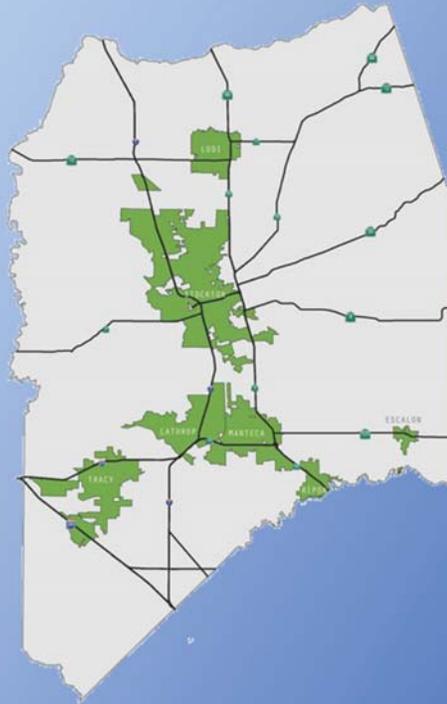




SAN JOAQUIN COUNCIL OF GOVERNMENTS
STOCKTON, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022



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 29, 2022

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, 2022.

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, 2022, 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, 2022, 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 Infrastructure Investment and Jobs Act (IIJA), aka Bipartisan Infrastructure Law (BIL), was signed into law by President Biden on November 15, 2021. The law authorizes \$1.2 trillion for transportation and infrastructure spending with \$550 billion of that figure going toward “new” investments and programs. Funding from the IIJA is expansive in its reach, addressing energy and power infrastructure, access to broadband internet, water infrastructure, and more. Some of the new programs funded by the bill could provide the resources needed to address a variety of infrastructure needs at the local level.

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 11,031 commuters participating in the program, including 513 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©(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, 2022.

Budget-to-actual comparisons are provided in this report for the Council's General Fund. This comparison is provided on page 58 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). In FY21-22 sales tax growth slowed a bit, but still saw an increase of 7.6%. Based on four months of revenue, fiscal year 2022-23 is estimated to grow another 6+%.

As the pandemic shut down the county, transportation related sales dropped dramatically. With the reopening of most business, transportation related sales tax has rebounded robustly. General retail, restaurants, and other hospitality businesses suffered the largest impacts of restrictions intended to slow the spread of the virus but FY 21-22 saw significant recovery in this economic sector. Online sales 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. Sales tax generation was also fueled by the federal and state economic relief packages.

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 dominate the I-205 corridor and are now populating the SR-120, SR-99 and I-5 corridors.

San Joaquin County population growth in 2018 was 1.4%., 1.1% in 2019, 1.2% in 2020 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%. As of June 30, 2022, the unemployment rate for the Stockton Metropolitan Statistical Area (San Joaquin County) was 6%.

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.

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

B. State Funding Sources

State Transit Assistance (STA) Funds

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

Proposition 1B – PTMISEA Funding

The Public Transportation Modernization, Improvement, and Service Account Program (PTMISEA) funding account was created by Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Of the \$19.925 billion available to Transportation, \$4 billion dollars were allocated to PTMISEA to be available to transit operators over a ten-year period. PTMISEA funds may be used for transit rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or rolling stock (buses and rail cars) procurement, rehabilitation, or replacement. Funds in this account are appropriated annually by the Legislature to the State Controller's Office for allocation in accordance with PUC formula distributions: 50% allocated to Local Operators based on fare-box revenue and 50% to Regional Entities based on population. The PTMISEA funding is set to end in FY22-23. The Budget Act of 2019 re-appropriated the remaining balances of PTMISEA appropriations, which are available for encumbrance and liquidation until June 30, 2023.

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 closed out in Fiscal Year 20-21. Jurisdictions were 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 final payment under this funding was processed in FY21-22. In addition, the CAL-OES program completed its audit of the plan and any findings were addressed. This closes out the program.

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.

Senate Bill (SB) 1 Planning Grants

SJCOG receives an annual formula-based allocation from state SB1 funds through the Sustainable Communities Planning Grant program. These grants support regional multimodal transportation and land-use planning studies intended to help achieve greenhouse gas reduction targets and help regions implement their Sustainable Communities Strategies (SCS) as part of their required Regional Transportation Plan (RTP). In fiscal year 2022-23 SJCOG received \$341,671 under this program.

Regional Early Action Planning (REAP) Grants

In the 2019-20 Budget Act, Governor Newsom allocated \$250 million for all regions, cities, and counties to do their part by prioritizing planning activities that accelerate housing production to meet identified needs of every community. With this allocation, the California Department of Housing and Community Development (HCD) established the Regional Early Action Planning Grant Program (REAP) with \$125 million to regions. REAP provides one-time grant funding to regional governments and working groups. SJCOG received \$2.4 million through the REAP 1.0 grant program and has been allocated an additional \$10.6 million in the follow-on REAP 2.0. These are one-time grant funds as opposed to an ongoing source of revenue. All activities under REAP 1.0 funding must be complete by December 2023. REAP 2.0 funded activities must be complete by 2026.

Sustainable Transportation Equity Program (STEP)

The Stockton Mobility Collective is funded by a \$7.4 million Sustainable Transportation Equity Project (STEP) Implementation Grant from the [California Air Resources Board](#) (CARB). The project is part of [California Climate Investments](#) (CCI), a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment — particularly in disadvantaged communities. [Moving California](#), part of CCI, focuses on increasing education and awareness of clean transportation options, while emphasizing program successes and providing guidance on how California's communities and residents can both benefit and access clean transportation opportunities.

The San Joaquin Council of Governments' (SJCOG) Stockton Mobility Collective project aims to improve transportation options for residents looking for clean, affordable ways to travel to jobs, schools, healthcare, grocery stores and other key destinations. The project will provide access to nonprofit electric bike sharing and carsharing programs and incentives to reduce the cost burden of transportation where the need is greatest.

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, 2022. 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 Infrastructure Investment and Jobs Act (IIJA), aka Bipartisan Infrastructure Law (BIL), was signed into law by President Biden on November 15, 2021. The law authorizes \$1.2 trillion for transportation and infrastructure spending with \$550 billion of that figure going toward “new” investments and programs. Funding from the IIJA is expansive in its reach, addressing energy and power infrastructure, access to broadband internet, water infrastructure, and more. Some of the new programs funded by the bill could provide the resources needed to address a variety of infrastructure needs at the local level.

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 Asset Management (PFMAM), 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. PFMAM, is a subsidiary of US Bank N.A. specializing in providing financial advice and investment management services to state and local governments. PFMAM allows participants to combine the use of a money market portfolio in addition to an individually managed portfolio. The investment portfolio held by PFMAM 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, 2022, consists of money market funds and federal agency discounted notes. Steve Dial, Deputy Executive Director and Chief Financial Officer of the Council, currently serves as president on the Board of Trustees of CAMP in a voluntary, unpaid capacity.

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

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

In January 2010, the Council became independent of the County of San Joaquin for all payroll and payroll related activities. For workers' compensation, SJCOG retained Berkshire Hathaway Insurance Services.

The financial impact on the current period's financial statements for payroll activities was \$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) is in the process of reviewing the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021 for the Certificate of Achievement for Excellence in Financial Reporting for the San Joaquin Council of Governments. This would be the 23rd consecutive year that the Council has achieved this prestigious award. The review is scheduled to completed in January 2023.

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 Leo Zuber	City of Ripon
Vice Chair	Supervisor Robert Rickman	San Joaquin County
Boardmember	Supervisor Chuck Winn	San Joaquin County
Boardmember	Supervisor Kathy Miller	San Joaquin County
Boardmember	Councilmember Dan Wright	City of Stockton
Boardmember	Councilmember Paul Canepa	City of Stockton
Boardmember	Vice Mayor Gary Singh	City of Manteca
Boardmember	Councilmember Dave Bellinger	City of Escalon
Boardmember	Vice Mayor Diane Lazard	City of Lathrop
Boardmember	Mayor Nancy Young	City of Tracy
Boardmember	Councilmember Doug Kuehne	City of Lodi
Boardmember	Councilmember Sol Jobrack	City of Stockton

EX-OFFICIO MEMBERS

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

CITIZENS ADVISORY COMMITTEE

Chair	Gracie Marx	City of Escalon
Vice Chair	Lauren Ah Tye	League of Women Voters
Member	Robert Bivens	San Joaquin County
Member	Blaine Bibb	City of Stockton
Member	Richard Blackston	City of Lodi
Member	Michael Carouba	Business Industry
Member	LaCresia Hawkins	NAACP
Member	Jim Hilson	City of Lathrop
Member	Kelly Donohue	City of Ripon
Member	Balwinder Singh	Trucking Industry
Member	Steve DeBrum	City of Manteca
Member	Mary Kennedy-Bracken	City of Tracy
Member	Jessica Bilecki	University of Pacific
Member	Jennifer Gass	Transit Advocate
Member	Paul Plathe	Sierra Club
Member	Ken Vogel	Agriculture Industry

EXECUTIVE COMMITTEE

Chair	Councilmember Leo Zuber	City of Ripon
Member	Supervisor Robert Rickman	San Joaquin County
Member	Councilmember Doug Kuehne	City of Lodi
Member	Councilmember Sol Jobrack	City of Stockton
Member	Councilmember Dave Bellinger	City of Escalon
Alternate	Vice Mayor Lazard	City of Lathrop

SOCIAL SERVICES TRANSPORTATION ADVISORY COMMITTEE

Member	Frank Huang	City of Lodi
Member	John Andoh	City of Escalon
Member	Joni Bauer	Community Center for the Blind
Member	Juan Portillo	City of Manteca
Member	James Pease	City of Ripon
Member	Max Calder	SJRTD
Member	Debra Gurley	Transit User Over 60
Member	Robert Balderama	Transit User with a Disability
Member	Michael King	City of Lathrop
Member	Jayne Pramod	City of Tracy
Member	Jordan Peterson	SJRRRC
Member	Armando Valerio	SJ County Public Health Services
Member	Marie Marchese	Valley Mountain Regional Center
Member	Bee Thao	ACCESS San Joaquin

MANAGEMENT & FINANCE COMMITTEE

Chair	Kevin Werner	City of Ripon
Vice-Chair	Jay Wilverding	San Joaquin County
Member	Dominique Romo	City of Escalon
Member	Stephen Salvatore	City of Lathrop
Member	Toni Lundgren	City of Manteca
Member	Alex Clifford	SJRTD
Member	Stacey Mortensen	SJRRRC
Member	Michael Rogers	City of Tracy
Member	Steve Schwabauer	City of Lodi
Member	Harry Black	City of Stockton

HABITAT TECHNICAL ADVISORY COMMITTEE

Chair	Matthew Diaz	City of Stockton
Vice Chair	J.D. Hightower	City of Manteca
Member	Alisa Goulart	San Joaquin County
Member	Rick Caguiat	City of Lathrop
Member	John Della Monica	City of Lodi
Member	Ken Zuidervaart	City of Ripon
Member	Kimberly Matlock	City of Tracy
Member	Domonique Romo	City of Escalon
Member	John Beckman	BIA
Member	Andrea Boertine	CDFW, Region 3
Member	Zachery Kearns	CDFW, Region 2
Member	Matthew Nelson	USFWS
Member	Michelle-Leinfelder-Miles	UCCE
Member	Gabe Chan	SJC Ag Commission
Member	Dan Gifford	Conservation
Member	James Jones	EBMUD

TECHNICAL ADVISORY COMMITTEE

Chair	Najee Zarif	San Joaquin County
Vice Chair	Ed Lovell	City of Tracy
Member	John Andoh	City of Escalon
Member	Dominique Romo	City of Escalon
Member	Michael King	City of Lathrop

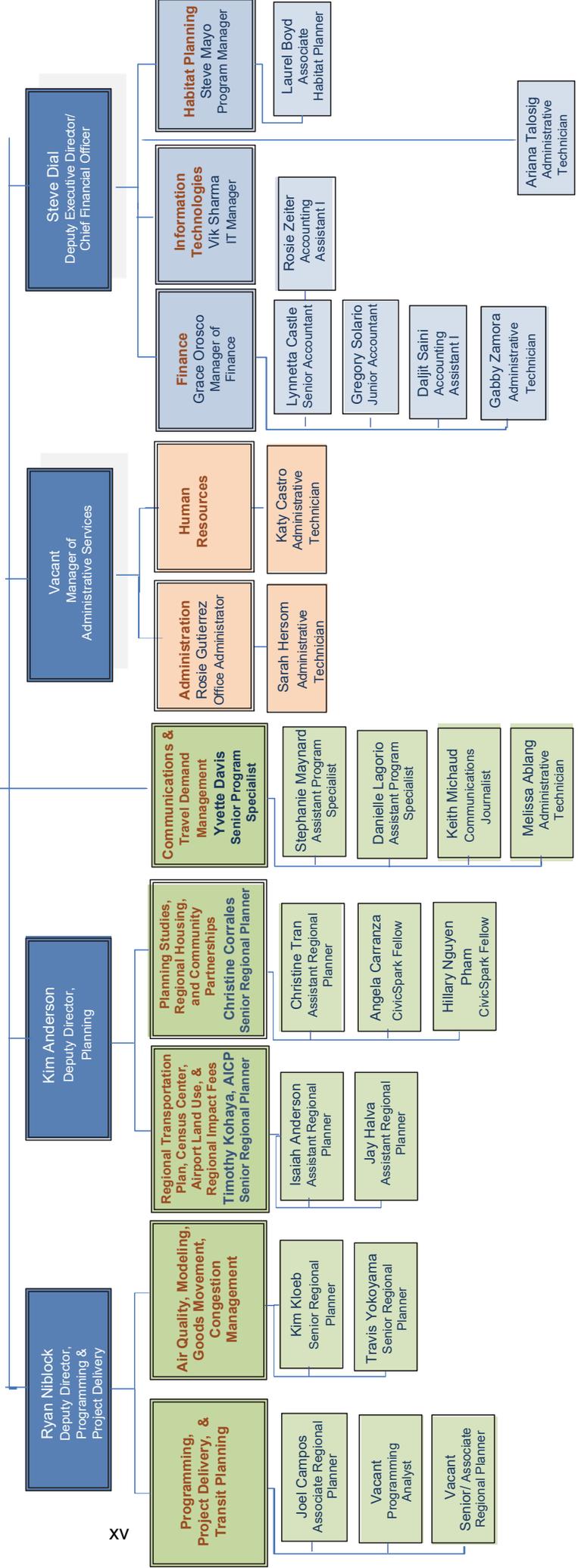
Member	Joseph Michael	City of Lathrop
Member	Jay Davidson	City of Lathrop
Member	Kevin Werner	City of Ripon
Member	Elizabeth Quilici	City of Ripon
Member	Sarah Collins	City of Ripon
Member	Awni Taha	San Joaquin County
Member	Michael Shami	San Joaquin County
Member	Eric Alvarez	City of Stockton
Member	Wes Johnson	City of Stockton
Member	Miguel Mendoza	City of Stockton
Member	Rey Deyto	City of Stockton
Member	Dodgie Vidad	City of Stockton
Member	Julia Tyack	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	Anju Pillai	City of Tracy
Member	Eric Williams	SJ Regional Transit District
Member	Dylan Casper	SJ Regional Rail Commission
Member	Juan Villanueva	Port of Stockton
Member	Tom Dumas	Caltrans, District 10
Member	Josh Swearingen	Caltrans, District 10
Member	Marlon Regisford	Caltrans, District 10
Member	Russell Stark	Stockton Metropolitan Airport
Member	John Cadrett	SJVAPCD



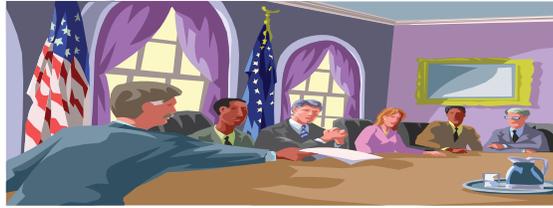
SJCOG
Board of Directors

Executive Committee

Diane Nguyen, AICP
Executive Director



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

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Board of Directors
San Joaquin Council of Governments
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, 2022, 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 Council as of June 30, 2022, 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 opinions.

Emphasis of Matter

Change in Accounting Principle

As described in the notes to the financial statements, in the fiscal year ended June 30, 2022, the Council adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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.



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

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 financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 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 and budgetary comparison schedules, as listed on the table of contents, 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



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

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.

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 information, as listed in the table of contents, is presented for purposes of additional analysis and are 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is 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 29, 2022 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 black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Sacramento, California
December 29, 2022

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**SAN JOAQUIN COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022. 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 and deferred inflows by \$159,705,562. (Net Position) for the fiscal year ended June 30, 2022. This compares to the previous year's 105,631,664.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$101,494,697 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 \$367,392,177 is restricted by constraints imposed from outside the Council, such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$(309,181,312) 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 \$369,595,119 this fiscal year. This compares to the prior year ending fund balance of \$324,671,079, showing an increase of \$40,924,040 during the current year. The Council's governmental funds reported a total unassigned fund balance of \$2,025,234 for fiscal year 2021-22 which depicts an increase of \$767,306.

- At the end of the current fiscal year, total fund balance for the General Fund was \$2,199,044 and depicts an increase of \$807,856 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 \$4,766,498 primarily due to the completion of various capital projects.
- Total liabilities of the Council decreased by \$10,961,940 to \$359,625,822. 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 – 55 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 \$159,705,562 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 \$159.7 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 (62 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 \$309,181,312 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, 2022, fiscal year. Overall, the Council's net position increased by \$54,073,898 as shown in the table below. Two major factors contributing to the increase was the \$21,827,953 increase in Revenue and the \$23,700,733 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)
	2022	2021	
Current and other assets	\$ 394,175,313	\$ 351,352,216	\$ 42,823,097
Capital assets	<u>101,609,316</u>	<u>99,849,768</u>	<u>1,759,548</u>
Total assets	<u>495,784,629</u>	<u>451,201,984</u>	<u>44,582,645</u>
Deferred outflows	<u>23,700,733</u>	<u>25,017,441</u>	<u>(1,316,708)</u>
Long-term liabilities outstanding	330,509,754	338,825,641	(8,315,887)
Other liabilities	<u>29,116,068</u>	<u>31,762,121</u>	<u>(2,646,053)</u>
Total liabilities	<u>359,625,822</u>	<u>370,587,762</u>	<u>(10,961,940)</u>
Net assets			
Net Investment in capital assets	101,494,697	99,773,985	1,720,712
Restricted	367,392,177	322,966,000	44,426,177
Unrestricted	<u>(309,181,312)</u>	<u>(317,108,322)</u>	<u>7,927,010</u>
Total net assets	<u>\$ 159,705,562</u>	<u>\$ 105,631,663</u>	<u>\$ 54,073,899</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Changes in Net Position

	Governmental Activities 2022	2021	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for services	\$ 29,145,497	\$ 20,831,520	\$ 8,313,977
Operating grants and contributions			
Sales tax	153,450,063	136,307,773	17,142,290
Other operating grants and contributions	15,678,660	19,157,106	(3,478,446)
General revenues:			
Investments and miscellaneous	274,309	424,177	(149,868)
Total revenues	198,548,529	176,720,576	21,827,953
Expenses:			
General Administration	17,016,759	13,985,948	3,030,811
Transportation	113,009,177	90,712,416	22,296,761
Habitat Plan	833,274	719,875	113,399
Building interest expense	110,492	120,405	(9,913)
Investment interest expense	13,507,959	13,676,660	(168,701)
Total expenses	144,477,661	119,215,304	25,262,357
Increase (Decreases) in net position	54,070,868	57,506,272	(3,435,404)
Restatement of Net Position	3,030		
Net position(deficit), beginning of year as restated	105,631,664	48,125,392	57,506,272
Net position(deficit), end of year	\$ 159,705,562	\$ 105,631,664	\$ 54,073,898

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 \$369,595,119, an increase of \$45,234,040. Of this total amount, \$177,708 is *nonspendable*, \$367,371,283 is *restricted*, and \$2,025,234 *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 \$2,199,044, which is an increase of \$807,856.

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 \$83,943,237. The combined Measure K and Measure K Renewal Fund balance increased by \$4,766,498 over the previous year primarily due to a decrease in expenditures.

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 \$57,408,730 an increase of 16.9% over the previous fiscal year. The LTF Fund balance increased by \$12,562,367 due to a \$8,085,073 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 \$9,963,863 compared to \$7,949,684 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 came to an end in FY21-22. The last payment on the program was paid in FY21-22 to the San Joaquin Regional Rail Commission. The audit with CAL-OES was completed to close out the program. 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, 1,420,326.71 compared to \$1,367,537.70 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 \$2,900,748 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, 2022, fiscal year totaled \$30,394,084 an increase of 46.5% 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 \$26,033,495 in the June 30, 2022, fiscal year to \$90,387,457. 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, 2022.

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 \$12,579,388 shortfall in revenue largely due to actual expenditures that were \$13,312,080 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	\$ 6,809,422	\$ 7,460,222	\$ 5,564,586	\$ (1,895,636)
State grants	6,174,573	13,851,972	3,490,727	(10,361,245)
Local	5,859,291	5,747,391	5,486,746	(260,645)
Interest	20,000	20,000	9,139	(10,861)
Other	60,000	51,000	-	(51,000)
Total revenues	18,923,286	27,130,585	14,551,197	(12,579,388)
EXPENDITURES:				
Planning and administration	18,727,786	26,935,085	13,623,005	13,312,080
Right to use capital leases			52,356	
Capital outlay	195,500	195,500	120,336	75,164
Total expenditures	18,923,286	27,130,585	13,795,697	13,387,244
OTHER FINANCING SOURCES:				
Transfer out				
Capital leases	-	-	52,356	52,356
Change in fund balance	\$ -	\$ -	\$ 807,856	\$ 860,212

Capital Assets and Debt Administration

Capital assets

The Council's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$101,577,686 (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 \$1,727,917.

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

The Council acquired \$1,835,163 of conservation easements. In addition, the Council acquired \$172,692 of building and capital improvements, office equipment, and computer equipment during the 2021-22 fiscal year.

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

	Governmental Activities	
	June 30, 2022	June 30, 2021
Land and conservation easements	\$ 96,932,044	\$ 95,096,881
Office furniture and fixtures	9,112	2,122
Office building	3,798,323	3,975,889
Building improvements	538,199	483,422
Office and computer equipment	130,391	121,838
Capital Improvements	169,617	169,617
Total	\$ 101,577,686	\$ 99,849,769

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 \$45,008,271, a 2017 Sales Tax Revenue Bond of \$211,007,280, and a 2019 Sales Tax Revenue Bond of \$73,758,427.

SAN JOAQUIN COUNCIL OF GOVERNMENTS Outstanding Debt

	Governmental Activities	
	June 30, 2022	June 30, 2021
2014 Tax Bond, net of amortization	\$ 45,008,271	\$ 46,977,747
2017 Tax Bond, net of amortization	211,007,280	216,887,938
2019 Tax Bond, net of amortization	73,758,427	74,281,010
Total	\$ 329,773,978	\$ 338,146,695

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 2022-23 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. Federal and state assistance programs also infused the economy with significant funds.

At June 30, 2022 the Council held \$107,565,324 of liquid investments in the Public Financial Management portfolio, \$105,401,363 in the California Asset Management Pool, \$98,803 in the State of California Local Agency Investment Fund, \$41,555,092 in the San Joaquin County Pool, and \$54,637,213 in Financial Institutions.

Total operating revenues are expected to be approximately the same in the 2022-23 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, 2022**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 81,654,413
Investments	139,043,287
Sales tax receivable	24,762,486
Interest receivable	3,379,352
Intergovernmental receivable	3,783,019
Lease receivable	175,458
Prepaid items	177,708
Refunds and miscellaneous receivables	23,293
Due from other agencies	301,183
Notes receivable - related parties	50,259,584
Intergovernmental receivable - restricted	1,984,845
Interest receivable - restricted	70,589
Cash and investments - restricted	88,560,096
Capital assets not being depreciated	96,932,044
Capital assets, net of depreciation/amortization	<u>4,677,272</u>
Total Assets	<u>495,784,629</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	<u>23,700,733</u>
Total Deferred Outflows of Resources	<u>23,700,733</u>
LIABILITIES	
Accounts payable	10,490,645
Accrued salaries and benefits	236,939
Investment fee payable	8,016
Due to other agencies	10,632,348
Advances from other agencies	3,058,268
Interest payable	4,689,852
Noncurrent liabilities:	
Due within one year:	
Compensated absences	231,423
Lease obligations	65,562
Bonds, net of amortization	7,105,000
Due in more than one year:	
Compensated absences	389,734
Lease obligations	49,057
Bonds, net of amortization	<u>322,668,978</u>
Total Liabilities	<u>359,625,822</u>
Deferred Inflows of Resources:	
Leases	<u>153,978</u>
Total Deferred Inflows of Resources	<u>153,978</u>
NET POSITION	
Net investment in capital assets	101,494,697
Restricted for:	
Habitat acquisition and management	90,384,759
Transportation projects	277,007,418
Unrestricted	<u>(309,181,312)</u>
Total Net Position	<u>\$ 159,705,562</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>	
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>	<u>Revenue and Changes in Net Position</u>
				<u>Governmental Activities</u>	
Functions/Programs					
Primary Government:					
Governmental Activities:					
General administration	\$ 17,016,759	\$ -	\$ 14,540,557	\$ -	\$ (2,476,202)
Transportation	113,009,177	-	154,483,686	-	41,474,509
Habitat plan	833,274	29,145,497	58,880	45,600	28,416,703
Building interest expense	-	-	-	-	-
Investment interest expense	13,618,451	-	-	-	(13,618,451)
Total Governmental Activities	\$ 144,477,661	\$ 29,145,497	\$ 169,083,123	\$ 45,600	53,796,559
General Revenues:					
Unrestricted investment earnings					272,809
Other					1,500
Total General Revenues					274,309
Change in Net Position					54,070,868
Net Position at Beginning of Year					105,631,664
Restatement of Net Position					3,030
Net Position at End of Year					\$ 159,705,562

SAN JOAQUIN COUNCIL OF GOVERNMENTS

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	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	\$ 5,379,285	\$ 20,075,382	\$ 34,512,965	\$ 7,042,127	\$ 14,620,397
Investments	-	139,043,287	-	-	-
Sales tax receivable	-	11,556,440	10,500,399	2,705,647	-
Interest receivable	-	3,320,744	46,942	9,959	1,707
Intergovernmental receivable	2,428,080	-	-	-	1,354,939
Lease receivable	-	-	-	-	-
Prepaid items	173,260	1,750	-	-	-
Refunds and miscellaneous receivables	23,293	-	-	-	-
Due from other funds	984,074	2,282,416	-	-	-
Due from other agencies	14,919	286,264	-	-	-
Notes receivable - related parties	-	50,259,584	-	-	-
Intergovernmental receivable - restricted	-	-	-	-	-
Interest receivable - restricted	-	-	-	-	-
Cash and investments - restricted	-	-	-	-	-
Total Assets	\$ 9,002,911	\$ 226,825,867	\$ 45,060,306	\$ 9,757,733	\$ 15,977,043
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,316,569	\$ 9,051,090	\$ -	\$ -	\$ -
Accrued salaries and benefits	236,939	-	-	-	-
Investment fee payable	-	1,142	-	-	-
Due to other agencies	-	-	6,813,159	3,812,105	7,084
Due to other funds	2,282,416	237,322	513,851	8,557	167,471
Advances from other agencies	2,967,943	-	-	-	-
Total Liabilities	6,803,867	9,289,554	7,327,010	3,820,662	174,555
Deferred inflows of resources:					
Leases	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
Fund Balances:					
Nonspendable	173,260	1,750	-	-	-
Restricted	-	217,534,563	37,733,296	5,937,071	15,802,488
Unassigned	2,025,784	-	-	-	-
Total Fund Balances	2,199,044	217,536,313	37,733,296	5,937,071	15,802,488
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,002,911	\$ 226,825,867	\$ 45,060,306	\$ 9,757,733	\$ 15,977,043

SAN JOAQUIN COUNCIL OF GOVERNMENTS

BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
JUNE 30, 2022

	SJCOG, Inc.	Commuter Connection, Inc.	One Voice, Inc.	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 101	\$ 24,156	\$ 81,654,413
Investments	-	-	-	139,043,287
Sales tax receivable	-	-	-	24,762,486
Interest receivable	-	-	-	3,379,352
Intergovernmental receivable	-	-	-	3,783,019
Lease receivable	175,458	-	-	175,458
Prepaid items	2,698	-	-	177,708
Refunds and miscellaneous receivables	-	-	-	23,293
Due from other funds	-	-	-	3,266,490
Due from other agencies	-	-	-	301,183
Notes receivable - related parties	-	-	-	50,259,584
Intergovernmental receivable - restricted	1,984,845	-	-	1,984,845
Interest receivable - restricted	70,589	-	-	70,589
Cash and investments - restricted	88,560,096	-	-	88,560,096
Total Assets	\$ 90,793,686	\$ 101	\$ 24,156	\$ 397,441,803
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 122,986	\$ -	\$ -	\$ 10,490,645
Accrued salaries and benefits	-	-	-	236,939
Investment fee payable	6,874	-	-	8,016
Due to other agencies	-	-	-	10,632,348
Due to other funds	32,066	651	24,156	3,266,490
Advances from other agencies	90,325	-	-	3,058,268
Total Liabilities	252,251	651	24,156	27,692,706
Deferred inflows of resources:				
Leases	153,978	-	-	153,978
Total Deferred Inflows of Resources	153,978	-	-	153,978
Fund Balances:				
Nonspendable	2,698	-	-	177,708
Restricted	90,384,759	-	-	367,392,177
Unassigned	-	(550)	-	2,025,234
Total Fund Balances	90,387,457	(550)	-	369,595,119
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 90,793,686	\$ 101	\$ 24,156	\$ 397,441,803

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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, 2022**

Fund balances of governmental funds		\$ 369,595,119
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation/amortization have not been included as financial resources in governmental fund activity.		101,609,316
Long-term liabilities and compensated absences that have not been included in the governmental fund activity:		
Measure K Renewal Series 2014 bond	\$ (40,760,000)	
Measure K Renewal Series 2014 bond premium	(4,248,271)	
Measure K Renewal Series 2017 bond	(187,195,000)	
Measure K Renewal Series 2017 bond premium	(23,812,280)	
Measure K Renewal Series 2019 bond	(63,960,000)	
Measure K Renewal Series 2019 bond premium	(9,798,427)	
Leases payable	(114,619)	
Compensated absences	<u>(621,157)</u>	(330,509,754)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(4,689,852)
Deferred charges relating to bond refundings are not considered current assets or financial resources and are, therefore, not reported in the governmental funds.		<u>23,700,733</u>
Net Position of Governmental Activities		<u>\$ 159,705,562</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	General	Measure K and Measure K Renewal Fund	Local Transportation Fund	State Transit Assistance Fund	Regional Transportation Impact Fee Fund
Revenues:					
Sales tax	\$ -	\$ 86,737,236	\$ 58,029,005	\$ 8,683,822	\$ -
State of good repair	-	-	-	1,420,327	-
Intergovernmental	14,540,557	-	-	-	-
Charges for services	-	-	-	-	3,123,897
Developer fees	-	-	-	-	-
Interest	10,722	2,034,725	115,602	24,665	43,959
Interest Prop 1B PTMISEA/TSSSDRA	-	-	-	2,518	-
Dividends	-	96,210	-	-	-
Gains (losses) on investments	(1,584)	(4,934,066)	(735,877)	(167,469)	-
Other	1,500	9,132	-	-	-
Total Revenues	14,551,195	83,943,237	57,408,730	9,963,863	3,167,856
Expenditures:					
General administration	13,462,143	229,136	2,024,841	141,407	41,239
Streets and roads	-	31,199,087	3,480,517	-	-
Pedestrian and bicycle	-	-	905,746	-	-
Transit	-	13,874,542	38,435,259	9,742,757	-
PTMISEA/TSSSDRA	-	-	-	1,916,526	-
Congestion relief	-	12,279,076	-	-	225,869
Smart growth	-	736,937	-	-	-
Habitat plan	-	-	-	-	-
Investment expense	-	212,861	-	-	-
Capital outlay					
Capital assets	120,336	-	-	-	-
Leases	52,356	-	-	-	-
Debt service:					
Bond Principal	-	6,135,000	-	-	-
Lease Principal	50,368	-	-	-	-
Interest	110,492	14,510,100	-	-	-
Total Expenditures	13,795,695	79,176,739	44,846,363	11,800,690	267,108
Excess (Deficiency) of Revenues Over (Under) Expenditures	755,500	4,766,498	12,562,367	(1,836,827)	2,900,748
Other Financing Sources:					
Leases	52,356	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-	-
Total Other Financing Sources	52,356	-	-	-	-
Net Change in Fund Balances	807,856	4,766,498	12,562,367	(1,836,827)	2,900,748
Fund Balances, Beginning of Year, as previously reported	1,391,188	212,769,815	25,170,929	7,773,898	12,901,740
Restatements	-	-	-	-	-
Fund Balances, Beginning of Year, as restated	1,391,188	212,769,815	25,170,929	7,773,898	12,901,740
Fund Balances, End of Year	\$ 2,199,044	\$ 217,536,313	\$ 37,733,296	\$ 5,937,071	\$ 15,802,488

SAN JOAQUIN COUNCIL OF GOVERNMENTS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	SJCOG, Inc.	Commute Connection, Inc.	One Voice, Inc.	Total
Revenues:				
Sales tax	\$ -	\$ -	\$ -	\$ 153,450,063
State of good repair	-	-	-	1,420,327
Intergovernmental	-	-	-	14,540,557
Charges for services	30,394,084	-	-	33,517,981
Developer fees	45,600	-	-	45,600
Interest	263,671	-	-	2,493,344
Interest Prop 1B PTMISEA/TSSSDRA	-	-	-	2,518
Dividends	32,353	-	-	128,563
Gains (losses) on investments	(1,280,940)	-	-	(7,119,936)
Other	58,880	-	-	69,512
Total Revenues	29,513,648	-	-	198,548,529
Expenditures:				
General administration	811,716	-	-	16,710,482
Streets and roads	-	-	-	34,679,604
Pedestrian and bicycle	-	-	-	905,746
Transit	-	-	-	62,052,558
PTMISEA/TSSSDRA	-	-	-	1,916,526
Congestion relief	-	-	-	12,504,945
Smart growth	-	-	-	736,937
Habitat plan	833,274	-	-	833,274
Investment expense	-	-	-	212,861
Capital outlay				
Capital assets	2,913,277	-	-	3,033,613
Leases	-	-	-	52,356
Debt service:				
Bond Principal	-	-	-	6,135,000
Lease Principal	-	-	-	50,368
Interest	-	-	-	14,620,592
Total Expenditures	4,558,267	-	-	154,444,862
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,955,381	-	-	44,103,667
Other Financing Sources:				
Leases	-	-	-	52,356
Proceeds from sale of capital asset	1,078,114	-	-	1,078,114
Total Other Financing Sources	1,078,114	-	-	1,130,470
Net Change in Fund Balances	26,033,495	-	-	45,234,137
Fund Balances, Beginning of Year, as previously reported	64,353,962	(550)	97	324,361,079
Restatements	-	-	(97)	(97)
Fund Balances, Beginning of Year, as restated	64,353,962	(550)	-	324,360,982
Fund Balances, End of Year	\$ 90,387,457	\$ (550)	\$ -	\$ 369,595,119

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, 2022**

Net change in fund balances - total governmental funds \$ 45,234,137

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/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period.

Capital outlay	\$ 3,033,613	
Capital outlay - leases	52,356	
Depreciation/amortization	(288,282)	
Proceeds on disposal capital assets	<u>(1,078,114)</u>	1,719,573

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	6,135,000	
Lease principal repayments	50,368	
Leases entered into	(52,356)	
Amortization of bond premiums	2,237,717	
Amortization of deferred gain on refunding	<u>(1,316,708)</u>	7,054,021

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 81,132

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. (17,995)

Change in Net Position of Governmental Activities \$ 54,070,868

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022, 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, 2022

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, 2022. Intergovernmental receivables represent claims for reimbursements and sales tax revenues receivable from various federal, state, and local governmental agencies as of June 30, 2022.

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 assets by the Council that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net assets 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, 2022

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, 2022:

- *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, 2022

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.

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

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Implementation of New Accounting Standard

During the year ended June 30, 2022, the Council implemented the following new accounting standards issues by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. See additional information in Note 7.

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, 2022

Note 3: Cash and Investments

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

Statement of net position:	
Cash	\$ 81,654,706
Investments	139,043,287
Restricted - cash	88,560,096
Total cash and investments	\$ 309,258,089

Cash and investments as of June 30, 2022, consist of the following:

Cash in San Joaquin County Treasury	\$ 41,555,092
Deposits in financial institutions	54,637,506
LAIF	98,803
Cash and investments held by bond trustee	212,966,688
Total cash and investments	\$ 309,258,089

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, 2022

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	Total	Remaining Maturity			
		12 months or less	13 to 24 months	25 to 60 months	More than 60 months
Cash in San Joaquin County Treasury	\$ 41,555,092	\$ 41,555,092	\$ -	\$ -	\$ -
State investment pool	98,803	98,803	-	-	-
Held by trustee:					
Cash	4,602,644	4,602,644	-	-	-
Money market mutual funds	64,352,700	64,352,700	-	-	-
Certificates of deposit	4,210,501	4,210,501	-	-	-
Commercial Paper	949,869	949,869	-	-	-
Corporate debt securities	29,415,783	-	6,961,287	22,454,496	-
Asset Backed Securities (ABS)/Mortgage Backed Securities (MBS)/Collateralized Mortgage Obligations (CMOs)	17,109,825	799,535	998,484	15,297,949	13,857
Supra-National Agency Bonds	4,883,660	2,983,526	1,900,134	-	-
Municipal Bonds	2,814,889	445,258	1,925,109	444,522	-
U.S. Treasury Securities	70,511,966	4,856,544	38,079,103	27,576,319	-
Federal agency securities	14,114,851	5,162,145	8,952,706	-	-
	<u>\$ 254,620,583</u>	<u>\$ 130,016,617</u>	<u>\$ 58,816,823</u>	<u>\$ 65,773,286</u>	<u>\$ 13,857</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 3: Cash and Investments (Continued)

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

Highly Sensitive Investments	<u>Fair Value at Year-End</u>
Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	\$ 17,109,825

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	\$ 41,555,092	N/A	N/A	\$ 41,555,092
State investment pool	98,803	N/A	N/A	98,803
Held by trustee:				
Cash	597,244	N/A	N/A	597,244
Raymond James	4,005,400	N/A	N/A	4,005,400
Money market funds	64,352,700	AAA/Aa	AAAm	-
	<u>68,955,344</u>			<u>4,602,644</u>
Certificates of deposit:				
DNB Bank ASA/NY LT	1,022,154	A	A-1+/P-1	-
Credit Suisse NY	784,425	A	A-1/P-1	-
Bank of Montreal	575,000	A	A-1/P-1	-
MUFG Bank LTD	375,000	A	A-1/P-1	-
UBS AG Stamford Ct	375,000	AA	A-1/P-1	-
Westpac Banking Corp	574,925	A	A-1+/P-1	-
Comenity Capital Bank	248,220	N/A	N/A	248,220
Cross River Bank	100,002	N/A	A-1/P-1	-
Wells Fargo	155,775	N/A	N/A	155,775
	<u>4,210,501</u>			<u>403,995</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 3: Cash and Investments (Continued)

Investment Type	Total	Minimum Legal Rating	Ratings as of Year-End	Not Rated
Corporate debt securities:				
Abbot Laboratories Corp	355,210	A	AA-/A1	-
Amazon.com Inc Corp	1,124,767	A	AA/A1	-
American Express Co Corp	760,506	A	BBB+/A2	-
American Honda Finance	705,549	A	A-/A3	-
Astrazeneca Finance LLC	516,753	A	BBB+/A3	-
Bank of America Corp	1,370,596	A	A-/A2	-
BMW US Capital LLC	459,038	A	A/A2	-
BNY Mellon Corp	1,023,165	A	A/A1	-
Brown-Forman Corp	248,880	A	A-/A1	-
Bristol-Myers Squibb Co	428,312	A	A+/A2	-
Burlingtn North Santa Fe Corp	246,514	A	A+/A3	-
Caterpillar	771,791	A	A/A3	-
Charles Schwab Corp	316,543	A	A/A2	-
Cintas Corp	375,539	A	A-/A3	-
Citigroup Inc	743,030	A	BBB+/A3	-
Comcast Corp	351,000	A	A-/A3	-
Cooperative Rabobank UA Corp	494,034	A	A+/Aa2	-
Exxon Mobil	244,536	A	AA/Aaa1	-
General Dynamics Corp	349,007	A	A/A2	-
Goldman Sachs Group Inc	825,635	A	BBB+/A3	-
Hershey Co	254,891	A	A/A1	-
Home Depot Inc	83,190	A	A/A2	-
Honeywell International	353,624	A	A/A2	-
HSBC USA Inc Corp	769,994	A	A-/A1	-
IBM Corp	476,105	A	A/A2	-
John Deere Capital Corp	767,579	A	A/A2	-
JP Morgan Chase & Co	1,515,207	A	A-/A2	-
Lind Inc/CT Corp	368,987	A	A/A2	-
Merk &Co Inc	246,717	A	A+/A1	-
Morgan Stanley Corp	774,852	A	BBB+/A3	-
National Rural Util Corp	1,077,773	N/A	N/A	1,077,773
Nestle Holdings Inc Corp	544,785	A	AA-/Aa3	-
Paccar Financial Corp	777,419	A	A+/A1	-
Roche Holdings Inc	1,312,649	A	AA/Aa3	-
State Street Corp	753,036	A	A/A1	-
Target Corp	376,103	A	A/A2	-
Toyota Motor Credit Corp	686,541	A	A+/A1	-
Trust Financial Corp	497,854	A	A-/A3	-
Unilever Capital Corp	268,736	A	A+/A1	-
United Health Group	342,989	A	A+/A3	-
USAA Capital Corp	521,088	A	AA/Aa1	-
Corporate Notes	4,935,259	A	A-/A3	-
Commercial Paper	949,868	A	AA+/Aaa	-
US Treasury Securities	20,407,003	A	AA+/Aaa	-
Supra-National Agency bonds	2,405,008	A	AAA/Aaa	-
	<u>53,177,662</u>			<u>1,077,773</u>
US Treasury Securities	41,248,193	TSY	AA+/Aaa	-
US Treasury Bonds/Notes	8,856,769	N/A	AA+/Aaa	-
Federal Agency Securities	14,114,851	N/A	AA+/Aaa	-
Supra-National Agency Bond	2,478,652	AAA	AAA/Aaa	-
Municipal Bond	2,814,889	AA-	AA-/Aa2	-
Bank Note	475,389	A	A/A2	-
Asset Backed Securities (ABS)/Mortgage:				
ABS/MBS/CMOs	15,025,752	AAA	AAA/Aaa	-
ABS/MBS/CMOs	1,594,827	N/A	AAA/NR	-
ABS/MBS/CMOs	13,856	N/A	N/A	13,856
	<u>16,634,435</u>			<u>13,856</u>
Total:	<u>\$ 254,620,583</u>			<u>\$ 6,098,267</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

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 \$41,555,092, invested in the San Joaquin County pool at June 30, 2022 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 \$54,637,213 deposited in financial institutions at year-end.

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

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, 2022, was \$231.9 billion, managed by the State Treasurer. Of that amount, 100 percent was invested in non-derivative financial products and none in derivative financial products. The Local Investment Advisory Board (Advisory Board) has oversight responsibility for LAIF. The Advisory Board consists of five members as designated by state statute. The value of pool shares in LAIF which may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Council's position in the pool. Investments in LAIF are highly liquid and are secured by the full faith and credit of the State of California. The Council's investment in LAIF at June 30, 2022, was \$98,803.

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, 2022, 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, 2022

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, 2022

Note 3: Cash and Investments (Continued)

The Council has the following recurring fair value measurements as of June 30, 2022:

Investments by fair value level Investment type	Total Fair Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Certificates of deposit	\$ 4,210,501	\$ 4,210,501	\$ -
Commercial Paper	949,869	-	949,869
Corporate debt securities	29,415,783	-	29,415,783
Asset Backed Securities (ABS)/Mortgage Backed Securities (MBS)/Collateralized Mortgage Obligations (CMOs)	17,109,825	-	17,109,825
Supra-National Agency Bonds	4,883,660	-	4,883,660
Municipal Bonds	2,814,889	-	2,814,889
U.S. Treasury securities	70,511,966	70,511,966	-
Federal agency securities	14,114,851	-	14,114,851
Total investments measure at fair value	<u>144,011,344</u>	<u>\$ 74,722,467</u>	<u>\$ 69,288,877</u>
Investments not subject to fair market value measurement			
Cash in San Joaquin County Treasury	41,555,092		
State investment pool	98,803		
Cash held by trustee	4,602,644		
Money market mutual funds	64,352,700		
Total investment portfolio	<u>\$ 254,620,583</u>		

Cash

Cash on deposit as of June 30, 2022, include approximately \$54,637,213 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	\$ -	\$ 3,320,744	\$ 46,942	\$ 9,959	\$ 1,707	\$ -	\$ 3,379,352
Sales taxes	-	11,556,440	10,500,399	2,705,647	-	-	24,762,486
Refunds and miscellaneous receivables	23,293	-	-	-	-	-	23,293
Intergovernmental	-	50,259,584	-	-	1,354,939	-	51,614,523
Intergovernmental - restricted	-	-	-	-	-	1,984,845	1,984,845
Interest - restricted	-	-	-	-	-	70,589	70,589
Total Receivables	<u>\$ 23,293</u>	<u>\$ 65,136,768</u>	<u>\$ 10,547,341</u>	<u>\$ 2,715,606</u>	<u>\$ 1,356,646</u>	<u>\$ 2,055,434</u>	<u>\$ 81,835,088</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 4: Receivables (Continued)

Intergovernmental Receivables

The intergovernmental receivable balance consisted of \$1,354,939 of RTIF receivable and \$2,428,080 of General Fund claims receivable from various federal, state, and local agencies.

The restricted intergovernmental receivable balance of \$1,984,845 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, 2022, is \$14,700,486.

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, 2022, was \$5,800,000.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

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, 2022, Stockton Metropolitan Airport had drawn down on \$6,959,098 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, 2022, the loan balance was \$15,228,500.

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, 2022, the loan balance was \$7,571,500.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Adjustments	Additions	Disposals	Balance June 30, 2022
Governmental activities					
Capital assets, not being depreciated:					
Conservation easements and credits	\$ 94,696,881	\$ -	\$ 2,913,277	\$ (1,078,114)	\$ 96,532,044
Land	400,000	-	-	-	400,000
Total capital assets, not being depreciated	95,096,881	-	2,913,277	(1,078,114)	96,932,044
Capital assets, being depreciated:					
Automobile	38,039	-	-	-	38,039
Office furniture and fixtures	247,653	-	8,004	-	255,657
Office building	7,102,653	-	-	-	7,102,653
Building improvements	1,178,180	-	92,064	-	1,270,244
Office and computer equipment	782,471	(103,421) *	20,268	-	699,318
Right-to-use lease assets	-	112,631 *	52,356	-	164,987
Capital Improvements	169,617	-	-	-	169,617
	9,518,613	9,210	172,692	-	9,700,515
Less accumulated depreciation/amortization for:					
Automobile	(38,039)	-	-	-	(38,039)
Office furniture and fixtures	(245,531)	-	(1,014)	-	(246,545)
Office building	(3,126,764)	-	(177,566)	-	(3,304,330)
Building improvements	(694,758)	-	(37,287)	-	(732,045)
Office and computer equipment	(660,633)	30,764 *	(21,564)	-	(651,433)
Right-to-use lease assets	-	-	(50,851)	-	(50,851)
	(4,765,725)	30,764	(288,282)	-	(5,023,243)
Total capital assets being depreciated, net	4,752,888	39,974	(115,590)	-	4,677,272
Governmental activities capital assets, net	\$ 99,849,769	\$ 39,974	\$ 2,797,687	\$ (1,078,114)	\$ 101,609,316

* Adjustments shown are due to implementation of GASB 87, Leases.

Depreciation

Depreciation expense of \$288,282 was recorded for the year ended June 30, 2022, and is related to the general administrative functions of the Council.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 6: Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, was as follows:

Due to/From	Interfund	
	Receivables	Payables
Governmental Funds:		
General Fund	\$ 984,074	\$ 2,282,416
Measure K and Measure K Renewal Fund	2,282,416	237,322
State Transit Assistance Fund	-	8,557
Local Transportation Fund	-	513,851
Regional Transportation Impact Fee Fund	-	167,471
SJCOG, Inc.	-	32,066
Commute Connection, Inc.	-	651
One Voice, Inc.	-	24,156
Totals	\$ 3,266,490	\$ 3,266,490

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, 2022.

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, 2022, was \$2,282,416.

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 7: Leases

a. Leases receivable

On 07/01/2021, the Council entered into a 96-month lease as Lessor for the use of Flynn' M Cattle Co_Remitz Property. An initial lease receivable was recorded in the amount of \$80,619. As of 06/30/2022, the value of the lease receivable is \$71,039. The lessee is required to make annual fixed payments of \$10,746. The lease has an interest rate of 1.4510%. The value of the deferred inflow of resources as of 06/30/2022 was \$70,541.58, and the Council recognized lease revenue of \$10,077 during the fiscal year.

On 07/01/2021, the Council entered into a 24-month lease as Lessor for the use of Nuss Farms, Inc. An initial lease receivable was recorded in the amount of \$69,465.48. As of 06/30/2022, the value of the lease receivable is \$34,821. The lessee is required to make semi-annual fixed payments of \$35,000. The lease has an interest rate of 0.5135%. The value of the deferred inflow of resources as of 06/30/2022 was \$34,733, and the Council recognized lease revenue of \$34,733 during the fiscal year.

The future lease revenue and related interest payments are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 79,223	\$ 1,523	\$ 80,746
2024	44,767	979	45,746
2025	9,999	747	10,746
2026	10,144	602	10,746
2027	10,291	455	10,746
2028-2030	21,034	459	21,493
Total	<u>\$ 175,458</u>	<u>\$ 4,765</u>	<u>\$ 180,223</u>

b. Leases payable

On 07/01/2021, the Council entered into a 29-month lease as Lessee for the use of Great America Meraki Wireless Access Point. An initial lease liability was recorded in the amount of \$14,356. As of 06/30/2022, the value of the lease liability is \$8,435. The Council is required to make monthly fixed payments of \$498. The lease has an interest rate of 0.5135%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$14,356 with accumulated amortization of \$5,941 is included with Equipment on the Lease Class activities table found below. The Council has the option to purchase the Equipment for \$1.00.

On 02/01/2022, the Council entered into a 36-month lease as Lessee for the use of Dell Precision 3650 Tower 001-6599332-013. An initial lease liability was recorded in the amount of \$26,256. As of 06/30/2022, the value of the lease liability is \$22,032. The Council is required to make monthly fixed payments of \$728. The lease has an interest rate of 1.8400%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$26,256 with accumulated amortization of \$3,647 is included with Equipment on the Lease Class activities table found below. The Council has the option to purchase the Equipment for \$1.00.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 7: Leases (Continued)

On 05/01/2022, the Council entered into a 40-month lease as Lessee for the use of Quadient Lease Postage Machine. An initial lease liability was recorded in the amount of \$7,397. As of 06/30/2022, the value of the lease liability is \$7,216. The Council is required to make monthly fixed payments of \$197. The lease has an interest rate of 2.2041%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$7,398.69 with accumulated amortization of \$379.10 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the Council entered into a 24-month lease as Lessee for the use of Great America Lease Symmetra LX Server Rack. An initial lease liability was recorded in the amount of \$6,361. As of 06/30/2022, the value of the lease liability is \$3,187. The Council is required to make monthly fixed payments of \$266. The lease has an interest rate of 0.5135%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$6,361 with accumulated amortization of \$3,180 is included with Equipment on the Lease Class activities table found below. The Council has the option to purchase the Equipment for \$1.00.

On 07/01/2021, the Council entered into a 60-month lease as Lessee for the use of US Bank Cannon Copier Machine. An initial lease liability was recorded in the amount of \$32,772. As of 06/30/2022, the value of the lease liability is \$26,347. The Council is required to make monthly fixed payments of \$561. The lease has an interest rate of 1.0586%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$32,772 with accumulated amortization of \$6,554 is included with Equipment on the Lease Class activities table found below. The Council has the option to purchase the Equipment for \$1.00.

On 07/01/2021, the Council entered into a 22-month lease as Lessee for the use of Dell Mobile Precision 7740 Towers 001-6599332-011. An initial lease liability was recorded in the amount of \$4,350. As of 06/30/2022, the value of the lease liability is \$1,981. The Council is required to make monthly fixed payments of \$199. The lease has an interest rate of 0.5135%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$4,350 with accumulated amortization of \$2,373 is included with Equipment on the Lease Class activities table found below. The Council has the option to purchase the Equipment for \$1.00.

On 07/01/2021, the Council entered into a 21-month lease as Lessee for the use of Dell Precision 3630 Towers #001-6599332-010. An initial lease liability was recorded in the amount of \$13,086. As of 06/30/2022, the value of the lease liability is \$5,620. The Council is required to make monthly fixed payments of \$626. The lease has an interest rate of 0.5135%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$13,086 with accumulated amortization of \$7,478 is included with Equipment on the Lease Class activities table found below. The Council has the option to purchase the Equipment for \$1.00.

On 07/01/2021, the Council entered into a 21-month lease as Lessee for the use of Dell Precision 3630 Towers #001-6599332-009. An initial lease liability was recorded in the amount of \$13,086. As of 06/30/2022, the value of the lease liability is \$5,620.

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 7: Leases (Continued)

The Council is required to make monthly fixed payments of \$626. The lease has an interest rate of 0.5135%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$13,086 with accumulated amortization of \$7,478 is included with Equipment on the Lease Class activities table found below. The Council has the option to purchase the Equipment for \$1.00.

On 06/01/2022, the Council entered into a 36-month lease as Lessee for the use of Great America Lease Apple iPad Air. An initial lease liability was recorded in the amount of \$21,738. As of 06/30/2022, the value of the lease liability is \$21,116. The Council is required to make monthly fixed payments of \$621. The lease has an interest rate of 1.9671%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$21,738 with accumulated amortization of \$604 is included with Equipment on the Lease Class activities table found below. The Council has the option to purchase the Equipment for \$1.00.

On 07/01/2021, the Council entered into a 35-month lease as Lessee for the use of Dell Precision 3640 Lease#001-6599332-012. An initial lease liability was recorded in the amount of \$22,792. As of 06/30/2022, the value of the lease liability is \$15,023. The Council is required to make monthly fixed payments of \$658. The lease has an interest rate of 0.7270%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$22,792 with accumulated amortization of \$7,814 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, the Council entered into a 11-month lease as Lessee for the use of Postage Machine old. An initial lease liability was recorded in the amount of \$5,825. As of 06/30/2022, the value of the lease liability is \$0.00. The Council is required to make monthly fixed payments of \$530. The lease has an interest rate of 0.3160%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$0.00 with accumulated amortization of \$5,825 is included with Equipment on the Lease Class activities table found below.

Asset Class	As of June 30, 2022	
	Right-to-use Leased Asset	Accumulated Amortization
Land	\$ 164,987	\$ 50,851

Annual requirements to amortize long-term obligations and related interest are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 65,562	\$ 1,974	\$ 67,536
2024	33,331	1,277	34,608
2025	15,726	480	16,206
Total	\$ 114,619	\$ 3,731	\$ 118,350

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 8: Debt Obligations and Long-Term Liabilities

Activity during the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Sales Tax Revenue Bonds, 2014 Series	\$ 42,290,000	\$ -	\$ 1,530,000	\$ 40,760,000	\$ 2,795,000
Premium on issuance - 2014 Series	4,687,747	-	439,476	4,248,271	-
Sales Tax Revenue Bonds, 2017 Series	191,800,000	-	4,605,000	187,195,000	4,310,000
Premium on issuance - 2017 Series	25,087,938	-	1,275,658	23,812,280	-
Sales Tax Revenue Bonds, 2019 Series	63,960,000	-	-	63,960,000	-
Premium on issuance - 2019 Series	10,321,010	-	522,583	9,798,427	-
Total	\$ 338,146,695	\$ -	\$ 8,372,717	\$ 329,773,978	\$ 7,105,000

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
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	1,355,500	5,150,500
2027	3,990,000	1,156,000	5,146,000
2028-2032	23,120,000	2,424,500	25,544,500
	\$ 40,760,000	\$ 10,598,250	\$ 51,358,250

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, 2022, \$23,700,733 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, 2022

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

Year Ending June 30,	Principal	Interest	Total
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	5,715,000	8,049,350	13,764,350
2028-2032	43,940,000	34,837,000	78,777,000
2033-2037	58,940,000	22,226,500	81,166,500
2038-2041	58,240,000	4,627,300	62,867,300
	<u>\$ 187,195,000</u>	<u>\$ 104,564,800</u>	<u>\$ 291,759,800</u>

Year Ending June 30,	Deferred Loss on Refunding of Bond
2023	\$ 1,316,708
2024	1,316,708
2025	1,316,708
2026	1,316,708
2027	1,316,708
2028-2032	6,583,540
2033-2037	6,583,540
2038-2040	3,950,113
	<u>\$ 23,700,733</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
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	-	3,198,000	3,198,000
2028-2032	-	15,990,000	15,990,000
2033-2037	32,055,000	12,940,250	44,995,250
2038-2041	31,905,000	4,085,500	35,990,500
	<u>\$ 63,960,000</u>	<u>\$ 49,005,750</u>	<u>\$ 112,965,750</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

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, 2022, was as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Compensated Absences	\$ 603,162	\$ 138,073	\$ (120,078)	\$ 621,157	\$ 231,423
Total	<u>\$ 603,162</u>	<u>\$ 138,073</u>	<u>\$ (120,078)</u>	<u>\$ 621,157</u>	<u>\$ 231,423</u>

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, 2022, 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, 2022, accrued vacation and sick leave pay totaled \$621,157. 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.

In September 2021, SJCOG expanded its retirement plan program to include a Retirement Health Savings Plan (RHS). The RHS plan enables those over fifty (50) years old upon retirement or separation from SJCOG to roll over any unused sick time into the established RHS plan. Prior to this, sick leave conversion upon separation was only available to those retiring from SJCOG. Adoption of this allowed those over 50 who separate from SJCOG to roll over any unused sick hours into the plan.

Once rolled over into the plan, the employee can allocate the money to various investment options which will allow the funds to grow. Mission Square is the service provider for reimbursing medical and dental costs incurred by the retiree. Doing this resulted in relieving SJCOG of the previous burden of reimbursing retirees for medical expenses for the duration of their sick leave balance. Participation for those over 50 who leave employment participation is mandatory.

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

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 \$2,500. 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.

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, 2022, funded through Measure K Renewal programs and has outstanding commitments of \$34,017,024 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 Mission Square 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, 2022, were \$3,261,994. The Council's total contributions to the retirement plan on behalf of employees were \$484,107 for the year ended June 30, 2022.

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022**

Note 10: Commitments and Contingencies (Continued)

Future Lease Commitments

The commitments, stated below, are for a lease that has a commencement date subsequent to the reporting date. On 08/01/2022, the Council entered into a 36-month lease as Lessee for the use of Great America-Verve ProLiant DL380 Servers. An initial lease liability was recorded in the amount of \$39,957.95. As of 06/30/2022, the value of the lease liability is \$39,957.95. The Council is required to make monthly fixed payments of \$1,155. The lease has an interest rate of 2.7650%. The Equipment estimated useful life was 36 months as of the contract commencement.

Note 11: Fund Balance/Net Position Deficit

The Commute Connection, Inc., has a fund balance deficit of \$550 at June 30, 2022. 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.

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.

SAN JOAQUIN COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 12: Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) (Continued)

The Council is the recipient agency of PTMISEA funds for the Cities of Escalon, Manteca, and Tracy. During the fiscal year ended June 30, 2022, the Council received \$0 from the State's PTMISEA account for disbursement to the above-mentioned cities. As of June 30, 2022, PTMISEA funds received, and claims paid to cities were verified in the course of our audit as follows:

	2022
PTMISEA/TSSSDRA balance designated for future claims, beginning	\$ 2,216,053
PTMISEA funds received	-
Interest earned on PTMISEA deposits	4,413
TSSSDRA funds received	-
Interest earned on TSSSDRA deposits	11
Claims paid to cities PTMISEA	(1,904,775)
Claims paid to cities TSSSDRA	(11,751)
PTMISEA/TSSSDRA balance designated for future claims, ending	\$ 303,951
RECONCILIATION TO FINANCIAL STATEMENT	
Designated for PTMISEA claims	\$ 627,180
Designated for TSSSDRA claims	2
Designated for other STA claims	6,534,255
Designated for future claims	\$ 7,161,437

Note 13: Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2022, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Earlier application is encouraged. The impact of the implementation of this Statement to the Council's financial statements has not been assessed at this time.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

Note 14: 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.	One Voice, Inc.	Total
Fund Balance								
Nonspendable:								
Prepaid	\$ 173,260	\$ 1,750	\$ -	\$ -	\$ -	\$ 2,698	\$ -	\$ 177,708
Restricted for:								
Transportation projects and related debt	-	217,534,563	-	-	15,802,488	-	-	233,337,051
TDA funds restricted by State statute	-	-	37,733,296	5,937,071	-	-	-	43,670,367
Habitat plan development	-	-	-	-	-	90,384,759	-	90,384,759
Unassigned:	2,565,364	-	-	-	-	-	(550)	2,564,814
Total Fund Balances	\$ 2,738,624	\$ 217,536,313	\$ 37,733,296	\$ 5,937,071	\$ 15,802,488	\$ 90,387,457	\$ (550)	\$ 370,134,699

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REQUIRED SUPPLEMENTAL INFORMATION

SAN JOAQUIN COUNCIL OF GOVERNMENTS (SJCOG)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND (By Object)
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 18,903,286	\$ 27,110,585	\$ 14,540,557	\$ (12,570,028)
Interest	5,000	5,000	10,722	5,722
Gains (losses) on investments	-	-	(1,584)	(1,584)
Other	15,000	15,000	1,500	(13,500)
Total Revenues	18,923,286	27,130,585	14,551,195	(12,579,390)
Expenditures:				
Salaries and benefits:				
Salaries	3,518,851	3,518,851	3,157,074	361,777
Salaries - vacation sales	100,000	100,000	124,696	(24,696)
Fringe benefits	1,534,377	1,534,377	1,205,012	329,365
Total Salaries and Benefits	5,153,228	5,153,228	4,486,782	666,446
Services and supplies:				
Office expense	261,500	261,500	336,438	(74,938)
Communications	60,000	60,000	60,810	(810)
Memberships	45,000	45,000	34,891	10,109
Rents	125,000	125,000	-	125,000
Transportation, travel, and training	66,000	66,000	83,704	(17,704)
Allocated service cost	-	-	552	(552)
Publications and legal notices	7,500	7,500	3,919	3,581
Insurance	146,300	146,300	174,019	(27,719)
Maintenance - equipment and auto	10,000	10,000	5,199	4,801
Maintenance - building, grounds and taxes	110,800	110,800	92,457	18,343
Utilities	89,200	89,200	124,875	(35,675)
Total Services and Supplies	921,300	921,300	916,864	4,436
Professional and special services	12,453,258	20,660,557	8,058,497	12,602,060
Capital outlay	195,500	195,500	120,336	75,164
Capital outlay - leases	-	-	52,356	(52,356)
Debt service:				
Lease Principal	40,000	40,000	50,368	(10,368)
Interest	160,000	160,000	110,492	49,508
Total Expenditures	18,923,286	27,130,585	13,795,695	13,334,890
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	755,500	755,500
Other Financing Sources (Uses):				
Leases	-	-	52,356	52,356
Total Other Financing Sources (Uses)	-	-	52,356	52,356
Net Change in Fund Balances	-	-	807,856	807,856
Fund Balances, Beginning of Year	1,391,188	1,391,188	1,391,188	-
Fund Balances, End of Year	\$ 1,391,188	\$ 1,391,188	\$ 2,199,044	\$ 807,856

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
MEASURE K AND MEASURE K RENEWAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales tax	\$ 67,100,000	\$ 67,100,000	\$ 86,737,236	\$ 19,637,236
Interest	-	-	2,034,725	2,034,725
Dividends	-	-	96,210	96,210
Gains (losses) on investments	-	-	(4,934,066)	(4,934,066)
Other	-	-	9,132	9,132
Total Revenues	67,100,000	67,100,000	83,943,237	16,843,237
Expenditures:				
General administration	671,000	671,000	229,136	441,864
Streets and roads	23,317,250	23,317,250	31,199,087	(7,881,837)
Transit	19,962,250	19,962,250	13,874,542	6,087,708
Congestion relief	21,639,750	21,639,750	12,279,076	9,360,674
Railroad safety crossings	1,509,750	1,509,750	-	1,509,750
Smart growth	-	-	736,937	(736,937)
Investment expense	-	-	212,861	(212,861)
Debt service:				
Bond Principal	-	-	6,135,000	(6,135,000)
Interest	-	-	14,510,100	(14,510,100)
Total Expenditures	67,100,000	67,100,000	79,176,739	(12,076,739)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	4,766,498	4,766,498
Net Change in Fund Balances	-	-	4,766,498	4,766,498
Fund Balances, Beginning of Year	212,769,815	212,769,815	212,769,815	-
Fund Balances, End of Year	\$ 212,769,815	\$ 212,769,815	\$ 217,536,313	\$ 4,766,498

SAN JOAQUIN COUNCIL OF GOVERNMENTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
LOCAL TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales tax	\$ 40,310,000	\$ 58,029,005	\$ 58,029,005	\$ -
Interest	-	-	115,602	115,602
Gains (losses) on investments	-	-	(735,877)	(735,877)
Total Revenues	40,310,000	58,029,005	57,408,730	(620,275)
Expenditures:				
General administration	1,510,990	2,024,841	2,024,841	-
Streets and roads	5,045,656	7,283,118	3,480,517	3,802,601
Pedestrian and bicycle	775,980	1,120,083	905,746	214,337
Transit	32,977,374	47,600,963	38,435,259	9,165,704
Total Expenditures	40,310,000	58,029,005	44,846,363	13,182,642
Deficiency of Revenues Under Expenditures	-	-	12,562,367	12,562,367
Net Change in Fund Balances	-	-	12,562,367	12,562,367
Fund Balances, Beginning of Year	25,170,929	25,170,929	25,170,929	-
Fund Balances, End of Year	\$ 25,170,929	\$ 25,170,929	\$ 37,733,296	\$ 12,562,367

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
STATE TRANSIT ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales tax	\$ 8,158,353	\$ 8,683,822	\$ 8,683,822	\$ -
State of good repair	-	-	1,420,327	1,420,327
Interest	-	-	24,665	24,665
Interest Prop 1B PTMISEA/TSSSDRA	-	-	2,518	2,518
Gains (losses) on investments	-	-	(167,469)	(167,469)
Total Revenues	8,158,353	8,683,822	9,963,863	1,280,041
Expenditures:				
General administration	132,850	141,407	141,407	-
Transit	8,025,503	8,542,415	9,742,757	(1,200,342)
PTMISEA/TSSSDRA	-	-	1,916,526	(1,916,526)
Total Expenditures	8,158,353	8,683,822	11,800,690	(3,116,868)
Excess of Revenues Over Expenditures	-	-	(1,836,827)	(1,836,827)
Net Change in Fund Balances	-	-	(1,836,827)	(1,836,827)
Fund Balances, Beginning of Year	7,773,898	7,773,898	7,773,898	-
Fund Balances, End of Year	\$ 7,773,898	\$ 7,773,898	\$ 5,937,071	\$ (1,836,827)

SAN JOAQUIN COUNCIL OF GOVERNMENTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
REGIONAL TRANSPORTATION IMPACT FEE FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 3,000,000	\$ 3,000,000	\$ 3,123,897	\$ 123,897
Interest	-	-	43,959	43,959
Total Revenues	3,000,000	3,000,000	3,167,856	167,856
Expenditures:				
General administration	40,000	40,000	41,239	(1,239)
Transit	2,710,000	2,710,000	-	2,710,000
Congestion relief	250,000	250,000	225,869	24,131
Total Expenditures	3,000,000	3,000,000	267,108	2,732,892
Excess of Revenues Over Expenditures	-	-	2,900,748	2,900,748
Net Change in Fund Balances	-	-	2,900,748	2,900,748
Fund Balances, Beginning of Year	12,901,740	12,901,740	12,901,740	-
Fund Balances, End of Year	\$ 12,901,740	\$ 12,901,740	\$ 15,802,488	\$ 2,900,748

SAN JOAQUIN COUNCIL OF GOVERNMENTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SJCOG, INC. BLENDED COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 29,000,000	\$ 29,000,000	\$ 30,394,084	\$ 1,394,084
Developer fees	-	-	45,600	45,600
Interest	-	-	263,671	263,671
Dividends	-	-	32,353	32,353
Gains (losses) on investments	-	-	(1,280,940)	(1,280,940)
Other	-	-	58,880	58,880
Total Revenues	29,000,000	29,000,000	29,513,648	513,648
Expenditures:				
General administration	650,000	650,000	811,716	(161,716)
Habitat plan	28,350,000	28,350,000	833,274	27,516,726
Capital outlay	-	-	2,913,277	(2,913,277)
Capital assets	-	-	-	-
Total Expenditures	29,000,000	29,000,000	4,558,267	24,441,733
Excess of Revenues Over Expenditures	-	-	24,955,381	24,955,381
Other Financing Sources:				
Proceeds from sale of capital asset	-	-	1,078,114	1,078,114
Total Other Financing Sources	-	-	1,078,114	1,078,114
Net Change in Fund Balances	-	-	26,033,495	26,033,495
Fund Balances, Beginning of Year	64,353,962	64,353,962	64,353,962	-
Fund Balances, End of Year	\$ 64,353,962	\$ 64,353,962	\$ 90,387,457	\$ 26,033,495

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2022**

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, 2022:

	General Fund	Measure K and Measure K Renewal Fund	State Transit Assistance Fund	Regional Transportation Impact Fee Fund	SJCOG, INC.
Salaries - vacation sales	\$ 24,696	\$ -	\$ -	\$ -	\$ -
General administration	-	-	-	1,239	161,716
Office expense	74,938	-	-	-	-
Communications	810	-	-	-	-
Transportation, travel, and training	17,704	-	-	-	-
Transit	-	-	1,200,342	-	-
PTMISEA/TSSSDRA	-	-	1,916,526	-	-
Allocated service cost	552	-	-	-	-
Publications and legal notices	27,719	-	-	-	-
Utilities	35,675	-	-	-	-
Streets and roads	-	7,881,837	-	-	-
Smart growth	-	736,937	-	-	-
Investment expense	-	212,861	-	-	-
Capital outlay - capital assets	-	-	-	-	2,913,277
Capital outlay - leases	52,356	-	-	-	-
Debt service - principal	10,368	6,135,000	-	-	-
Debt service - interest	-	14,510,100	-	-	-

OTHER SUPPLEMENTARY INFORMATION

SAN JOAQUIN COUNCIL OF GOVERNMENTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's UEI 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	DWM8CCUYQTZ4	CMLNI-6088(072)	\$ 1,707,258
Highway Planning and Construction*	20.205	DWM8CCUYQTZ4	RPSTCML-6088 (068)	<u>1,172,588</u>
Total State of California Department of Transportation				<u>2,879,846</u>
Passed through the County of Merced				
Merced County Association of Governments				
Highway Planning and Construction*	20.205	G9LMKWZEL2K3	CMAQ #C20-014	133,998
Passed through the County of Stanislaus				
Stanislaus Council of Governments				
Highway Planning and Construction*	20.205	D9JKHAL5D2R1	CMAQ #C21-002	<u>468,710</u>
Total U.S. Department of Transportation				<u>3,482,554</u>
Total Highway Planning and Construction Cluster				<u>3,482,554</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	DWM8CCUYQTZ4	MFTA#74A0139-Section 5303 MFTA#74A0139-FHWA PL	448,061 <u>1,633,970</u>
Total U.S. Department of Transportation				<u>2,082,031</u>
Total Federal Expenditures				<u>\$ 5,564,585</u>

* Major Program

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

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

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

SAN JOAQUIN COUNCIL OF GOVERNMENTS

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

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

a. Scope of Presentation

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

b. Basis of Accounting

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
OVERALL WORK PROGRAM COSTING SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER ITEMS BY FUNDING SOURCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	General Fund										FHWA PL	
	Local Transp. Funds Planning	Local Transp. Funds TDA Admin	LTA Measure K Dibs vanpool	State Transit Assist.	CMAQ	RPSTCML	Merced CMAQ	Fwy Service Patrol Congestion	Rdte- Sharing CMAQ Stan. Co.	FTA 5303		RS/TP SR 120 Ramps
Revenues:	\$ 1,133,900	\$ 1,233,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Transportation Fund Planning	340,000	-	-	-	-	-	-	-	-	-	-	-
Local Transportation Fund (TDA Administration)	-	340,000	-	-	-	-	-	-	-	-	-	-
MKR for (dibs allocation)	-	-	213,591	-	-	-	-	-	-	-	-	-
State Transit Assistance	132,850	-	-	101,905	-	-	-	-	-	-	-	-
Congestion Mitigation Air Quality (CMAQ) 6088(072)	2,121,937	-	-	-	1,707,258	-	-	-	-	-	-	-
Congestion Mitigation Air Quality (RPSTCML) 6088(068)	2,421,802	-	-	-	-	1,172,588	-	-	-	-	-	-
(Federal CMAQ Merced)	201,800	-	-	-	-	133,998	-	-	-	-	-	-
(Federal CMAQ Merced)	48,365	-	-	-	-	-	-	-	-	-	-	-
State/Caltans - Fwy Svc patrol FSP19 - SB1 - 6088(066)	11,679	-	-	-	-	-	11,679	-	-	-	-	-
SB1 - State/Caltans - Fwy Svc patrol FSP14 - 6088(063)	35,831	-	-	-	-	-	27,956	-	-	-	-	-
State/Caltans - Fwy Svc patrol FSP20 - 6088(069)	362,262	-	-	-	-	-	362,262	-	-	-	-	-
State/Caltans - Fwy Svc patrol FSP20 - SB1 - 6088(070)	490,646	-	-	-	-	-	412,794	-	-	-	-	-
State/Caltans - Fwy Svc patrol FSP21 - 6088(073)	546,122	-	-	-	-	-	163,300	-	-	-	-	-
State/Caltans - Fwy Svc patrol FSP21 - SB1 - 6088(074)	454,873	-	-	-	-	-	-	-	-	-	-	-
State/Caltans - Fwy Svc patrol FSP22 - 6088(076)	547,781	-	-	-	-	-	-	-	-	-	-	-
State/Caltans - Fwy Svc patrol FSP22 - SB1 - 6088(079)	584,555	-	-	-	-	-	-	-	-	-	-	-
StanCOG CMAQ TDM Ridesharing	580,957	-	-	-	-	-	-	468,710	-	-	-	-
FTA 5303 MPO Planning	329,899	-	-	-	-	-	-	-	329,899	-	-	-
FTA 5303 MPO Planning Carryover	118,162	-	-	-	-	-	-	-	118,162	-	-	-
Federal Highway PL Planning & Admin.	1,633,414	-	-	-	-	-	-	-	-	-	1,630,085	-
Federal Highway PL Planning & Admin. Carryover	3,885	-	-	-	-	-	-	-	-	-	-	3,885
Interest	20,000	-	-	-	-	-	-	-	-	-	-	-
Measure K (LTA admin)	671,000	-	-	-	-	-	-	-	-	-	-	-
Measure K (LTA planning)	1,000,000	-	-	-	-	-	-	-	-	-	-	-
State Senate Bill (SB1) awarded in FYE 19/20	181,488	-	-	-	-	-	-	-	-	-	-	-
State Senate Bill (SB1) Competitive awarded in FYE 19/20	99,198	-	-	-	-	-	-	-	-	-	-	-
State Senate Bill (SB1) awarded in FYE 20/21	132,325	-	-	-	-	-	-	-	-	-	-	-
State Senate Bill (SB1) awarded in FYE 21/22	347,369	-	-	-	-	-	-	-	-	-	-	-
City of Lodi Greenline Feasibility (SB1) awarded in FYE 19/20	92,513	-	-	-	-	-	-	-	-	-	-	-
State of California Dept of HCD (REAP)	970,097	-	-	-	-	-	-	-	-	-	-	-
State of California Air Resources Board CARB (STEP)	7,449,650	-	-	-	-	-	-	-	-	-	-	-
State Clean Mobility EV Car Share	998,614	-	-	-	-	-	-	-	-	-	-	-
RTIF Admin Operating	27,720	-	-	-	-	-	-	-	-	-	-	-
RTIF Project Operating	313,771	-	-	-	-	-	-	-	-	-	-	-
RTIF 3rd party costs	-	-	-	-	-	-	-	-	-	-	-	-
Valley Wide Air Quality	200,000	-	-	-	-	-	-	-	-	-	-	-
STIP PPM	331,342	-	-	-	-	-	-	-	-	-	-	-
SICOG Fees/Local other (One Voice)	-	-	-	-	-	-	-	-	-	-	-	-
SICOG Fees/Local other (Data Sales)	-	-	-	-	-	-	-	-	-	-	-	-
Other (Bid protest)	-	-	-	-	-	-	-	-	-	-	-	-
SICOG Fees/Local other	10,000	-	-	-	-	-	-	-	-	-	-	-
SICOG Fees/ALUC	51,000	-	-	-	-	-	-	-	-	-	-	-
SACOG FSP	207,000	-	-	-	-	-	-	-	-	-	-	-
SACOG TDM Trip Planning System and 511	150,000	-	-	-	-	-	-	-	-	-	-	-
Rural Planning Assistance (RPA)	50,000	-	-	-	-	-	-	-	-	-	-	-
Roth Road Corridor Study	225,000	-	-	-	-	-	-	-	-	-	-	-
Model Base Update (MCAG LOA local)	-	-	-	-	-	-	-	-	-	-	-	-
State grant on Affordable Housing	32,777	-	-	-	-	-	-	-	-	-	-	-
Habitat Plan Administration SICOG, INC.	605,000	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	27,130,584	1,233,101	340,000	213,591	101,905	1,707,258	1,172,588	133,998	977,991	468,710	448,061	1,633,970

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF DIRECT AND INDIRECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2022**

	Direct	Indirect	Unallowable Expense	Total
Salaries(Unallowable included in Direct base)	\$ 1,523,099	\$ 1,734,151	\$ 24,520	\$ 3,281,770
Fringe benefits(Unallowable included in Direct)	571,132	622,145	11,735	1,205,012
Office expense	39,938	293,894	2,606	336,438
Communications	-	60,810	-	60,810
Memberships	575	29,979	4,337	34,891
Rent - equipment	-	-	12,209	12,209
Capital lease principal payments	-	-	38,159	38,159
Capital lease interest payments	-	-	1,124	1,124
Interest - building debt service	-	64,968	44,400	109,368
Transportation, travel and training	34,422	12,676	36,606	83,704
Professional and special services	7,702,868	221,579	134,602	8,059,049
Publications and legal notices	3,913	6	-	3,919
Insurance	-	151,090	22,929	174,019
Capital outlay	-	-	120,336	120,336
Capital outlay Leases	-	-	52,356	52,356
Maintenance - equipment	285	4,914	-	5,199
Maint. - struct. & grounds - Taxes	-	89,460	2,997	92,457
Utilities	-	118,986	5,889	124,875
SUBTOTAL EXPENDITURES	9,876,232	3,404,658	514,805	13,795,695
Depreciation	-	217,244	58,597	275,841
TOTAL EXPENDITURES	\$ 9,876,232	\$ 3,621,902	\$ 573,402	\$ 14,071,536

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, 2022

REVENUES	Budgeted Amounts		Actual Amounts	Favorable (Unfavorable)
	Original	Final		
Intergovernmental	\$ 18,918,286	\$ 26,699,683	\$ 14,540,557	\$ (12,159,126)
Use of money and property	5,000	5,000	9,138	4,138
Miscellaneous	15,000	15,000	1,500	(13,500)
Total Revenues	18,938,286	26,719,683	14,551,195	(12,168,488)
EXPENDITURES				
Regional Transportation Plan	1,049,803	1,826,825	1,817,945	8,880
Regional Transportation Plan (Affordable Housing)	20,000	32,777	1,669	31,108
SB1 awarded FY 19/20 Sustainable Comm. Planning Studies	130,000	218,462	211,743	6,720
SB1 awarded FY 19/20 Adaptation Planning	157,300	112,051	107,673	4,378
SB1 awarded FY 20/21 Sustainable Comm. Planning Studies	188,000	168,000	146,631	21,369
SB1 awarded FY 21/22 Sustainable Comm. Planning Studies	391,671	392,375	19,714	372,661
Regional Planning Studies	228,957	518,957	261,229	257,728
Transportation Improvement Program	221,652	237,661	236,066	1,595
Roads and Streets Monitoring	339,394	185,736	80,456	105,280
I-205 Managed Lanes Project	2,735,573	2,735,573	1,398,457	1,337,116
Transit Coordination and Planning	284,391	232,850	201,905	30,945
Transportation Air Quality Planning	647,014	471,252	443,503	27,749
Goods Movement	83,543	53,543	47,461	6,082
Ongoing Technical Assistance	208,330	133,493	126,067	7,426
Intergovernmental Coordination	321,588	405,168	400,081	5,087
Intergovernmental Coord. Rural Planning Assistance	50,000	50,000	50,000	-
Projections and Forecasts	152,000	152,000	144,842	7,158
Aviation / Airport and Land Use	83,000	67,792	53,442	14,350
Congestion Management Prog/Sys	156,607	196,607	191,607	5,000
Regional Planning	132,000	192,000	165,853	26,147
Valley MPO Coordination	100,703	46,703	36,886	9,817
Habitat Plan Implementation	605,000	605,000	-	605,000
Measure K Program Mgmt/Admin	284,252	245,252	229,131	16,121
RTIF	175,744	50,744	49,293	1,451
Smart Growth	30,600	2,600	-	2,600
COG Overall Work Plan Administration	190,531	105,531	102,259	3,272
TDA Administration	577,413	437,413	392,173	45,240
Community Involvement	130,050	493,050	488,012	5,038
Transportation Demand Management	4,045,009	3,967,059	2,594,852	1,372,207
Freeway Service Patrol	1,798,641	3,240,749	1,251,562	1,989,187
SJCOG Interns	126,000	31,000	29,624	1,376
Performance Based Planning & Programming	104,000	104,000	102,078	1,922
SJV Regional Early Action Planning Committee for Housing (REAI)	845,097	970,097	368,440	601,657
Sustainable Transportation Equity Project (STEP)	2,329,423	7,449,650	1,354,761	6,094,889
Clean Mobility Options Voucher Program (CMO)	-	998,614	6,609	992,005
Total 2020/21 project Expenditures	18,923,286	27,130,585	13,112,024	14,018,561
Other (not billed through Overall Work Program)				
Additional provision for capital outlay	-	-	172,692	(172,692)
Depreciation cost recovery A-87 assets only	-	-	(275,841)	275,841
Total Other	-	-	(103,149)	103,149
Overhead (overclaimed) underclaimed - prior periods	-	-	734,464	(734,464)
Total Adjusted Project Expenditures	18,923,286	27,130,585	13,743,339	13,387,246
Net Change in Fund Balance	15,000	(410,902)	807,856	1,218,758
Fund Balance - Beginning	-	-	1,391,188	1,391,188
Fund Balance - Ending	\$ 15,000	\$ (410,902)	\$ 2,199,044	\$ 2,609,946

SAN JOAQUIN COUNCIL OF GOVERNMENTS
 SCHEDULE OF BALANCES
 LOCAL TRANSPORTATION FUND
 FOR THE YEAR ENDING JUNE 30, 2022

	SJRTD	Lathrop	Lodi	Manteca	Tracy	Ripon	Escalon	SJRRRC	SJ County	Stockton	SJCOG Planning	Total LTF Funds
ASSETS:												
Cash in treasury	\$ 4,847,457	\$ 554,283	\$ 6,973,361	\$ 11,216,333	\$ 10,090,357	\$ 133,550	\$ 477,673	\$ 11,586	\$ 202,433	\$ 5,932	\$ -	\$ 34,512,965
Sales tax apportionment receivable	6,443,444	364,201	922,004	1,150,978	1,302,058	216,216	101,498	-	-	-	-	10,500,399
Interest receivable	1,695	2,192	8,439	15,624	12,246	996	535	4,392	273	550	-	46,942
Due from other Funds	(1,893,305)	(69,189)	(175,158)	(218,658)	(247,359)	(41,076)	(19,282)	1,939,021	69,480	141,675	513,851	-
Total Assets	\$ 9,399,291	\$ 851,487	\$ 7,728,646	\$ 12,164,277	\$ 11,157,302	\$ 309,686	\$ 560,424	\$ 1,954,999	\$ 272,186	\$ 148,157	\$ 513,851	\$ 45,060,306
LIABILITIES AND FUND EQUITY												
Liabilities:												
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 513,851	\$ 513,851
Intergovernmental payable	-	-	1,315,617	-	4,817,860	-	474,200	-	205,482	-	-	6,813,159
Total Liabilities	-	-	1,315,617	-	4,817,860	-	474,200	-	205,482	-	513,851	7,327,010
Fund Equity:												
Apportioned	9,399,291	851,487	6,413,029	12,164,277	6,339,442	309,686	86,224	1,954,999	66,704	148,157	-	37,733,296
Total Fund Equity	9,399,291	851,487	6,413,029	12,164,277	6,339,442	309,686	86,224	1,954,999	66,704	148,157	-	37,733,296
Total Liabilities and Fund Equity	\$ 9,399,291	\$ 851,487	\$ 7,728,646	\$ 12,164,277	\$ 11,157,302	\$ 309,686	\$ 560,424	\$ 1,954,999	\$ 272,186	\$ 148,157	\$ 513,851	\$ 45,060,306

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
LOCAL TRANSPORTATION FUND
FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

	SIRTD	Lathrop	Lodi	Manteca	Tracy	Ripon	Escalon	SIRRC	SI County	Stockton	SICOG Planning	SICOG TDA Admin.	S.J. County Auditor	Total LTF Funds
REVENUE:														
Sales tax	\$ 30,181,208	\$ 1,689,863	\$ 4,278,030	\$ 5,340,452	\$ 6,041,450	\$ 1,003,224	\$ 470,942	\$ 6,311,669	\$ 226,162	\$ 461,164	\$ 1,682,841	\$ 340,000	\$ 2,000	\$ 58,029,005
Interest	7,453	4,239	19,366	38,881	26,862	2,055	944	13,855	630	1,317	-	-	-	115,602
Unrealized Gains	(82,194)	(16,806)	(144,761)	(238,761)	(203,758)	(6,455)	(10,049)	(27,287)	(3,583)	(2,223)	-	-	-	(735,877)
(Losses) on investments	30,106,467	1,677,296	4,152,655	5,140,572	5,864,554	998,824	461,837	6,298,237	225,209	460,258	1,682,841	340,000	2,000	57,408,730
Total Revenue	26,399,178	1,381,738	1,315,617	2,053,781	4,817,860	790,021	474,200	4,977,648	205,482	405,997	1,682,841	340,000	2,000	44,846,363
EXPENDITURES:														
SIRTD	26,399,178	-	-	-	-	-	-	-	-	-	-	-	-	26,399,178
Lathrop	-	1,381,738	-	-	-	-	-	-	-	-	-	-	-	1,381,738
Lodi	-	-	1,315,617	-	-	-	-	-	-	-	-	-	-	1,315,617
Manteca	-	-	-	2,053,781	-	-	-	-	-	-	-	-	-	2,053,781
Tracy	-	-	-	-	4,817,860	-	-	-	-	-	-	-	-	4,817,860
Ripon	-	-	-	-	-	790,021	-	-	-	-	-	-	-	790,021
Escalon	-	-	-	-	-	-	474,200	-	-	-	-	-	-	474,200
SIRRC	-	-	-	-	-	-	-	4,977,648	-	-	-	-	-	4,977,648
S.J. County	-	-	-	-	-	-	-	-	205,482	-	-	-	-	205,482
Stockton	-	-	-	-	-	-	-	-	-	405,997	-	-	-	405,997
SICOG Planning	-	-	-	-	-	-	-	-	-	-	1,682,841	-	-	1,682,841
SICOG TDA Admin.	-	-	-	-	-	-	-	-	-	-	-	340,000	-	340,000
S.J. County Auditor/Contr.	-	-	-	-	-	-	-	-	-	-	-	-	2,000	2,000
Total Expenditures	26,399,178	1,381,738	1,315,617	2,053,781	4,817,860	790,021	474,200	4,977,648	205,482	405,997	1,682,841	340,000	2,000	44,846,363
Excess (deficit) of Revenues Over Expenditures	3,707,289	295,558	2,837,018	3,086,791	1,046,694	208,803	(12,363)	1,320,589	17,727	54,261	-	-	-	12,562,367
OTHER FINANCING SOURCES (USES):														
Fund Balance	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
Beginning of Year	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
Fund Balance Beginning as retained														
Fund Balance	\$ 9,399,291	\$ 851,487	\$ 6,413,029	\$ 12,164,277	\$ 6,339,442	\$ 309,686	\$ 86,224	\$ 1,954,999	\$ 66,704	\$ 148,157	\$ -	\$ -	\$ -	\$ 37,733,296
End of Year														

SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
LOCAL TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2022

PUC Section	Purpose	Allocated/ Expended
99233.1	Administration:	
	Council	\$ 340,000
	County of San Joaquin	2,000
		<u>342,000</u>
99233.4	Rail Service:	
	San Joaquin Regional Rail Commission	4,977,648
99234	Pedestrian and Bicycle Facilities:	
	County of San Joaquin	205,482
	City of Escalon	7,501
	City of Stockton	405,997
	City of Tracy	96,222
	City of Lodi	68,136
	City of Manteca	76,270
	City of Ripon	15,978
	City of Lathrop	30,160
		<u>905,746</u>
99260	Public Transportation:	
	San Joaquin Regional Transit District	25,536,414
99260	Public Transportation System Planning:	
	Council of Governments	1,682,841
icle 4.5 #99275	Community Transit Services	
	San Joaquin Regional Transit District	862,764
99400(a)	Streets, Roads, Pedestrian and Bicycle Projects:	
	County of San Joaquin	-
	City of Escalon	466,699
	City of Tracy	-
	City of Lodi	600,000
	City of Manteca	659,536
	City of Ripon	604,282
	City of Lathrop	1,150,000
		<u>3,480,517</u>
99400(c)	Contracted Public Transportation - Operations:	
	City of Manteca	1,317,975
	City of Ripon	169,761
	City of Tracy	2,263,469
	City of Lathrop	201,578
	City of Lodi	647,481
		<u>4,600,264</u>
99400(e)	Contracted Public Transportation - Capital:	
	City of Tracy	2,458,169
		<u>2,458,169</u>
	Total:	<u>\$ 44,846,363</u>

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF BALANCES
STATE TRANSIT ASSISTANCE FUND
FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

	SJRTD	Lodi	Ripon	SJRR	Manteca	Tracy	Escalon	SICOG TDA Admin.	Total STA Funds
ASSETS:									
Cash in treasury	\$ 2,007,740	\$ 467,479	\$ 92,749	\$ 3,252,887	\$ 452,614	\$ 692,282	\$ 76,376	\$ -	\$ 7,042,127
Sales tax apportionment receivable	1,929,057	32,943	4,533	689,453	21,045	25,882	2,734	-	2,705,647
Due from other fund	906,491	-	-	(915,048)	-	-	-	8,557	-
Interest receivable	3,803	606	126	3,814	595	914	101	-	9,959
Total Assets	\$ 4,847,091	\$ 501,028	\$ 97,408	\$ 3,031,106	\$ 474,254	\$ 719,078	\$ 79,211	\$ 8,557	\$ 9,757,733
LIABILITIES AND FUNDEQUITY									
Liabilities									
Intergovernmental payable	\$ 1,208,824	\$ 52,148	\$ -	\$ 2,158,552	\$ -	\$ 389,532	\$ 3,049	\$ 8,557	\$ 3,820,662
Total Liabilities	1,208,824	52,148	-	2,158,552	-	389,532	3,049	8,557	3,820,662
FUND EQUITY									
Apportioned	3,638,267	448,880	97,408	872,554	474,254	329,546	76,162	-	5,937,071
Total Fund Equity	3,638,267	448,880	97,408	872,554	474,254	329,546	76,162	-	5,937,071
Total Liabilities and Fund Equity	\$ 4,847,091	\$ 501,028	\$ 97,408	\$ 3,031,106	\$ 474,254	\$ 719,078	\$ 79,211	\$ 8,557	\$ 9,757,733

**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, 2022**

	SJRTD	Lodi	Ripon	SJRR	MANTECA	TRACY	ESCALON	SJCOG STA Admin.	Total STA Funds
REVENUE:									
Sales tax	\$ 7,605,471	\$ 158,121	\$ 25,161	\$ 1,893,640	\$ 121,324	\$ 144,873	\$ 14,152	\$ 141,407	\$ 10,104,149
Interest STA	10,270	1,520	320	8,287	913	1,414	35	-	22,759
Interest PTMISEA	-	-	-	-	1,021	3,098	294	-	4,413
Interest TSSSDRA	-	-	-	11	-	-	-	-	11
Unrealized Gains	-	-	-	-	-	-	-	-	-
(Losses) on investments	(46,570)	(10,080)	(2,028)	(69,120)	(11,861)	(25,877)	(1,933)	-	(167,469)
Total Revenue	7,569,171	149,561	23,453	1,832,818	111,397	123,508	12,548	141,407	9,963,863
EXPENDITURES:									
SJRTD	7,097,361	-	-	-	-	-	-	-	7,097,361
Lodi	-	52,148	-	-	-	-	-	-	52,148
Ripon	-	-	3,804	-	-	-	-	-	3,804
SJRR	-	-	-	2,179,846	-	-	-	-	2,179,846
SJRR(TSSSDRA)	-	-	-	11,751	-	-	-	-	11,751
MANTECA	-	-	-	-	100,542	-	-	-	100,542
MANTECA(PTMISEA)	-	-	-	-	26,863	-	-	-	26,863
TRACY	-	-	-	-	-	274,297	-	-	274,297
TRACY (PTMISEA)	-	-	-	-	-	1,870,383	-	-	1,870,383
ESCALON	-	-	-	-	-	-	34,759	-	34,759
ESCALON(PTMISEA)	-	-	-	-	-	-	7,529	-	7,529
SJCOG TDA Admin.	-	-	-	-	-	-	-	141,407	141,407
Total Expenditures	7,097,361	52,148	3,804	2,191,597	127,405	2,144,680	42,288	141,407	11,800,690
Excess (deficit) of Revenues Over Expenditures	471,810	97,413	19,649	(358,779)	(16,008)	(2,021,172)	(29,740)	-	(1,836,827)
OTHER FINANCING SOURCES (USES):									
Fund Balance Beginning of Year	3,166,457	351,467	77,759	1,231,333	490,262	2,350,718	105,902	-	7,773,898
Fund Balance End of Year	\$ 3,638,267	\$ 448,880	\$ 97,408	\$ 872,554	\$ 474,254	\$ 329,546	\$ 76,162	\$ -	\$ 5,937,071

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
STATE TRANSIT ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022**

<u>PUC Section</u>	<u>Purpose</u>	<u>Allocated/ Expended</u>
6730(a)	Public Transit:	
	San Joaquin Regional Transit District	\$ 63,171
	City of Escalon	3,049
	City of Ripon	3,804
		70,024
6730(b)	Transit Capital:	
	San Joaquin Regional Transit District	6,170,218
	San Joaquin Regional Rail Commission	2,007,941
	City of Lodi	52,148
	City of Manteca	3,360
	City of Tracy	15,424
		8,249,091
6731(b)	Transit Administration/Planning:	
	Council	141,407
Prop 1B	PTMISEA (CAPITAL)	
	City of Escalon	7,529
	City of Tracy	1,870,383
	City Of Manteca	26,863
		1,904,775
Prop 1B	TSSSDRA	
	San Joaquin Regional Rail	11,751
State of Goods Repair	State of Goods Repair	
	City of Escalon	31,710
	City of Manteca	97,182
	San Joaquin Regional Rail	171,906
	San Joaquin Regional Transit	863,972
	City of Tracy	258,873
		1,423,642
	Total:	\$ 11,800,690

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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.....	82
These schedules contain trend information to help the reader understand how the Council's financial performance has changed over time.	
Revenue Capacity.....	87
These schedules contain information to help the reader assess the Council's most significant local revenue source, the sales tax.	
Debt Capacity.....	94
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.....	96
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	98
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)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Governmental activities:												
Net Investment in capital assets	\$ 39,585,252	\$ 45,035,979	\$ 47,531,273	\$ 48,877,028	\$ 52,501,136	\$ 55,794,469	\$ 61,483,649	\$ 73,745,544	\$ 86,357,945	\$ 91,984,295	\$ 99,773,985	\$ 101,545,164
Restricted for:												
Habitat acquisition and management	9,454,822	10,839,874	12,654,148	14,517,762	19,915,476	27,881,404	30,468,909	42,995,332	51,018,002	52,617,598	64,353,334	90,384,759
Transportation projects									214,559,937	228,257,131	258,612,666	277,007,418
Debt service												
Unrestricted	(22,060,434)	(58,528,039)	(90,678,836)	(108,507,870)	(139,365,146)	(142,902,987)	(147,519,179)	(131,704,205)	(325,169,916)	(324,733,632)	(317,108,321)	(309,202,792)
Total primary government net assets	\$ 26,979,640	\$ (2,652,186)	\$ (30,493,415)	\$ (45,113,080)	\$ (66,948,534)	\$ (59,227,114)	\$ (55,566,621)	\$ (14,963,329)	\$ 26,765,968	\$ 48,125,392	\$ 105,631,664	\$ 159,734,549

**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	2021-22
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	\$ 29,249,977
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	169,024,243
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	198,274,220
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	272,809
Miscellaneous	62,134	23,326	10,989	15,763	15,343	24,050	17,592	16,425	8,200	-	1,500
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	274,309
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	\$ 198,548,529

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

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
EXPENSES										
Governmental activities:										
General government	\$ 6,118,418	\$ 6,674,200	\$ 6,175,981	\$ 7,475,155	\$ 7,357,834	\$ 7,665,095	\$ 7,897,958	\$ 8,609,107	\$ 13,985,148	\$ 17,004,318
Transportation	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	113,009,177
Habitat development	545,955	626,915	899,905	1,224,372	1,092,612	1,471,277	1,327,767	1,248,664	719,675	833,274
Commuter Connection	500	50	-	-	-	-	-	-	-	-
Building Interest expense	19,923	55,843	53,346	51,073	37,298	53,444	135,454	127,679	120,405	110,492
Measure K Renewal Investment Interest expense	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	13,507,958
Total primary government expenses	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	144,465,219
PROGRAM REVENUES										
Governmental activities:										
Habitat Development	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	29,249,977
Operating grants and contributions	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	169,024,243
Total governmental activities program revenues	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	198,274,220
Total primary government net revenue (expense)	(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	53,809,001
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Unrestricted investment earnings	5,160	6,163	3,702	4,825	5,558	6,147	19,006	20,927	424,177	272,809
Miscellaneous	23,326	10,989	15,763	15,343	24,050	17,592	16,425	8,200	-	1,500
Total general revenues - primary government	28,486	17,152	19,465	20,168	29,608	23,739	35,431	29,127	424,177	274,309
CHANGE IN NET POSITION	\$ (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	\$ 54,083,310
TOTAL PRIMARY GOVERNMENT										

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

	2012-13 *	2013-14 *	2014-15 *	2015-16 *	2016-17 *	2017-18 *	2018-19*	2019-20*	2020-21*	2021-22*
General fund										
Nonspendable	\$ 105,199	\$ 94,515	\$ 134,269	\$ 97,503	\$ 74,606	\$ 141,195	\$ 102,277	\$ 125,030	\$ 132,710	\$ 173,260
Unassigned	(2,827,527)	(3,070,547)	(1,573,715)	(860,010)	(891,168)	(853,568)	(203,535)	(118,944)	1,258,478	2,025,784
Total general fund	(2,722,328)	(2,976,032)	(1,439,446)	(762,507)	(816,562)	(712,373)	(101,258)	6,086	1,391,188	2,199,044
All other governmental funds										
Nonspendable	18,919,010	28,466,395	30,216,271	33,797,012	39,440,333	2,535	2,554	4,743	4,441	4,448
Restricted	181,542,717	154,287,487	173,599,167	162,570,448	148,415,593	150,469,895	214,559,934	228,257,131	258,612,666	277,007,418
Committed						49,005,261				
Assigned	12,654,048	14,517,792	19,915,065	27,881,404	30,468,785	42,994,858	51,018,002	52,617,598	64,353,334	90,384,759
Unassigned	(500)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)
Total all other governmental funds	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	367,396,075
Total Fund Balance	\$ 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	\$ 369,595,119

* 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)

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
REVENUES										
Sales Tax	\$ 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	\$ 153,450,063
Prop IB	18,463	36,926	100,000	18,463	345,704	388,284	3,239,059	1,094,419	1,367,538	1,420,327
Intergovernmental	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	14,540,557
Charges for services	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	33,517,981
Investment earnings	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	(4,495,511)
Proceeds from sale of habitat property	-	-	-	-	-	-	-	-	-	1,078,114
Other	797,874	402,439	2,403,574	122,998	721,055	3,040,790	7,010,482	603,943	10,746	115,112
Total revenues	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	199,626,643
EXPENDITURES										
General administration	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	16,710,482
Transportation	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	112,796,316
Habitat Plan	178,868	254,044	315,080	640,604	670,616	881,972	696,057	599,192	719,875	833,274
Investment expense	872,724	182,681	129,539	157,619	136,942	96,228	190,161	187,902	172,358	212,861
Debt service										
Principal	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	6,185,368
Interest	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	14,620,592
Capital assets	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	3,033,613
Capital leases	5,464	47,872	158,750	103,928	10,995	50,040	20,810	52,215	51,204	52,356
Total expenditures	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	154,444,862
Excess (Deficiency) of revenues over (under) expenditures	(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	45,181,781
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	5,464	47,872	158,750	103,928	10,995	50,040	20,810	52,216	51,204	52,356
Total other financing sources (uses)	5,464	47,872	158,750	103,928	10,995	50,040	20,810	63,906	51,204	52,356
NET CHANGE IN FUND BALANCES	\$ (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	\$ 45,234,137
Debt service as a percentage of noncapital expenditures	10.53%	11.69%	13.90%	17.07%	17.59%	14.45%	49.44%	16.40%	16.05%	13.75%

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

For the Fiscal years Ending June 30, 2013 Through June 30, 2022

	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	6/30/22
INTERGOVERNMENTAL:										
TDA Administration	\$ 250,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 265,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 340,000
State Transit Assistance	76,832	75,072	71,168	54,342	144,767	126,947	129,273	105,939	141,407	270,608
RTIF Administration & third party costs	16,893	12,538	45,731	55,566	74,461	37,723	40,974	466,200	301,499	525,562
Freeway Service Patrol	537,791	832,446	848,758	777,908	317,490	273,956	200,000	305,235	368,562	468,710
Ridesharing - Stanislaus Co.	155,000	190,000	195,000	195,000	195,000	195,000	200,000	200,000	34,693	133,998
Ridesharing - Merced County TDM	46,734	-	-	8,327	-	19,206	63,794	-	-	-
Rideshare-Amador/Calaveras/Tuolumne County	3,000	-	-	-	-	-	-	-	-	-
Habitat Funds/Habitat Management	367,086	372,871	584,825	583,768	421,996	631,710	649,472	742,868	811,716	1,867,372
Measure K	1,448,350	1,490,000	1,505,000	1,505,000	1,542,000	1,593,200	1,600,000	1,46,020	213,591	1,633,970
Measure K (dibs)	-	-	-	-	-	-	-	-	-	-
Fed. Highways Png. & Admin/SPR	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	1,633,970
Federal Transit Admin (5303),(5304),(5313)	380,023	203,105	437,164	343,739	212,908	295,198	423,132	346,932	496,030	448,061
FHWA Partnership Planning	1,108	78,598	68,788	140,774	154,717	-	-	-	-	-
JARC Mobility & Operations FTA 5316	-	-	-	-	-	-	-	-	-	-
RSTP	85,619	-	-	258,053	454,996	614,697	414,259	75,134	-	-
Calaveras COG	3,714	14,707	9,807	21,171	3,851	-	-	-	-	-
City of Manteca	4,212	4,027	569	4,908	-	-	-	-	-	-
State Affordable Housing	-	-	-	69,967	20,405	13,123	23,064	24,866	7,785	561
CMAQ/Congest. Mitigation/RideShare	431,403	494,486	731,529	845,938	774,037	859,107	824,766	967,980	1,434,804	1,707,258
RPSTCML Federal (New funding FYE 19/20)	-	-	-	-	-	-	-	1,375	1,603,321	1,172,588
San Joaquin Valley Air District	-	20,000	-	-	-	-	-	-	-	-
Airport Land Use Commission	2,633	15,147	2,615	2,493	-	-	3,037	10,503	51,662	49,753
Sacramento COG 511/FSP Match/Website Upgrade	81,164	59,780	88,900	218,527	132,794	169,302	258,466	261,608	260,769	344,581
Sacramento COG SP&R	4,989	-	-	-	-	-	-	-	-	-
RTP / Sustainable Strategy	-	3,226	-	-	29,686	-	-	-	-	-
Caltrans SP&R Smart Growth Plan	-	-	-	-	-	-	-	-	-	-
SB 45 STIP PP&M Program	205,000	200,000	200,000	200,000	200,000	200,000	200,000	-	248,658	225,505
Caltrans State Public Trans Account Funds	-	18,000	-	-	-	-	-	-	-	-
Caltrans State Rural Planning Assistance	-	-	-	-	-	26,605	52,945	50,000	50,000	50,000
Caltrans State Senate Bill (SB1)	-	-	-	-	-	17,629	170,219	432,815	590,911	509,134
Caltrans State Senate Bill (FSP SB1)	-	-	-	-	-	-	109,841	399,924	384,969	452,429
Cost of issuance on Tax Bond	-	25,000	-	-	51,612	-	-	-	-	-
StanCOG Multi-County Travel Demand Model	-	60,000	-	-	-	-	-	-	-	-
Tri-County Forecasting	-	-	10,000	15,350	15,200	29,098	2,710	5,686	28,279	-
Valley Wide Air Quality	155,331	165,750	134,624	192,710	145,089	164,590	112,734	194,019	168,212	202,191
ALUP - sjccog TDA	-	-	31,817	123,695	17,375	10,448	-	-	-	-
Planning - sjccog TDA	681,189	735,293	757,670	806,219	841,045	1,016,581	1,047,495	1,071,071	1,433,670	1,682,841
Roth Road Corridor Study	-	-	-	-	-	-	-	-	-	76,609
State REAP State of Calif Dept of HCD	-	-	-	-	-	-	-	-	45,061	368,440
State STEP Grant	-	-	-	-	-	-	-	-	30,735	1,354,761
State Clean Mobility Opt.-EV Car Share	-	-	-	-	-	-	-	-	-	4,335
Miscellaneous	-	-	-	-	-	5,514	-	-	-	1,000
Total intergovernmental	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	15,056,982
Use of money and property:										
Interest income	5,084	6,163	3,701	4,825	5,557	6,150	19,003	20,487	9,466	10,723
Unrealized Gain (Loss) On Inv.	74	-	-	-	-	-	-	1,124	461	(1,584)
Total use of money and prop.	5,158	6,163	3,701	4,825	5,557	6,150	19,003	21,611	9,927	9,139
Miscellaneous:										
Donations & Other local revenue	23,330	10,989	15,763	15,344	26,460	17,592	26,358	8,200	-	24,656
Total other revenue	23,330	10,989	15,763	15,344	26,460	17,592	26,358	8,200	-	24,656
Total Revenues	\$ 6,121,168	\$ 6,502,959	\$ 7,543,689	\$ 8,174,203	\$ 7,145,357	\$ 7,508,268	\$ 8,423,196	\$ 8,446,594	\$ 12,401,303	\$ 15,090,777

Source: Audited financial statements for the fiscal years ending June 30, 2013 through June 30, 2022

**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	6/30/22
EXPENDITURES:											
RTP Update	\$ 161,325	\$ 463,545	\$ 897,004	\$ 631,264	\$ 612,405	\$ 342,379	\$ 942,262	\$ 389,453	\$ 644,618	\$ 813,511	\$ 1,817,945
RTP / Affordable Housing	-	-	-	-	69,967	19,805	13,127	23,674	24,870	8,064	1,669
SB1 Sustainable Planning Studies Awarded in FY 17/18	-	-	-	-	-	-	19,913	142,847	249,318	-	-
SB1 Sustainable Planning Studies Awarded in FY 18/19	-	-	-	-	-	-	-	55,646	215,966	150,232	-
SB1 Sustainable Planning Studies Awarded in FY 19/20	-	-	-	-	-	-	-	-	21,998	179,251	211,743
SB1 A Adaptation Planning Grant awarded in FY 19/20	-	-	-	-	-	-	-	-	12,862	101,000	107,673
SB1 Sustainable Planning Studies Awarded in FY 20/21	-	-	-	-	-	-	-	-	-	281,697	146,631
SB1 Sustainable Planning Studies Awarded in FY 21/22	-	-	-	-	-	-	-	-	-	-	19,713
RTP studies	126,098	66,149	104,362	1,558	82,031	130,058	113,567	136,276	131,597	182,392	261,229
Regional Transp. Improv. Plan	284,602	352,156	377,440	420,885	426,434	211,197	261,659	399,500	369,775	213,100	236,065
Road/Street Monitoring	534,837	461,186	552,434	619,487	836,090	843,786	775,695	541,259	207,466	95,058	80,456
I-205 Managed Lane Project Development	267,419	407,697	159,023	461,302	425,450	212,908	372,349	520,325	424,610	257,627	201,905
Transit Coordination	473,827	534,510	524,971	509,867	496,806	535,089	683,877	507,297	595,284	582,938	443,503
Transportation Air Quality	82,034	46,885	4,472	45,858	52,365	13,017	23,199	10,096	7,197	6,009	47,461
Goods Movement	-	-	-	-	167,782	151,955	-	-	-	-	-
Goods Movement/Partnership Planning	-	-	-	-	-	-	-	-	-	-	-
Ongoing Technical Assistance	11,045	14,832	19,119	10,377	48,584	12,571	2,001	1,260	83,759	144,761	126,067
Intergovernmental Coordination	250,967	231,065	233,658	260,088	240,638	247,793	294,456	320,999	208,227	293,855	400,080
Intergovernmental Coord. Rural Planning Assistance	-	-	-	-	-	-	26,605	52,945	50,000	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	144,842
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	53,441
Congestion Management Prog/Sys	282,224	254,819	181,640	158,806	212,578	127,182	149,585	260,909	138,868	257,358	191,607
Regional Planning	28,117	31,040	34,841	27,620	37,969	45,103	56,529	131,176	83,689	106,934	165,853
Valley M.P.O. coordination	76,544	38,376	64,080	45,935	97,131	59,502	79,783	99,330	108,206	99,763	36,887
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	229,131
RTIF	85,853	30,392	24,892	63,291	86,951	182,004	68,479	125,423	63,117	50,146	49,293
Smart Growth	269,804	-	-	-	8,500	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	102,260
TDA Administration	272,981	271,265	278,191	369,794	329,559	272,086	341,040	347,597	296,391	287,912	392,173
Community Involvement	125,327	84,236	36,153	56,645	35,879	17,465	18,779	10,756	129,483	146,600	488,012
Capital Outlay/Deprec/Ins adjustment	(103,927)	(31,976)	7,462	140,583	134,467	(291,148)	(258,938)	(210,460)	(263,333)	(250,909)	(103,146)
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	2,594,852
Freeway Service Patrol	285,575	633,961	888,767	944,524	876,094	399,931	378,034	771,314	895,665	876,971	1,251,562
SCOG Interns	-	-	-	-	-	3,188	88,856	80,402	59,350	7,811	29,624
Performance Based Planning & Programming	-	-	-	-	-	-	-	79,106	20,944	39,377	102,078
SJV Regional Early Action Planning Committee For Housing(REAP)	-	-	-	-	-	-	-	-	-	45,061	368,440
Sustainable Transportation Equity Project(STEP)	-	-	-	-	-	-	-	-	-	30,735	1,354,761
State Clean Mobility EV car share	-	-	-	-	-	-	-	-	-	-	6,609
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	734,464
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	\$ 13,743,339

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Retail Stores											
Apparel stores	5.17%	5.09%	5.08%	6.06%	6.12%	5.98%	5.95%	5.87%	4.58%	5.51%	* N/A
General merchandise	10.85%	10.35%	9.92%	7.63%	7.43%	7.34%	7.98%	7.92%	8.06%	7.67%	* N/A
Specialty stores	6.28%	5.98%	5.74%	6.32%	6.43%	6.21%	5.96%	5.77%	6.02%	5.57%	* N/A
Eating and drinking group	10.60%	10.93%	11.22%	11.66%	12.09%	12.25%	12.03%	12.18%	8.99%	10.15%	* N/A
Building material group	4.92%	5.31%	5.28%	5.31%	5.43%	5.58%	5.58%	5.49%	6.49%	5.87%	* N/A
Automotive group	21.47%	21.88%	21.80%	20.15%	19.65%	19.98%	20.35%	19.45%	17.83%	18.86%	* N/A
Other retail stores	8.57%	9.37%	9.44%	10.96%	11.06%	11.17%	11.18%	11.51%	16.92%	15.59%	* N/A
Business and personal services	4.32%	4.32%	4.32%	4.52%	4.63%	4.67%	4.78%	5.41%	4.77%	5.12%	* N/A
All other	27.82%	26.77%	27.20%	27.39%	27.16%	26.82%	26.19%	26.40%	26.34%	25.66%	* N/A
Total	100.00%	0.00%									

SOURCE: CALIFORNIA STATE BOARD OF EQUALIZATION

* 2022 DATA WAS NOT YET AVAILABLE

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

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Governmental activities:										
General government	\$ 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	\$ 17,004,318
Transportation	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	113,009,177
Habitat development	545,955	626,915	899,905	1,224,372	1,092,612	1,471,277	1,327,767	1,248,664	719,875	833,274
Commuter Connection	500	50	-	-	-	-	-	-	-	-
Interest expense	19,923	55,843	53,346	51,073	37,298	53,444	135,454	127,679	120,405	110,492
MKR Investment Interest Expense	11,950,475	12,215,147	13,727,149	14,634,954	15,600,045	12,970,179	13,307,959	14,047,607	3,676,660	13,507,958
Total Expenditures	\$ 112,925,714	\$ 104,135,360	\$ 114,847,219	\$ 98,783,521	\$ 100,301,582	\$ 101,948,315	\$ 108,630,466	\$ 112,262,245	\$ 109,214,304	\$ 144,465,219

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>
2021-22	\$ 58,029,005	\$ 8,683,822	\$ 86,737,236	\$ 153,450,063
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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
REVENUE CAPACITY
DIRECT & OVERLAPPING SALES TAX RATES
2013 - 2022**

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
2022	0.50%	7.75%	8.25%	9.00%	8.25%	8.75%	8.25%
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%	0.00%
2017	0.50%	7.75%	8.25%	9.00%	8.25%	8.75%	0.00%
2016	0.50%	8.00%	8.50%	9.00%	8.00%	9.00%	0.00%
2015	0.50%	8.00%	8.50%	9.00%	8.50%	9.00%	0.00%
2014	0.50%	8.00%	8.50%	9.00%	8.50%	9.00%	0.00%
2013	0.50%	8.00%	8.51%	8.00%	8.50%	9.00%	0.00%

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
CALENDAR YEAR 2021 AND TEN YEARS PRIOR**

County & Cities	2012			2021			
	Rank	Taxable Sales	Percentage of Total	Rank	Taxable Sales	Percentage of Total	
San Joaquin County		\$ 9,010,930,000	100.00%		\$ 22,306,575,524	100.00%	N/A
Stockton	1	3,316,162,000	36.80%	1	6,212,657,406	27.85%	N/A
Unincorporated	2	1,338,745,441	14.86%	3	3,109,322,374	13.94%	N/A
Tracy	3	1,199,306,000	13.31%	2	5,868,566,558	26.31%	N/A
Unallocated	4	1,013,873,704	11.25%	4	2,728,212,376	12.23%	N/A
Lodi	6	805,762,000	8.94%	6	1,421,657,508	6.37%	N/A
Manteca	5	810,831,000	9.00%	5	1,496,447,176	6.71%	N/A
Lathrop	8	221,422,000	2.46%	7	994,718,076	4.46%	N/A
Ripon	7	239,989,000	2.66%	8	360,335,925	1.62%	N/A
Escalon	9	64,840,000	0.72%	9	114,658,125	0.51%	N/A
Total San Joaquin County		\$ 9,010,931,145	100.00%		\$ 22,306,575,524	100.00%	

Source: California Department of Tax and Fee Administration

Most recent data = 2021

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

FISCAL YEAR	GOVERNMENTAL ACTIVITIES										PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	2011 SALES TAX BOND	2014 SALES TAX BOND	2017 SALES TAX BOND	2019 SALES TAX BOND	CAPITAL LEASES	COMMERCIAL PAPER	LINE OF CREDIT	TOTAL PRIMARY GOVERNMENT	2019 SALES TAX BOND	2019 SALES TAX BOND		
2022	-	* 45,008,271	** 211,007,280	*** 73,758,427	83,625	-	-	329,857,603	-	-	N/A	420.6
2021	-	* 46,977,747	** 216,887,938	*** 74,281,011	75,785	-	-	338,222,481	-	-	0.7415%	431.7
2020	-	* 48,777,224	** 222,023,596	*** 74,803,593	58,065	-	-	345,662,478	-	-	0.8686%	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

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)
2022	784,298	258,566	5,880 * \$	7,481,188
2021	783,534	252,686	3,628	22,306,576
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 2022 REFLECTS 1ST & 2ND QTR. 3RD & 4TH QTR DATA ARE NOT AVAILABLE

**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
2022	784,298	N/A *	N/A *	N/A *	5.00%
2021	783,534	\$ 45,614,264	57,783	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%

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 2021-2022 is not yet available, therefore, 2021 data is the most current year provided

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SAN JOAQUIN COUNTY EMPLOYMENT BY INDUSTRY
CALENDAR YEAR 2021 AND TEN YEARS PRIOR**

Industry Type	2012		2021	
	Annual Average	% of Total	Annual Average	% of Total
Agriculture	15,800	7.42%	13,700	5.13%
Natural Resources & Mining	7,700	3.62%	13,900	5.20%
Manufacturing	18,400	8.65%	20,900	7.82%
Trade, Transportation & Utilities	51,200	24.06%	78,600	29.42%
Financial Activities	7,500	3.52%	8,000	2.99%
Professional & Business Services	16,600	7.80%	22,400	8.38%
Government	36,100	16.96%	41,900	15.68%
Educational & Health Services	34,000	15.98%	38,400	14.37%
Leisure & Hospitality	16,900	7.94%	21,100	7.90%
Other Services	6,500	3.05%	7,100	2.66%
Information	2,100	0.99%	1,200	0.45%
Total, All Industries	212,800	100%	267,200	100%

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

(1) Data for 2022 is not yet available, therefore, 2021 data is provided

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

FUNCTION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	2	2
Manager of Administrative Services	1	1	1	1	1	1	1	1	1	1
Public Communications Manager	-	1	1	1	1	1	1	1	1	1
Project Manager	1	2	2	2	2	2	2	2	2	2
Planners	16	15	13	16	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	3	3	3	3	3	3
Interns	1	-	-	-	2	2	2	2	2	2
Total Approved Full-Time Positions	31	31	27	30	32	32	32	32	33	33

**BY PROJECT
LAST TEN YEARS**

PROJECT	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
DIRECT PROJECTS										
Regional Transportation Plan Update	1.84	3.15	1.80	1.79	1.45	3.29	1.31	2.15	1.96	3.33
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	-	-	-	0.07	0.43	0.39
SB1 Sustainable Planning Grant awarded in FY 19/20	-	-	-	-	-	-	-	0.04	0.24	0.20
SB1 Sustainable Planning Studies Awarded in FY 20/21	-	-	-	-	-	-	-	-	0.68	0.27
Regional Planning Studies	0.26	0.37	-	0.24	0.55	0.40	0.46	0.44	0.44	0.48
Regional Transportation Improvement Plan	1.39	1.33	1.20	1.24	0.90	0.91	1.34	1.23	0.51	0.43
Roads & Streets Planning	1.83	1.94	1.77	2.44	3.58	2.71	1.82	0.69	0.23	0.15
Transit coordination Planning	1.61	0.56	1.32	1.24	0.90	1.30	-	0.02	4.86	2.56
Transportation Air Quality	2.12	1.85	1.45	1.45	2.27	2.39	1.75	1.42	0.62	0.37
Goods Movement	0.19	0.02	0.13	0.15	0.06	0.08	1.70	1.98	1.40	0.81
Goods Movement n/ Partnership Planning	-	-	-	0.49	0.64	-	0.03	0.02	0.01	0.09
Ongoing Technical Assistance	0.06	0.07	0.03	0.14	0.05	0.01	-	-	-	-
Intergovernmental Coordination	0.92	0.82	0.74	0.70	1.05	1.03	0.00	0.28	0.35	0.23
Intergovernmental Coord. Rural Planning Assistance	-	-	-	-	-	0.09	1.08	0.69	0.71	0.73
Projections & Forecast	0.36	0.28	0.35	0.58	0.64	0.60	0.18	0.17	0.12	0.09
Aviation and Land Use	0.22	0.24	0.21	0.43	0.07	0.10	0.62	0.49	0.46	0.27
Congestion Management Prog/Sys	1.01	0.64	0.45	0.62	0.54	0.52	0.13	0.26	0.25	0.10
Regional Planning Studies	0.12	0.12	0.08	0.11	0.19	0.20	0.88	0.46	0.62	0.35
Valley MPO Coordination	0.15	0.23	0.13	0.28	0.25	0.28	0.44	0.28	0.26	0.30
Interregional Partnerships	-	-	-	-	-	-	0.33	0.36	0.24	0.07
Habitat Implementation	0.03	-	-	-	-	-	-	-	-	-
Measure K Administration	0.68	0.52	0.47	0.52	0.93	0.92	-	-	0.45	0.42
Regional Transportation Impact Fee	0.12	0.09	0.18	0.25	0.77	0.24	1.01	0.78	0.12	0.09
Smart Growth	-	-	-	0.02	0.03	0.01	0.42	0.21	-	-
COG OWP Management & Administration	0.56	0.74	0.87	1.05	0.84	0.96	0.02	0.00	0.23	0.19
TDA Administration	1.07	0.98	1.05	0.96	1.15	1.19	0.42	0.37	0.69	0.72
Community Involvement	0.33	0.13	0.16	0.10	0.07	0.07	1.17	0.99	0.35	0.89
Transportation Demand Management	2.62	2.81	2.90	3.42	4.27	3.97	3.99	4.26	4.99	4.75
Freeway Service Patrol	2.51	3.13	2.69	2.55	1.70	1.32	2.59	2.90	2.11	2.29
SJCOG Interns	-	-	-	-	-	0.31	0.27	0.07	0.09	0.19
Performance Based Planning & Programming	-	-	-	-	-	-	-	-	0.11	0.67
SJV Regional Early Action Planning Committee For Housing(REAP)	-	-	-	-	-	-	-	-	0.11	0.67
Sustainable Transportation Equity Project(STEP)	-	-	-	-	-	-	-	-	0.07	2.48
Subtotal - Direct Projects	20.0	20.0	18.0	21.0	23.0	23.0	23.0	22.6	23.8	20.8
INDIRECT										
Total FTEs Based on Total Hours	11.0	11.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Total	31	31	27	30	32	32	32	32	33	30

SOURCE: SAN JOAQUIN COUNCIL OF GOVERNMENTS

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

FUNCTION / PROGRAM	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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 Easments	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	19,298.46
Acres of Habitat Land	-	-	-	-	-	555.55	555.55	981.88	981.88	910.71
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, and the aggregate remaining fund information of the San Joaquin Council of Governments (the "Council"), as of and for the year ended June 30, 2022, 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 29, 2022.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 & Lughard, LLP

Sacramento, California
December 29, 2022



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
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 identified as subject to audit 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, 2022. 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. 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 federal programs.



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

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 occurred, 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 generally accepted auditing standards, *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 each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 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 the 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.

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



To the Board of Directors
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Stockton, CA

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.

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.

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 of the Council, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements. We issued our report thereon dated December 29, 2022, which contained unmodified opinions on those financial statements. Our audit was performed 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.

A handwritten signature in black ink that reads "Lance, Solt & Loughard, LLP". The signature is written in a cursive, flowing style.

Sacramento, California
December 29, 2022

SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.