ 64,699,704	\$ 101	\$ 97	\$ 355,103,131
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 119,913	\$ -	\$ -	\$ 13,457,308
Accrued salaries and benefits	-	-	-	192,337
Investment fee payable	2,491	-	-	3,286
Due to other agencies	-	-	-	12,434,093
Due to other funds	133,013	651	-	3,750,915
Advances from other agencies	90,325	-	-	904,113
Total Liabilities	345,742	651	-	30,742,052
Fund Balances:				
Nonspendable	628	-	-	137,151
Restricted	64,353,334	-	97	322,966,000
Unassigned	-	(550)	-	1,257,928
Total Fund Balances	64,353,962	(550)	97	324,361,079
Total Liabilities and Fund Balances	\$ 64,699,704	\$ 101	\$ 97	\$ 355,103,131

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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, 2021**

Fund balances of governmental funds		\$ 324,361,079
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.		99,849,769
Long-term liabilities and compensated absences that have not been included in the governmental fund activity:		
Measure K Renewal Series 2014 bond	\$ (42,290,000)	
Measure K Renewal Series 2014 bond premium	(4,687,747)	
Measure K Renewal Series 2017 bond	(191,800,000)	
Measure K Renewal Series 2017 bond premium	(25,087,938)	
Measure K Renewal Series 2019 bond	(63,960,000)	
Measure K Renewal Series 2019 bond premium	(10,321,010)	
Capital leases payable	(75,784)	
Compensated absences	<u>(603,162)</u>	(338,825,641)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(4,770,984)
Deferred charges relating to bond refundings are not considered current assets or financial resources and are, therefore, not reported in the governmental funds.		<u>25,017,441</u>
Net Position of Governmental Activities		<u><u>\$ 105,631,664</u></u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	General	Measure K and Measure K Renewal Fund	Local Transportation Fund	State Transit Assistance Fund	Regional Transportation Impact Fee Fund
Revenues:					
Sales tax	\$ -	\$ 80,610,545	\$ 49,166,236	\$ 6,530,992	\$ -
State of good repair	-	-	-	1,367,538	-
Intergovernmental	12,391,378	-	-	-	-
Charges for services	-	-	-	-	2,690,437
Interest	9,464	4,346,019	82,341	21,015	54,458
Interest Prop 1B PTMISEA/TSSSDRA	-	-	-	12,369	-
Dividends	-	97,660	-	-	-
Gains (losses) on investments	461	(2,009,779)	75,080	17,770	-
Other	-	-	-	-	-
Total Revenues	12,401,303	83,044,445	49,323,657	7,949,684	2,744,895
Expenditures:					
General administration	10,842,032	187,356	1,725,670	105,939	36,962
Streets and roads	-	26,090,675	2,838,765	-	-
Pedestrian and bicycle	-	-	670,842	-	-
Transit	-	18,874,178	26,799,753	5,538,870	-
PTMISEA/TSSSDRA	-	-	-	285,598	-
Congestion relief	-	7,606,434	-	-	423,654
Smart growth	-	1,411,289	-	-	-
Habitat plan	-	-	-	-	-
Investment expense	-	172,358	-	-	-
Capital outlay					
Capital assets	20,279	-	-	-	-
Capital leases	51,204	-	-	-	-
Debt service:					
Principal	33,485	5,220,000	-	-	-
Interest	120,405	14,718,900	-	-	-
Total Expenditures	11,067,405	74,281,190	32,035,030	5,930,407	460,616
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,333,898	8,763,255	17,288,627	2,019,277	2,284,279
Other Financing Sources:					
Initiation of capital leases	51,204	-	-	-	-
Total Other Financing Sources	51,204	-	-	-	-
Net Change in Fund Balances	1,385,102	8,763,255	17,288,627	2,019,277	2,284,279
Fund Balances, Beginning of Year	6,086	204,006,560	7,882,302	5,754,621	10,617,461
Fund Balances, End of Year	\$ 1,391,188	\$ 212,769,815	\$ 25,170,929	\$ 7,773,898	\$ 12,901,740

SAN JOAQUIN COUNCIL OF GOVERNMENTS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	SJCOG, Inc.	Commute Connection, Inc.	One Voice, Inc.	Total
Revenues:				
Sales tax	\$ -	\$ -	\$ -	\$ 136,307,773
State of good repair	-	-	-	1,367,538
Intergovernmental	-	-	75	12,391,453
Charges for services	20,750,212	-	-	23,440,649
Interest	414,230	-	22	4,927,549
Interest Prop 1B PTMISEA/TSSSDRA	-	-	-	12,369
Dividends	20,150	-	-	117,810
Gains (losses) on investments	61,157	-	-	(1,855,311)
Other	10,746	-	-	10,746
Total Revenues	21,256,495	-	97	176,720,576
Expenditures:				
General administration	742,868	-	-	13,640,827
Streets and roads	-	-	-	28,929,440
Pedestrian and bicycle	-	-	-	670,842
Transit	-	-	-	51,212,801
PTMISEA/TSSSDRA	-	-	-	285,598
Congestion relief	-	-	-	8,030,088
Smart growth	-	-	-	1,411,289
Habitat plan	719,875	-	-	719,875
Investment expense	-	-	-	172,358
Capital outlay				
Capital assets	8,058,318	-	-	8,078,597
Capital leases	-	-	-	51,204
Debt service:				
Principal	-	-	-	5,253,485
Interest	-	-	-	14,839,305
Total Expenditures	9,521,061	-	-	133,295,709
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,735,434	-	97	43,424,867
Other Financing Sources:				
Initiation of capital leases	-	-	-	51,204
Total Other Financing Sources	-	-	-	51,204
Net Change in Fund Balances	11,735,434	-	97	43,476,071
Fund Balances, Beginning of Year	52,618,528	(550)	-	280,885,008
Fund Balances, End of Year	\$ 64,353,962	\$ (550)	\$ 97	\$ 324,361,079

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, 2021**

Net change in fund balances - total governmental funds \$ 43,476,071

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	\$ 8,078,597	
Capital outlay - leases	51,204	
Depreciation	<u>(322,392)</u>	7,807,409

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	5,220,000	
Capital lease repayments/adjustments	33,485	
Capital leases entered into	(51,204)	
Amortization of bond premiums	2,237,718	
Amortization of deferred gain on refunding	<u>(1,316,708)</u>	6,123,291

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

121,230

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.

(21,729)

Change in Net Position of Governmental Activities

\$ 57,506,272

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021, 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, 2021

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, 2021. Intergovernmental receivables represent claims for reimbursements and sales tax revenues receivable from various federal, state, and local governmental agencies as of June 30, 2021.

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.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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.”

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. The Council reported the following classifications of fund balance for the year ending June 30, 2021:

- *Nonspendable fund balance* – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *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, 2021

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, 2021

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. 98 – *The Annual Comprehensive Financial Report*

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, 2021. 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.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 3: Cash and Investments

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

Statement of net position:	
Cash	\$ 68,111,792
Investments	127,547,908
Restricted - cash	63,593,691
Total cash and investments	<u>\$ 259,253,391</u>

Cash and investments as of June 30, 2021, consist of the following:

Cash in San Joaquin County Treasury	\$ 32,872,814
Deposits in financial institutions	78,604,250
LAIF	99,821
Cash and investments held by bond trustee	147,676,506
Total cash and investments	<u>\$ 259,253,391</u>

Investments Authorized by the California Government Code and the Council's Investment Policy

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
State & Local Agency Bonds	5 years	None	None
U.S. Treasury Securities	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Negotiable Certificates of Deposit	5 years	30%	5%
Repurchase Agreements	1 year	None	None
Commercial Paper	270 days	25%	5%
State of California Obligations	5 years	None	None
Medium-Term 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
Local Agency Investment Fund (LAIF)	N/A	None	None
California Asset Management Program	270 days	None	None
Asset Backed Securities	5 years	20%	5%

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

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 3: Cash and Investments (Continued)

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Council's investment policy. The 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

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	Remaining Maturity				
	Total	12 months or less	13 to 24 months	25 to 60 months	More than 60 months
Cash in San Joaquin County Treasury	\$ 32,872,814	\$ 32,872,814	\$ -	\$ -	\$ -
State investment pool	99,821	99,821	-	-	-
Held by trustee:					
Cash	2,209,777	2,209,777	-	-	-
Money market mutual funds	17,704,619	17,704,619	-	-	-
Certificates of deposit	11,050,716	5,774,625	5,008,668	267,423	-
Corporate debt securities	18,081,906		5,623,416	12,458,490	-
Asset Backed Securities (ABS)/Mortgage Backed Securities (MBS)/Collateralized Mortgage Obligations (CMOs)	13,299,086	504,706	3,154,470	9,619,790	20,120
Supra-National Agency Bonds	4,517,485	-	3,779,610	737,875	-
Municipal Bonds	3,531,708	-	452,023	3,079,685	-
U.S. Treasury Securities	55,238,230	1,228,254	3,605,326	50,404,650	-
Federal agency securities	19,194,531	-	9,960,664	9,233,867	-
Commercial Paper	2,848,448	2,848,448	-	-	-
	\$ 180,649,141	\$ 63,243,064	\$ 31,584,177	\$ 85,801,780	\$ 20,120

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 3: Cash and Investments (Continued)

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

Highly Sensitive Investments	Fair Value at Year-End
Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	\$ 21,427,608

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	\$ 32,872,814	N/A	N/A	\$ 32,872,814
State investment pool	99,821	N/A	N/A	99,821
Held by trustee:				
Cash	459,932	N/A	N/A	459,932
Raymond James	1,749,845	N/A	N/A	18,133
Money market funds	17,704,619	AAA/Aa	AAAm	-
	19,914,396			478,065
Certificates of deposit:				
DNB Bank ASA/NY LT	1,051,752	A	AA-/Aa2	-
Skandinav Enskilda Bank LT	1,044,743	A	A+/Aa2	-
Nordea Bank AB	1,044,625	A	AA-/Aa3	-
Credit Suisse NY	1,602,735	A	A-1/P-1	-
Societe Generale NY	1,034,246	A	A/A1	-
Sumitomo Mitsui	803,758	A	A-1/P-1	-
Skandinav Enskilda BK NY	570,000	AA	A-1/P-1	-
Svenska Handelsbanken NY	570,022	A	A-1+/P-1	-
Bank of Nova Scotia	570,000	A	A-1/P-1	-
Ally Bank Midvale	204,465	N/A	N/A	-
Bank OZK Little Rock	250,290	N/A	N/A	-
Comenity Capital Bank	267,423	N/A	N/A	-
Cross River Bank	102,334	N/A	A-1/P-1	-
Discover Bank	100,911	N/A	N/A	-
Encore Bank Little Rock	112,729	N/A	N/A	-
Metabank	250,323	N/A	N/A	-
Morgan Stanley	455,421	N/A	N/A	-
Sallie MAE Bank	251,548	N/A	N/A	-
State Bank of India	251,900	N/A	N/A	-
Synchrony Bank	100,922	N/A	N/A	-
United Fidelity Bank	250,390	N/A	N/A	-
Wells Fargo	160,179	N/A	N/A	-
	11,050,716			-

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 3: Cash and Investments (Continued)

Investment Type	Total	Minimum Legal Rating	Ratings as of Year-End	Not Rated
Corporate debt securities:				
Adobe Inc Corp	372,948	A	A/A2	372,948
Amazon.com Inc Corp	1,474,143	A	NR/A2	1,474,143
American Honda Finance	689,303	A	A-/A3	689,303
Apple Inc	632,874	A	AA+/Aa1	632,874
Astrazeneca Finance LLC	544,317	A	BBB+/A3	544,317
Bank of America Corp	926,043	A	A-/A2	926,043
BNY Mellon Corp	522,355	A	A/A1	522,355
Bristol-Myers Squibb Co	661,193	A	A+/A2	661,193
Burlingtn North Santa Fe Corp	268,730	A	A+/A3	268,730
Caterpillar	799,153	A	A/A3	799,153
Charles Schwab Corp	331,738	A	A/A2	331,738
Chevron Corp	681,663		AA/Aa2	681,663
Citigroup Inc	782,558	A	BBB+/A3	782,558
Clorox Company Corp	410,475	A	A-/Baa1	410,475
Comcast Corp	378,999	A	A-/A3	378,999
Exxon Mobil	520,793	A	AA/Aaa1	520,793
General Dynamics Corp	395,645	A	A/A2	395,645
Goldman Sachs Group Inc	860,983	A	BBB+/A3	860,983
Honeywell International	213,970		A/A2	213,970
IBM Corp	782,036	A	A/A2	782,036
John Deere Capital Corp	405,721	A	A/A2	405,721
JP Morgan Chase & Co	1,073,154	A	A-/A2	1,073,154
Merk & Co Inc	266,290	A	AA-/A1	266,290
Morgan Stanley Corp	570,209	A	BBB+/A3	570,209
Pepsico Inc Corp	262,031	A	A+/A1	262,031
Toyota Motor Credit Corp	791,538	A	A+/A1	791,538
United Health Group	358,999	A	A+/A3	358,999
Corporate Notes	2,104,045	A	A-/A3	-
	<u>18,081,906</u>			<u>15,977,861</u>
US Treasury Securities	55,238,230	TSY	AA+/Aaa	-
Federal Agency Securities	19,194,531	N/A	AA+/Aaa	-
Supra-National Agency Bond	4,517,485	AAA	AAA/Aaa	-
Municipal Bond	3,531,708	AA-	AA-/Aa2	-
Commercial Paper	2,848,448	A	AA+/Aaa	-
Bank Note	-	A	A/A2	-
Asset Backed Securities (ABS)/Mortgage:				
ABS/MBS/CMOs	12,569,962	Aaa	AAA/Aaa	-
ABS/MBS/CMOs	204,967	N/A	AAA/NR	-
ABS/MBS/CMOs	21,619	N/A	N/A	21,619
ABS/MBS/CMOs	502,538	A	A/A2	-
	<u>13,299,086</u>			<u>21,619</u>
Total:	<u><u>\$ 180,649,141</u></u>			<u><u>\$ 49,450,180</u></u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

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 \$32,872,814, invested in the San Joaquin County pool at June 30, 2021 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 \$78,604,250 deposited in financial institutions at year-end.

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

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, 2021, was \$193.5 million, 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, 2021, was \$99,821.

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, 2021, 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, 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, 2021

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, 2021

Note 3: Cash and Investments (Continued)

The Council has the following recurring fair value measurements as of June 30, 2021:

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	\$ 11,050,716	\$ 11,050,716	\$ -	\$ -
Commercial Paper	2,848,448	-	2,848,448	-
Corporate debt securities	18,081,906	-	18,081,906	-
Asset Backed Securities (ABS)/Mortgage Backed Securities (MBS)/Collateralized Mortgage Obligations (CMOs)	13,299,086	13,299,086	-	-
Supra-National Agency Bonds	4,517,485	-	4,517,485	-
Municipal Bonds	3,531,708	-	3,531,708	-
U.S. Treasury securities	55,238,230	55,238,230	-	-
Federal agency securities	19,194,531	-	19,194,531	-
Total investments measure at fair value	<u>127,762,110</u>	<u>\$ 79,588,032</u>	<u>\$ 48,174,078</u>	<u>\$ -</u>
Investments not subject to fair market value measurement				
Cash in San Joaquin County Treasury	32,872,814			
State investment pool	99,821			
Cash held by trustee	2,209,777			
Money market mutual funds	17,704,619			
Total investment portfolio	<u>\$ 180,649,141</u>			

Cash

Cash on deposit as of June 30, 2021, include approximately \$78,604,250 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	\$ -	\$ 3,330,240	\$ 19,510	\$ 6,661	\$ 2,465	\$ -	\$ 3,358,876
Sales taxes	-	16,716,366	10,913,717	1,914,090	-	-	29,544,173
Refunds and Miscellaneous receivables	22,281	-	-	-	-	-	22,281
Intergovernmental	1,944,687	-	-	-	1,202,059	-	3,146,746
Intergovernmental - restricted	-	-	-	-	-	276,618	276,618
Interest - restricted	-	-	-	-	-	32,967	32,967
Total Receivables	<u>\$ 1,966,968</u>	<u>\$ 20,046,606</u>	<u>\$ 10,933,227</u>	<u>\$ 1,920,751</u>	<u>\$ 1,204,524</u>	<u>\$ 309,585</u>	<u>\$ 36,381,661</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 4: Receivables (Continued)

Intergovernmental Receivables

The intergovernmental receivable balance consisted of \$1,202,059 of RTIF receivable and \$1,944,687 of General Fund claims receivable from various federal, state, and local agencies.

The restricted intergovernmental receivable balance of \$276,618 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, 2021, is \$15,818,498.

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, 2021, the loan receivable was \$38,220.

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 an eleven-year amortization schedule. The principal will be paid through the reduction of Measure K SJRTD Bus Transit programming over the eleven-year period. The loan is secured by the future Measure K funds allocated to SJRTD. SJRTD's loan balance as of June 30, 2021, was \$7,800,000.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

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, 2021, Stockton Metropolitan Airport had drawn down on \$6,866,950 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 2020-21, 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, 2021, 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, 2021, the loan balance was \$7,957,511.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Disposals	Balance June 30, 2021
Governmental activities				
Capital assets, not being depreciated:				
Conservation easements and credits	\$ 86,638,563	\$ 8,058,318	\$ -	\$ 94,696,881
Land	400,000	-	-	400,000
Total capital assets, not being depreciated	87,038,563	8,058,318	-	95,096,881
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	9,970	-	1,178,180
Office and computer equipment	817,518	61,513	(96,560)	782,471
Capital Improvements	169,617	-	-	169,617
	<u>9,543,690</u>	<u>71,483</u>	<u>(96,560)</u>	<u>9,518,613</u>
Less accumulated depreciation for:				
Automobile	(38,039)	-	-	(38,039)
Office furniture and fixtures	(244,784)	(747)	-	(245,531)
Office building	(2,949,198)	(177,566)	-	(3,126,764)
Building improvements	(652,481)	(42,277)	-	(694,758)
Office and computer equipment	(655,391)	(101,802)	96,560	(660,633)
	<u>(4,539,893)</u>	<u>(322,392)</u>	<u>96,560</u>	<u>(4,765,725)</u>
Total capital assets being depreciated, net	5,003,797	(250,909)	-	4,752,888
Governmental activities capital assets, net	\$ 92,042,360	\$ 7,807,409	\$ -	\$ 99,849,769

Depreciation

Depreciation expense of \$322,392 was recorded for the year ended June 30, 2021, and is related to the general administrative functions of the Council.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 6: Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, was as follows:

Due to/From	Interfund	
	Receivables	Payables
Governmental Funds:		
General Fund	\$ 817,899	\$ 2,933,016
Measure K and Measure K Renewal Fund	2,933,016	146,020
State Transit Assistance Fund	-	25,490
Local Transportation Fund	-	322,381
Regional Transportation Impact Fee Fund	-	190,344
SJCOG, Inc.	-	133,013
Commute Connection, Inc.	-	651
Totals	<u>\$ 3,750,915</u>	<u>\$ 3,750,915</u>

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, 2021.

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, 2021, was \$2,673,048.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 7: Lease

Operating Leases

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

Year Ending June 30,	Amount
2022	\$ 13,094
2023	9,382
2024	6,730
Total	\$ 29,206

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	\$ 150,901
Less: Accumulated depreciation	(75,117)
Total	\$ 75,784

As of June 30, 2021, the future minimum lease payments and the net present value of these minimum lease payments were as follows:

Fiscal Year Ending June 30,	
2022	\$ 34,474
2023	30,320
2024	10,990
Total payments	75,784
Less amounts representing interest	-
Net present value of future minimum lease payments	\$ 75,784

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 8: Debt Obligations and Long-Term Liabilities

Activity during the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Sales Tax Revenue Bonds					
2014 Series, net of amortization	\$ 48,777,224	\$ -	\$ 1,799,477	\$ 46,977,747	\$ 1,530,000
Sales Tax Revenue Bonds					
2017 Series, net of amortization	222,023,596	-	5,135,658	216,887,938	4,605,000
Sales Tax Revenue Bonds					
2019 Series, net of amortization	74,803,593	-	522,583	74,281,010	-
Total	\$ 345,604,413	\$ -	\$ 7,457,718	\$ 338,146,695	\$ 6,135,000

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
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
2026	3,795,000	1,545,250	5,340,250
2027-2031	22,025,000	4,681,750	26,706,750
2032-2036	5,085,000	254,250	5,339,250
	\$ 42,290,000	\$ 14,258,000	\$ 56,548,000

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, 2021, \$25,017,441 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, 2021

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

Year Ending June 30,	Principal	Interest	Total
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	5,605,000	8,329,600	13,934,600
2027-2031	39,495,000	36,811,750	76,306,750
2032-2036	56,135,000	25,033,250	81,168,250
2037-2041	71,205,000	9,962,500	81,167,500
	<u>\$ 191,800,000</u>	<u>\$ 115,829,750</u>	<u>\$ 307,629,750</u>

Year Ending June 30,	Deferred Loss on Refunding of Bond
2022	\$ 1,316,708
2023	1,316,708
2024	1,316,708
2025	1,316,708
2026	1,316,708
2027-2031	6,583,540
2032-2036	6,583,540
2037-2041	5,266,821
	<u>\$ 25,017,441</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.

Year Ending June 30,	Principal	Interest	Total
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	-	3,198,000	3,198,000
2027-2031	-	15,990,000	15,990,000
2032-2036	25,005,000	14,190,500	39,195,500
2037-2041	38,955,000	6,033,250	44,988,250
	<u>\$ 63,960,000</u>	<u>\$ 52,203,750</u>	<u>\$ 116,163,750</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021**

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, 2021, was as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Compensated Absences	\$ 581,433	\$ 61,472	\$ (39,743)	\$ 603,162	\$ 224,109
Total	\$ 581,433	\$ 61,472	\$ (39,743)	\$ 603,162	\$ 224,109

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, 2021, there were two 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, 2021, accrued vacation and sick leave pay totaled \$603,162. 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, 2021

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, 2021, funded through Measure K Renewal programs and has outstanding commitments of \$27,570,848 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, 2021, were \$2,969,716. The Council's total contributions to the retirement plan on behalf of employees were \$485,968 for the year ended June 30, 2021.

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, 2021. 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, 2021

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, 2021, the Council received \$0 from the State's PTMISEA account for disbursement to the above-mentioned cities. As of June 30, 2021, PTMISEA funds received, and claims paid to cities were verified in the course of our audit as follows:

	2021
PTMISEA/TSSSDRA balance designated for future claims, beginning	\$ 2,489,282
PTMISEA funds received	-
Interest earned on PTMISEA deposits	11,899
TSSSDRA funds received	-
Interest earned on TSSSDRA deposits	470
Claims paid to cities PTMISEA	(114,101)
Claims paid to cities TSSSDRA	(171,497)
PTMISEA/TSSSDRA balance designated for future claims, ending	\$ 2,216,053
RECONCILIATION TO FINANCIAL STATEMENT	
Designated for PTMISEA claims	\$ 2,217,027
Designated for TSSSDRA claims	11,814
Designated for other STA claims	5,545,057
Designated for future claims	\$ 7,773,898

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

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	\$ 132,710	\$ 3,813	\$ -	\$ -	\$ -	\$ 628	\$ -	\$ -	\$ 137,151
Restricted for:									
Transportation projects and related debt	-	212,766,002	-	-	12,901,740	-	-	97	225,667,839
TDA funds restricted by State statute	-	-	25,170,929	7,773,898	-	-	-	-	32,944,827
Habitat plan development	-	-	-	-	-	64,353,334	-	-	64,353,334
Unassigned:	1,258,478	-	-	-	-	-	(550)	-	1,257,928
Total Fund Balances	\$ 1,391,188	\$ 212,769,815	\$ 25,170,929	\$ 7,773,898	\$ 12,901,740	\$ 64,353,962	\$ (550)	\$ 97	\$ 324,361,079

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, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 13,673,495	\$ 17,380,788	\$ 12,391,378	\$ (4,989,410)
Interest	5,000	5,000	9,464	4,464
Gains (losses) on investments	-	-	461	461
Other	15,000	15,000	-	(15,000)
Total Revenues	13,693,495	17,400,788	12,401,303	(4,999,485)
Expenditures:				
Salaries and benefits:				
Salaries	3,153,059	3,153,059	2,866,094	286,965
Salaries - vacation sales	100,000	100,000	114,836	(14,836)
Fringe benefits	1,388,823	1,388,823	1,088,010	300,813
Total Salaries and Benefits	4,641,882	4,641,882	4,068,940	572,942
Services and supplies:				
Office expense	242,500	270,000	284,347	(14,347)
Communications	60,000	60,000	58,827	1,173
Memberships	45,000	45,000	34,372	10,628
Rents and leases - equipment	110,000	110,000	97,230	12,770
Transportation, travel, and training	121,000	66,000	8,485	57,515
Allocated service cost	-	-	1,079	(1,079)
Publications and legal notices	7,500	7,500	8,540	(1,040)
Insurance	146,300	146,300	137,047	9,253
Maintenance - equipment and auto	10,000	10,000	4,528	5,472
Maintenance - building, grounds and taxes	135,800	79,000	73,256	5,744
Utilities	89,200	121,000	120,859	141
Total Services and Supplies	967,300	914,800	828,570	86,230
Professional and special services	7,648,813	11,408,606	5,944,522	5,464,084
Capital outlay	195,500	195,500	71,483	124,017
Debt service:				
Principal	40,000	40,000	33,485	6,515
Interest	200,000	200,000	120,405	79,595
Total Expenditures	13,693,495	17,400,788	11,067,405	6,333,383
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	1,333,898	1,333,898
Other Financing Sources (Uses):				
Initiation of capital leases	-	-	51,204	51,204
Total Other Financing Sources (Uses)	-	-	51,204	51,204
Net Change in Fund Balances	-	-	1,385,102	1,385,102
Fund Balances, Beginning of Year	6,086	6,086	6,086	-
Fund Balances, End of Year	\$ 6,086	\$ 6,086	\$ 1,391,188	\$ 1,385,102

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, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales tax	\$ 67,100,000	\$ 67,100,000	\$ 80,610,545	\$ 13,510,545
Interest	-	-	4,346,019	4,346,019
Dividends	-	-	97,660	97,660
Gains (losses) on investments	-	-	(2,009,779)	(2,009,779)
Total Revenues	67,100,000	67,100,000	83,044,445	15,944,445
Expenditures:				
General administration	671,000	671,000	187,356	483,644
Streets and roads	23,317,250	23,317,250	26,090,675	(2,773,425)
Transit	19,962,250	19,962,250	18,874,178	1,088,072
Congestion relief	21,639,750	21,639,750	7,606,434	14,033,316
Railroad safety crossings	1,509,750	1,509,750	-	1,509,750
Smart growth	-	-	1,411,289	(1,411,289)
Investment expense	-	-	172,358	(172,358)
Debt service:				
Principal	-	-	5,220,000	(5,220,000)
Interest	-	-	14,718,900	(14,718,900)
Total Expenditures	67,100,000	67,100,000	74,281,190	(7,181,190)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	8,763,255	8,763,255
Net Change in Fund Balances	-	-	8,763,255	8,763,255
Fund Balances, Beginning of Year	204,006,560	204,006,560	204,006,560	-
Fund Balances, End of Year	\$ 204,006,560	\$ 204,006,560	\$ 212,769,815	\$ 8,763,255

SAN JOAQUIN COUNCIL OF GOVERNMENTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
LOCAL TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales tax	\$ 37,900,000	\$ 49,166,236	\$ 49,166,236	\$ -
Interest	-	82,341	82,341	-
Gains (losses) on investments	-	75,080	75,080	-
Total Revenues	37,900,000	49,323,657	49,323,657	-
Expenditures:				
General administration	1,391,100	1,725,670	1,725,670	-
Streets and roads	4,747,836	2,838,765	2,838,765	-
Pedestrian and bicycle	730,178	670,842	670,842	-
Transit	31,030,886	26,799,753	26,799,753	-
Total Expenditures	37,900,000	32,035,030	32,035,030	-
Deficiency of Revenues Under Expenditures	-	17,288,627	17,288,627	-
Net Change in Fund Balances	-	17,288,627	17,288,627	-
Fund Balances, Beginning of Year	7,882,302	7,882,302	7,882,302	-
Fund Balances, End of Year	\$ 7,882,302	\$ 25,170,929	\$ 25,170,929	\$ -

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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales tax	\$ 4,959,546	\$ 6,530,992	\$ 6,530,992	\$ -
State of good repair	-	1,367,538	1,367,538	-
Interest	-	21,015	21,015	-
Interest Prop 1B PTMISEA/TSSSDRA	-	12,369	12,369	-
Gains (losses) on investments	-	17,770	17,770	-
Total Revenues	4,959,546	7,949,684	7,949,684	-
Expenditures:				
General administration	80,449	105,939	105,939	-
Transit	4,879,097	5,538,870	5,538,870	-
PTMISEA/TSSSDRA	-	285,598	285,598	-
Total Expenditures	4,959,546	5,930,407	5,930,407	-
Excess of Revenues Over Expenditures	-	2,019,277	2,019,277	-
Net Change in Fund Balances	-	2,019,277	2,019,277	-
Fund Balances, Beginning of Year	5,754,621	5,754,621	5,754,621	-
Fund Balances, End of Year	\$ 5,754,621	\$ 7,773,898	\$ 7,773,898	\$ -

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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 2,000,000	\$ 2,000,000	\$ 2,690,437	\$ 690,437
Interest	-	-	54,458	54,458
Total Revenues	2,000,000	2,000,000	2,744,895	744,895
Expenditures:				
General administration	30,000	30,000	36,962	(6,962)
Transit	960,000	960,000	-	960,000
Congestion relief	1,010,000	1,010,000	423,654	586,346
Total Expenditures	2,000,000	2,000,000	460,616	1,539,384
Excess of Revenues Over Expenditures	-	-	2,284,279	2,284,279
Net Change in Fund Balances	-	-	2,284,279	2,284,279
Fund Balances, Beginning of Year	10,617,461	10,617,461	10,617,461	-
Fund Balances, End of Year	\$ 10,617,461	\$ 10,617,461	\$ 12,901,740	\$ 2,284,279

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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 18,000,000	\$ 18,000,000	\$ 20,750,212	\$ 2,750,212
Interest	-	-	414,230	414,230
Dividends	-	-	20,150	20,150
Gains (losses) on investments	-	-	61,157	61,157
Other	-	-	10,746	10,746
Total Revenues	18,000,000	18,000,000	21,256,495	3,256,495
Expenditures:				
General administration	650,000	650,000	742,868	(92,868)
Habitat plan	17,350,000	17,350,000	719,875	16,630,125
Capital outlay				
Capital assets	-	-	8,058,318	(8,058,318)
Total Expenditures	18,000,000	18,000,000	9,521,061	8,478,939
Excess of Revenues Over Expenditures	-	-	11,735,434	11,735,434
Net Change in Fund Balances	-	-	11,735,434	11,735,434
Fund Balances, Beginning of Year	52,618,528	52,618,528	52,618,528	-
Fund Balances, End of Year	\$ 52,618,528	\$ 52,618,528	\$ 64,353,962	\$ 11,735,434

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2021**

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, 2021. 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, 2021:

	General Fund	Measure K and Measure K Renewal Fund	Regional Transportation Impact Fee Fund	SJCOG, INC.
General administration	\$ -	\$ -	\$ (6,962)	\$ (92,868)
Streets and roads	-	(2,773,425)	-	-
Capital assets	-	-	-	(8,058,319)
Office expense	(14,347)	-	-	-
Salaries - vacation sales	(14,836)	-	-	-
Investment expense	-	(172,358)	-	-
Debt service - principal	-	(5,220,000)	-	-
Debt service - interest	-	(14,718,900)	-	-
Allocated service cost	(1,079)	-	-	-

OTHER SUPPLEMENTARY INFORMATION

SAN JOAQUIN COUNCIL OF GOVERNMENTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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)	\$ 119,275
			CMLNI-6088(067)	1,011,957
			CMLNI-6088(072)	303,572
			RPSTCML-6088 (068)	<u>1,603,321</u>
Total State of California Department of Transportation				<u>3,038,125</u>
Passed through the County of Merced				
Merced County Association of Governments				
Highway Planning and Construction*	20.205	13-612-9918	CMAQ #C19-026	56,507
Passed through the County of Stanislaus				
Stanislaus Council of Governments				
Highway Planning and Construction*	20.205	19-731-3732	CMAQ #C19-005	<u>368,562</u>
Total U.S. Department of Transportation				<u>3,463,194</u>
Total Highway Planning and Construction Cluster				<u>3,463,194</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	496,030
			MFTA#74A0139-FHWA PL 2021	<u>1,407,914</u>
Total U.S. Department of Transportation				<u>1,903,944</u>
Total Federal Expenditures				<u>\$ 5,367,138</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 REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2021**

Note 1: Budgetary Basis of Accounting

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Office expense	(14,347)	-	-	-
Salaries - vacation sales	(14,836)	-	-	-
Investment expense	-	(172,358)	-	-
Debt service - principal	-	(5,220,000)	-	-
Debt service - interest	-	(14,718,900)	-	-
Allocated service cost	(1,079)	-	-	-

SAN JOAQUIN COUNCIL OF GOVERNMENTS
 OVERALL WORK PROGRAM COSTING SYSTEM
 SCHEDULE OF REVENUES, EXPENDITURES AND OTHER ITEMS BY FUNDING SOURCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund												
	Budget	Local Transp. Funds Planning	Local Transp. Funds TDA-Admin	Local Transp. Funds Dibs vanpool	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	1,099,100	1,433,670	-	-	-	-	-	-	-	-	-	-	-
Local Transportation Fund (TDA Administration)	290,000	-	290,000	-	-	-	-	-	-	-	-	-	-
Local Transportation Fund (dibs allocation)	695,000	-	-	146,020	-	-	-	-	-	-	-	-	-
State Transit Assistance	134,391	-	-	-	105,939	-	-	-	-	-	-	-	-
Congestion Mitigation Air Quality CML 6098(060)	-	-	-	-	-	119,275	-	-	-	-	-	-	-
Congestion Mitigation Air Quality CMLNI 6088(067)	1,086,957	-	-	-	-	1,011,957	-	-	-	-	-	-	-
Congestion Mitigation Air Quality CMLNI 6088(072)	550,000	-	-	-	-	303,572	-	-	-	-	-	-	-
Congestion Mitigation Air Quality RPSTCML 6088(068)	2,421,802	-	-	-	-	1,603,321	-	-	-	-	-	-	-
(Federal CMAQ Merced)	50,300	-	-	-	-	-	56,507	-	-	-	-	-	-
State/Caltrans - Fwy Svc patrol FSP19 SB1-6088(066)	429,351	-	-	-	-	-	-	374,905	-	-	-	-	-
SB1 State/Caltrans - Fwy Svc patrol FSP14-6088(063)	200,000	-	-	-	-	-	-	10,064	-	-	-	-	-
State/Caltrans - Fwy Svc patrol FSP14-6088(064)	200,000	-	-	-	-	-	-	93,516	-	-	-	-	-
State/Caltrans - Fwy Svc patrol FSP20-6088(069)	400,000	-	-	-	-	-	-	207,984	-	-	-	-	-
State/Caltrans - Fwy Svc patrol FSP20 SB1 - 6088(070)	490,546	-	-	-	-	-	-	-	-	-	-	-	-
StanCOG CMAQ TDM Ridesharing	245,800	-	-	-	-	-	-	-	368,562	-	-	-	-
FTA 5303 MPO Planning	329,899	-	-	-	-	-	-	-	-	284,130	-	-	-
FTA 5303 MPO Planning Carryover	284,293	-	-	-	-	-	-	-	-	211,901	-	-	-
Federal Highway PL Planning & Admin.	1,326,014	-	-	-	-	-	-	-	-	-	-	1,322,129	-
Federal Highway PL Planning & Admin. Carryover	85,785	-	-	-	-	-	-	-	-	-	-	85,785	-
Interest	20,000	-	-	-	-	-	-	-	-	-	-	-	-
Measure K (LTA admin)	671,000	-	-	-	-	-	-	-	-	-	-	-	-
Measure K (LTA planning)	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-
State Senate Bill (SB1) awarded in FYE 18/19	121,583	-	-	-	-	-	-	-	-	-	-	-	-
State Senate Bill (SB1) awarded in FYE 19/20	335,077	-	-	-	-	-	-	-	-	-	-	-	-
State Senate Bill (SB1) Competitive awarded in FYE 19/20	188,614	-	-	-	-	-	-	-	-	-	-	-	-
State Senate Bill (SB1) awarded in FYE 20/21	353,812	-	-	-	-	-	-	-	-	-	-	-	-
City of Lodi Greenline Feasibility (SB1) awarded in FYE 19/20	97,350	-	-	-	-	-	-	-	-	-	-	-	-
State of California Dept of HCD (REAP)	845,097	-	-	-	-	-	-	-	-	-	-	-	-
State of California Air Resources Board CARB (STEP)	1,462,331	-	-	-	-	-	-	-	-	-	-	-	-
RTF Admin Operating	-	-	-	-	-	-	-	-	-	-	-	-	-
RTF Project Operating	341,491	-	-	-	-	-	-	-	-	-	-	-	-
RTF 3rd party costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Valley Wide Air Quality	181,100	-	-	-	-	-	-	-	-	-	-	-	-
STIP PPM	290,000	-	-	-	-	-	-	-	-	-	-	-	-
SJCOG Fees/Local other (One Voice)	-	-	-	-	-	-	-	-	-	-	-	-	-
SJCOG Fees/Local other (Data Sales)	-	-	-	-	-	-	-	-	-	-	-	-	-
SJCOG Fees/Local other (Room Rental)	-	-	-	-	-	-	-	-	-	-	-	-	-
SJCOG Fees/Local other	10,000	-	-	-	-	-	-	-	-	-	-	-	-
SJCOG Fees/ALUC	60,000	-	-	-	-	-	-	-	-	-	-	-	-
SACOG FSP	207,000	-	-	-	-	-	-	-	-	-	-	-	-
SACOG TDM Trip Planning System and 511	150,000	-	-	-	-	-	-	-	-	-	-	-	-
Rural Planning Assistance (RPA)	50,000	-	-	-	-	-	-	-	-	-	-	-	-
Tri County RTP & SCE Services (local)	35,547	-	-	-	-	-	-	-	-	-	-	-	-
Model Base Update (MCAQ LOA local)	13,189	-	-	-	-	-	-	-	-	-	-	-	-
State grant on Affordable Housing	43,230	-	-	-	-	-	-	-	-	-	-	-	-
Habitat Plan Administration SJCOG, INC.	605,000	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	17,400,788	1,433,670	290,000	146,020	105,939	1,434,804	1,603,321	56,507	686,468	368,562	496,030	-	1,407,914
Expenditures:													
601.01 RTP Update	925,166	150,812	-	-	-	-	-	-	-	-	196,272	-	466,427
601.011 RTP (AHSC)	43,230	-	-	-	-	-	-	-	-	-	-	-	-
601.013 SCS Implementation (Awarded in FYE 18/19)	151,583	-	-	-	-	-	-	-	-	-	-	-	-
601.014 SCS Implementation (Awarded in FYE 19/20)	388,077	-	-	-	-	-	-	-	-	-	-	-	-
601.015 SB1 Adaptation planning grant (Awarded in FYE 19/20)	220,914	-	-	-	-	-	-	-	-	-	-	-	-
601.016 SCS Implementation (Awarded in FYE 20/21)	455,359	-	-	-	-	-	-	-	-	-	-	-	-
601.02 RTP - Studies	393,957	-	-	-	-	-	-	-	-	-	-	-	-
602.01 R.T.I.P.	273,232	-	-	-	-	-	-	-	-	-	42,131	-	170,970
603.01 Road/Street Monitoring	140,089	-	-	-	-	-	-	-	-	-	-	-	-
603.015 I205 Managed Lane Project Development	2,735,573	-	-	-	-	1,603,321	-	-	-	-	-	-	-
603.02 Transit Coordination	515,211	-	-	-	-	-	-	-	-	-	257,627	-	-
603.03 Transportation Air Quality	619,100	-	-	-	-	-	-	-	-	-	-	-	370,000
603.04 Trans/Air Quality Model	20,543	-	-	-	-	-	-	-	-	-	-	-	-
701.01 Technical Assistance	324,350	-	-	-	-	-	-	-	-	-	-	-	-
801.01 Intergov. Coordination	342,453	-	-	-	-	-	-	-	-	-	-	-	-
801.012 Intergov. Coordination (RPA)	50,000	-	-	-	-	-	-	-	-	-	-	-	-
801.02 Projects & Forecasts	232,000	-	-	-	-	-	-	70,365	-	-	-	-	-
801.03 Aviation and Land Use	141,000	-	-	-	-	-	-	50,263	-	-	-	-	-
801.04 Congestion Mgmt.	268,000	-	-	-	-	-	-	-	-	-	-	-	180,000
801.05 Regional Planning	152,000	-	-	-	-	-	-	-	-	-	-	-	-
801.06 Valley MPO Coord.	102,000	-	-	-	-	-	-	-	-	-	-	-	-
801.09 Habitat Plan Implementation(See INC Task number)	605,000	-	-	-	-	-	-	-	-	-	-	-	-
901.01 Measure K program mgt.	315,500	-	-	-	-	-	-	-	-	-	-	-	-
901.02 RTIF	107,720	-	-	-	-	-	-	-	-	-	-	-	-
901.03 Smart Growth	17,000	-	-	-	-	-	-	-	-	-	-	-	-
1001.01 COG OWP mgmt. & admin.	104,040	-	-	-	-	-	-	-	-	-	-	-	79,040
1001.02 TDA Administration	530,500	-	287,912	-	-	-	-	-	-	-	-	-	-
1001.03 Community Involvement	152,100	-	-	-	-	-	-	-	-	-	-	-	102,100
1101.01 TDM Ridesharing	2,778,057	-	-	146,020	-	1,434,804	-	56,507	-	368,562	-	-	-
1201.01 Freeway Service Patrol	1,927,027	-	-	-	-	-	-	-	686,468	-	-	-	-
1201.03 SJCOG Interns	19,580	-	-	-	-	-	-	-	-	-	-	-	-
1301.01 Performance Based Planning & Programming	43,000	-	-	-	-	-	-	-	-	-	-	-	39,377
13501.01 SJV Regional Early Action Planning Committee for Housing (REAP)	845,097	-	-	-	-	-	-	-	-	-	-	-	-
1375.01 Sustainable Transportation Equity Project (STEP)	1,462,331	-	-	-	-	-	-	-	-	-	-	-	-
Total 2021 Project Expenditures	17,400,788	397,546	287,912	146,020	-	1,434,804	1,603,321	56,507	686,468	368,562	496,030	-	1,407,914
Other Items (not billed through OWP)													
SJCOG INC	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional provision for capital outlay	-	71,483	-	-	-	-	-	-	-	-	-	-	-
Depreciation cost recovery (A-87 Eligible Only)	-	(322,392)	-	-	-	-	-	-	-	-	-	-	-
Cumulative under-recovered	-	1,287,033	-	-	-	-	-	-	-	-	-	-	-
Total Other Items	-	1,036,124	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Other Items	17,400,788	1,433,670	287,912	146,020	-	1,434,804	1,603,321	56,507	686,468	368,562	496,030	-	1,407,914
Excess (Deficit) Revenues, Expenditures and Other Items Current:													
			2,088	-	105,939	-	-	-	-	-	-	-	-

SAN JOAQUIN COUNCIL OF GOVERNMENTS
 OVERALL WORK PROGRAM COSTING SYSTEM
 SCHEDULE OF REVENUES, EXPENDITURES AND OTHER ITEMS BY FUNDING SOURCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

LTA Measure K	State/Senate Bill (SB1)	State of Calif Dept of HCD REAP	State of Calif Air Resources Board(CARB) STEP	RTIF	General Fund				SACOG FSP Match	SACOG TDM Trip Planning system	Rural Planning Assistance (RPA)	RTP Modeling Service Reimb. (Local)	State Grant Affordable Housing	City of Manteca	Habitat Plan Admin. SJCOG, INC.	Totals	Favorable (Unfavorable) Variance
					Valley Wide Air Quality	STP PP&M	Interest/ Other Local	ALUC									
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,433,670	334,570	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	290,000	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	146,020	(548,980)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	105,939	(28,452)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	119,275	119,275	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,011,857	(75,000)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	303,572	(246,428)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,603,321	(818,481)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56,507	6,207	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	374,905	(54,475)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,064	(189,936)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	93,516	(106,484)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	207,984	(192,016)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	368,562	(490,646)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	122,762	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	284,130	(45,769)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	211,901	(72,392)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,322,129	(3,885)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85,785	-	
-	-	-	-	-	-	-	-	9,463	-	-	-	-	-	-	9,463	(10,537)	
671,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	671,000	-	
1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000	-	
-	121,583	-	-	-	-	-	-	-	-	-	-	-	-	-	121,583	-	
-	153,588	-	-	-	-	-	-	-	-	-	-	-	-	-	153,588	(181,488)	
-	89,416	-	-	-	-	-	-	-	-	-	-	-	-	-	89,416	(99,198)	
-	221,487	-	-	-	-	-	-	-	-	-	-	-	-	-	221,487	(132,325)	
-	4,837	-	-	-	-	-	-	-	-	-	-	-	-	-	4,837	(92,513)	
-	-	45,061	-	-	-	-	-	-	-	-	-	-	-	-	45,061	(800,036)	
-	-	-	30,735	-	-	-	-	-	-	-	-	-	-	-	30,735	(1,431,596)	
-	-	-	-	36,962	-	-	-	-	-	-	-	-	-	-	36,962	36,962	
-	-	-	-	423,652	-	-	-	-	-	-	-	-	-	-	423,652	82,161	
-	-	-	-	5,586	-	-	-	-	-	-	-	-	-	-	5,586	5,586	
-	-	-	-	-	168,212	-	-	-	-	-	-	-	-	-	168,212	(12,888)	
-	-	-	-	-	-	248,658	-	-	-	-	-	-	-	-	248,658	(41,342)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	51,697	-	-	-	-	-	51,697	(10,000)	
-	-	-	-	-	-	-	-	-	190,503	-	-	-	-	-	190,503	(8,303)	
-	-	-	-	-	-	-	-	-	-	70,266	-	-	-	-	70,266	(79,734)	
-	-	-	-	-	-	-	-	-	-	-	50,000	-	-	-	50,000	-	
-	-	-	-	-	-	-	-	-	-	-	-	28,279	-	-	28,279	(35,547)	
-	-	-	-	-	-	-	-	-	-	-	-	-	7,785	-	7,785	15,990	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	743,297	743,297	(35,445)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	138,297	
1,671,000	590,911	45,061	30,735	466,200	168,212	248,658	9,463	51,697	190,503	70,266	50,000	28,279	7,785	-	743,297	12,401,303	(4,999,485)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	813,511	111,655	
280	-	-	-	-	-	-	-	-	-	-	-	-	7,785	-	8,064	35,166	
-	121,583	-	-	-	-	-	-	-	-	-	-	-	-	-	150,232	1,351	
-	153,588	-	-	-	-	-	-	-	-	-	-	-	-	-	179,251	208,826	
-	89,416	-	-	-	-	-	-	-	-	-	-	-	-	-	101,001	119,913	
-	221,487	-	-	-	-	-	-	-	-	-	-	-	-	-	281,607	173,662	
22,200	-	-	-	-	-	160,192	-	-	-	-	-	-	-	-	182,392	211,565	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	213,100	60,132	
6,592	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95,058	45,031	
-	-	-	-	417,174	-	-	-	-	-	-	-	-	-	-	2,020,495	715,078	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	257,627	257,584	
16,447	-	-	-	-	168,212	-	-	-	-	-	-	28,279	-	-	582,938	36,162	
6,009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,009	14,534	
139,924	4,837	-	-	-	-	-	-	-	-	-	-	-	-	-	144,761	179,589	
284,392	-	-	-	-	-	-	9,463	-	-	-	-	-	-	-	293,855	48,598	
-	-	-	-	-	-	-	-	-	-	50,000	-	-	-	-	50,000	-	
119,768	-	-	-	-	-	-	-	-	-	-	-	-	-	-	190,133	41,867	
77,358	-	-	-	-	-	-	-	51,697	-	-	-	-	-	-	101,960	39,040	
106,934	-	-	-	-	-	-	-	-	-	-	-	-	-	-	257,358	10,642	
99,763	-	-	-	-	-	-	-	-	-	-	-	-	-	-	106,934	45,066	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	99,763	2,237	
187,356	-	-	-	-	-	-	-	-	-	-	-	-	-	-	187,356	605,000	
7,598	-	-	-	42,546	-	-	-	-	-	-	-	-	-	-	50,145	57,574	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	187,356	128,144	
16,771	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50,145	57,574	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95,811	17,000	
44,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	287,912	8,239	
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	146,600	242,588	
7,811	-	-	-	-	-	-	-	-	190,503	70,266	-	-	-	-	2,076,159	5,500	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	876,971	701,898	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,811	1,650,056	
-	-	45,061	-	-	-	-	-	-	-	-	-	-	-	-	39,377	11,769	
-	-	-	30,735	-	-	-	-	-	-	-	-	-	-	-	45,061	3,623	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,735	800,036	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,431,596	
1,143,702	590,911	45,061	30,735	459,720	168,212	248,658	9,463	51,697	190,503	70,266	50,000	28,279	7,785	-	9,980,077	7,420,710	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71,483	(71,483)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(322,392)	322,392	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,287,033	(1,287,033)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,036,124	(1,036,124)	
1,143,702	590,911	45,061	30,735	459,720	168,212	248,658	9,463	51,697	190,503	70,266	50,000	28,279	7,785	-	11,016,201	6,384,586	
527,298	-	-	-	6,479	-	-	-	-	-	-	-	-	-	-	743,297	1,385,102	1,385,101

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Schedule of Direct and Indirect Expenditures
For the Year Ended June 30, 2021

	Direct	Indirect	Unallowable Expense	Total
Salaries(Unallowable included in Direct base)	1,361,257	1,596,242	23,432	2,980,931
Fringe benefits(Unallowable included in Direct)	497,845	579,334	10,830	1,088,009
Office expense	27,523	256,657	167	284,347
Communications	-	58,827	-	58,827
Memberships	669	29,063	4,640	34,372
Rent - equipment	-	97,723	-	97,723
Capital lease principal payments	-	-	32,992	32,992
Interest - building debt service	-	71,524	48,881	120,405
Transportation, travel and training	2,432	6,050	3	8,485
Professional and special services	5,622,089	200,644	121,788	5,944,521
Departmental costs allocated	-	1,079	-	1,079
Publications and legal notices	3,874	4,665	-	8,539
Insurance	-	115,758	21,288	137,046
Capital outlay	-	-	71,483	71,483
Maintenance - equipment	-	4,532	-	4,532
Maint. - struct. & grounds - Taxes	-	70,368	2,887	73,255
Utilities	-	115,088	5,770	120,858
Misc	-	1	-	1
SUBTOTAL EXPENDITURES	<u>7,515,689</u>	<u>3,207,555</u>	<u>344,161</u>	<u>11,067,405</u>
Other reconciling items:				
Depreciation		263,795	58,597	322,392
TOTAL EXPENDITURES	<u><u>7,515,689</u></u>	<u><u>3,471,350</u></u>	<u><u>402,758</u></u>	<u><u>11,389,797</u></u>

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, 2021

REVENUES	Budgeted Amounts		Actual Amounts	Favorable
	Original	Final		(Unfavorable)
Intergovernmental	\$ 13,673,495	\$ 17,380,788	\$ 12,391,378	\$ (4,989,410)
Use of money and property	5,000	5,000	9,925	4,925
Miscellaneous	15,000	15,000	-	(15,000)
Total Revenues	13,693,495.00	17,400,788	\$ 12,401,303	(4,999,485)
EXPENDITURES				
Regional Transportation Plan	753,901	925,166	813,511	111,655
Regional Transportation Plan (Affordable Housing)	25,000	43,230	8,064	35,166
SB1 awarded FY 18/19 Sustainable Comm. Planning Studies	225,000	151,583	150,232	1,351
SB1 awarded FY 19/20 Sustainable Comm. Planning Studies	229,000	388,077	179,251	208,826
SB1 awarded FY 19/20 Adaptation Planning	132,300	220,914	101,001	119,913
SB1 awarded FY 20/21 Sustainable Comm. Planning Studies	387,672	455,359	281,697	173,662
Regional Planning Studies	153,957	393,957	182,392	211,565
Transportation Improvement Program	227,000	273,232	213,100	60,132
Roads and Streets Monitoring	532,089	140,089	95,058	45,031
I-205 Managed Lanes Project	2,735,573	2,735,573	2,020,495	715,078
Transit Coordination and Planning	444,391	515,211	257,627	257,584
Transportation Air Quality Planning	654,289	619,100	582,937	36,163
Goods Movement	100,543	20,543	6,009	14,534
Ongoing Technical Assistance	34,000	324,350	144,761	179,589
Intergovernmental Coordination	342,453	342,453	293,855	48,598
Intergovernmental Coord. Rural Planning Assistance	50,000	50,000	50,000	-
Projections and Forecasts	152,000	232,000	190,133	41,867
Aviation / Airport and Land Use	48,000	141,000	101,960	39,040
Congestion Management Prog/Sys	267,000	268,000	257,358	10,642
Regional Planning	83,000	152,000	106,934	45,066
Valley MPO Coordination	102,000	102,000	99,763	2,237
Habitat Plan Implementation	605,000	605,000	-	605,000
Measure K Program Mgmt/Admin	315,500	315,500	187,356	128,144
RTIF	107,720	107,720	50,146	57,574
Smart Growth	17,000	17,000	-	17,000
COG Overall Work Plan Administration	165,000	104,040	95,811	8,229
TDA Administration	530,500	530,500	287,912	242,588
Community Involvement	150,000	152,100	146,600	5,500
Transportation Demand Management	2,008,000	2,778,057	2,076,159	701,898
Freeway Service Patrol	1,927,027	1,927,027	876,971	1,050,056
SJCOG Interns	109,580	19,580	7,811	11,769
Performance Based Planning & Programming	79,000	43,000	39,377	3,623
SJV Regional Early Action Planning Committee for Housing (REAP)	-	845,097	45,061	800,036
Sustainable Transportation Equity Project (STEP)	-	1,462,330	30,735	1,431,595
Total 2020/21 project Expenditures	13,693,495.00	17,400,788.00	9,980,077.00	7,420,711.00
Other (not billed through Overall Work Program)				
Additional provision for capital outlay	-	-	71,483	(71,483)
Depreciation cost recovery A-87 assets only	-	-	(322,392)	322,392
Total Other	-	-	(250,909)	250,909
Overhead (overclaimed) underclaimed - prior periods	-	-	1,287,033	(1,287,033)
Total Adjusted Project Expenditures	13,693,495.00	17,400,788	11,016,201	6,384,587
Net Change in Fund Balance	-	-	1,385,102	1,385,102
Fund Balance - Beginning	-	-	6,086	6,086
Fund Balance - Ending	\$ -	\$ -	\$ 1,391,188	1,391,188

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Schedule of Balances
Local Transportation Fund
For the Fiscal Year Ending June 30, 2021

	SJRTD	Lathrop	Lodi	Manteca	Tracy	Ripon	Escalon	SJRC	SJ County	Stockton	SJCOG Planning	Total LTF Funds
ASSETS:												
Cash in treasury	\$ 11,118	\$ 1,222,967	\$ 4,389,930	\$ 8,037,363	\$ 5,410,516	\$ 691,460	\$ 322,697	\$ 4,468,248	\$ 25,265	\$ 350,129	\$ -	\$ 24,929,693
Sales tax apportionment receivable	6,519,185	341,361	934,609	1,146,921	1,270,385	227,424	106,299	367,533	-	-	-	10,913,717
Interest receivable	181	858	3,282	6,397	3,963	461	215	3,746	132	275	-	19,510
Due from other Funds	(590,056)	(33,694)	(92,288)	(113,195)	(125,516)	(22,430)	(10,492)	594,969	23,580	46,741	322,381	-
Total Assets	\$ 5,940,428	\$ 1,531,492	\$ 5,235,533	\$ 9,077,486	\$ 6,559,348	\$ 896,915	\$ 418,719	\$ 5,434,496	\$ 48,977	\$ 397,145	\$ 322,381	\$ 35,862,920
LIABILITIES AND FUND EQUITY												
Liabilities:												
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 322,381	\$ 322,381
Intergovernmental payable	248,426	975,563	1,659,522	-	1,266,600	796,032	320,132	4,800,086	-	303,249	-	10,369,610
Total Liabilities	248,426	975,563	1,659,522	-	1,266,600	796,032	320,132	4,800,086	-	303,249	322,381	10,691,991
Fund Equity:												
Apportioned	5,692,002	555,929	3,576,011	9,077,486	5,292,748	100,883	98,587	634,410	48,977	93,896	-	25,170,929
Total Fund Equity	5,692,002	555,929	3,576,011	9,077,486	5,292,748	100,883	98,587	634,410	48,977	93,896	-	25,170,929
Total Liabilities and Fund Equity	\$ 5,940,428	\$ 1,531,492	\$ 5,235,533	\$ 9,077,486	\$ 6,559,348	\$ 896,915	\$ 418,719	\$ 5,434,496	\$ 48,977	\$ 397,145	\$ 322,381	\$ 35,862,920

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Local Transportation Fund
For the Fiscal year Ending June 30, 2021

	SJRTD	Lathrop	Lodi	Manteca	Tracy	Ripon	Escalon	SJRRRC	SJ County	Stockton	SJCOG Planning	SJCOG TDA Admin.	SJ County Auditor	Total LTF Funds
REVENUE:														
Sales tax	\$ 25,727,896	\$ 1,334,750	\$ 3,654,358	\$ 4,484,558	\$ 4,967,183	\$ 889,262	\$ 415,637	\$ 5,377,055	\$ 197,927	\$ 391,940	\$ 1,433,670	\$ 290,000	\$ 2,000	\$ 49,166,236
Interest	5,276	3,021	16,131	26,867	14,580	2,074	588	12,227	570	1,007	-	-	-	82,341
Unrealized Gains	(4,886)	1,948	7,920	29,783	13,918	1,206	1,879	21,274	(63)	2,101	-	-	-	75,080
(Losses) on Investments	25,728,286	1,339,719	3,678,409	4,541,208	4,995,681	892,542	418,104	5,410,556	198,434	395,048	1,433,670	290,000	2,000	49,323,657
Total Revenue														
EXPENDITURES:														
SJRTD	20,036,709	-	-	-	-	-	-	-	-	-	-	-	-	20,036,709
Lathrop	-	975,563	-	-	-	-	-	-	-	-	-	-	-	975,563
Lodi	-	-	1,659,522	-	-	-	-	-	-	-	-	-	-	1,659,522
Manteca	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tracy	-	-	-	-	1,266,600	-	-	-	-	-	-	-	-	1,266,600
Ripon	-	-	-	-	-	796,032	-	-	-	-	-	-	-	796,032
Escalon	-	-	-	-	-	-	320,132	-	-	-	-	-	-	320,132
SJRRRC	-	-	-	-	-	-	-	4,800,086	-	-	-	-	-	4,800,086
S.J. County	-	-	-	-	-	-	-	-	151,467	-	-	-	-	151,467
Stockton	-	-	-	-	-	-	-	-	-	303,249	-	-	-	303,249
SJCOG Planning	-	-	-	-	-	-	-	-	-	-	1,433,670	-	-	1,433,670
SJCOG TDA Admin.	-	-	-	-	-	-	-	-	-	-	-	290,000	-	290,000
S.J. County Auditor/Contr.	-	-	-	-	-	-	-	-	-	-	-	-	2,000	2,000
Total Expenditures	20,036,709	975,563	1,659,522	4,541,208	1,266,600	796,032	320,132	4,800,086	151,467	303,249	1,433,670	290,000	2,000	32,035,030
Excess (deficit) of Revenues Over Expenditures	5,691,577	364,156	2,018,887	4,541,208	3,729,081	96,510	97,972	610,470	46,967	91,799	-	-	-	17,288,627
OTHER FINANCING SOURCES (USES):														
Interfund transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance Beginning of Year Restatement	425	191,773	1,557,124	4,536,278	1,563,667	4,373	615	23,940	2,010	2,097	-	-	-	7,882,302
Fund Balance Beginning as restated	425	191,773	1,557,124	4,536,278	1,563,667	4,373	615	23,940	2,010	2,097	-	-	-	-
Fund Balance End of Year	\$ 5,692,002	\$ 555,929	\$ 3,576,011	\$ 9,077,486	\$ 5,292,748	\$ 100,883	\$ 98,587	\$ 63,441	\$ 48,977	\$ 93,896	\$ -	\$ -	\$ -	\$ 25,170,929

SAN JOAQUIN COUNCIL OF GOVERNMENTS

SCHEDULE OF ALLOCATIONS AND EXPENDITURES
LOCAL TRANSPORTATION FUND

For the Year Ended June 30, 2021

<u>PUC Section</u>	<u>Purpose</u>	<u>Allocated/ Expended</u>
99233.1	Administration:	
	Council	\$ 290,000
	County of San Joaquin	2,000
		292,000
99233.4	Rail Service:	
	San Joaquin Regional Rail Commission	4,800,086
99234	Pedestrian and Bicycle Facilities:	
	County of San Joaquin	151,467
	City of Escalon	7,360
	City of Stockton	303,249
	City of Tracy	87,957
	City of Lodi	75,207
	City of Ripon	18,301
	City of Lathrop	27,301
		670,842
99260	Public Transportation:	
	San Joaquin Regional Transit District	19,403,426
99260	Public Transportation System Planning:	
	Council of Governments	1,433,670
Article 4.5 #99275	Community Transit Services	
	San Joaquin Regional Transit District	633,283
99400(a)	Streets, Roads, Pedestrian and Bicycle Projects:	
	County of San Joaquin	
	City of Escalon	312,772
	City of Tracy	
	City of Lodi	800,000
	City of Ripon	777,731
	City of Lathrop	948,262
		2,838,765
99400(c)	Contracted Public Transportation - Operations:	
	City of Escalon	
	City of Tracy	494,129
	City of Lodi	784,315
		1,278,444
99400(e)	Contracted Public Transportation - Capital:	
	City of Tracy	684,514
	City of Lodi	
		684,514
	Total:	\$ <u><u>32,035,030</u></u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Schedule of Balances
State Transit Assistance Fund
For the Fiscal Year Ending June 30, 2021

	SJRTD	Lodi	Ripon	SJRRC	Manteca	Tracy	Escalon	SJCOG TDA Admin.	Total STA Funds
ASSETS:									
Cash in treasury	\$ 2,070,703	\$ 356,183	\$ 75,319	\$ 2,310,562	\$ 691,536	\$ 2,333,531	\$ 105,286	\$ -	\$ 7,943,120
Sales tax apportionment receivable	1,217,728	27,213	3,986	620,981	18,292	23,480	2,410	-	1,914,090
Interest receivable	1,767	309	64	1,757	604	2,069	91	-	6,661
Total Assets	3,290,198	383,705	79,369	2,933,300	710,432	2,359,080	107,787	-	9,863,871
LIABILITIES AND FUND EQUITY									
Liabilities									
Intergovernmental payable	123,741	32,238	1,610	1,701,967	220,170	8,362	1,885	-	2,089,973
Total Liabilities	123,741	32,238	1,610	1,701,967	220,170	8,362	1,885	-	2,089,973
FUNDEQUITY									
Apportioned	3,166,457	351,467	77,759	1,231,333	490,262	2,350,718	105,902	-	7,773,898
Total Fund Equity	3,166,457	351,467	77,759	1,231,333	490,262	2,350,718	105,902	-	7,773,898
Total Liabilities and Fund Equity	\$ 3,290,198	\$ 383,705	\$ 79,369	\$ 2,933,300	\$ 710,432	\$ 2,359,080	\$ 107,787	\$ -	\$ 9,863,871

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, 2021

	SJRTD	Lodi	Ripon	SJRR	MANTECA	TRACY	ESCALON	SJCOG STA Admin.	Total STA Funds
REVENUE:									
Sales tax	\$ 4,905,099	\$ 138,961	\$ 22,528	\$ 2,472,124	\$ 106,537	\$ 134,358	\$ 12,984	\$ 105,939	\$ 7,898,530
Interest STA	10,148	1,571	313	5,679	1,326	1,909	69	-	21,015
Interest PTMISEA	-	-	-	-	1,881	9,593	425	-	11,899
Interest TSSSDRA	-	-	-	470	-	-	-	-	470
Unrealized Gains	-	-	-	-	-	-	-	-	-
(Losses) on investments	3,061	715	181	9,556	1,083	3,003	171	-	17,770
Total Revenue	4,918,308	141,247	23,022	2,487,829	110,827	148,863	13,649	105,939	7,949,684
EXPENDITURES:									
SJRTD	3,530,518	-	-	-	-	-	-	-	-
Lodi	-	50,184	-	-	-	-	-	-	3,530,518
Ripon	-	-	1,610	-	-	-	-	-	50,184
SJRR	-	-	-	1,840,241	-	-	-	-	1,610
SJRR(TSSSDRA)	-	-	-	171,497	-	-	-	-	1,840,241
MANTECA	-	-	-	-	106,069	-	-	-	171,497
MANTECA(PTMISEA)	-	-	-	-	114,101	-	-	-	106,069
TRACY	-	-	-	-	-	8,362	-	-	114,101
ESCALON	-	-	-	-	-	-	1,886	-	8,362
SJCOG TDA Admin.	-	-	-	-	-	-	-	105,939	1,886
Total Expenditures	3,530,518	50,184	1,610	2,011,738	220,170	8,362	1,886	105,939	5,930,407
Excess (deficit) of Revenues Over Expenditures	1,387,790	91,063	21,412	476,091	(109,343)	140,501	11,763	-	2,019,277
OTHER FINANCING SOURCES (USES):									
Fund Balance Beginning of Year	1,778,667	260,404	56,347	755,242	599,605	2,210,217	94,139	-	5,754,621
Fund Balance End of Year	\$ 3,166,457	\$ 351,467	\$ 77,759	\$ 1,231,333	\$ 490,262	\$ 2,350,718	\$ 105,902	\$ -	\$ 7,773,898

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
STATE TRANSIT ASSISTANCE
For the Year Ended June 30, 2021**

<u>PUC Section</u>	<u>Purpose</u>	<u>Allocated/ Expended</u>
6730(a)	Public Transit:	
	San Joaquin Regional Transit District	\$ 768,558
	San Joaquin Regional Rail Commission	1,674,475
	City of Escalon	1,885
	City of Ripon	1,610
		<u>2,446,528</u>
6730(b)	Transit Capital:	
	San Joaquin Regional Transit District	2,393,943
	City of Lodi	32,238
	City of Tracy	8,362
		<u>2,434,543</u>
6731(b)	Transit Administration/Planning:	
	Council	105,939
Prop 1B	PTMISEA (CAPITAL)	
	City Of Manteca	114,101
		<u>114,101</u>
Prop 1B	TSSSDRA	
	San Joaquin Regional Rail	171,497
State of Goods Repair	State of Goods Repair	
	City of Manteca	106,069
	San Joaquin Regional Rail	165,767
	San Joaquin Regional Transit	368,017
	City of Lodi	17,946
		<u>657,799</u>
	Total:	\$ <u>5,930,407</u>

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SAN JOAQUIN COUNCIL OF GOVERNMENTS STATISTICAL SECTION

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

Contents:	Page
Financial Trends.....	76-80
These schedules contain trend information to help the reader understand how the Council's financial performance has changed over time.	
Revenue Capacity.....	81-87
These schedules contain information to help the reader assess the Council's most significant local revenue source, the sales tax.	
Debt Capacity.....	88-89
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.....	90-91
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.....	92-94
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 annual comprehensive financial reports for the relevant year.

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

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Governmental activities:										
Invested in capital assets, net of related debt	\$ 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	\$ 99,773,985
Restricted for:										
Habitat acquisition and management	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	64,353,334
Transportation projects	-	-	-	-	-	-	-	214,559,937	228,257,131	258,612,666
Unrestricted	(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)	(317,108,321)
Total primary government net assets	\$ (2,652,186)	(30,493,415)	(45,113,080)	(66,948,534)	(59,227,114)	(55,566,621)	(14,963,329)	26,765,968	48,125,392	\$ 105,631,664

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

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Program revenues:										
Governmental activities:										
Charges for services	\$ 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	\$ 20,831,520
Operating grants and contributions	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	155,464,879
Total program revenues - primary government	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	176,296,399
General revenues:										
Governmental activities:										
Unrestricted investment earnings	5,928	5,160	6,163	3,702	4,825	5,558	6,147	19,006	20,927	424,177
Miscellaneous	62,134	23,326	10,989	15,763	15,343	24,050	17,592	16,425	8,200	-
Total general revenues - primary government	68,062	28,486	17,152	19,465	20,168	29,608	23,739	35,431	29,127	424,177
Total revenues - primary government	\$ 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	\$ 176,720,576

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

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
EXPENSES										
Governmental activities:										
General government	\$ 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	\$ 13,984,948
Transportation	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	90,712,416
Habitat development	530,619	545,955	626,915	899,905	1,224,372	1,092,612	1,471,277	1,327,767	1,248,664	719,875
Commuter Connection	-	500	50	-	-	-	-	-	-	-
Building Interest expense	36,147	19,923	55,843	53,346	51,073	37,298	53,444	135,454	127,679	120,405
Measure K Renewal 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	13,676,660
Total primary government expenses	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	119,214,304
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General Government	125	-	-	-	-	-	-	-	-	-
Habitat Development	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	20,831,520
Operating grants and contributions	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	155,464,879
Total governmental activities program revenues	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	176,296,399
Total primary government net revenue (expense)	(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	57,082,095
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Unrestricted investment earnings	5,928	5,160	6,163	3,702	4,825	5,558	6,147	19,006	20,927	424,177
Miscellaneous	62,134	23,326	10,989	15,763	15,343	24,050	17,592	16,425	8,200	-
Total general revenues - primary government	68,062	28,486	17,152	19,465	20,168	29,608	23,739	35,431	29,127	424,177
CHANGE IN NET POSITION	\$ (30,600,902)	(26,872,153)	(14,619,665)	(16,190,408)	7,721,420	3,660,493	33,237,992	41,729,294	24,096,440	\$ 57,506,272
TOTAL PRIMARY GOVERNMENT										

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

	2011-12 *	2012-13 *	2013-14 *	2014-15 *	2015-16 *	2016-17 *	2017-18 *	2018-19 *	2019-20*	2020-21 *
General fund										
Nonspendable	\$ 134,925	\$ 105,199	\$ 94,515	\$ 134,269	\$ 97,503	\$ 74,606	\$ 141,195	\$ 102,277	\$ 125,030	\$ 132,710
Unassigned	(2,923,930)	(2,827,527)	(3,070,547)	(1,573,715)	(860,010)	(891,168)	(853,568)	(203,535)	(118,944)	1,258,478
Total general fund	\$ (2,789,005)	(2,722,328)	(2,976,032)	(1,439,446)	(762,507)	(816,562)	(712,373)	(101,258)	6,086	\$ 1,391,188
All other governmental funds										
Nonspendable	15,632,083	18,919,010	28,466,395	30,216,271	33,797,012	39,440,333	2,535	2,554	4,743	\$ 4,441
Restricted	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	322,966,000
Assigned	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)	(550)
Total all other governmental funds	\$ 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	\$ 322,969,891
Total Fund Balance	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	324,361,079

* 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)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
REVENUES										
Sales Tax	\$ 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	\$ 136,307,773
Prop 1B	1,575,000	18,463	36,926	100,000	18,463	345,704	388,284	3,239,059	1,094,419	1,367,538
Intergovernmental	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	12,391,453
Charges for services	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	23,440,649
Investment earnings	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	3,202,417
Other	83,489	797,874	402,439	2,403,574	122,998	721,055	3,040,790	7,010,482	603,943	10,746
Total revenues	\$ 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	\$ 176,720,576
EXPENDITURES										
General administration	\$ 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	\$ 13,641,027
Transportation	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	90,540,058
Habitat Plan	237,929	178,868	254,044	315,080	640,604	670,616	881,972	696,057	599,192	719,875
Investment expense	948,577	872,724	182,681	129,539	157,619	136,942	96,228	190,161	187,902	172,358
Debt service										
Principal	31,376	26,077	25,366	2,786,040	2,900,459	1,744,974	3,860,024	80,712,690	4,401,826	5,253,485
Interest	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	14,839,305
Capital outlay										
Capital assets	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	8,078,397
Capital leases	34,590	5,464	47,872	158,750	103,928	10,995	50,040	20,810	52,215	51,204
Total expenditures	\$ 114,982,882	116,644,447	106,831,817	123,186,730	106,700,661	109,880,676	120,345,064	203,998,289	124,933,114	\$ 133,295,709
Excess (Deficiency) of revenues over (under) expenditures	(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	43,424,867
OTHER FINANCING SOURCES (USES)										
2014 Tax Bond Proceeds	-	-	-	56,592,479	-	-	-	-	-	-
2011 Bond Defeasement	-	-	-	-	-	(241,083,827)	-	-	-	-
2017 Tax Bond Proceeds	-	-	-	-	-	239,584,484	-	75,543,919	-	-
Proceeds on sale of assets	-	-	-	-	-	-	-	-	11,690	-
Capital Leases	34,590	5,464	47,872	158,750	103,928	10,995	50,040	20,810	52,216	51,204
Total other financing sources (uses)	34,590	5,464	47,872	158,750	103,928	10,995	50,040	20,810	63,906	51,204
NET CHANGE IN FUND BALANCES	(\$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	\$43,476,071
Debt service as a percentage of noncapital expenditures	10.38%	10.53%	11.69%	13.90%	17.07%	17.59%	14.45%	49.44%	16.40%	16.05%

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

GENERAL FUND

For the Fiscal years Ending June 30, 2012 Through June 30, 2020

	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	6/30/21
INTERGOVERNMENTAL:										
TDA Administration	224,835	250,000	225,000	225,000	225,000	265,000	290,000	290,000	290,000	290,000
State Transit Assistance	73,175	76,832	75,072	71,168	54,342		144,767	126,947	129,273	105,939
RTIF Administration & third party costs	60,565	16,893	12,538	45,731	55,566	74,461	37,723	35,647	40,974	466,200
Freeway Service Patrol	218,774	537,791	832,446	848,758	777,908	317,490	273,936	487,661	305,235	301,499
Ridesharing - Stanislaus Co.	153,978	155,000	190,000	195,000	195,000	195,000	195,000	200,000	200,000	368,562
Ridesharing - Merced County/TDM	36,867	46,734	-	-	8,327	-	19,206	63,794	34,693	56,507
Rideshare-Amador/Calaveras/Tuolumne County	12,000	3,000	-	-	-	-	-	-	-	-
Habitat Funds/Habitat Management	292,690	367,086	372,871	584,825	583,768	421,996	589,305	631,710	649,472	742,868
Measure K (dibs)	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	1,671,000
Fed. Highways Png. & Admin/SPR										
Federal Transit Admin (5303),(5304),(5313)	1,213,771	1,154,608	1,190,763	1,575,259	1,505,580	1,243,678	1,262,697	1,306,208	1,325,221	1,407,914
FHWA Partnership Planning	300,610	380,023	203,105	437,164	343,739	212,908	295,198	423,132	346,932	496,030
IARC Mobility & Operations FTA 5316	-	1,108	78,598	68,788	140,774	154,717	-	-	-	-
RSTP	100,459	-	-	-	-	-	-	-	-	-
Calaveras COG	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/Congest. Mitigation/Rideshare	-	-	-	-	69,967	20,405	13,123	23,064	24,866	7,785
RPSTCML Federal (New funding FYE 19/20)	545,137	431,403	494,486	731,529	845,938	774,037	859,107	824,766	967,980	1,434,804
San Joaquin Valley Air District	-	-	-	-	-	-	-	-	1,375	1,603,321
Airport Land Use Commission	1,790	2,633	15,147	2,615	2,493	-	-	3,037	10,503	51,662
Sacramento COG 511/FSP Match/Website Upgrade	79,602	81,164	59,780	88,900	218,527	132,794	169,302	258,466	261,608	260,769
Sacramento COG SP&R	21,603	4,989	-	-	-	-	-	-	-	-
RTP / Sustainable Strategy	-	-	3,226	-	-	29,686	-	-	-	-
Caltrans SP&R Smart Growth Plan	209,155	-	-	-	-	-	-	-	-	-
SB 45 STIP PP&M Program	205,000	205,000	200,000	200,000	200,000	200,000	200,000	200,000	-	248,658
Caltrans State Public Trans Account Funds	-	-	18,000	-	-	-	-	-	-	-
Caltrans State Rural Planning Assistance	-	-	-	-	-	-	26,605	52,945	50,000	50,000
Caltrans State Senate Bill (SB1)	-	-	-	-	-	-	17,629	170,219	432,815	590,911
Caltrans State Senate Bill (FSP SB1)	-	-	25,000	-	-	-	-	109,841	399,924	384,969
Cost of issuance on Tax Bond	-	-	60,000	-	-	51,612	-	-	-	-
StarCOG Multi-County Travel Demand Model	-	-	-	-	-	-	-	-	-	-
Tri-County Forecasting	-	-	-	10,000	15,350	15,200	29,098	2,710	5,686	28,279
Valley blue print	-	-	-	-	-	-	-	-	-	-
Valley Wide Air Quality	190,061	155,331	165,750	134,624	192,710	145,089	164,590	112,734	194,019	168,212
ALUP - sjecog TDA	-	-	-	31,817	123,695	17,375	10,448	-	-	-
Planning - sjecog TDA	700,981	681,189	735,293	757,670	806,219	841,045	1,016,581	1,047,495	1,071,071	1,433,670
Miscellaneous	-	-	-	-	-	-	5,514	-	-	-
Total intergovernmental	6,146,015	6,092,679	6,485,808	7,524,225	8,154,034	7,113,340	7,484,526	8,377,835	8,416,783	12,391,376
Use of money and property:										
Interest income	5,699	5,084	6,163	3,701	4,825	5,557	6,150	19,003	20,487	9,466
Unrealized Gain (Loss) On Inv.	230	74	-	-	-	-	(3)	3	1,124	461
Total use of money and prop.	5,929	5,158	6,163	3,701	4,825	5,557	6,147	19,006	21,611	9,927
Miscellaneous:										
SICOG fees - data sales	125	-	-	-	-	-	-	-	-	-
Donations & Other local revenue	62,134	23,330	10,989	15,763	15,344	26,460	17,592	26,358	8,200	-
Total other revenue	62,259	23,330	10,989	15,763	15,344	26,460	17,592	26,358	8,200	-
Total Revenues	6,214,204	6,121,168	6,502,959	7,543,689	8,174,203	7,145,357	7,508,265	8,423,199	8,446,594	12,401,303

Source: Audited financial statements for the fiscal years ending June 30, 2012 through June 30, 2021

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

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

	6/30/12	6/30/13	6/30/14	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19	6/30/20	6/30/21
EXPENDITURES:										
RTP Update	\$ 161,325	463,545	897,004	631,264	612,405	342,379	942,262	389,453	644,618	813,511
RTP / Affordable Housing	-	-	-	-	69,967	19,805	13,127	23,674	24,870	8,064
SBI Sustainable Planning Studies Awarded in FY 17/18	-	-	-	-	-	-	19,913	142,847	249,318	-
SBI Sustainable Planning Studies Awarded in FY 18/19	-	-	-	-	-	-	-	55,646	215,966	150,232
SBI Sustainable Planning Studies Awarded in FY 19/20	-	-	-	-	-	-	-	-	21,998	179,251
SBI Sustainable Planning Grant awarded in FY 19/20	-	-	-	-	-	-	-	-	12,862	101,000
SBI Sustainable Planning Studies Awarded in FY 20/21	-	-	-	-	-	-	-	-	-	281,697
RTP studies	126,098	66,149	104,362	1,558	82,031	130,058	113,567	136,276	131,597	182,392
Regional Transp. Improv. Plan	284,602	352,156	377,440	420,885	426,434	211,197	261,659	399,500	369,775	213,100
Road/Street Monitoring	534,837	461,186	552,434	619,487	836,090	843,786	775,695	541,259	207,466	95,058
I-205 Managed Lane Project Development	-	-	-	461,302	425,450	212,908	372,349	520,325	6,478	2,020,495
Transit Coordination	473,827	534,510	524,971	509,867	496,806	535,089	683,877	507,297	595,284	257,627
Transportation Air Quality	82,034	46,885	4,472	45,858	52,365	13,017	23,199	10,096	7,197	582,938
Goods Movement/Partnership Planning	-	-	-	167,782	-	151,955	-	-	-	6,009
Ongoing Technical Assistance	11,045	14,832	19,119	10,377	48,584	12,571	2,001	1,260	83,759	144,761
Intergovernmental Coordination	250,967	231,065	233,658	260,088	240,638	247,793	294,456	320,999	208,227	293,855
Intergovernmental Coord. Rural Planning Assistance	-	-	-	-	-	-	-	-	50,000	50,000
Projects & Forecasts	91,988	89,751	79,036	121,028	199,628	150,142	172,296	185,615	146,469	190,133
Aviation/ Airport and Land Use	96,875	56,581	67,035	73,546	148,673	17,375	28,274	40,181	76,989	101,960
Congestion Management Prog/Sys	282,224	254,819	181,640	158,806	212,578	127,182	149,585	260,909	138,868	257,358
Regional Planning	28,117	31,040	34,841	27,620	37,969	45,103	56,529	131,176	83,689	106,934
Valley M.P.O. coordination	76,544	38,376	64,080	45,935	79,131	59,502	79,783	99,330	108,206	99,763
Interregional Partnership	16,804	-	-	-	-	-	-	-	-	-
Habitat Implementation	41,014	7,767	-	-	-	-	-	-	-	-
Measure K Program Management	171,515	170,589	148,419	166,377	176,710	218,818	264,401	299,511	234,620	187,356
RTIF	85,853	30,392	24,892	63,291	86,951	182,004	68,479	125,423	63,117	50,146
Smart Growth	269,804	-	-	8,500	7,493	7,493	3,124	7,090	993	-
COG OWP Mgmt. & Admin.	146,601	142,159	210,804	305,226	358,938	197,178	275,729	124,044	111,823	95,811
TDA Administration	272,981	271,265	278,191	369,794	329,559	272,086	341,040	347,597	296,391	287,912
Community Involvement	125,327	84,236	36,153	56,645	35,879	17,465	18,779	10,756	129,483	146,600
Capital Outlay/Deprec/Ins adjustment	(103,927)	(31,976)	7,462	140,583	134,467	(291,148)	(258,938)	(210,460,00)	(263,333,00)	(250,909)
Ridesharing - S.J. County/Stan. County TDM	889,092	660,358	800,224	1,016,841	1,173,641	1,005,873	1,139,304	1,188,030	1,279,184	2,076,159
Freeway Service Patrol	285,575	633,961	888,767	944,524	876,094	399,931	378,034	771,314	895,665	876,971
SJCOG Interns	-	-	-	-	-	3,188	88,856	80,402	59,350	7,811
Performance Based Planning & Programming	-	-	-	-	-	-	-	79,106	20,944	39,377
SJV Regional Early Action Planning Committee For Housing(REAP)	-	-	-	-	-	-	-	-	-	45,061
Sustainable Transportation Equity Project(STEP)	-	-	-	-	-	-	-	-	-	30,735
Under (over)-applied costs	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	1,287,033
Total Expenditures	\$ 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	\$ 11,016,201.00

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Retail Stores										
Apparel stores	5.17%	5.09%	5.08%	6.06%	6.12%	5.98%	5.95%	5.87%	4.58%	* N/A
General merchandise	10.85%	10.35%	9.92%	7.63%	7.43%	7.34%	7.98%	7.92%	8.06%	* N/A
Specialty stores	6.28%	5.98%	5.74%	6.32%	6.43%	6.21%	5.96%	5.77%	6.02%	* N/A
Eating and drinking group	10.60%	10.93%	11.22%	11.66%	12.09%	12.25%	12.03%	12.18%	8.99%	* N/A
Building material group	4.92%	5.31%	5.28%	5.31%	5.43%	5.58%	5.58%	5.49%	6.49%	* N/A
Automotive group	21.47%	21.88%	21.80%	20.15%	19.65%	19.98%	20.35%	19.45%	17.83%	* N/A
Other retail stores	8.57%	9.37%	9.44%	10.96%	11.06%	11.17%	11.18%	11.51%	16.92%	* N/A
Business and personal services	4.32%	4.32%	4.32%	4.52%	4.63%	4.67%	4.78%	5.41%	4.77%	* N/A
All other	27.82%	26.77%	27.20%	27.39%	27.16%	26.82%	26.19%	26.40%	26.34%	* N/A
Total	100.00%									

SOURCE: CALIFORNIA STATE BOARD OF EQUALIZATION

* 2021 DATA WAS NOT YET AVAILABLE

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

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Governmental activities:										
General government	\$ 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	\$ 13,984,948
Transportation	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	90,712,416
Habitat development	530,619	545,955	626,915	899,905	1,224,372	1,092,612	1,471,277	1,327,767	1,248,664	719,875
Commuter Connection	-	500	50	-	-	-	-	-	-	-
Interest expense	36,147	19,923	55,843	53,346	51,073	37,298	53,444	135,454	127,679	120,405
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	13,676,660
Total Expenditures	\$ 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	\$ 119,214,304

**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>
2020-21	\$ 49,166,236	\$ 6,530,992	\$ 80,610,545	\$ 136,307,773
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

San Joaquin Council of Governments
Revenue Capacity
Direct & Overlapping Sales Tax Rates
2012 - 2021

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
2021	0.50%	7.75%	8.25%	9.00%	8.25%	8.75%	8.25%
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%		

Source: California Department of Tax and Fee Administration

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

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

County & Cities	2011			2020			
	Rank	Taxable Sales	Percentage of Total	Rank	Taxable Sales	Percentage of Total	
San Joaquin County		8,426,951,754	100.00%		15,752,224,761	100.00%	N/A
Stockton	1	3,133,324,000	37.18%	1	4,760,070,084	30.22%	N/A
Unincorporated	2	1,270,179,214	15.07%	4	2,262,452,925	14.36%	N/A
Tracy	3	1,056,404,000	12.54%	2	2,854,012,006	18.12%	N/A
Unallocated	4	965,083,130	11.45%	3	2,811,311,864	17.85%	N/A
Lodi	5	767,162,000	9.10%	6	1,173,784,551	7.45%	N/A
Manteca	6	759,844,000	9.02%	5	1,111,947,483	7.06%	N/A
Lathrop	8	216,246,000	2.57%	8	414,613,851	2.63%	N/A
Ripon	7	197,260,000	2.34%	7	267,015,770	1.70%	N/A
Escalon	9	61,433,000	0.73%	9	97,016,227	0.62%	N/A
Total San Joaquin County		8,426,935,344	100.00%		15,752,224,761	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	2011		2014		2017		2019		COMMERCIAL PAPER	LINE OF CREDIT	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	SALES TAX BOND												
2021	-	*	46,977,747	**	216,887,938	***	74,281,011	75,785	-	-	338,222,481	N/A	431.7
2020	-	*	48,777,224	**	222,023,596	***	74,803,593	58,065	-	-	345,662,478	N/A	450.1
2019	-	*	49,441,700	**	227,439,254	***	75,326,176	42,675	-	-	352,249,805	1.0261%	462.5
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

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)
2021	783,534	252,686	3,628 *	\$4,968,216
2020	773,632	249,058	2,537	\$15,752,225
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

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
2021	783,534	N/A *	N/A *	N/A **	9.00%
2020	767,967	39,793,150	51,816	N/A **	4.20%
2019	761,571	34,327,494	45,075	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%

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 2020-2021 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 2020 and ten years prior**

Industry Type	2011		2020	
	Annual Average	% of Total	Annual Average	% of Total
Agriculture	15,600	7.51%	14,300	5.57%
Natural Resources & Mining	7,500	3.61%	13,000	5.07%
Manufacturing	18,500	8.91%	20,500	7.99%
Trade, Transportation & Utilities	48,500	23.35%	73,400	28.60%
Financial Activities	7,500	3.61%	7,800	3.04%
Professional & Business Services	15,200	7.32%	21,100	8.22%
Government	36,500	17.57%	43,100	16.80%
Educational & Health Services	33,700	16.23%	37,100	14.46%
Leisure & Hospitality	16,300	7.85%	18,400	7.17%
Other Services	6,300	3.03%	6,700	2.61%
Information	2,100	1.01%	1,200	0.47%
Total, All Industries	207,700	100%	256,600	100%

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

(1) Data for 2021 is not yet available, therefore, 2020 data is provided

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

FUNCTION	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	2
Manager of Administrative Services	1	1	1	1	1	1	1	1	1	1
Public Communications Manager	1	0	1	1	1	1	1	1	1	1
Project Manager	1	1	2	2	2	1	1	1	1	1
Planners	16	16	15	13	16	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	2	2	3	3	3	3	3
Building maintenance	0	0	0	0	0	0	0	0	0	0
Interns	2	1	0	0	0	2	2	2	2	2
Total Approved Full-Time Positions	33	31	31	27	30	32	32	32	32	33

**BY PROJECT
LAST TEN YEARS**

BY PROJECT	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
DIRECT PROJECTS										
Regional Transportation Plan Update	0.67	1.84	3.15	1.80	1.79	1.45	3.29	1.31	2.15	1.96
RTP Affordable Housing	-	-	-	-	0.20	0.08	0.05	0.08	0.08	0.02
SB1 Sustainable Planning Studies Awarded in FY 17/18	-	-	-	-	-	-	0.07	0.48	0.83	-
SB1 Sustainable Planning Studies Awarded in FY 18/19	-	-	-	-	-	-	-	0.19	0.72	0.36
SB1 Sustainable Planning Studies Awarded in FY 19/20	-	-	-	-	-	-	-	-	0.07	0.43
SB1 Sustainable Planning Grant awarded in FY 19/20	-	-	-	-	-	-	-	-	0.04	0.24
SB1 Sustainable Planning Studies Awarded in FY 20/21	-	-	-	-	-	-	-	-	-	0.68
Regional Planning Studies	0.52	0.26	0.37	-	0.24	0.55	0.40	0.46	0.44	0.44
Regional Transportation Improvement Plan	1.18	1.39	1.33	1.20	1.24	0.90	0.91	1.34	0.51	1.23
Roads & Streets Planning	2.21	1.83	1.94	1.77	2.44	3.58	2.71	1.82	0.69	0.23
Transit coordination Planning	1.11	1.61	0.56	1.32	1.24	0.90	1.30	-	0.02	4.86
Transportation Air Quality	1.96	2.12	1.85	1.45	1.45	2.27	2.39	1.75	1.42	0.62
Goods Movement	0.34	0.19	0.02	0.13	0.15	0.06	0.08	1.70	1.98	1.40
Goods Movement n/ Partnership Planning	-	-	-	-	0.49	0.64	-	0.03	0.02	0.01
Ongoing Technical Assistance	0.05	0.06	0.07	0.03	0.14	0.05	0.01	-	-	-
Intergovernmental Coordination	1.04	0.92	0.82	0.74	0.70	1.05	1.03	-	0.28	0.35
Intergovernmental Coord. Rural Planning Assistance	-	-	-	-	-	-	0.09	1.08	0.69	0.71
Projections & Forecast	0.38	0.36	0.28	0.35	0.58	0.64	0.60	0.18	0.17	0.12
Aviation and Land Use	0.40	0.22	0.24	0.21	0.43	0.07	0.10	0.62	0.49	0.46
Congestion Management Prog/Sys	1.17	1.01	0.64	0.45	0.62	0.54	0.52	0.13	0.26	0.25
Regional Planning Studies	0.12	0.12	0.12	0.08	0.11	0.19	0.20	0.88	0.46	0.62
Valley MPO Coordination	0.32	0.15	0.23	0.13	0.28	0.25	0.28	0.44	0.28	0.26
Interregional Partnerships	0.07	-	-	-	-	-	-	0.33	0.36	0.24
Habitat Implementation	0.17	0.03	-	-	-	-	-	-	-	-
Measure K Administration	0.71	0.68	0.52	0.47	0.52	0.93	0.92	-	-	0.45
Regional Transportation Impact Fee	0.36	0.12	0.09	0.18	0.25	0.77	0.24	1.01	0.78	0.12
Smart Growth	1.12	-	-	-	0.02	0.03	0.01	0.42	0.21	-
COG OWP Management & Administration	0.61	0.56	0.74	0.87	1.05	0.84	0.96	0.02	-	0.23
TDA Administration	1.13	1.07	0.98	1.05	0.96	1.15	1.19	0.42	0.37	0.69
Community Involvement	0.52	0.33	0.13	0.16	0.10	0.07	0.07	1.17	0.99	0.35
Transportation Demand Management	3.68	2.62	2.81	2.90	3.42	4.27	3.97	3.99	4.26	4.99
Freeway Service Patrol	1.18	2.51	3.13	2.69	2.55	1.70	1.32	2.59	2.99	2.11
SICOG Interns	-	-	-	-	-	-	0.31	0.27	0.20	0.02
Performance Based Planning & Programming	-	-	-	-	-	-	-	0.27	0.07	0.09
SJV Regional Early Action Planning Committee For Housing(REAP)	-	-	-	-	-	-	-	-	-	0.11
Sustainable Transportation Equity Project(STEP)	-	-	-	-	-	-	-	-	-	-
Subtotal - Direct Projects	21.0	20.0	20.0	18.0	21.0	23.0	23.0	23.0	22.6	23.8
INDIRECT										
Total FTEs Based on Total Hours	12.0	11.0	11.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
33	31	31	31	27	30	32	32	32	32	33

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

FUNCTION / PROGRAM	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	9,894.11	10,799.91	11,508.11	12,622.11	13,153.78	13,915.28	15,457.49	16,836.58	17,800.30	18,463.94
Acres of Habitat Land	-	-	-	-	-	-	158.25	158.25	156.58	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
City of 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, 2021, 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 10, 2021.

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





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

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 & Lingham, LLP

Sacramento, California
December 10, 2021



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
City of Stockton, California

Report on Compliance for Each Major Federal Program

Opinion on 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 Council's major federal programs for the year ended June 30, 2021. 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.

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, 2021.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Council's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Council's government programs.



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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above, whether due to fraud or error, and express an opinion on the Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Council's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

We have audited the financial statements of the governmental activities and each major fund, and the of the Council, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements. We issued our report thereon dated December 10, 2021, 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.

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, Soll & Lughard, LLP

Sacramento, California
December 10, 2021

SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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
SUMMARY SCHEDULE OF PRIOR YEAR 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.