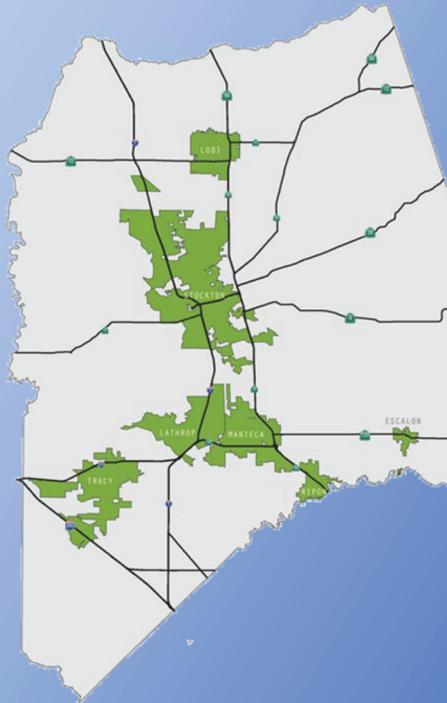




SAN JOAQUIN COUNCIL OF GOVERNMENTS
STOCKTON, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023



Prepared by:

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

SAN JOAQUIN COUNCIL OF GOVERNMENTS

STOCKTON, CALIFORNIA

Annual Comprehensive Financial Report

For The Year Ended June 30, 2023

Prepared by:

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

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SAN JOAQUIN COUNCIL OF GOVERNMENTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For The Year Ended June 30, 2023

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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 19, 2023

Honorable Board of Directors
San Joaquin Council of Governments

David Bellinger

CHAIR

Diane Lazard

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 (SJCOC or the Council) for the fiscal year ended June 30, 2023.

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, 2023, 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, 2023, 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 was extended past its original authorization through several 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 Center for Business and Policy Research, 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, and reaffirmed in 2006, the Council was named the Local Transportation Authority by the San Joaquin County Board of Supervisors. 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, 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 Merced County residents under a contract with Merced County 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 Merced County Association of Governments. Program wide, the Council has approximately 12,600 commuters participating in the program, including 478 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. The plan is updated every eight years as part of every other RTP/SCS planning cycle. The plan will next be updated in 2030.

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 Open Space and 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, 2023.

Budget-to-actual comparisons are provided in this report for the Council's General Fund. This comparison is provided on page 59 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 sits central to the Bay Area, Sacramento and Counties to the South. This proximity lends the County to capitalize on strengths such as logistics. Intermodal rail facilities, deep water port facilities that can handle shipping and an airport that can accommodate cargo planes contributes to the County's unique economic strengths.

The Sales Tax dollar derived from State of California sales tax revenue gives San Joaquin County funds to use towards transportation. The sales tax in the last 5 years has grown year over year. In fiscal year 2018-19 there was an 11% growth. However, in 2019-20 there was a slight decline 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%. FY 22-23 grew at 3.91%. Based on four months of revenue, fiscal year 2023-24 is estimated to grow another 2+%.

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 decision 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 2021, was .16% and in 2022 it was .29% and .43% in 2023. 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, 2023, 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 contract with Merced County to provide services in that county

B. State Funding Sources

State Transit Assistance (STA) Funds

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

Proposition 1B – PTMISEA Funding

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

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

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 2024. 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 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. The 2019 Strategic Plan is in draft and anticipated to be adopt in FY 2023-24 Q3.

Because the Measure K Renewal did not start collecting sales tax until April 1, 2011, funding for early project delivery was 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.

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. The Council anticipates refinancing the Series 2014 bonds in. In February 2019 the Council issued bonds to replace the line of credit. \$63,960,000 was issued. 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, 2023. 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.

The Infrastructure Investment and Jobs Act (IIJA), aka Bipartisan Infrastructure Law (BIL), 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.

Previous federal transportation legislation has been delivered through the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA), the 1998 Transportation Equity Act for the 21st Century (TEA-21), and in 2005 the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) was authorized. In October 2011, President Obama signed into law a new transportation authorization, Moving Ahead for Progress in the 21st Century (MAP – 21). Along with the responsibility to program the funds was the accountability to ensure the projects were delivered in a timely manner. The FAST Act is the first federal law in over a decade to provide long-term funding certainty for surface transportation infrastructure planning and investment. The FAST Act authorizes \$305 billion over fiscal years 2016 through 2020 for highway, highway and motor vehicle safety, public transportation, motor carrier safety, hazardous materials safety, rail, and research, technology, and statistics programs. The original authorization carried forward through continuing resolutions after its expiration date. The Council anticipates MPO planning activities will be funded at levels similar to the previous authorization.

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

The Council also invests funds with the Local Agency Investment Fund (LAIF), Public Financial Management 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, 2023, 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 \$2,524.50 and \$12,201.50 for workers' compensation.

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

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

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the San Joaquin Council of Governments for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the 24th consecutive year that the Council has achieved this prestigious award. To be awarded a Certificate of Achievement, the Council published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department, the cooperation and assistance received from the Planning and Office Assistance staffs, and Lance, Soll & Lunghard LLP.

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

Respectfully submitted,

DocuSigned by:



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STEVE DIAL

Deputy Executive Director/CFO

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

BOARD OF DIRECTORS

Chair	Supervisor Robert Rickman	San Joaquin County
Vice Chair	Mayor Dave Bellinger	City of Escalon
Boardmember	Councilmember Diane Lazard	City of Lathrop
Boardmember	Vice Mayor Leo Zuber	City of Ripon
Boardmember	Supervisor Miguel Villapudua	San Joaquin County
Boardmember	Councilmember Dan Wright	City of Stockton
Boardmember	Vice Mayor Kimberly Warmsley	City of Stockton
Boardmember	Mayor Gary Singh	City of Manteca
Boardmember	Supervisor Steven Ding	San Joaquin County
Boardmember	Mayor Nancy Young	City of Tracy
Boardmember	Mayor Pro Temp Lisa Craig	City of Lodi
Boardmember	Mayor Kevin Lincoln	City of Stockton

EX-OFFICIO MEMBERS

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

CITIZENS ADVISORY COMMITTEE

Chair	Ken Vogel	Agriculture Industry
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	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	Jim Hilson	City of Lathrop
Member	Gracie Marx	City of Escalon

EXECUTIVE COMMITTEE

Chair	Supervisor Robert Rickman	San Joaquin County
Member	Vice Mayor Dave Bellinger	City of Escalon
Member	Vice Mayor Leo Zuber	City of Ripon
Member	Councilmember Diane Lazard	City of Lathrop
Member	Councilmember Dan Wright	City of Stockton
Alternate	Mayor Kevin Lincoln	City of Stockton

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	Ken Baxter	SJRTD
Member	Rita Carter Overstreet	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	SJRRC
Member	Armando Valerio	SJ County Public Health
Member	Laura Alvarez	Valley Mountain Regional Center
Member	Bee Thao	ACCESS San Joaquin
Member	Teresa Williams	Catholic Charities

MANAGEMENT & FINANCE COMMITTEE

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

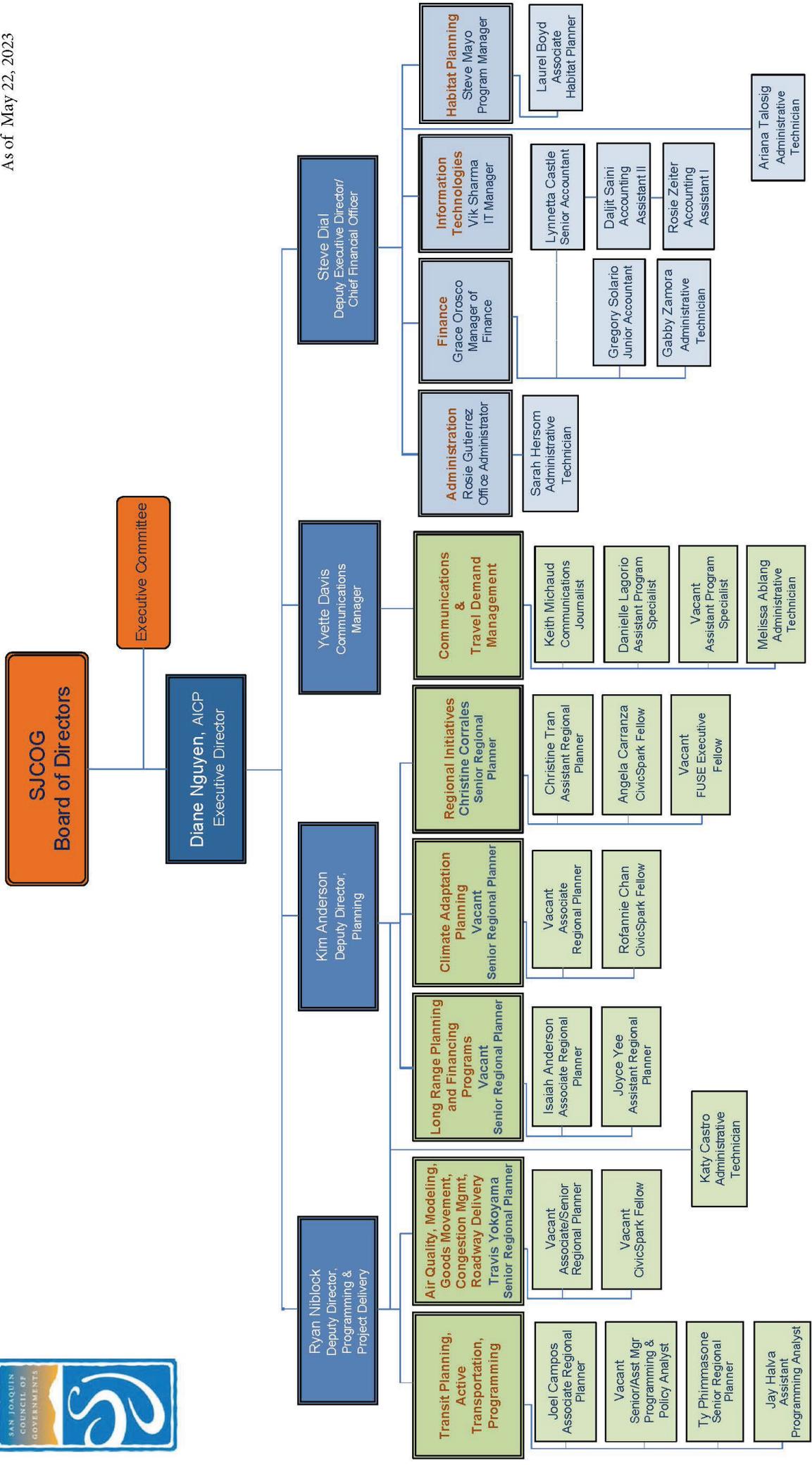
HABITAT TECHNICAL ADVISORY COMMITTEE

Chair	Matthew Diaz	City of Stockton
Vice Chair	Lea Simvoulakis	City of Manteca
Member	Alisa Goulart	San Joaquin County
Member	James Michael	City of Lathrop
Member	Cynthia Marsh	City of Lodi

Member	Ken Zuidervaart	City of Ripon
Member	Kimberly Matlock	City of Tracy
Member	Jaylen French	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	Harrison McDowall	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 ADVISORY COMMITTEES



15 Member SJCOG Board



Management & Finance Committee



Executive Committee



Habitat Committee



Technical Advisory Committee



Citizens Advisory Committee



**Social Services Transportation
Advisory Committee**



Interagency Transit Committee



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**San Joaquin Council of Governments
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of 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, 2023, 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 financial position of the governmental activities and each major fund of the Council as of June 30, 2023, 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, 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 1 to the financial statements, in 2023, the Council adopted new accounting guidance, GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 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 generally accepted auditing standards 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.

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



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying Other Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis 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 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 and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 19, 2023, 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 Council's internal control over financial reporting and compliance.

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

Sacramento, California
December 19, 2023

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**SAN JOAQUIN COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023. 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 \$174,021,135. (Net Position) for the fiscal year ended June 30, 2023. This compares to the previous year's 159,705,562.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$117,780,284 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 \$358,561,322 is restricted by constraints imposed from outside the Council, such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$(302,320,471) 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 \$359,615,281 this fiscal year. This compares to the prior year ending fund balance of \$369,595,119, showing a decrease of \$9,979,838 during the current year. The Council's governmental funds reported a total unassigned fund balance of \$876,319 for fiscal year 2022-23 which depicts a decrease of \$1,148,915.
 - At the end of the current fiscal year, total fund balance for the General Fund was \$1,050,134 and depicts an decrease of \$1,148,910 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 decreased by \$7,615,788 primarily due to the completion of various capital projects.
- Total liabilities of the Council increased by \$7,806,548 to \$367,432,370. This swing in liabilities was due to an increase in accounts payable for the transportation development accounts.

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 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 17 and 19 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 20 – 26 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 27-56 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 \$174,125,09 at the close of the most recent fiscal year. In 2007, when the Council adopted the Early Action Program (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 position only exceed liabilities by \$174.1 million, this reflects the funding for the projects in midstream. There is an adequate sales tax revenue stream in place to negate the liabilities. In addition, the bond liability is amortized over a 30-year period.

The largest portion of the Council's assets (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 \$302,320,471 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, 2023, fiscal year. Overall, the Council's net position increased by \$14,315,573 as shown in the table below. The majority of the increase stems from an increase in net investment in capital asset easement acquisitions within our Habitat program.. 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)
	2023	2022	
Current and other assets	\$ 401,140,504	\$ 394,175,313	\$ 6,965,191
Capital assets	<u>118,003,731</u>	<u>101,609,316</u>	<u>16,394,415</u>
Total assets	<u>519,144,235</u>	<u>495,784,629</u>	<u>23,359,606</u>
Deferred outflows	<u>22,384,025</u>	<u>23,700,733</u>	<u>(1,316,708)</u>
Long-term liabilities outstanding	321,395,707	330,509,754	(9,114,047)
Other liabilities	<u>46,036,663</u>	<u>29,116,068</u>	<u>16,920,595</u>
Total liabilities	<u>367,432,370</u>	<u>359,625,822</u>	<u>7,806,548</u>
Deferred inflows	<u>74,755</u>	<u>153,978</u>	<u>(79,223)</u>
Net position			
Net Investment in capital assets	117,780,284	101,494,697	16,285,587
Restricted	358,561,322	367,392,177	(8,830,855)
Unrestricted	<u>(302,320,471)</u>	<u>(309,181,312)</u>	<u>6,860,841</u>
Total net position	<u>\$ 174,021,135</u>	<u>\$ 159,705,562</u>	<u>\$ 14,315,573</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Changes in Net Position

	Governmental Activities		Increase
	2023	2022	(Decrease)
Revenues:			
Program revenues:			
Charges for services	\$ 13,829,958	\$ 29,145,497	\$ (15,315,539)
Operating contributions and grants			
Sales tax	160,260,024	153,450,063	6,809,961
Other operating grants and contributions	24,308,933	15,633,060	8,675,873
Capital contributions and grants	-	45,600	(45,600)
General revenues:			
Investments and miscellaneous	1,476,124	274,309	1,201,815
Total revenues	199,875,039	198,548,529	1,326,510
Expenses:			
General Administration	19,097,454	17,016,759	2,080,695
Transportation	150,519,678	113,009,177	37,510,501
Habitat Plan	2,628,714	833,274	1,795,440
Investment interest expense	13,333,686	13,618,451	(284,765)
Total expenses	185,579,532	144,477,661	41,101,871
Increase (Decreases) in net position	14,295,507	54,070,868	(39,775,361)
Restatement of Net Position	20,066	3,030	17,036
Net position(deficit), beginning of year	159,705,562	105,631,664	54,073,898
Net position(deficit), end of year	\$ 174,021,135	\$ 159,705,562	\$ 14,315,573

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 \$359,615,281, a decrease of \$9,979,838. Of this total amount, \$177,640 is *nonspendable*, \$358,561,322 is *restricted*, and \$876,319 *unassigned fund balance*.

General Fund – The General Fund is the chief operating fund of the Council. At the end of the current fiscal year, the fund balance of the General Fund was \$1,050,134, which is a decrease of \$1,148,910.

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, 2023, fiscal year, Measure K revenue,

including investment earnings, totaled \$93,001,782. The combined Measure K and Measure K Renewal Fund balance increased by \$10,240,434 over the previous year primarily due to an increase in Measure K sales tax revenue. The overall sales tax increase for SJCOG was 3.9%. General retail sales helped drive this increase, in addition to food product sales in San Joaquin County. Many of the gains and declines in the year were greatly influenced, (more than usual), by “disinflation” and changes, (both positive and negative), in the Relative Prices of both taxable goods and non-taxable goods and services. Higher prices of non-taxable goods and services, (like housing), leave less income available to make taxable purchases.

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, 2023, fiscal year LTF revenue, including investment earnings, totaled \$58,615,770 an increase of 2.1% over the previous fiscal year. The LTF Fund balance increased by \$17,856,222 due to claimants not claiming the full amount of funds available to them, leaving a larger fund balance going forward.

State Transit Assistance Fund (STA) – The STA revenue is based on 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 \$14,319,190 compared to \$9,963,863 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. 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, 1,481,341.39 compared to \$1,420,326.71 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 \$1,656,642 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, 2023, fiscal year totaled \$13,360,393 a decrease of 56% over the previous fiscal year. This large decrease in mitigation fee collections is primarily due to a decrease in 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 decreased by \$2,706,624 in the June 30, 2023, fiscal year to \$87,380,833. 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, 2023.

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 \$15,025,506 shortfall because the budget is based on multiyear grants. Actual expenditures were \$13,876,585 below final budgeted amounts, due to the decreased need for consultant’s professional services.

	Original Budget	Final Budget	Actual	Difference Between Final Budget and Actual
REVENUES:				
Intergovernmental:				
Federal grants	\$ 6,607,403	\$ 9,696,688	\$ 4,351,352	\$ (5,345,336)
State grants	10,797,910	14,600,907	5,171,227	(9,429,680)
Local	6,478,356	6,927,747	6,578,459	(349,288)
Interest	20,000	20,000	65,346	45,346
Other	60,000	60,000	113,465	53,465
Total revenues	<u>23,963,669</u>	<u>31,305,342</u>	<u>16,279,849</u>	<u>(15,025,493)</u>
EXPENDITURES:				
Planning and administration	23,637,169	30,924,842	15,418,042	15,506,800
Leases	131,000	-	73,256	(73,256)
Capital outlay	195,500	380,500	2,010,716	(1,630,216)
Total expenditures	<u>23,963,669</u>	<u>31,305,342</u>	<u>17,502,014</u>	<u>13,803,328</u>
OTHER FINANCING SOURCES:				
Leases	-	-	73,256	73,256
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,148,909)</u>	<u>\$ (1,148,909)</u>

Capital Assets and Debt Administration

Capital assets

The Council's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$118,003,731 (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 \$16,394,415.

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

The Council acquired \$14,690,221 of conservation easements. In addition, the Council acquired office building assets during the 2022-23 fiscal year. This addition was due to the renovation of the third floor, to utilize its full capacity.

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

	Governmental Activities	
	June 30, 2023	June 30, 2022
Land and conservation easements	\$ 111,622,265	\$ 96,932,044
Office furniture and fixtures	135,806	9,112
Office building	5,314,464	3,798,323
Building improvements	598,687	538,199
Office and computer equipment	97,253	47,885
Capital Improvements	-	169,617
Leased assets	118,463	114,136
Subscription assets	116,793	-
	\$ 118,003,731	\$ 101,609,316

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 \$41,773,795, a 2017 Sales Tax Revenue Bond of \$205,451,622, and a 2019 Sales Tax Revenue Bond of \$73,235,844.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Outstanding Debt

	Governmental Activities	
	June 30, 2023	June 30, 2022
2014 Tax Bond, net of amortization	41,773,795	45,008,271
2017 Tax Bond, net of amortization	205,451,622	211,007,280
2019 Tax Bond, net of amortization	73,235,844	73,758,427
	\$ 320,461,261	\$ 329,773,978

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 2023-24 is estimated to remain flat. Current year to do over last year at the same time is down by 3%.

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 decision 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, 2023 the Council held \$103,709,032.35 of liquid investments in the Public Financial Management portfolio, \$68,049.20 in the California Asset Management Pool, \$83,275,668.98 in the State of California Local Agency Investment Fund, \$39,291,660.94 in the San Joaquin County Pool, and \$53,412,002.24 in Financial Institutions.

Total operating revenues are expected to be approximately the same in the 2023-24 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

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SAN JOAQUIN COUNCIL OF GOVERNMENTS
Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 86,549,703
Investments	146,256,556
Receivables	
Sales tax	29,339,842
Accrued interest	3,831,959
Intergovernmental	2,419,681
Leases	96,235
Refunds and miscellaneous	25,693
Notes - related parties	43,623,560
Due from other agencies	1,822
Prepaid items	177,640
Restricted assets:	
Cash and investments - restricted	88,479,480
Receivables	
Intergovernmental	26,572
Accrued interest	311,761
Capital assets not being depreciated	111,622,265
Capital assets, net of depreciation/amortization	6,381,466
Total Assets	519,144,235
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	22,384,025
Total deferred outflows of resources	22,384,025
LIABILITIES	
Accounts payable	12,869,942
Accrued salaries and benefits	273,107
Investment fee payable	10,325
Due to other agencies	27,278,544
Advances from other agencies	1,018,549
Interest payable	4,586,196
Noncurrent liabilities:	
Due within one year:	
Compensated absences	190,048
Lease obligations	57,667
Subscription obligations	40,078
Bonds, net of amortization	8,165,000
Due in more than one year:	
Compensated absences	550,951
Lease obligations	61,905
Subscription obligations	63,797
Bonds, net of amortization	312,266,261
Total liabilities	367,432,370
DEFERRED INFLOWS OF RESOURCES	
Leases	74,755
Total deferred inflows of resources	74,755
NET POSITION	
Net investment in capital assets	117,780,284
Restricted for:	
Habitat acquisition and management	87,678,500
Transportation projects	270,882,822
Unrestricted	(302,320,471)
Total net position	\$ 174,021,135

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SAN JOAQUIN COUNCIL OF GOVERNMENTS
Statement of Activities
For the Year Ended June 30, 2023

	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Contributions and Grants	
			Governmental Activities	
Functions/Programs:				
Primary government:				
Governmental activities:				
General administration	\$ 19,097,454	\$ -	\$ 16,101,038	\$ (2,996,416)
Transportation	150,519,678	-	168,274,142	17,754,464
Habitat plan	2,628,714	13,829,958	193,777	11,395,021
Investment and interest expense	13,333,686	-	-	(13,333,686)
Total governmental activities	\$ 185,579,532	\$ 13,829,958	\$ 184,568,957	12,819,383
General revenues:				
Unrestricted investment earnings				1,474,876
Miscellaneous				1,248
Total general revenues				1,476,124
Change in net position				14,295,507
Net position-beginning				159,705,562
Restatement of net position				20,066
Net position-ending				\$ 174,021,135

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Balance Sheet
Governmental Funds
June 30, 2023

	<u>General</u>	<u>Measure K and Measure K Renewal Fund</u>	<u>Local Transportation Fund</u>	<u>State Transit Assistance Fund</u>	<u>Regional Transportation Impact Fee Fund</u>
ASSETS					
Cash and cash equivalents	\$ 5,814,817	\$ 25,303,131	\$ 33,923,864	\$ 4,777,934	\$ 16,717,730
Investments	-	146,256,556	-	-	-
Receivables					
Sales tax	-	15,592,052	10,213,037	3,534,753	-
Accrued interest	-	3,365,116	404,897	58,386	3,560
Intergovernmental	1,610,025	-	-	-	809,656
Leases	-	-	-	-	-
Refunds and miscellaneous	25,693	-	-	-	-
Notes - related parties	-	43,623,560	-	-	-
Due from other funds	468,367	3,757,096	28,871	-	-
Due from other agencies	551	-	-	-	-
Prepaid items	173,265	2,042	-	-	-
Restricted assets:					
Cash and investments	-	-	-	-	-
Receivables					
Intergovernmental	-	-	-	-	-
Accrued interest	-	-	-	-	-
Total assets	\$ 8,092,718	\$ 237,899,553	\$ 44,570,669	\$ 8,371,073	\$ 17,530,946
LIABILITIES					
Accounts payable	\$ 2,055,285	\$ 9,784,191	\$ -	\$ -	\$ -
Accrued salaries and benefits	273,107	-	-	-	-
Investment fee payable	-	1,235	-	-	-
Due to other agencies	-	-	24,693,595	2,584,949	-
Due to other funds	3,785,967	337,380	-	14,212	71,815
Advances from other agencies	928,224	-	-	-	-
Total liabilities	7,042,583	10,122,806	24,693,595	2,599,161	71,815
DEFERRED INFLOWS OF RESOURCES					
Leases	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES (DEFICITS)					
Nonspendable:					
Nonspendable	173,265	2,042	-	-	-
Restricted	-	227,774,705	19,877,074	5,771,912	17,459,131
Unassigned	876,870	-	-	-	-
Total fund balances (deficits)	1,050,135	227,776,747	19,877,074	5,771,912	17,459,131
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 8,092,718	\$ 237,899,553	\$ 44,570,669	\$ 8,371,073	\$ 17,530,946

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Balance Sheet
Governmental Funds
June 30, 2023

	SJCOG, Inc.	Commuter Connection, Inc.	One Voice, Inc.	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 100	\$ 12,127	\$ 86,549,703
Investments	-	-	-	146,256,556
Receivables				
Sales tax	-	-	-	29,339,842
Accrued interest	-	-	-	3,831,959
Intergovernmental	-	-	-	2,419,681
Leases	96,235	-	-	96,235
Refunds and miscellaneous	-	-	-	25,693
Notes - related parties	-	-	-	43,623,560
Due from other funds	-	-	-	4,254,334
Due from other agencies	1,271	-	-	1,822
Prepaid items	2,333	-	-	177,640
Restricted assets:				
Cash and investments	88,479,480	-	-	88,479,480
Receivables				
Intergovernmental	26,572	-	-	26,572
Accrued interest	311,761	-	-	311,761
Total assets	\$ 88,917,652	\$ 100	\$ 12,127	\$ 405,394,838
LIABILITIES				
Accounts payable	\$ 1,030,466	\$ -	\$ -	\$ 12,869,942
Accrued salaries and benefits	-	-	-	273,107
Investment fee payable	9,090	-	-	10,325
Due to other agencies	-	-	-	27,278,544
Due to other funds	32,183	650	12,127	4,254,334
Advances from other agencies	90,325	-	-	1,018,549
Total liabilities	1,162,064	650	12,127	45,704,801
DEFERRED INFLOWS OF RESOURCES				
Leases	74,755	-	-	74,755
Total deferred inflows of resources	74,755	-	-	74,755
FUND BALANCES (DEFICITS)				
Nonspendable:				
Nonspendable	2,333	-	-	177,640
Restricted	87,678,500	-	-	358,561,322
Unassigned	-	(550)	-	876,320
Total fund balances (deficits)	87,680,833	(550)	-	359,615,282
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 88,917,652	\$ 100	\$ 12,127	\$ 405,394,838

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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, 2023

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds		\$ 359,615,282
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		118,003,731
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Measure K Renewal Series 2014 bond	\$ (37,965,000)	
Measure K Renewal Series 2017 bond	(182,885,000)	
Measure K Renewal Series 2019 bond	(63,960,000)	
Leases obligations	(119,572)	
Subscriptions obligations	(103,875)	
Accrued interest payable on long-term debt	(4,586,196)	
Compensated absences	(740,999)	
Total long-term liabilities		(290,360,642)
Governmental funds report the effect of premiums and refundings, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities.		
Measure K Renewal Series 2014 bond premium	(3,808,795)	
Measure K Renewal Series 2017 bond premium	(22,536,622)	
Measure K Renewal Series 2019 bond premium	(9,275,844)	
Deferred amount on refunding	22,384,025	
Total premiums and deferred items		(13,237,236)
Net position of governmental activities		<u><u>\$ 174,021,135</u></u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Measure K and Measure K Renewal Fund	Local Transportation Fund	State Transit Assistance Fund	Regional Transportation Impact Fee Fund
REVENUES					
Sales tax	\$ -	\$ 90,132,230	\$ 57,489,442	\$ 12,638,352	\$ -
State of good repair	-	-	-	1,481,342	-
Intergovernmental	16,101,038	-	-	-	-
Charges for services	-	-	-	-	1,929,319
Interest	65,346	1,805,003	1,062,054	145,910	59,831
Interest Prop 1B PTMISEA/TSSSDRA	-	-	-	7,579	-
Dividends	-	741,245	-	-	348,253
Gains (losses) on investments	-	323,301	64,274	46,007	-
Other	113,465	-	-	-	-
Total revenues	16,279,849	93,001,779	58,615,770	14,319,190	2,337,403
EXPENDITURES					
Current:					
General administration	15,216,030	314,818	1,959,194	207,113	29,293
Streets and roads	-	29,229,801	9,248,017	-	-
Pedestrian and bicycle	-	-	1,231,615	-	-
Transit	-	18,717,638	64,033,166	14,008,645	-
PTMISEA/TSSSDRA	-	-	-	268,591	-
Congestion relief	-	12,270,266	-	-	651,467
Smart growth	-	749,851	-	-	-
Habitat plan	-	-	-	-	-
Investment expense	-	110,621	-	-	-
Capital outlay:					
Capital assets	2,010,716	-	-	-	-
Leases	73,256	-	-	-	-
Debt service:					
Bond principal	-	7,105,000	-	-	-
Lease principal	68,303	-	-	-	-
Subscription principal	38,708	-	-	-	-
Interest	95,001	14,263,350	-	-	-
Total expenditures	17,502,014	82,761,345	76,471,992	14,484,349	680,760
Excess (deficiency) of revenues over (under) expenditures	(1,222,165)	10,240,434	(17,856,222)	(165,159)	1,656,643
OTHER FINANCING SOURCES (USES)					
Leases	73,256	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-	-
Total other financing sources (uses)	73,256	-	-	-	-
Net change in fund balances	(1,148,909)	10,240,434	(17,856,222)	(165,159)	1,656,643
Fund balances (deficit)-beginning	2,199,044	217,536,313	37,733,296	5,937,071	15,802,488
Fund balances (deficit)-ending	\$ 1,050,135	\$ 227,776,747	\$ 19,877,074	\$ 5,771,912	\$ 17,459,131

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	SJCOG, Inc.	Commute Connection, Inc.	One Voice, Inc.	Total
REVENUES				
Sales tax	\$ -	\$ -	\$ -	\$ 160,260,024
State of good repair	-	-	-	1,481,342
Intergovernmental	-	-	-	16,101,038
Charges for services	13,360,393	-	-	15,289,712
Interest	1,409,530	-	-	4,547,674
Interest Prop 1B PTMISEA/TSSSDRA	-	-	-	7,579
Dividends	692,300	-	-	1,781,798
Gains (losses) on investments	(222,735)	-	-	210,847
Other	81,560	-	-	195,025
Total revenues	15,321,048	-	-	199,875,039
EXPENDITURES				
Current:				
General administration	868,773	-	-	18,595,221
Streets and roads	-	-	-	38,477,818
Pedestrian and bicycle	-	-	-	1,231,615
Transit	-	-	-	96,759,449
PTMISEA/TSSSDRA	-	-	-	268,591
Congestion relief	-	-	-	12,921,733
Smart growth	-	-	-	749,851
Habitat plan	2,628,714	-	-	2,628,714
Investment expense	-	-	-	110,621
Capital outlay:				
Capital assets	20,964,510	-	-	22,975,226
Leases	-	-	-	73,256
Debt service:				
Bond principal	-	-	-	7,105,000
Lease principal	-	-	-	68,303
Subscription principal	-	-	-	38,708
Interest	-	-	-	14,358,351
Total expenditures	24,461,997	-	-	216,362,457
Excess (deficiency) of revenues over (under) expenditures	(9,140,949)	-	-	(16,487,418)
OTHER FINANCING SOURCES (USES)				
Leases	-	-	-	73,256
Proceeds from sale of capital asset	6,434,325	-	-	6,434,325
Total other financing sources (uses)	6,434,325	-	-	6,507,581
Net change in fund balances	(2,706,624)	-	-	(9,979,837)
Fund balances (deficit)-beginning	90,387,457	(550)	-	369,595,119
Fund balances (deficit)-ending	\$ 87,680,833	\$ (550)	\$ -	\$ 359,615,282

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Reconciliation of the Statement of Revenues, Expenses and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds \$ (9,979,837)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.

Capital outlay	\$ 23,048,484	
Depreciation/amortization	(372,812)	
Total adjustment		22,675,672

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Bond principal repayments	7,105,000	
Lease principal repayments	68,303	
Subscription principal repayments	38,708	
Leases entered into	(73,256)	
Amortization of bond premiums	2,237,717	
Amortization of deferred gain on refunding	(1,316,708)	
Total adjustment		8,059,764

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net position.

Proceeds on sale and exchange of easements	(6,443,906)	
Total adjustment		(6,443,906)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest on long-term debt	103,656	
Compensated absences	(119,842)	
Total adjustment		(16,186)

Change in net position of governmental activities \$ 14,295,507

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the San Joaquin Council of Governments (the Council) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Council's significant accounting policies are described below.

A. Description of 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*.

B. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

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*.

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.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the Council's funds, including its blended component units. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column in the fund financial statements.

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.

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.

SAN JOAQUIN COUNCIL OF GOVERNMENTS

Notes To Financial Statements

For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

E. Budgetary Information

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, 2023. 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. A budget was not adopted for One Voice for the year ended June 30, 2023.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

2. Excess Expenditures Over Appropriations

The following General Fund and special revenue funds had excess expenditures over appropriations at June 30, 2023:

	General Fund	Measure K and Measure K Renewal Fund	Local Transportation Fund	State Transit Assistance Fund	Regional Transportation Impact Fee Fund	SJCOG, INC.
Salaries - vacation sales	\$ 10,585	\$ -	\$ -	\$ -	\$ -	\$ -
General administration	-	-	-	-	-	218,773
Office expense	24,022	-	-	-	-	-
Transportation, travel, and training	31,796	-	-	-	-	-
Transit	-	-	16,835,009	3,910,127	-	-
PTMISEA/TSSSDRA	-	-	-	268,591	-	-
Insurance	58,481	-	-	-	-	-
Maintenance - building, grounds and taxes	31,681	-	-	-	-	-
Utilities	39,188	-	-	-	-	-
Streets and roads	-	-	2,026,531	-	-	-
Pedestrian and bicycle	-	-	121,010	-	-	-
Congestion relief	-	-	-	-	401,467	-
Investment expense	-	110,621	-	-	-	-
Capital outlay - capital assets	1,630,216	-	-	-	-	20,964,510
Capital outlay - leases	73,256	-	-	-	-	-
Debt service - bond principal	-	7,105,000	-	-	-	-
Debt service - subscription principal	38,708	-	-	-	-	-
Debt service - interest	-	14,263,350	-	-	-	-

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. 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.

2. 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, 2023, are considered to be current and due to be repaid within the upcoming fiscal year.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

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, 2023. Intergovernmental receivables represent claims for reimbursements and sales tax revenues receivable from various federal, state, and local governmental agencies as of June 30, 2023.

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.

3. 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.

4. 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.

5. Deferred Outflows and Inflows of Resources

Deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Council has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position includes a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Council has one item that qualifies for reporting in this category. In the governmental funds and government-wide financial statements the Council reports deferred amounts related to leases.

6. Net Position

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

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- *Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance.” The Council’s governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- *Nonspendable* fund balance represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.
- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- *Unassigned* fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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 resources as they are needed.

There is no minimum fund balance policy.

8. Capital Assets

Capital assets, which include equipment, furniture and fixtures, building, and building improvements, 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.

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, and building improvements 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.

9. Leases

Lessee: The Council is a lessee for a noncancellable lease of equipment. The Council recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Council recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Council initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the council determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- The Council uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Council generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Council is reasonably certain to exercise.

The Council monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The Council is a lessor for a noncancellable lease of land and a building. The Council recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Council initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Council determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Council uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Council monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

10. Subscription-Based Information Technology Arrangements

The Council is a subscriber for a noncancellable subscription of information technology services. The Council recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. The Council recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At the commencement of a subscription, the Council initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions include how the Council determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) lease term, and (3) subscription payments.

- The Council uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the Council generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments that the Council is reasonably certain to exercise.

The Council monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

11. 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.

12. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

G. New GASB Pronouncements Effective during Fiscal Year

The following Government Accounting Standards Board (GASB) pronouncements were effective for and/or early implemented for the fiscal year ended June 30, 2023:

1. *GASB Statement No. 91, Conduit Debt Obligations*

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

2. *GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

3. *GASB Statement No. 96, Subscription-Based Information Technology Arrangements*

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. GASB Statement No. 100, Accounting Changes and Error Corrections

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Violations of Legal or Contractual Provisions

Note 1.E.2, on the excess of expenditures over appropriations, describes a budgetary violation that occurred for the year ended June 30, 2023. It also explains the provision provided by law that was used to remedy the violation.

NOTE 3: CASH AND INVESTMENTS

Cash and investments as of June 30, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash	\$ 86,549,703
Investments	146,256,556
Restricted:	
Cash and investments	88,479,480
Total cash and investments	\$ 321,285,739
Cash in San Joaquin County Treasury	\$ 38,701,798
Deposits with financial institutions	60,476,902
Local Agency Investment Fund (LAIF)	100,097
Cash and investments held by bond trustee	222,006,942
Total cash and investments	\$ 321,285,739

A. 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.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity *	Maximum Percentage of Portfolio *	Maximum Investment in One Issuer *
State & Local agency bonds	Yes	5 years	None	None
U.S. Treasury securities	Yes	5 years	None	None
U.S. agency securities	Yes	5 years	None	None
Banker's acceptances	Yes	180 days	40%	30%
Negotiable certificates of deposit	Yes	5 years	30%	5%
Repurchase agreements	Yes	1 year	None	None
Commercial paper	Yes	270 days	25%	5%
State of California obligations	Yes	5 years	None	None
Medium-term notes	Yes	5 years	30%	5%
Money market mutual funds	Yes	N/A	20%	10%
FDIC certificates of deposit	Yes	5 years	None	None
Negotiable bank certificates of deposit	Yes	5 years	30%	5%
County pooled investment funds	Yes	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None
California Asset Management Program	Yes	270 days	None	None
Asset Backed Securities	Yes	5 years	20%	5%

* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions, and based on state law requirements or Council investment policy requirements, whichever is more restrictive.

B. 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 of Portfolio	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

C. 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:

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Cash in County & F&M Bank	\$ 38,701,798	\$ 38,701,798	\$ -	\$ -	\$ -
State investment pool	100,097	100,097	-	-	-
Held by trustee:					
Cash	45,210	45,210	-	-	-
Money market funds	48,963,945	48,963,945	-	-	-
Certificates of deposit	5,435,246	895,018	1,249,847	3,290,381	-
Corporate debt securities	45,575,783	2,655,520	18,614,945	24,305,318	-
Asset Back/Mortgage Back/CMO securi	36,480,527	95,231	2,070,273	34,304,353	10,670
Supra-National Agency bonds	1,184,467	-	1,184,467	-	-
Municipal Bonds	2,044,424	1,069,108	206,296	769,020	-
Bank Note	242,477	-	242,477	-	-
US Treasury securities	78,857,376	14,025,679	31,296,796	33,534,901	-
Federal agency securities	3,177,487	500,324	2,677,163	-	-
Total	\$ 260,808,837	\$ 107,051,930	\$ 57,542,264	\$ 96,203,973	\$ 10,670

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

Issuer	Amount
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.	\$ 10,670

D. 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	Ratings as of Year-End	Not Rated
Held by trustee:				
Cash PFM	\$ 40,527	N/A	N/A	\$ 40,527
Raymond James	4,683	N/A	N/A	4,683
Money market funds	48,963,945	AAA/Aa	AAAm	-
	<u>49,009,155</u>			<u>45,210</u>
Certificates of Deposit:				
Barclays Bank PLC	650,000	A	A-1/P-1	-
Comenity Capital Bank	245,018	N/A	N/A	245,018
Credit Agricole CIB	475,000	A	A+/Aa3	-
Credit Agricole CIB NY	774,847	A	A-1+/P-1	-
Nordea Bank	625,000	A	AA-/Aa3	-
Nordea Bank ABP NY	1,016,074	A		1,016,074
Toronto Dominion Bank	625,000	A	A/A1	-
Toronto Dominion Bank NY	1,024,307	A	A-1/P-1	-
	<u>5,435,246</u>			<u>1,261,092</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

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	347,764	A	AA-/A1	-
Amazon.com Inc Corp	747,060	A	AA/A1	-
American Express Co Corp	751,639	A	BBB+/A2	-
American Honda Finance	704,865	A	A-/A3	-
Aust & NZ Banking GRP NY Corp	433,506	A	AA-/Aa3	-
Bank of America Corp	1,734,970	A	A-/A2	-
Bank Note-PNC Bank	242,477	A	A/A2	-
BMW US Capital LLC	454,810	A	A/A2	-
BNY Melon Corp	1,516,530	A	A/A1	-
Brown-Forman Corp	241,830	A	A-/A1	-
Bristol-Myers Squibb Co	249,431	A	A+/A2	-
Burlingtn North Santa Fe Corp	240,671	A	A+/A3	-
Caterpillar	783,181	A	A/A3	-
Cintas Corp	362,032	A	A-/A3	-
Citigroup Inc	766,325	A	BBB+/A3	-
Colgate=Palmolive Co Corp	556,657	A	AA-/Aa3	-
Comcast Corp	376,969	A	A-/A3	-
Corporate Notes	16,743,607	A	A-/A3	-
Cooperative Rabobank UA Corp	939,419	A	A+/Aa2	-
Exxon Mobil	240,085	A	AA/Aaa1	-
General Dynamics Corp	339,764	A	A/A2	-
Goldman Sachs Group Inc	271,876	A	BBB+/A3	-
Hershey Co	253,008	A	A/A1	-
Home Depot Inc	194,120	A	A/A2	-
Honeywell International	349,438	A	A/A2	-
HSBC USA Inc Corp	760,931	A	A-/A1	-
IBM Corp	757,504	A	A/A2	-
Intel Corp	364,905	A	A/A2	-
John Deere Capital Corp	613,527	A	A/A2	-
JP Morgan Chase & Co	1,222,820	A	A-/A2	-
Lind Inc/CT Corp	880,250	A	A/A2	-
Lockheed Martin Corp	373,969	A	A-/A3	-
Morgan Stanley Corp	761,702	A	BBB+/A3	-
National Australia BK/NY Corp	1,414,870	A	AA-/Aa3	-
National Rural Util Corp	768,574	A	A-/A2	-
Nestle Holdings Inc Corp	925,037	A	AA-/Aa3	-
Paccar Financial Corp	763,086	A	A+/A1	-
Pepsico INC Corp	254,252	A	A+/A1	-
PNC Financial Servics Corp	342,022	A	A-/A3	-
Roche Holdings Inc	1,292,964	A	AA/Aa3	-
State Street Corp	1,114,671	A	A/A1	-
Toyota Motor Credit Corp	793,693	A	A+/A1	-
Truist Financial Corp	743,075	A	A-/A3	-
Unilever Capital Corp	269,578	A	A+/A1	-
United Health Group	180,498	A	A+/A3	-
USAA Capital Corp	503,841	A	AA/Aa1	-
US Treasury Securities	19,763,671	A	AA+/Aaa	-
Walmart Inc Corp	474,539	A	AA/Aa2	-
Wells Fargo & Co Corp	399,917	A	BBB+/A1	-
	<u>65,581,930</u>			<u>-</u>
Asset Backed Securities (ABS)/Mortgage:				
ABS/MBS/CMOs	15,955,053		AAA/NR	-
ABS/MBS/CMOs	10,671	N/A	N/A	10,671
ABS/MBS/CMOs	20,514,804	Aaa	AAA/Aaa	-
	<u>36,480,528</u>			<u>10,671</u>
County investment pool	38,701,798	N/A	N/A	38,701,798
State investment pool	100,097	N/A	N/A	100,097
Supra-National Agency bonds	1,184,466	AAA	AAA/Aaa	-
Municipal Bond	2,044,425	AA-	AA-/Aa2	-
US Treasury Bonds/Notes	59,093,705	TSY	AA+/Aaa	-
Federal agency securities	3,177,487	N/A	AA+/Aaa	-
Total:	<u>\$ 260,808,837</u>			<u>\$ 40,118,868</u>

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.

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 \$60,476,902 deposited in financial institutions at year-end.

E. 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 \$38,701,798, invested in the San Joaquin County pool at June 30, 2023 Cash on deposit with the San Joaquin County Treasurer is invested as authorized by statutes.

F. 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.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

The total fair value amount invested by all public agencies in LAIF at June 30, 2023, was \$178.4 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, 2023, was \$100,097.

G. 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, 2023, 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 \$1,721,648, \$5,063,637 and \$1,146,975, 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.

H. Investments in Raymond James

In 2012, the Council diversified its portfolio by investing \$260,688 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.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

I. 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.

The Council has the following recurring fair value measurements as of June 30, 2023:

Investment Type	Total	Input Category	
		Level 1	Level 2
US Treasury securities	\$ 78,857,376	\$ 78,857,376	\$ -
Federal agency securities	3,177,487	-	3,177,487
Certificates of deposit (nonnegotiable)	5,435,246	5,435,246	-
Corporate debt securities	45,575,783	-	45,575,783
Municipal Bonds	2,044,424	-	2,044,424
Supra-National Agency bonds	1,184,467	-	1,184,467
Backed Securities (MBS)/Collateralized Mortgage	242,477	-	242,477
Asset Back/Mortgage Back/CMO securities	36,480,527	-	36,480,527
Total	172,997,787	\$ 84,292,622	\$ 88,705,165
Investments not subject to fair market value measurement			
Cash in San Joaquin County Treasury	38,701,798		
State investment pool	100,097		
Cash held by trustee	45,210		
Money market mutual funds	48,963,945		
Total	\$ 260,808,837		

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

NOTE 4: RECEIVABLES

A. Accounts Receivable and Intergovernmental Receivable

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	\$ -	\$ 3,365,116	\$ 404,897	\$ 58,386	\$ 3,560	\$ -	\$ 3,831,959
Sales taxes	-	15,592,052	10,213,037	3,534,753	-	-	29,339,842
Refunds and miscellaneous receivables	25,693	-	-	-	-	-	25,693
Intergovernmental	1,610,025	-	-	-	809,656	-	2,419,681
Intergovernmental - restricted	-	-	-	-	-	26,572	26,572
Interest - restricted	-	-	-	-	-	311,761	311,761
Total receivables	\$ 1,635,718	\$ 18,957,168	\$ 10,617,934	\$ 3,593,139	\$ 813,216	\$ 338,333	\$ 35,955,508

Intergovernmental Receivables

The intergovernmental receivable balance consisted of \$809,656 of RTIF receivable and \$1,610,025 of General Fund claims receivable from various federal, state, and local agencies.

The restricted intergovernmental receivable balance of \$26,572 for SJCOG, INC., are for mitigation fees receivable and related interest.

B. 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, 2023, is \$12,464,462.

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, 2023, was \$3,800,000.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

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, 2023, 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, 2023, the loan balance was \$13,625,500.

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, 2023, the loan balance was \$6,774,500.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Adjustments	Additions	Deletions	Balance June 30, 2023
Governmental activities:					
Capital assets, not being depreciated/amortized					
Conservation easements and credits	\$ 96,532,044	\$ 169,617	\$ 20,964,510	\$ (6,443,906)	\$ 111,222,265
Land	400,000	-	-	-	400,000
Total capital assets, not being depreciated/amortized	<u>96,932,044</u>	<u>169,617</u>	<u>20,964,510</u>	<u>(6,443,906)</u>	<u>111,622,265</u>
Capital assets, being depreciated/amortized					
Automobile	38,039	-	-	-	38,039
Office furniture and fixtures	255,657	-	128,079	-	383,736
Office building	7,102,653	-	1,701,111	-	8,803,764
Building improvements	1,270,244	-	102,565	-	1,372,809
Office and computer equipment	699,318	-	78,963	-	778,281
Lease assets	164,987	-	73,256	(42,708)	195,535
Subscription assets	-	-	162,649	-	162,649
Capital improvement	169,617	(169,617)	-	-	-
Total capital assets, being depreciated/amortized	<u>9,700,515</u>	<u>(169,617)</u>	<u>2,246,623</u>	<u>(42,708)</u>	<u>11,734,813</u>
Less accumulated depreciation/amortization					
Automobile	(38,039)	-	-	-	(38,039)
Office furniture and fixtures	(246,545)	-	(1,385)	-	(247,930)
Office building	(3,304,330)	-	(184,970)	-	(3,489,300)
Building improvements	(732,045)	-	(42,077)	-	(774,122)
Office and computer equipment	(651,433)	-	(29,595)	-	(681,028)
Lease assets	(50,851)	-	(68,929)	42,708	(77,072)
Subscription assets	-	-	(45,856)	-	(45,856)
Total accumulated depreciation/amortization	<u>(5,023,243)</u>	<u>-</u>	<u>(372,812)</u>	<u>42,708</u>	<u>(5,353,347)</u>
Total capital assets, being depreciated/amortized, net	<u>4,677,272</u>	<u>(169,617)</u>	<u>1,873,811</u>	<u>-</u>	<u>6,381,466</u>
Total governmental activities capital assets	<u>\$ 101,609,316</u>	<u>\$ -</u>	<u>\$ 22,838,321</u>	<u>\$ (6,443,906)</u>	<u>\$ 118,003,731</u>

Depreciation/amortization

Depreciation/amortization expense of \$372,812 was recorded for the year ended June 30, 2023, and is related to the general administrative functions of the Council.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

NOTE 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2023, was as follows:

Receivable Fund	Payable Fund	Amount
General fund	Measure K and Measure K Renewal fund	\$ 337,380
General fund	State Transportation Assistance fund	14,212
General fund	Regional Transportation Impact Fee fund	71,815
General fund	SJCOG, Inc. fund	32,183
General fund	Commute Connection, Inc. fund	650
General fund	One Voice, Inc. fund	12,127
Measure K and Measure K Renewal fund	General fund	3,757,096
Local Transportation fund	General fund	28,871
	Total	\$ 4,254,334

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, 2023.

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, 2023, was \$3,757,096.

NOTE 7: LEASES

A. Leases receivable

On July 1, 2021, Council entered into a 30 month lease as Lessor for the use of Nuss Farms, Inc. An initial lease receivable was recorded in the amount of \$139,062. As of 06/30/2023, the value of the lease receivable is \$34,911. The lessee is required to make semi-annual fixed payments of \$35,000.00. The lease has an interest rate of 0.5135%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$27,812, and San Joaquin Council of Governments, CA recognized lease revenue of \$55,625 during the fiscal year.

On July 1, 2021, the Council entered into a 96-month lease as Lessor for the use of Flyin' M Cattle Co_Remitz Property. An initial lease receivable was recorded in the amount of \$80,619. As of 06/30/2023, the value of the lease receivable is \$61,324. 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 06/30/2023 was \$46,943, and the Council recognized lease revenue of \$10,077 during the fiscal year.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

NOTE 7: LEASES (CONTINUED)

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

June 30	Principal	Interest	Total
2024	\$ 44,767	\$ 979	\$ 45,746
2025	9,999	747	10,746
2026	10,144	602	10,746
2027	10,292	453	10,745
2028	10,441	305	10,746
2029	10,592	154	10,746
Totals	<u>\$ 96,235</u>	<u>\$ 3,240</u>	<u>\$ 99,475</u>

B. Leases payable

On July 1, 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 June 30, 2023, the value of the lease liability is \$2,487. 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 June 30, 2023, of \$14,356 with accumulated amortization of \$11,880 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 February 1, 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 \$23,222. As of June 30, 2023, the value of the lease liability is \$12,416. The Council is required to make monthly fixed payments of \$664. 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 June 30, 2023, of \$23,222 with accumulated amortization of \$10,966 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 May 1, 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 \$7,399. As of June 30, 2023, the value of the lease liability is \$4,991. 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 June 30, 2023, of \$7,399 with accumulated amortization of \$2,654 is included with Equipment on the Lease Class activities table found below.

On July 1, 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 June 30, 2023, the value of the lease liability is \$19,865. 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 June 30, 2023, of \$32,772 with accumulated amortization of \$13,109 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

For the Year Ended June 30, 2023

NOTE 7: LEASES (CONTINUED)

On June 1, 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 June 30, 2023, the value of the lease liability is \$14,012. 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 June 30, 2023, of \$21,738 with accumulated amortization of \$7,850 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 July 1, 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 June 30, 2023, the value of the lease liability is \$7,211. 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 06/30/2023 of \$22,792 with accumulated amortization of \$15,629 is included with Equipment on the Lease Class activities table found below.

On April 1, 2023, San Joaquin Council of Governments, CA entered into a 36-month lease as Lessee for the use of Dell Mobile Precision 3660 Towers # 001-6599332-014. An initial lease liability was recorded in the amount of \$33,298. As of June 30, 2023, the value of the lease liability is \$30,557. San Joaquin Council of Governments, CA is required to make monthly fixed payments of \$963. The lease has an interest rate of 2.7650%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2023, of \$33,298 with accumulated amortization of \$2,775 is included with Equipment on the Lease Class activities table found below.

On August 1, 2022, San Joaquin Council of Governments, CA 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 \$39,958. As of June 30, 2023, the value of the lease liability is \$28,033. San Joaquin Council of Governments, CA 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 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2023, of \$39,958 with accumulated amortization of \$12,209 is included with Equipment on the Lease Class activities table found below.

<u>Lease Type</u>	<u>Major Class of Underlying Asset</u>	<u>Amount of Leased Capital Assets</u>	<u>Accumulated Amortization</u>
Equipment lease	Right-to-use equipment	<u>\$ 195,535</u>	<u>\$ 77,072</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 57,667	\$ 2,077	\$ 59,744
2025	45,103	182	45,285
2026	16,802	141	16,943
Totals	<u>\$ 119,572</u>	<u>\$ 2,400</u>	<u>\$ 121,972</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

NOTE 8: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On July 1, 2022, San Joaquin Council of Governments, CA entered into a 54-month subscription for the use of OpenGov Procurement. An initial subscription liability was recorded in the amount of \$52,598. As of June 30, 2023, the value of the subscription liability is \$39,455. San Joaquin Council of Governments, CA is required to make annual fixed payments of \$13,779. The subscription has an interest rate of 2.3660%. The value of the right to use asset as of June 30, 2023, of \$65,733 with accumulated amortization of \$14,572 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, San Joaquin Council of Governments, CA entered into a 47-month subscription for the use of Debtbook. An initial subscription liability was recorded in the amount of \$45,980. As of June 30, 2023, the value of the subscription liability is \$37,205. San Joaquin Council of Governments, CA is required to make annual fixed payments of \$8,775. The subscription has an interest rate of 2.2750%. The value of the right to use asset as of June 30, 2023, of \$45,980 with accumulated amortization of \$11,567 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, San Joaquin Council of Governments, CA entered into a 31-month subscription for the use of Verve Network Software. An initial subscription liability was recorded in the amount of \$44,006. As of June 30, 2023, the value of the subscription liability is \$27,215. San Joaquin Council of Governments, CA is required to make monthly fixed payments of \$1,459. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of June 30, 2023, of \$50,936 with accumulated amortization of \$19,717 is included with Software on the Subscription Class activities table found below. San Joaquin Council of Governments, CA has 3 extension option(s), each for 12 months.

Subscription Type	Amount of SBITA Capital Assets	Accumulated Amortization
Software as a service	\$ 162,649	\$ 45,856

The future principal and interest lease payments as of June 30, 2027, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 40,078	\$ 2,204	\$ 42,282
2025	35,670	1,319	36,989
2026	28,127	652	28,779
Totals	\$ 103,875	\$ 4,175	\$ 108,050

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

NOTE 9: DEBT OBLIGATIONS AND LONG-TERM LIABILITIES

Activity during the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Amount Due Within One Year
Sales Tax Revenue Bonds, 2014 Series	\$ 40,760,000	\$ -	\$ 2,795,000	\$ 37,965,000	\$ 3,445,000
Premium on issuance - 2014 Series	4,248,271	-	439,476	3,808,795	-
Sales Tax Revenue Bonds, 2017 Series	187,195,000	-	4,310,000	182,885,000	4,720,000
Premium on issuance - 2017 Series	23,812,280	-	1,275,658	22,536,622	-
Sales Tax Revenue Bonds, 2019 Series	63,960,000	-	-	63,960,000	-
Premium on issuance - 2019 Series	9,798,427	-	522,583	9,275,844	-
Total sales tax revenue bonds	<u>\$ 329,773,978</u>	<u>\$ -</u>	<u>\$ 9,342,717</u>	<u>\$ 320,431,261</u>	<u>\$ 8,165,000</u>

2014 Series Sales Tax Revenue Bonds

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

June 30	Principal	Interest	Total
2024	\$ 3,445,000	\$ 1,898,250	\$ 5,343,250
2025	3,615,000	1,726,000	5,341,000
2026	3,795,000	1,545,250	5,340,250
2027	3,990,000	1,355,500	5,345,500
2028	4,185,000	1,156,000	5,341,000
2029-2033	18,935,000	2,424,500	21,359,500
Totals	<u>\$ 37,965,000</u>	<u>\$ 10,105,500</u>	<u>\$ 48,070,500</u>

2017 Series Sales Tax Revenue Bonds

On November 2016, the Council defeased \$211,700,000 of the outstanding 2011 Series Sales Tax Revenue Bonds by issuing a \$209,075,000 Sales Tax Revenue Bond, which includes a premium of \$30,509,484, to advance refund the defeased bonds. Accordingly, the assets and the liability for the defeased bonds are not included in the government's fund financial statements. The Council achieved a cash flow difference and an economic gain of approximately \$30,284,273 as a result of the refunding. The economic gain will be recorded as a deferred outflow of resources on the government-wide financial statements and amortized over the life of the debt. At June 30, 2023, \$22,384,025 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
For the Year Ended June 30, 2023

NOTE 9: DEBT OBLIGATIONS AND LONG-TERM LIABILITIES (CONTINUED)

June 30	Principal	Interest	Total
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	6,845,000	7,763,600	14,608,600
2029-2033	47,760,000	32,640,000	80,400,000
2034-2038	61,890,000	19,279,500	81,169,500
2039-2041	44,625,000	4,075,050	48,700,050
Totals	<u>\$ 182,885,000</u>	<u>\$ 97,604,800</u>	<u>\$ 280,489,800</u>

June 30	Deferred Loss on Refunding of Bond
2024	\$ 1,316,708
2025	1,316,708
2026	1,316,708
2027	1,316,708
2028	1,316,708
2029-2033	6,583,540
2034-2038	6,583,540
2039-2043	2,633,405
Totals	<u>\$ 22,384,025</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.

June 30	Principal	Interest	Total
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	-	3,198,000	3,198,000
2029-2033	5,805,000	15,990,000	21,795,000
2034-2038	33,650,000	11,337,500	44,987,500
2039-2041	24,505,000	2,490,250	26,995,250
Totals	<u>\$ 63,960,000</u>	<u>\$ 45,807,750</u>	<u>\$ 109,767,750</u>

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.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

NOTE 10: COMPENSATED ABSENCES

Compensated absences activity during the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Compensated Absences	\$ 621,157	\$ 240,202	\$ (120,360)	\$ 740,999	\$ 190,048

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, 2023, 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, 2023, accrued vacation and sick leave pay totaled \$740,999. 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.

NOTE 11: COMMITMENTS AND CONTINGENCIES

A. 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.

NOTE 11: COMMITMENTS AND CONTINGENCIES (CONTINUED)

B. 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, 2023, funded through Measure K Renewal programs and has outstanding commitments of \$2,642,230 under these programs.

C. 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 50. The plan does not provide for employee contributions. The Council will not be required to pay prior year employer contributions for anyone having worked for the Council prior to the initiation of the retirement program.

Plan provisions and contribution requirements for the plan are established and may be amended by the Council's Board. The Council's total salaries, including vacation and termination pay, for the year ended June 30, 2023, were \$3,575,882. The Council's total contributions to the retirement plan on behalf of employees were \$596,197 for the year ended June 30, 2023.

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
For the Year Ended June 30, 2023

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, 2023, the Council received \$0 from the State's PTMISEA account for disbursement to the above-mentioned cities. As of June 30, 2023, PTMISEA funds received, and claims paid to cities were verified in the course of our audit as follows:

	<u>2023</u>
PTMISEA/TSSSDRA balance designated for future claims, beginning	\$ 302,544
Interest earned on PTMISEA deposits	7,579
Claims paid to cities PTMISEA	<u>(268,591)</u>
PTMISEA/TSSSDRA balance designated for future claims, ending	<u>\$ 41,532</u>

RECONCILIATION TO FINANCIAL STATEMENT

Designated for PTMISEA claims	\$ 231,517
Designated for TSSSDRA claims	2
Designated for other STA claims	<u>4,619,716</u>
Designated for future claims	<u>\$ 4,851,235</u>

NOTE 13: FUND BALANCE CLASSIFICATIONS

The purposes for certain fund balance classifications are as follows:

	General	Combined Measure K and Measure K Renewal	Local Transportation	State Transit Assistance	Regional Transportation Impact Fee	SJCOG, Inc.	One Voice Inc.	Total
Nonspendable								
Prepaid items	\$ 173,265	\$ 2,042	\$ -	\$ -	\$ -	\$ 2,333	\$ -	\$ 177,640
Total nonspendable	<u>173,265</u>	<u>2,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,333</u>	<u>-</u>	<u>177,640</u>
Restricted								
Transportation projects and related debt	-	227,774,705	-	-	17,459,131	-	-	245,233,836
TDA funds restricted by State statute	-	-	19,877,074	5,771,912	-	-	-	25,648,986
Habitat plan development	-	-	-	-	-	87,678,500	-	87,678,500
Total restricted	<u>-</u>	<u>227,774,705</u>	<u>19,877,074</u>	<u>5,771,912</u>	<u>17,459,131</u>	<u>87,678,500</u>	<u>-</u>	<u>358,561,322</u>
Unassigned	876,870	-	-	-	-	-	(550)	876,320
Total fund balances (deficits)	<u>\$ 1,050,135</u>	<u>\$ 227,776,747</u>	<u>\$ 19,877,074</u>	<u>\$ 5,771,912</u>	<u>\$ 17,459,131</u>	<u>\$ 87,680,833</u>	<u>\$ (550)</u>	<u>\$ 359,615,282</u>

NOTE 14: PRIOR PERIOD ADJUSTMENTS

A. Change in Accounting Principle

For fiscal year ended June 30, 2023, the Council implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which updated the recognition and measurement guidance for subscription-based information technology arrangements, to align recognition and measurement under a single unified model to better meet the needs of financial statement users; refer to note 1. The effect of the implementation of the change in accounting principle is shown in the table below.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Financial Statements
For the Year Ended June 30, 2023

NOTE 14: PRIOR PERIOD ADJUSTMENTS (CONTINUED)

B. Adjustments to and Restatements of Beginning Balances

During fiscal year 2023, changes to or within the financial reporting entity, the change in accounting principle, resulted in adjustments to and restatements of beginning net position, as follows:

	June 30, 2022 As Previously Reported	Changes in Accounting Principle	June 30, 2022 As Restated
Government-wide			
Governmental activities	\$ 159,705,562	\$ 20,066	\$ 159,725,628
Total government-wide	<u>\$ 159,705,562</u>	<u>\$ 20,066</u>	<u>\$ 159,725,628</u>

NOTE 15: SUBSEQUENT EVENTS

The Council evaluated subsequent events for recognition and disclosure through December 19, 2023, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2023, that required recognition or disclosure in these financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

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SAN JOAQUIN COUNCIL OF GOVERNMENTS (SJCOG)
General Fund (by object)
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 23,915,953	\$ 31,225,342	\$ 16,101,038	\$ (15,124,304)
Interest	60,000	60,000	65,346	5,346
Other	20,000	20,000	113,465	93,465
Total revenues	23,995,953	31,305,342	16,279,849	(15,025,493)
EXPENDITURES				
Salaries and benefits:				
Salaries	3,499,602	3,656,281	3,482,440	173,841
Salaries - vacation sales	115,000	115,000	100,642	14,358
Fringe benefits	1,533,740	1,541,192	1,327,324	213,868
Total salaries and benefits	5,148,342	5,312,473	4,910,406	402,067
Services and supplies:				
Office expense	298,000	313,000	337,022	(24,022)
Communications	60,000	60,000	58,394	1,606
Memberships	45,000	45,000	42,395	2,605
Transportation, travel, and training	100,000	180,500	212,296	(31,796)
Publications and legal notices	7,500	7,500	3,929	3,571
Insurance	146,300	146,300	204,781	(58,481)
Maintenance - equipment and auto	10,000	10,000	4,859	5,141
Maintenance - building, grounds and taxes	93,000	93,000	119,681	(26,681)
Utilities	107,000	107,000	151,188	(44,188)
Total services and supplies	866,800	962,300	1,134,545	(172,245)
Professional and special services	17,454,311	24,319,069	9,171,079	15,147,990
Capital outlay	195,500	380,500	2,010,716	(1,630,216)
Capital outlay - leases	131,000	131,000	73,256	57,744
Debt service:				
Lease principal	70,000	70,000	68,303	1,697
Subscription principal	-	-	38,708	(38,708)
Interest	130,000	130,000	95,001	34,999
Total expenditures	23,864,953	31,174,342	17,502,014	13,803,328
Excess (deficiency) of revenues over (under) expenditures	131,000	131,000	(1,222,165)	(1,222,165)
OTHER FINANCING SOURCES (USES)				
Leases	-	-	73,256	73,256
Total other financing sources (uses)	-	-	73,256	73,256
Net change in fund balance	\$ 131,000	\$ 131,000	(1,148,909)	\$ (1,279,909)
Fund balance-beginning			2,199,044	
Fund balance-ending			\$ 1,050,135	

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Measure K and Measure K Renewal Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 91,200,000	\$ 91,200,000	\$ 90,132,230	\$ (1,067,770)
Interest	-	-	1,805,003	1,805,003
Dividends	-	-	741,245	741,245
Gains (losses) on investments	-	-	323,301	323,301
Total revenues	91,200,000	91,200,000	93,001,779	1,801,779
EXPENDITURES				
General administration	912,000	912,000	314,818	597,182
Streets and roads	31,692,000	31,692,000	29,229,801	2,462,199
Transit	27,132,000	27,132,000	18,717,638	8,414,362
Congestion relief	29,412,000	29,412,000	12,270,266	17,141,734
Smart growth	2,052,000	2,052,000	749,851	1,302,149
Investment expense	-	-	110,621	(110,621)
Debt service:				
Bond Principal	-	-	7,105,000	(7,105,000)
Interest	-	-	14,263,350	(14,263,350)
Total expenditures	91,200,000	91,200,000	82,761,345	8,438,655
Excess (deficiency) of revenues over (under) expenditures	-	-	10,240,434	10,240,434
Net change in fund balance	\$ -	\$ -	10,240,434	\$ 10,240,434
Fund balance-beginning			217,536,313	
Fund balance-ending			\$ 227,776,747	

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Local Transportation Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 58,485,000	\$ 57,489,442	\$ 57,489,442	\$ -
Interest	-	-	1,062,054	1,062,054
Gains (losses) on investments	-	-	64,274	64,274
Total revenues	58,485,000	57,489,442	58,615,770	1,126,328
EXPENDITURES				
General administration	1,988,065	1,959,194	1,959,194	-
Streets and roads	7,347,200	7,221,486	9,248,017	(2,026,531)
Pedestrian and bicycle	1,129,939	1,110,605	1,231,615	(121,010)
Transit	48,019,796	47,198,157	64,033,166	(16,835,009)
Total expenditures	58,485,000	57,489,442	76,471,992	(18,982,550)
Excess (deficiency) of revenues over (under) expenditures	-	-	(17,856,222)	(17,856,222)
Net change in fund balance	\$ -	\$ -	(17,856,222)	\$ (17,856,222)
Fund balance-beginning			37,733,296	
Fund balance-ending			\$ 19,877,074	

SAN JOAQUIN COUNCIL OF GOVERNMENTS
State Transit Assistance Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 9,595,057	\$ 10,305,631	\$ 12,638,352	\$ 2,332,721
State of good repair	-	-	1,481,342	1,481,342
Interest	-	-	145,910	145,910
Interest Prop 1B PTMISEA/TSSSDRA	-	-	7,579	7,579
Gains (losses) on investments	-	-	46,007	46,007
Total revenues	9,595,057	10,305,631	14,319,190	4,013,559
EXPENDITURES				
General administration	192,901	207,113	207,113	-
Transit	9,402,156	10,098,518	14,008,645	(3,910,127)
PTMISEA/TSSSDRA	-	-	268,591	(268,591)
Total expenditures	9,595,057	10,305,631	14,484,349	(4,178,718)
Excess (deficiency) of revenues over (under) expenditures	-	-	(165,159)	(165,159)
Net change in fund balance	\$ -	\$ -	(165,159)	\$ (165,159)
Fund balance-beginning			5,937,071	
Fund balance-ending			\$ 5,771,912	

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Regional Transportation Impact Fee Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 3,000,000	\$ 3,000,000	\$ 1,929,319	\$ (1,070,681)
Interest	-	-	59,831	59,831
Total revenues	3,000,000	3,000,000	2,337,403	(662,597)
EXPENDITURES				
General administration	40,000	40,000	29,293	10,707
Transit	2,710,000	2,710,000	-	2,710,000
Congestion relief	250,000	250,000	651,467	(401,467)
Total expenditures	3,000,000	3,000,000	680,760	2,319,240
Excess (deficiency) of revenues over (under) expenditures	-	-	1,656,643	1,656,643
Net change in fund balance	\$ -	\$ -	1,656,643	\$ 1,656,643
Fund balance-beginning			15,802,488	
Fund balance-ending			\$ 17,459,131	

SAN JOAQUIN COUNCIL OF GOVERNMENTS
SJCOG, Inc. Blended Component Unit
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 15,000,000	\$ 15,000,000	\$ 13,360,393	\$ (1,639,607)
Developer fees	-	-	-	-
Interest	-	-	1,409,530	1,409,530
Dividends	-	-	692,300	692,300
Gains (losses) on investments	-	-	(222,735)	(222,735)
Other	-	-	81,560	81,560
Total revenues	15,000,000	15,000,000	15,321,048	321,048
EXPENDITURES				
General administration	650,000	650,000	868,773	(218,773)
Habitat plan	14,350,000	14,350,000	2,628,714	11,721,286
Capital outlay	-	-	20,964,510	(20,964,510)
Capital assets	-	-	-	-
Total expenditures	15,000,000	15,000,000	24,461,997	(9,461,997)
Excess (deficiency) of revenues over (under) expenditures	-	-	(9,140,949)	(9,140,949)
OTHER FINANCING SOURCES				
Proceeds from sale of capital asset	-	-	6,434,325	6,434,325
Total other financing sources	-	-	6,434,325	6,434,325
Net change in fund balance	\$ -	\$ -	(2,706,624)	\$ (2,706,624)
Fund balance-beginning			90,387,457	
Fund balance-ending			\$ 87,680,833	

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Notes To Required Supplemental Information
June 30, 2023

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, 2023. 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, 2023:

	General Fund	Measure K and Measure K Renewal Fund	Local Transportation Fund	State Transit Assistance Fund	Regional Transportation Impact Fee Fund	SJCOG, INC.
Salaries - vacation sales	\$ 10,585	\$ -	\$ -	\$ -	\$ -	\$ -
General administration	-	-	-	-	-	218,773
Office expense	24,022	-	-	-	-	-
Transportation, travel, and training	31,796	-	-	-	-	-
Transit	-	-	16,835,009	3,910,127	-	-
PTMISEA/TSSSDRA	-	-	-	268,591	-	-
Insurance	58,481	-	-	-	-	-
Maintenance - building, grounds and taxes	31,681	-	-	-	-	-
Utilities	39,188	-	-	-	-	-
Streets and roads	-	-	2,026,531	-	-	-
Pedestrian and bicycle	-	-	121,010	-	-	-
Congestion relief	-	-	-	-	401,467	-
Investment expense	-	110,621	-	-	-	-
Capital outlay - capital assets	1,630,216	-	-	-	-	20,964,510
Capital outlay - leases	73,256	-	-	-	-	-
Debt service - bond principal	-	7,105,000	-	-	-	-
Debt service - subscription principal	38,708	-	-	-	-	-
Debt service - interest	-	14,263,350	-	-	-	-

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OTHER SUPPLEMENTARY INFORMATION

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Grant Number</i>	<i>Total Federal Expenditures</i>
U.S. Department of Transportation				
Passed-Through the State of California Department of Transportation Programs:				
Federal Transit Administration	20.505	DWM8CCUYQTZ4	MFTA#74A0139; CH. 53, Section 5303	\$ 426,223
Total Federal Transit Administration				<u>426,223</u>
Highway Planning and Construction	20.205	DWM8CCUYQTZ4	MFTA#74A0139; FHWA PL 2122 OWP	1,646,768
Highway Planning and Construction	20.205	DWM8CCUYQTZ4	CMLNI-6088(072)	414,679
Highway Planning and Construction	20.205	DWM8CCUYQTZ4	CMLNI-6088(081) RPSTCML-6088	1,102,163
Highway Planning and Construction	20.205	DWM8CCUYQTZ4	(068)	575,622
Passed-Through the County of Merced:				
Merced Council of Governments (Rideshare program)	20.205	G9LMKWZEL2K3	CMAQ: #C20-014	67,800
Passed-Through the County of Stanislaus:				
Stanislaus Council of Governments (Rideshare program)	20.205	D9JKHAL5D2R1	CMAQ: #C19-005	118,097
Total Highway Planning and Construction Cluster				<u>3,925,129</u>
Total U.S. Department of Transportation Programs				<u>4,351,352</u>
Total Expenditures of Federal Awards				<u>\$ 4,351,352</u>

* Major Program

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS SINGLE AUDIT
Notes To The Schedule Of Expenditures Of Federal Awards
For The Year Ended June 30, 2023**

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 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, 2023

Revenues	Budget	G.F.		G.F.		G.F.		FTA 5303	FHWA PL	LTA Measure K	State Senate Bill(SB1)	State of Calif Dept of HCD REAP		
		Transp. Funds	Local Transp. Funds	Transp. Funds	Local Transp. Funds	State Transit Assst.	State Transit Assst.						RPSTCML	Merced CMAQ
100-430-001	1,696,065	1,667,194	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
100-430-085	290,000	-	290,000	-	-	-	-	-	-	-	-	-		
Local Transportation Fund (TDA Administration)														
100-430-084	1,066,800	-	-	806,840	-	-	-	-	-	-	-	-		
MKR for (dibs allocation)														
100-430-081	145,863	-	-	-	118,906	-	-	-	-	-	-	-		
State Transit Assistance														
100-410-042	414,680	-	-	-	-	-	-	-	-	-	-	-		
Congestion Mitigation Air Quality RPSTCML 6068(068)														
100-410-045	2,421,802	-	-	-	-	575,622	-	-	-	-	-	-		
Congestion Mitigation Air Quality RPSTCML 6068(068)														
100-410-045	160,000	-	-	-	-	67,800	-	-	-	-	-	-		
Congestion Mitigation Air Quality RPSTCML 6068(068)														
100-410-043	160,000	-	-	-	-	-	-	-	-	-	-	-		
Congestion Mitigation Air Quality RPSTCML 6068(068)														
100-410-043	4,231,324	-	-	-	1,102,163	-	-	-	-	-	-	-		
Congestion Mitigation Air Quality RPSTCML 6068(068)														
100-420-011	77,852	-	-	-	-	-	-	-	-	-	-	-		
State/Charans - Fwy Svc patrol FSR20 -6088(071)														
100-420-013	382,822	-	-	-	-	-	-	-	-	-	-	-		
State/Charans - Fwy Svc patrol FSR21 -6088(073)														
100-420-014	-	-	-	-	-	-	-	-	-	-	-	-		
State/Charans - Fwy Svc patrol FSR21 -6088(074)														
100-420-015	454,873	-	-	-	-	-	-	-	-	-	-	-		
State/Charans - FSP Constuction #10-0613														
100-420-016	547,781	-	-	-	-	-	-	-	-	-	-	-		
State/Charans - Fwy Svc patrol FSR22-6088(076)														
100-420-017	508,174	-	-	-	-	-	-	-	-	-	-	-		
State/Charans - Fwy Svc patrol FSR22-6088(080)														
100-420-011	589,119	-	-	-	-	-	-	-	-	-	-	-		
State/Charans - Fwy Svc patrol FSR22 -6088(077)														
100-430-060	230,615	-	-	-	-	-	-	-	-	-	-	-		
SumCOG CMAQ TDM Rules/turn g														
100-410-010	426,223	-	-	-	-	-	-	426,223	-	-	-	-		
FTA 5303 MPO Planning Carryover														
100-410-011	1,644,328	-	-	-	-	-	-	-	-	-	-	-		
Federal Highway PL Planning & Admin.														
100-410-005	3,329	-	-	-	-	-	-	1,643,440	-	-	-	-		
Federal Highway PL Planning & Admin. Carryover														
100-410-006	46,585	-	-	-	-	-	-	3,329	-	-	-	-		
Federal Highway PL Complete streets														
100-410-007	912,000	-	-	-	-	-	-	-	-	-	-	-		
Measure K (LTA admin)														
100-430-083	4,565	-	-	-	-	-	-	-	-	-	-	-		
Measure K (LTA planning)														
100-420-064	1,006,000	-	-	-	-	-	-	-	-	-	-	-		
State Senate Bill (SB1) awarded in FYE 2021														
100-420-065	329,916	-	-	-	-	-	-	-	-	-	-	-		
State Senate Bill (SB1) awarded in FYE 21,222														
100-420-066	355,733	-	-	-	-	-	-	-	-	-	-	-		
State of California Dept of HCD (REAP) FRESNO														
100-420-083	30,000	-	-	-	-	-	-	-	-	-	-	-		
State of California Dept of HCD (REAP)														
100-420-085	2,116,536	-	-	-	-	-	-	-	-	-	-	-		
State of California Dept of HCD (REAP 2)														
100-420-084	200,000	-	-	-	-	-	-	-	-	-	-	-		
State of California Air Resources Board CARR (STEP)														
100-420-086	5,238,053	-	-	-	-	-	-	-	-	-	-	-		
State Clean Mobility EV Car Share														
100-420-087	1,492,005	-	-	-	-	-	-	-	-	-	-	-		
State CMO Rev Passthrough														
100-420-087P	-	-	-	-	-	-	-	-	-	-	-	-		
State Regional Climate Collaborative														
100-430-088	1,700,000	-	-	-	-	-	-	-	-	-	-	-		
RTIP Admin Operating														
100-430-045	36,500	-	-	-	-	-	-	-	-	-	-	-		
RTIP Admin Operating														
100-430-047	341,491	-	-	-	-	-	-	-	-	-	-	-		
RTIP 3rd party costs														
100-430-050	169,000	-	-	-	-	-	-	-	-	-	-	-		
RTIP 3rd party costs														
100-430-030	200,000	-	-	-	-	-	-	-	-	-	-	-		
RTIP 3rd party costs														
100-420-041	395,838	-	-	-	-	-	-	-	-	-	-	-		
RTIP 3rd party costs														
100-420-044	10,000	-	-	-	-	-	-	-	-	-	-	-		
RTIP 3rd party costs														
100-430-067	10,000	-	-	-	-	-	-	-	-	-	-	-		
SICOG Fesd Local other (One Voice)														
100-430-071	10,000	-	-	-	-	-	-	-	-	-	-	-		
SICOG Fesd Local other														
100-430-055	60,000	-	-	-	-	-	-	-	-	-	-	-		
SIV Policy Conference														
100-430-055	80,500	-	-	-	-	-	-	-	-	-	-	-		
SIV Policy Conference														
100-430-025	298,682	-	-	-	-	-	-	-	-	-	-	-		
SACOG FSP														
100-430-025	58,318	-	-	-	-	-	-	-	-	-	-	-		
SACOG TDM Trip Planning System and 511														
100-420-055	50,000	-	-	-	-	-	-	-	-	-	-	-		
Rural Planning Assistance (RPA)														
100-420-065	148,391	-	-	-	-	-	-	-	-	-	-	-		
Rural Planning Assistance (RPA)														
100-420-064	31,777	-	-	-	-	-	-	-	-	-	-	-		
Roth Road Corridor Study														
100-420-045	605,000	-	-	-	-	-	-	-	-	-	-	-		
State grant on Affordable Housing														
100-430-065	605,000	-	-	-	-	-	-	-	-	-	-	-		
Habitat Plan Administration SICOG, INC.														
Total Revenues	31,405,342	1,667,194	290,000	806,840	118,906	1,516,842	575,622	67,800	1,222,473	118,097	426,223	1,912,000	255,735	1,177,412

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, 2023

	State of Calif Air Resources Board(CARB) STIP	State of Calif Clean Mobility EV Car Share	State Regional Climate Collaborative	RTIF	Valley Wide Air Quality	STIP PP&M	Interest/ Other Local	ALUC	SACOG FSP Match	SACOG TDM Trip Planning system	Rural Planning Assistance (RPA)	SIV Policy Conference	Roth Road Corridor Study (Local)	State Grant Affordable Housing	Habitat Plan Admin. SUCOG, INC.	Totals	Favorable (Unfavorable) Variance
\$	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,667,194	\$ (28,871)
																290,000	290,000
																806,840	(259,960)
																118,906	(26,957)
																414,679	(1)
																573,622	(1,846,180)
																67,880	(160,000)
																1,102,163	(3,129,161)
																77,852	(0)
																382,822	0
																373,972	373,972
																387,827	-
																(159,954)	(159,954)
																(508,174)	(508,174)
																(589,119)	(589,119)
																426,223	(112,518)
																-	-
																1,643,440	(888)
																3,329	(0)
																(46,365)	(46,365)
							65,349									65,349	65,349
																1,912,000	1,912,000
																-	(1,800,000)
																4,565	-
																244,090	(85,826)
																7,080	(348,653)
																30,000	-
																1,120,624	(995,912)
																26,788	(173,212)
																1,876,835	(3,361,218)
1,876,835																111,162	(1,380,843)
																96,931	96,931
																5,942	(1,694,058)
																29,293	(7,207)
																151,467	(190,024)
																88,140	(80,860)
																120,035	(79,965)
																365,293	(30,545)
																20,078	20,078
																297	(9,703)
																34,652	(25,348)
												93,079				93,079	12,579
																298,682	(0)
																58,318	0
											50,000					50,000	-
																134,158	(14,233)
																9,444	(22,333)
																868,773	263,773
1,876,835	208,093		5,942	268,900	120,035	365,293	85,724	34,652	298,682	58,318	50,000	93,079	134,158	9,444	868,773	16,279,839	(14,570,630)

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, 2023

1,876,835	208,093	5,942	208,093	155,456	187,682	298,682	58,318	50,000	93,079	134,158	9,444	-	208,093	1,841,140
-	-	5,942	208,093	155,456	187,682	298,682	58,318	50,000	93,079	134,158	9,444	-	208,093	1,841,140
-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,333
-	-	-	-	-	-	-	-	-	-	-	-	-	-	162,843
-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,157
-	-	-	-	-	-	-	-	-	-	-	-	-	-	275,714
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,997)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,001,349)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	346,876
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(179,191)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	46,585
-	-	-	-	-	-	-	-	-	-	-	-	-	-	176,278
-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,458
-	-	-	-	-	-	-	-	-	-	-	-	-	-	689,067
-	-	-	-	-	-	-	-	-	-	-	-	-	-	230,888
-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,262
-	-	-	-	-	-	-	-	-	-	-	-	-	-	293,559
-	-	-	-	-	-	-	-	-	-	-	-	-	-	177,693
-	-	-	-	-	-	-	-	-	-	-	-	-	-	59,257
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,714)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	107,438
-	-	-	-	-	-	-	-	-	-	-	-	-	-	547,827
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(142,239)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,771
-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,140
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(41,89)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	200,796
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,785)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	213,785
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(414,247)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	605,000
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(69,566)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(135,156)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,600
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(48,404)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	153,935
-	-	-	-	-	-	-	-	-	-	-	-	-	-	314,953
-	-	-	-	-	-	-	-	-	-	-	-	-	-	122,460
-	-	-	-	-	-	-	-	-	-	-	-	-	-	583,569
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(90,519)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,389,783
-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,292,903
-	-	-	-	-	-	-	-	-	-	-	-	-	-	64,640
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(33,640)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	59,280
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(35,200)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,768
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(26,788)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,876,835
-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,572,815
-	-	-	-	-	-	-	-	-	-	-	-	-	-	208,093
-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,942
1,876,835	208,093	5,942	208,093	155,456	187,682	298,682	58,318	50,000	93,079	134,158	9,444	-	208,093	11,433,786
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,083,972)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	372,815
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,092,233)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,803,390
1,876,835	208,093	5,942	208,093	155,456	187,682	298,682	58,318	50,000	93,079	134,158	9,444	-	208,093	8,630,396
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,148,919)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	868,773
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,942)

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Schedule of Direct and Indirect Expenditures
For the Year Ended June 30, 2023

	Direct	Indirect	Unallowable Expense	Total
Salaries(Unallowable included in Direct base)	\$ 1,686,365	\$ 1,874,201	\$ 22,515	\$ 3,583,081
Fringe benefits(Unallowable included in Direct)	641,587	674,761	10,974	1,327,322
Office expense	24,932	347,918	2,879	375,730
Communications	-	58,394	-	58,394
Memberships	799	36,101	5,495	42,395
Rent - equipment	-	8,707	-	8,707
Lease principal payments	-	-	59,596	59,596
Lease interest payments	-	-	2,121	2,121
Interest - building debt service	-	55,173	37,707	92,880
Transportation, travel and training	77,547	18,911	115,837	212,295
Professional and special services	8,851,400	178,949	140,728	9,171,078
Publications and legal notices	2,867	1,062	-	3,929
Insurance	-	180,532	24,248	204,781
Capital outlay	-	-	2,010,716	2,010,716
Leases	-	-	73,256	73,256
Maintenance - equipment	-	4,859	-	4,859
Maint. - struct. & grounds - Taxes	-	116,503	3,178	119,681
Utilities	-	143,992	7,196	151,188
SUBTOTAL EXPENDITURES	<u>11,285,498</u>	<u>3,700,065</u>	<u>2,516,444</u>	<u>17,502,007</u>
Other reconciling items:				
Depreciation	-	314,218	58,597	372,815
TOTAL EXPENDITURES	<u>\$ 11,285,498</u>	<u>\$ 4,014,283</u>	<u>\$ 2,575,041</u>	<u>\$ 17,874,822</u>

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Schedule of Revenues, Expenditures and Changes in Fund Balances
Final Budget and Actual - General Fund
By Work Program
For the Year Ended June 30, 2023

REVENUES	Budgeted Amounts		Actual Amounts	Favorable (Unfavorable)
	Original	Final		
Intergovernmental	\$ 18,863,286	\$ 26,644,683	\$ 16,101,041	\$ (10,543,642)
Use of money and property	60,000	60,000	65,345	5,345
Miscellaneous	20,000	20,000	113,454	93,454
Total Revenues	18,943,286	26,724,683	16,279,840	(10,444,843)
EXPENDITURES				
Regional Transportation Plan	-	288,064	285,265	2,799
Regional Transportation Plan (Affordable Housing)	-	31,777	9,444	22,333
SB1 awarded FY 20/21 Sustainable Comm. Planning Studies	-	5,157	5,157	-
SB1 awarded FY 21/22 Sustainable Comm. Planning Studies	-	372,916	275,714	97,202
SB1 awarded FY 22/23 Sustainable Comm. Planning Studies	-	401,822	7,997	393,825
Regional Transportation Plan Implementation	-	1,005,134	1,001,349	3,785
Regional Planning Studies	-	472,348	346,876	125,472
Transportation Improvement Program	-	417,719	416,852	867
Active Transportation (Complete Streets)	-	46,585	-	46,585
Roads and Streets Monitoring	-	178,118	176,278	1,840
I-205 Managed Lanes Project	-	2,763,293	689,067	2,074,226
Transit Coordination and Planning	-	257,545	230,588	26,957
Transportation Air Quality Planning	-	421,352	293,559	127,793
Goods Movement	-	68,543	59,257	9,286
Ongoing Technical Assistance	-	40,980	26,055	14,925
Intergovernmental Coordination	-	550,503	547,827	2,676
Intergovernmental Coord. Rural Planning Assistance	-	50,000	50,000	-
Projections and Forecasts	-	181,000	148,229	32,771
Aviation / Airport and Land Use	-	76,792	34,652	42,140
Congestion Management Prog/Sys	-	201,607	200,796	811
Regional Planning	-	214,500	213,785	715
Valley MPO Coordination	-	480,749	460,950	19,799
Habitat Plan Implementation	-	695,000	-	695,000
Measure K Program Mgmt/Admin	-	376,813	314,818	61,995
RTIF	-	449,500	185,900	263,600
Smart Growth	-	10,600	-	10,600
COG Overall Work Plan Administration	-	170,000	153,935	16,065
TDA Administration	-	469,500	314,953	154,547
Community Involvement	-	583,988	583,569	419
Transportation Demand Management	-	6,231,221	2,577,276	3,653,945
Freeway Service Patrol	-	2,799,621	1,552,718	1,246,903
SJCOG Interns	-	67,000	64,640	2,360
Performance Based Planning & Programming	-	179,000	159,580	19,420
SJV Regional Early Action Planning Committee for Housing (REAP)	-	2,116,536	1,120,624	995,912
SJV Regional Early Action Planning Committee for Housing (REAP 2.0)	-	200,000	26,788	173,212
Sustainable Transportation Equity Project (STEP)	-	5,238,053	1,876,835	3,361,218
Clean Mobility Options Voucher Program (CMO)	-	1,492,006	208,093	1,283,913
San Joaquin Regional Climate Collaborative(RCC)	-	1,700,000	5,942	1,694,058
Total 2022/23 project Expenditures	-	31,305,342	14,625,368	16,679,974
Other (not billed through Overall Work Program)	-	-	-	-
Additional provision for capital outlay	-	-	2,083,972	(2,083,972)
Depreciation cost recovery A-87 assets only	-	-	(372,815)	372,815
Total Other	-	-	1,711,157	(1,711,157)
Overhead (overclaimed) underclaimed - prior periods	-	-	1,092,233	(1,092,233)
Total Adjusted Project Expenditures	-	31,305,342	17,428,758	13,876,584
Net Change in Fund Balance	18,943,286	(4,580,659)	(1,148,918)	3,431,741
Fund Balance - Beginning	-	-	2,199,052	2,199,052
Fund Balance - Ending	\$ 18,943,286	\$ (4,580,659)	\$ 1,050,134	\$ 5,630,793

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Schedule of Balances
Local Transportation Fund
For the Fiscal Year Ending June 30, 2023

	SJRTD	Lathrop	Lodi	Manteca	Tracy	Ripon	Escalon	SJRRRC	SJ County	Stockton	SJCOG Planning	Total LTF Funds
ASSETS:												
Cash in treasury	\$ 34,921	\$ 1,205,675	\$ 3,991,635	\$ 16,520,909	\$ 11,224,024	\$ 104,404	\$ 453,516	\$ 86,178	\$ 294,326	\$ 8,276	\$ -	\$ 33,923,864
Sales tax apportionment receivable	6,211,851	371,525	896,140	1,138,167	1,285,223	212,359	97,772	-	-	-	-	10,213,037
Interest receivable	7,283	16,652	80,050	137,260	89,781	8,119	3,316	54,503	2,582	5,351	-	404,897
Year end internal transfer	1,252	47,337	24,933	31,667	35,758	5,908	2,721	(108,946)	(3,842)	(7,917)	-	28,871
Total Assets	\$ 6,255,307	\$ 1,641,189	\$ 4,992,758	\$ 17,828,003	\$ 12,634,786	\$ 330,790	\$ 557,325	\$ 31,735	\$ 293,066	\$ 5,710	\$ -	\$ 44,570,669
LIABILITIES AND FUND EQUITY												
Liabilities:												
Intergovernmental payable	\$ 6,255,303	\$ -	\$ -	\$ 6,410,287	\$ 11,401,090	\$ 332,392	\$ -	\$ -	\$ 294,523	\$ -	\$ -	\$ 24,693,595
Total Liabilities	6,255,303	-	-	6,410,287	11,401,090	332,392	-	-	294,523	-	-	24,693,595
Fund Equity:												
Apportioned	4	1,641,189	4,992,758	11,417,716	1,233,696	(1,602)	557,325	31,735	(1,457)	5,710	-	19,877,074
Total Fund Equity	4	1,641,189	4,992,758	11,417,716	1,233,696	(1,602)	557,325	31,735	(1,457)	5,710	-	19,877,074
Total Liabilities and Fund Equity	\$ 6,255,307	\$ 1,641,189	\$ 4,992,758	\$ 17,828,003	\$ 12,634,786	\$ 330,790	\$ 557,325	\$ 31,735	\$ 293,066	\$ 5,710	\$ -	\$ 44,570,669

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Local Transportation Fund
For the Fiscal year Ending June 30, 2023

	SJRTD	Lathrop	Lodi	Manteca	Tracy	Ripon	Escalon	SJRRC	SI County	Stockton	SICOG Planning	SICOG TDA Admin.	S.J. County Auditor	Total LTF Funds
REVENUE:														
Sales tax	\$ 29,670,449	\$ 1,757,351	\$ 4,238,841	\$ 5,383,650	\$ 6,079,241	\$ 1,004,483	\$ 462,474	\$ 6,258,259	\$ 220,681	\$ 454,819	\$ 1,667,194	\$ 290,000	\$ 2,000	\$ 57,489,442
Interest	83,972	35,534	196,171	343,507	217,346	15,960	7,492	141,808	6,767	13,497	-	-	-	1,062,054
Unrealized Gains (Losses) on investments	81,591	(9,106)	56,905	(63,431)	(1,243)	661	1,135	(1,126)	(1,086)	(26)	-	-	-	64,274
Total Revenue	29,836,012	1,783,779	4,491,917	5,663,726	6,295,344	1,021,104	471,101	6,398,941	2,263,362	468,290	1,667,194	290,000	2,000	58,613,770
EXPENDITURES:														
SJRTD	39,235,299	-	-	-	-	-	-	-	-	-	-	-	-	39,235,299
Lathrop	-	994,077	-	-	-	-	-	-	-	-	-	-	-	994,077
Lodi	-	-	5,912,188	-	-	-	-	-	-	-	-	-	-	5,912,188
Manteca	-	-	-	6,410,287	-	-	-	-	-	-	-	-	-	6,410,287
Tracy	-	-	-	-	11,401,090	-	-	-	-	-	-	-	-	11,401,090
Ripon	-	-	-	-	-	1,332,392	-	-	-	-	-	-	-	1,332,392
Escalon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SJRRC	-	-	-	-	-	-	-	8,322,205	-	-	-	-	-	8,322,205
S.J. County	-	-	-	-	-	-	-	-	294,523	-	-	-	-	294,523
Stockton	-	-	-	-	-	-	-	-	-	610,737	-	-	-	610,737
SICOG Planning	-	-	-	-	-	-	-	-	-	-	1,667,194	-	-	1,667,194
SICOG TDA Admin.	-	-	-	-	-	-	-	-	-	-	-	290,000	-	290,000
S.J. County Auditor/Contr.	-	-	-	-	-	-	-	-	-	-	-	-	2,000	2,000
Total Expenditures	39,235,299	994,077	5,912,188	6,410,287	11,401,090	1,332,392	-	8,322,205	294,523	610,737	1,667,194	290,000	2,000	76,471,992
Excess (deficit) of Revenues Over Expenditures	(9,399,287)	789,702	(1,420,271)	(746,561)	(5,105,746)	(311,288)	471,101	(1,923,264)	(68,161)	(142,447)	-	-	-	(17,856,222)
Fund Balance Beginning of Year	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
Fund Balance End of Year	4	1,641,189	4,992,758	11,417,716	1,233,696	(1,602)	557,325	31,735	(1,457)	5,710	-	-	-	19,877,074

SAN JOAQUIN COUNCIL OF GOVERNMENTS

SCHEDULE OF ALLOCATIONS AND EXPENDITURES
LOCAL TRANSPORTATION FUND

For the Year Ended June 30, 2023

PUC Section	<u>Purpose</u>	<u>Allocated/ Expended</u>
99233.1	Administration: Council County of San Joaquin	\$ 290,000 2,000 <hr/> 292,000
99233.4	Rail Service: San Joaquin Regional Rail Commission	8,322,205
99234	Pedestrian and Bicycle Facilities: County of San Joaquin City of Escalon City of Stockton City of Tracy City of Lodi City of Manteca City of Ripon City of Lathrop	294,523 - 610,737 142,193 99,146 8,482 23,495 53,039 <hr/> 1,231,615
99260	Public Transportation: San Joaquin Regional Transit District	37,956,862
99260	Public Transportation System Planning: Council of Governments	1,667,194
Article 4.5 #99275	Community Transit Services San Joaquin Regional Transit District	1,278,437
99400(a)	Streets, Roads, Pedestrian and Bicycle Projects: County of San Joaquin City of Escalon City of Tracy City of Lodi City of Manteca City of Ripon City of Lathrop	- - 2,000,000 600,000 5,118,220 1,059,278 470,519 <hr/> 9,248,017
99400(c)	Contracted Public Transportation - Operations: City of Manteca City of Ripon City of Tracy City of Lathrop City of Lodi	1,283,585 249,619 6,328,160 470,519 1,000,000 <hr/> 9,331,883
99400(e)	Contracted Public Transportation - Capital: City of Tracy City of Lodi	2,930,737 4,213,042 <hr/> 7,143,779
Total:		\$ 76,471,992 <hr/>

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Schedule of Balances
State Transit Assistance Fund
For the Fiscal Year Ending June 30, 2023

	SJRTD	Lodi	Ripon	SJRR	Manteca	Tracy	Escalon	SJCOG TDA Admin.	Total STA Funds
ASSETS:									
Cash in treasury	\$ 2,487,787	\$ 493,074	\$ 116,453	\$ 641,241	\$ 555,783	\$ 468,803	\$ 14,793	\$ -	\$ 4,777,934
Sales tax apportionment receivable	2,533,701	39,170	5,043	902,814	22,610	28,245	3,170	-	3,534,753
Due from other fund	402,636	-	-	(416,848)	-	-	-	14,212	-
Interest receivable	25,891	4,874	1,037	17,655	4,860	3,958	111	-	58,386
Total Assets	\$ 5,450,015	\$ 537,118	\$ 122,533	\$ 1,144,862	\$ 583,253	\$ 501,006	\$ 18,074	\$ 14,212	\$ 8,371,073
LIABILITIES AND FUNDEQUITY									
Intergovernmental payable	\$ 2,140,851	\$ 4,717	\$ -	\$ 219,820	\$ 191,997	\$ 16,368	\$ 11,196	\$ 14,212	\$ 2,599,161
Total Liabilities	2,140,851	4,717	-	219,820	191,997	16,368	11,196	14,212	2,599,161
FUNDEQUITY									
Apportioned	3,309,164	532,401	122,533	925,042	391,256	484,638	6,878	-	5,771,912
Total Fund Equity	3,309,164	532,401	122,533	925,042	391,256	484,638	6,878	-	5,771,912
Total Liabilities and Fund Equity	\$ 5,450,015	\$ 537,118	\$ 122,533	\$ 1,144,862	\$ 583,253	\$ 501,006	\$ 18,074	\$ 14,212	\$ 8,371,073

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, 2023

	SJRTD	Lodi	Ripon	SJRR	MANTECA	TRACY	ESCALON	SJCOG & Auditor Admin.	Total STA Funds
REVENUE:									
Sales tax	\$ 10,406,609	\$ 187,457	\$ 27,412	\$ 2,990,386	\$ 128,565	\$ 156,044	\$ 16,108	\$ 207,113	\$ 14,119,694
Prop 1B : PTMISEA	-	-	-	-	-	-	-	-	-
Prop 1B : TSSSDRA	-	-	-	-	-	-	-	-	-
Interest STA	70,316	12,405	2,660	43,181	7,230	9,929	189	-	145,910
Interest PTMISEA	-	-	-	-	5,488	950	1,141	-	7,579
Interest TSSSDRA	-	-	-	-	-	-	-	-	-
Unrealized Gains	-	-	-	-	-	-	-	-	-
(Losses) on investments	(4,153)	355	(215)	45,273	(858)	4,537	1,068	-	46,007
Total Revenue	10,472,772	200,217	29,857	3,078,840	140,425	171,460	18,506	207,113	14,319,190
EXPENDITURES:									
SJRTD	10,801,875	-	-	-	-	-	-	-	10,801,875
Lodi	-	116,696	-	-	-	-	-	-	116,696
Ripon	-	-	4,732	-	-	-	-	-	4,732
SJRR	-	-	-	3,026,352	-	-	-	-	3,026,352
SJRR(TSSSDRA)	-	-	-	-	-	-	-	-	-
MANTECA	-	-	-	-	31,426	-	-	-	31,426
MANTECA(PTMISEA)	-	-	-	-	191,997	-	-	-	191,997
TRACY	-	-	-	-	-	16,368	-	-	16,368
TRACY (PTMISEA)	-	-	-	-	-	-	-	-	-
ESCALON	-	-	-	-	-	-	11,196	-	11,196
ESCALON(PTMISEA)	-	-	-	-	-	-	76,594	-	76,594
SJCOG TDA Admin.	-	-	-	-	-	-	-	207,113	207,113
Total Expenditures	10,801,875	116,696	4,732	3,026,352	223,423	16,368	87,790	207,113	14,484,349
Excess (deficit) of Revenues Over Expenditures	(329,103)	83,521	25,125	52,488	(82,998)	155,092	(69,284)	-	(165,159)
OTHER FINANCING SOURCES (USES):									
Interfund transfers	-	-	-	-	-	-	-	-	-
Fund Balance Beginning of Year	3,638,267	448,880	97,408	872,554	474,254	329,546	76,162	-	5,937,071
Fund Balance End of Year	\$ 3,309,164	\$ 532,401	\$ 122,533	\$ 925,042	\$ 391,256	\$ 484,638	\$ 6,878	\$ -	\$ 5,771,912

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
STATE TRANSIT ASSISTANCE
For the Year Ended June 30, 2023**

<u>PUC Section</u>	<u>Purpose</u>	<u>Allocated/ Expended</u>
6730(a)	Public Transit:	
	San Joaquin Regional Transit District	\$ 175,000
	San Joaquin Regional Rail Commission	2,244,820
	City of Escalon	-
	City of Lodi	-
	City of Ripon	4,732
	City of Manteca	-
	City of Tracy	-
		<hr/> 2,424,552
6730(b)	Transit Capital:	
	San Joaquin Regional Transit District	10,440,851
	San Joaquin Regional Rail Commission	375,000
	City of Lodi	89,717
	City of Manteca	-
	City of Tracy	16,368
		<hr/> 10,921,936
6731(b)	Contracted Transit:	
	City of Escalon	
	City Of Manteca	<hr/> -
6731(b)	Transit Administration/Planning:	
	Auditor Controller	1,000
	Council	206,113
		<hr/> 207,113
Prop 1B	PTMISEA (CAPITAL)	
	City of Escalon	76,594
	City of Tracy	-
	City Of Manteca	191,997
		<hr/> 268,591
Prop 1B	TSSSDRA	
	San Joaquin Regional Rail	-
State of Goods Repair	State of Goods Repair	
	City of Escalon	11,196
	City of Lodi	26,979
	City of Manteca	31,426
	San Joaquin Regional Rail	406,532
	San Joaquin Regional Transit	186,024
	City of Tracy	-
		<hr/> 662,157
	Total:	<hr/> \$ 14,484,349 <hr/>

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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.....	84
These schedules contain trend information to help the reader understand how the Council's financial performance has changed over time.	
Revenue Capacity.....	89
These schedules contain information to help the reader assess the Council's most significant local revenue source, the sales tax.	
Debt Capacity.....	96
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.....	98
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	100
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)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Governmental activities:										
Net Investment in capital assets	\$ 48,877,028	\$ 52,501,136	\$ 55,794,469	\$ 61,483,649	\$ 73,745,544	\$ 86,357,945	\$ 91,984,295	\$ 99,773,985	\$ 101,494,697	\$ 117,780,284
Restricted for:										
Habitat acquisition and management	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	87,678,500
Transportation projects	-	-	-	-	-	214,559,937	228,257,131	258,612,666	277,007,418	270,882,822
Debt service										
Unrestricted	(108,507,870)	(139,365,146)	(142,902,987)	(147,519,179)	(131,704,205)	(325,169,916)	(324,733,632)	(317,108,321)	(309,181,312)	(302,320,471)
Total primary government net assets	\$ (45,113,080)	\$ (66,948,534)	\$ (59,227,114)	\$ (55,566,621)	\$ (14,963,329)	\$ 26,765,968	\$ 48,125,392	\$ 105,631,664	\$ 159,705,562	\$ 174,021,135

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

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Program revenues:										
Governmental activities:										
Charges for services	\$ 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	\$ 13,829,958
Operating grants and contributions	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	184,568,957
Capital grants and contributions	-	-	-	-	-	-	-	-	198,274,220	-
Total program revenues - primary government	89,498,543	98,637,346	106,484,773	103,932,467	135,162,568	150,324,329	136,329,558	176,296,399	396,548,440	198,398,915
General revenues:										
Governmental activities:										
Unrestricted investment earnings	6,163	3,702	4,825	5,558	6,147	19,006	20,927	424,177	272,809	1,474,876
Miscellaneous	10,989	15,763	15,343	24,050	17,592	16,425	8,200	-	1,500	1,248
Total general revenues - primary government	17,152	19,465	20,168	29,608	23,739	35,431	29,127	424,177	274,309	1,476,124
Total revenues - primary government	\$ 89,515,695	\$ 98,656,811	#####	#####	#####	#####	#####	#####	#####	\$ 199,875,039

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

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
EXPENSES										
Governmental activities:										
General government	\$ 6,674,200	\$ 6,175,981	\$ 7,475,155	\$ 7,357,834	\$ 7,665,095	\$ 7,897,958	\$ 8,609,107	\$ 13,985,148	\$ 17,016,759	\$ 19,097,454
Transportation	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	150,519,678
Habitat development	626,915	899,905	1,224,372	1,092,612	1,471,277	1,327,767	1,248,664	719,675	833,274	2,628,714
Commute Connection	50	-	-	-	-	-	-	-	-	-
Building Interest expense	55,843	53,346	51,073	37,298	53,444	135,454	127,679	120,405	110,492	95,001
Measure K Renewal Investment Interest expense	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	13,238,685
Total primary government expenses	104,135,360	114,847,219	98,783,521	100,301,582	101,948,315	108,630,466	112,262,245	119,214,304	144,477,660	185,579,532
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
Habitat Development	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	13,829,958
Operating grants and contributions	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	184,455,800
Total governmental activities program revenues	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	198,285,758
Total primary government net revenue (expense)	(14,636,817)	(16,209,873)	7,701,252	3,630,885	33,214,253	41,693,863	24,067,313	57,082,095	53,796,560	12,706,226
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Unrestricted investment earnings	6,163	3,702	4,825	5,558	6,147	19,006	20,927	424,177	272,809	1,474,876
Miscellaneous	10,989	15,763	15,343	24,050	17,592	16,425	8,200	-	1,500	114,405
Total general revenues - primary government	17,152	19,465	20,168	29,608	23,739	35,431	29,127	424,177	274,309	1,589,281
CHANGE IN NET POSITION										
TOTAL PRIMARY GOVERNMENT	\$ (14,619,665)	\$ (16,190,408)	\$ 7,721,420	\$ 3,660,493	\$ 33,237,992	\$ 41,729,294	\$ 24,096,440	\$ 57,506,272	\$ 54,070,869	\$ 14,295,507

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

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
General fund										
Nonspendable	\$ 94,515	\$ 134,269	\$ 97,503	\$ 74,606	\$ 141,195	\$ 102,277	\$ 125,030	\$ 132,710	\$ 173,260	\$ 173,265
Unassigned	(3,070,547)	(1,573,715)	(860,010)	(891,168)	(853,568)	(203,535)	(118,944)	1,258,478	2,025,784	876,870
Total general fund	\$ (2,976,032)	\$ (1,439,446)	\$ (762,507)	\$ (816,562)	\$ (712,373)	\$ (101,258)	\$ 6,086	\$ 1,391,188	\$ 2,199,044	\$ 1,050,135
All other governmental funds										
Nonspendable	\$ 28,466,395	\$ 30,216,271	\$ 33,797,012	\$ 39,440,333	\$ 2,535	\$ 2,554	\$ 4,743	\$ 4,441	\$ 4,448	\$ 4,375
Restricted	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	270,882,822
Committed	-	-	-	-	49,005,261	-	-	-	-	-
Assigned	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	87,678,500
Unassigned	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)
Total all other governmental funds	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	358,565,147
Total Fund Balance	\$ 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	\$ 359,615,282

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

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
REVENUES										
Sales Tax	\$ 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	\$ 160,260,024
Prop IB	36,926	100,000	18,463	345,704	388,284	3,239,059	1,094,419	1,367,538	1,420,327	1,481,342
Intergovernmental	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	16,101,041
Changes for services	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	15,289,712
Investment earnings	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)	6,547,901
Proceeds from sale of habitat property	-	-	-	-	-	-	-	-	-	1,078,114
Other	402,439	2,403,574	122,998	721,055	3,040,790	7,010,482	603,943	10,746	115,112	195,014
Total revenues	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	206,309,359
EXPENDITURES										
General administration	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	18,595,221
Transportation	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	150,409,057
Habitat Plan	254,044	315,080	640,604	670,616	881,972	696,057	599,192	719,875	833,274	2,628,714
Investment expense	182,681	129,539	157,619	136,942	96,228	190,161	187,902	172,358	212,861	110,621
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	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	7,173,303
Interest	1,227,090	13,780,495	14,686,027	16,525,069	11,706,915	13,746,854	15,101,129	14,839,305	14,620,592	14,358,351
Capital outlay	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	22,975,226
Capital assets	-	-	-	-	-	-	-	-	-	-
Subscriptions	47,872	158,750	103,928	10,995	50,040	20,810	52,215	51,204	52,356	38,703
Leases	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	73,256
Total expenditures	(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	(10,053,093)
Excess (Deficiency) of revenues over (under) expenditures	\$ (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	\$ (9,979,837)
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	-	-	-	-
Capital Leases	47,872	158,750	103,928	10,995	50,040	20,810	52,216	51,204	52,356	73,256
Total other financing sources (uses)	47,872	158,750	103,928	10,995	50,040	20,810	63,906	51,204	52,356	73,256
NET CHANGE IN FUND BALANCES										
	\$ (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	\$ (9,979,837)
Debt service as a percentage of noncapital expenditures	11.69%	13.90%	17.07%	17.59%	14.45%	49.44%	16.40%	16.05%	13.75%	11.14%

SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES BY SOURCE
GENERAL FUND
For the Fiscal years Ending June 30, 2014 Through June 30, 2023

	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	6/30/23
INTERGOVERNMENTAL:										
TDA Administration	\$ 225,000	\$ 225,000	\$ 225,000	\$ 265,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 290,000	\$ 340,000	\$ 290,000
State Transit Assistance	75,072	71,168	54,342	-	144,767	126,947	129,273	105,939	101,905	118,906
RTIF Admin. Project & third party costs	12,538	45,731	55,566	74,461	37,723	35,647	40,974	466,200	270,608	268,900
Freeway Service Patrol(Regular)	832,446	848,758	777,908	317,490	273,936	487,661	305,235	301,499	525,562	770,649
Ridesharing - Stanislaus Co.	190,000	195,000	195,000	195,000	195,000	200,000	200,000	368,562	468,710	118,097
Ridesharing - Merced County TDM	-	-	8,327	-	19,206	63,794	34,693	56,507	133,998	67,800
Habitat Funds/Habitat Management	372,871	584,825	583,768	421,996	589,305	631,710	649,472	742,868	811,716	868,773
Measure K	1,490,000	1,505,000	1,505,000	1,542,000	1,250,000	1,593,200	1,600,000	1,671,000	1,817,034	1,912,000
Measure K (dibs)	-	-	-	-	-	-	-	146,020	213,591	806,840
Fed. Highways Png. & Admin/SPR	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	1,646,768
Federal Transit Admin (5303),(5304),(5313)	203,105	437,164	343,739	212,908	295,198	423,132	346,932	496,030	448,061	426,223
FHWA Partnership Planning	78,598	68,788	140,774	154,717	-	-	-	-	-	-
RSTP	-	-	258,053	454,996	614,697	414,259	75,134	-	-	-
Calaveras COG	14,707	9,807	21,171	3,851	-	-	-	-	-	-
City of Manteca	4,027	569	4,908	-	-	-	-	-	-	-
State Affordable Housing	-	-	69,967	20,405	13,123	23,064	24,866	7,785	561	9,444
CMAQ/Congest. Mitigation/Ridehshare	494,486	731,529	845,938	774,037	859,107	824,766	967,980	1,434,804	1,707,258	1,516,842
RPSTCML Federal (New funding FYE 19/20)	-	-	-	-	-	-	1,375	1,603,321	1,172,588	575,622
San Joaquin Valley Air District	20,000	-	-	-	-	-	-	-	-	-
Airport Land Use Commission	15,147	2,615	2,493	-	-	3,037	10,503	51,662	49,753	34,652
Sacramento COG 511/FSP Match/Website Upgrade	59,780	88,900	218,527	132,794	169,302	258,466	261,608	260,769	344,581	357,000
RTP / Sustainable Strategy	3,226	-	-	29,686	-	-	-	-	-	-
SB 45 STIP PP&M Program	200,000	200,000	200,000	200,000	200,000	200,000	-	248,658	225,505	365,293
Caltrans State Public Trans Account Funds	18,000	-	-	-	-	-	-	-	-	-
Caltrans State Rural Planning Assistance	-	-	-	-	26,605	52,945	50,000	50,000	50,000	50,000
Caltrans State State Senate Bill (SB1)	-	-	-	-	17,629	170,219	432,815	590,911	509,134	255,735
Caltrans State State Senate Bill (FSP SB1)	-	-	-	-	-	109,841	399,924	384,969	452,429	451,824
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	165,750	134,624	192,710	145,089	164,590	112,734	194,019	168,212	202,191	120,035
ALUP - sjccog TDA	-	31,817	123,695	17,375	10,448	-	-	-	-	-
Planning - sjccog TDA	735,293	757,670	806,219	841,045	1,016,581	1,047,495	1,071,071	1,433,670	1,233,101	1,667,194
Roth Road Corridor Study	-	-	-	-	-	-	-	-	76,609	134,158
State REAP State of Calif Dept of HCD	-	-	-	-	-	-	-	45,061	368,440	1,120,624
State REAP (2.0) State of Calif	-	-	-	-	-	-	-	-	-	26,788
State REAP (Fresno COG)	-	-	-	-	-	-	-	-	-	30,000
State STEP Grant	-	-	-	-	-	-	-	30,735	1,354,761	1,876,835
State Clean Mobility Opt.-EV Car Share	-	-	-	-	-	-	-	-	4,335	208,093
State regional Climate collaborative	-	-	-	-	-	-	-	-	-	5,942
Miscellaneous	-	-	-	-	5,514	-	-	-	1,000	299
Total intergovernmental	6,485,808	7,524,225	8,154,034	7,113,340	7,484,526	8,377,835	8,416,783	12,391,376	14,517,402	16,101,336
Use of money and property:										
Interest income	6,163	3,701	4,825	5,557	6,150	19,003	20,487	9,466	10,723	65,358
Unrealized Gain (Loss) On Inv.	(0)	0	0	0	(3)	3	1,124	461	(1,584)	(1)
Total use of money and prop.	6,163	3,701	4,825	5,557	6,147	19,006	21,611	9,927	9,139	65,356
Miscellaneous:										
Donations & Other local revenue	10,989	15,763	15,344	26,460	17,592	26,358	8,200	-	24,656	113,157
Total other revenue	10,989	15,763	15,344	26,460	17,592	26,358	8,200	-	24,656	113,157
Total Revenues	\$ 6,502,959	\$ 7,543,689	\$ 8,174,204	\$ 7,145,358	\$ 7,508,265	\$ 8,423,199	\$ 8,446,594	\$ 12,401,303	\$ 14,551,197	\$ 16,279,849

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES BY FUNCTION
GENERAL FUND
For the Fiscal years Ending June 30, 2014 Through June 30, 2023**

	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	6/30/23
EXPENDITURES:										
RTP Update	\$ 897,004	\$ 631,264	\$ 612,405	\$ 342,379	\$ 942,262	\$ 389,453	\$ 644,618	\$ 813,511	\$ 1,817,945	\$ 285,266
RTP / Affordable Housing	-	-	69,967	19,805	13,127	23,674	24,870	8,064	1,669	9,443
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 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	5,156
SB1 Sustainable Planning Studies Awarded in FY 21/22	-	-	-	-	-	-	-	-	19,713	275,714
601.018 SCS Implementation (Awarded in FYE 22/23)	-	-	-	-	-	-	-	-	-	7,997
601.019 Regional Transportation Plan Implementation	-	-	-	-	-	-	-	-	-	1,001,349
RTP studies	104,362	1,558	82,031	130,058	113,567	136,276	131,597	-	261,229	346,876
Regional Transp. Improv. Plan	377,440	420,885	426,434	211,197	261,659	399,500	369,775	213,100	236,065	416,851
Road/Street Monitoring	552,434	619,487	836,090	843,786	775,695	541,259	207,466	95,058	80,456	176,278
I-205 Managed Lane Project Development	-	-	-	-	-	-	6,478	2,020,495	1,398,457	689,067
Transit Coordination	159,023	461,302	425,450	212,908	372,349	520,325	424,610	257,627	201,905	230,587
Transportation Air Quality	524,971	509,867	496,806	535,089	683,877	507,297	595,284	582,938	443,503	293,559
Goods Movement	4,472	45,858	52,365	13,017	23,199	10,096	7,197	6,009	47,461	59,257
Goods Movement/Partnership Planning	-	-	167,782	151,955	-	-	-	-	-	-
Ongoing Technical Assistance	19,119	10,377	48,584	12,571	2,001	1,260	83,759	144,761	126,067	26,055
Intergovernmental Coordination	233,658	260,088	240,638	247,793	294,456	320,999	208,227	293,855	400,080	547,827
Intergovernmental Coord. Rural Planning Assistance	-	-	-	-	26,605	52,945	50,000	50,000	50,000	50,000
Projects & Forecasts	79,036	121,028	199,628	150,142	172,296	185,615	146,469	190,133	144,842	148,229
Aviation/ Airport and Land Use	67,035	73,546	148,673	17,375	28,274	40,181	76,989	101,960	53,441	34,652
Congestion Management Prog/Sys	181,640	158,806	212,578	127,182	149,585	260,909	138,868	257,358	191,607	200,796
Regional Planning	34,841	27,620	37,969	45,103	56,529	131,176	83,689	106,934	165,853	213,785
Valley M.P.O. coordination	64,080	45,935	97,131	59,502	79,783	99,330	108,206	99,763	36,887	460,951
Measure K Program Management	148,419	166,377	176,710	218,818	264,401	299,511	234,620	187,356	229,131	314,818
RTIF	24,892	63,291	86,951	182,004	68,479	125,423	63,117	50,146	49,293	185,900
Smart Growth	-	-	8,500	7,493	3,124	7,090	993	-	-	-
COG OWP Mgmt. & Admin.	210,804	305,226	358,938	197,178	275,729	124,044	111,823	95,811	102,260	153,935
TDA Administration	278,191	369,794	329,559	272,086	341,040	347,597	296,391	287,912	392,173	314,953
Community Involvement	36,153	56,645	35,879	17,465	18,779	10,756	129,483	146,600	488,012	583,569
Capital Outlay/Deprec/Ins adjustment	7,462	140,583	134,467	(291,148)	(258,938)	(210,460)	(263,333)	(250,909)	(103,146)	1,784,414
Ridesharing - S.J. County/Stan. County TDM	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	2,577,276
Freeway Service Patrol	888,767	944,524	876,094	399,931	378,034	771,314	895,665	876,971	1,251,562	1,552,718
SJCOG Interns	-	-	-	3,188	88,856	80,402	59,350	7,811	29,624	64,640
Performance Based Planning & Programming	-	-	-	-	-	79,106	20,944	39,377	102,078	159,580
SJV Regional Early Action Planning Committee For Housing(REAP)	-	-	-	-	-	-	-	45,061	368,440	1,120,624
13502.01 SJV Regional Early Action Planning (REAP 2)	-	-	-	-	-	-	-	-	-	26,788
Sustainable Transportation Equity Project(STEP)	-	-	-	-	-	-	-	30,735	1,354,761	1,876,835
State Clean Mobility EV car share	-	-	-	-	-	-	-	-	6,609	208,093
1382.01 San Joaquin Regional Climate Collaborative	-	-	-	-	-	-	-	-	-	5,942
Under (over) -applied costs	1,110,509	(285,045)	265,920	2,077,660	1,120,131	1,191,295	1,754,982	1,287,033	734,464	1,092,233
Total Expenditures	\$ 6,804,535	\$ 6,165,853	\$ 7,601,193	\$ 7,210,406	\$ 7,454,116	\$ 7,832,894	\$ 8,391,465	\$ 10,833,809	\$ 13,743,339	\$ 17,502,014

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Retail Stores										
Apparel stores	5.08%	6.06%	6.12%	5.98%	5.95%	5.87%	4.58%	5.51%	5.71%	* N/A
General merchandise	9.92%	7.63%	7.43%	7.34%	7.98%	7.92%	8.06%	7.67%	7.31%	* N/A
Specialty stores	5.74%	6.32%	6.43%	6.21%	5.96%	5.77%	6.02%	5.57%	5.01%	* N/A
Eating and drinking group	11.22%	11.66%	12.09%	12.25%	12.03%	12.18%	8.99%	10.15%	10.79%	* N/A
Building material group	5.28%	5.31%	5.43%	5.58%	5.58%	5.49%	6.49%	5.87%	5.43%	* N/A
Automotive group	21.80%	20.15%	19.65%	19.98%	20.35%	19.45%	17.83%	18.86%	18.90%	* N/A
Other retail stores	9.44%	10.96%	11.06%	11.17%	11.18%	11.51%	16.92%	15.59%	14.78%	* N/A
Business and personal services	4.32%	4.52%	4.63%	4.67%	4.78%	5.41%	4.77%	5.12%	5.60%	* N/A
All other	27.20%	27.39%	27.16%	26.82%	26.19%	26.40%	26.34%	25.66%	26.47%	* N/A
Total	100.00%	0.00%								

SOURCE: CALIFORNIA STATE BOARD OF EQUALIZATION

* 2023 DATA WAS NOT YET AVAILABLE

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

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Governmental activities:										
General government	\$ 6,674,200	\$ 6,175,981	\$ 7,475,155	\$ 7,357,834	\$ 7,665,095	\$ 7,897,958	\$ 8,609,107	\$ 13,984,948	\$ 17,016,759	\$ 19,097,454
Transportation	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	150,519,678
Habitat development	626,915	899,905	1,224,372	1,092,612	1,471,277	1,327,767	1,248,664	719,875	833,274	2,628,714
Commuter Connection	50	-	-	-	-	-	-	-	-	-
Interest expense	55,843	53,346	51,073	37,298	53,444	135,454	127,679	120,405	110,492	95,001
MKR Investment Interest Expense	12,215,147	13,727,149	14,634,954	15,600,045	12,970,179	13,307,959	14,047,607	3,676,660	13,507,959	13,238,685
Total Expenditures	\$ 104,135,360	\$ 114,847,219	\$ 98,783,521	\$ 100,301,582	\$ 101,948,315	\$ 108,630,466	\$ 112,262,245	\$ 109,214,304	\$ 144,477,661	\$ 185,579,532

**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>
2022-23	\$ 57,489,442	\$ 12,638,352	\$ 90,132,230	\$ 160,260,024
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

**San Joaquin Council of Governments
Revenue Capacity
Direct & Overlapping Sales Tax Rates
2014 - 2023**

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
2023	0.50%	7.75%	8.25%	9.00%	8.25%	8.75%	8.25%
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%	
2017	0.50%	7.75%	8.25%	9.00%	8.25%	8.75%	
2016	0.50%	8.00%	8.50%	9.00%	8.00%	9.00%	
2015	0.50%	8.00%	8.50%	9.00%	8.50%	9.00%	
2014	0.50%	8.00%	8.50%	9.00%	8.50%	9.00%	

Source: California Department of Tax and Fee Administration

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

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

County & Cities	2013			2022			
	Rank	Taxable Sales	Percentage of Total	Rank	Taxable Sales	Percentage of Total	
San Joaquin County		\$ 9,466,015,436	100.00%		\$ 23,625,470,286	100.00%	N/A
Stockton	1	3,393,791,000	35.85%	1	6,724,541,458	28.46%	N/A
Unincorporated	2	1,349,392,393	14.26%	3	3,001,736,955	12.71%	N/A
Tracy	3	1,339,394,000	14.15%	2	6,066,969,724	25.68%	N/A
Unallocated	4	1,105,965,043	11.68%	4	3,131,359,568	13.25%	N/A
Lodi	6	871,322,000	9.20%	6	1,479,823,273	6.26%	N/A
Manteca	5	865,258,000	9.14%	5	1,654,548,603	7.00%	N/A
Lathrop	8	228,748,000	2.42%	7	1,028,795,658	4.35%	N/A
Ripon	7	245,092,000	2.59%	8	412,984,901	1.75%	N/A
Escalon	9	67,053,000	0.71%	9	124,710,146	0.53%	N/A
Total San Joaquin County		\$ 9,466,015,436	100.00%		\$ 23,625,470,286	100.00%	

Source: California Department of Tax and Fee Administration

Most recent data = 2022

**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	LEASES	COMMERCIAL PAPER	LINE OF CREDIT	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA			
2023	-	*	41,773,794	**	205,421,622	***	73,235,844	119,572	-	-	320,550,832	N/A	407.8
2022	-	*	45,008,271	**	211,007,280	***	73,758,427	114,619	-	-	329,888,597	N/A	421.4
2021	-	*	46,977,747	**	216,887,938	***	74,281,011	75,785	-	-	338,222,481	0.7415%	433.3
2020	-	*	48,777,224	**	222,023,596	***	74,803,593	58,065	-	-	345,662,478	0.8686%	443.6
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	***	176,671	75,000,000	-	-	338,243,912	1.1236%	461.2
2015	212,890,402	*	53,421,584	**	48,962	***	26,387	75,000,000	-	-	341,488,657	1.2131%	474.6
2014	212,933,326	*						75,000,000	-	-	287,982,288	1.1137%	405.2
2013	212,976,251	*						75,000,000	-	-	288,002,638	1.1764%	405.2

SOURCE: FINANCE DEPARTMENT

(**) 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 9 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**

<u>CALENDAR YEAR</u>	<u>COUNTY POPULATION (JANUARY 1)</u>	<u>TOTAL HOUSING UNITS</u>	<u>NEW HOUSING UNITS</u>	<u>TAXABLE SALES (IN THOUSANDS)</u>
2023	786,145	262,955	4,389 *	\$ 10,886,879
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

SOURCES:

POPULATION AND NEW HOUSING - CALIFORNIA DEPARTMENT OF FINANCE

TAXABLE SALES - CALIFORNIA STATE BOARD OF EQUALIZATION

* TAXABLE SALES DATA FOR 2023 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
2023	786,145	N/A *	N/A *	N/A *	6.10%
2022	782,811	\$ 42,979,635	54183	N/A **	5.00%
2021	780,515	45,614,264	57,783	35.2	9.00%
2020	779,233	39,793,150	51,816	35	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 2022-2023 is not yet available, therefore, 2022 data is the most current year provided

**San Joaquin Council of Governments
San Joaquin County Employment by Industry
Calendar Year 2022 and ten years prior**

Industry Type	2013		2022	
	Annual Average	% of Total	Annual Average	% of Total
Agriculture	16,200	7.32%	13,700	4.78%
Natural Resources & Mining	8,900	4.02%	15,100	5.26%
Manufacturing	18,500	8.36%	22,600	7.88%
Trade, Transportation & Utilities	53,400	24.12%	87,000	30.33%
Financial Activities	7,600	3.43%	8,200	2.86%
Professional & Business Services	17,400	7.86%	24,100	8.40%
Government	37,100	16.76%	42,600	14.85%
Educational & Health Services	35,500	16.03%	39,800	13.88%
Leisure & Hospitality	18,100	8.18%	24,500	8.54%
Other Services	6,600	2.98%	8,000	2.79%
Information	2,100	0.95%	1,200	0.42%
Total, All Industries	<u>221,400</u>	<u>100%</u>	<u>286,800</u>	<u>100%</u>

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

(1) Data for 2023 is not yet available, therefore, 2022 data is provided

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

FUNCTION	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	2	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	1
Project Manager	2	2	2	1	1	1	1	1	1	1
Planners	15	13	16	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	2	2	3	3	3	3	3	3	3
Building maintenance	0	0	0	0	0	0	0	0	0	0
Interns	0	0	0	2	2	2	2	2	2	2
Total Approved Full-Time Positions	31	27	30	32	32	32	32	33	33	33

**BY PROJECT
LAST TEN YEARS**

DIRECT PROJECTS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Regional Transportation Plan Update	3.15	1.80	1.79	1.45	3.29	1.31	2.15	1.96	3.33	0.47
RTP Affordable Housing	-	-	0.20	0.08	0.05	0.08	0.08	0.02	-	0.02
SB1 Sustainable Planning Studies Awarded in FY 17/18	-	-	-	-	0.07	0.48	0.83	-	-	-
SB1 Sustainable Planning Studies Awarded in FY 18/19	-	-	-	-	-	0.19	0.72	0.36	-	-
SB1 Sustainable Planning Studies Awarded in FY 19/20	-	-	-	-	-	-	0.07	0.43	0.39	-
SB1 Adaptation 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	0.01
SB1 Sustainable Planning Studies Awarded in FY 21/22	-	-	-	-	-	-	-	-	0.04	0.45
601.018 SCS Implementation (Awarded in FYE 22/23)	-	-	-	-	-	-	-	-	-	0.01
601.019 Regional Transportation Plan Implementation	-	-	-	-	-	-	-	-	-	1.64
Regional Planning Studies	0.37	0.00	0.24	0.55	0.40	0.46	0.44	0.44	0.48	0.57
Regional Transportation Improvement Plan	1.33	1.20	1.24	0.90	0.91	1.34	1.23	0.51	0.43	0.68
Roads & Streets Planning	1.94	1.77	2.44	3.58	2.71	1.82	0.69	0.23	0.15	0.29
Transit coordination Planning	0.56	1.32	1.24	0.90	1.30	-	0.02	4.86	2.56	1.13
Transportation Air Quality	1.85	1.45	1.45	2.27	2.39	1.75	1.42	0.62	0.37	0.38
Goods Movement	0.02	0.13	0.15	0.06	0.08	1.70	1.98	1.40	0.81	0.48
Goods Movement n/ Partnership Planning	-	-	0.49	0.64	-	0.03	0.02	0.01	0.09	0.10
Ongoing Technical Assistance	0.07	0.03	0.14	0.05	0.01	-	-	-	-	-
Intergovernmental Coordination	0.82	0.74	0.70	1.05	1.03	0.00	0.28	0.35	0.23	0.04
Intergovernmental Coord. Rural Planning Assistance	-	-	-	-	0.09	1.08	0.69	0.71	0.73	0.90
Projections & Forecast	0.28	0.35	0.58	0.64	0.60	0.18	0.17	0.12	0.09	0.08
Aviation and Land Use	0.24	0.21	0.43	0.07	0.10	0.62	0.49	0.46	0.27	0.24
Congestion Management Prog/Sys	0.64	0.45	0.62	0.54	0.52	0.13	0.26	0.25	0.10	0.06
Regional Planning Studies	0.12	0.08	0.11	0.19	0.20	0.88	0.46	0.62	0.35	0.33
Valley MPO Coordination	0.23	0.13	0.28	0.25	0.28	0.44	0.28	0.26	0.30	0.35
Interregional Partnerships	-	-	-	-	-	0.33	0.36	0.24	0.07	0.76
Measure K Administration	0.52	0.47	0.52	0.93	0.92	-	-	0.45	0.42	0.52
Regional Transportation Impact Fee	0.09	0.18	0.25	0.77	0.24	1.01	0.78	0.12	0.09	0.31
Smart Growth	-	-	0.02	0.03	0.01	0.42	0.21	-	-	-
COG OWP Management & Administration	0.74	0.87	1.05	0.84	0.96	0.02	0.00	0.23	0.19	0.25
TDA Administration	0.98	1.05	0.96	1.15	1.19	0.42	0.37	0.69	0.72	0.52
Community Involvement	0.13	0.16	0.10	0.07	0.07	1.17	0.99	0.35	0.89	0.96
Transportation Demand Management	2.81	2.90	3.42	4.27	3.97	3.99	4.26	4.99	4.75	4.23
Freeway Service Patrol	3.13	2.69	2.55	1.70	1.32	2.59	2.99	2.11	2.29	2.55
SJCOG Interns	-	-	-	-	0.31	0.27	0.20	0.02	0.05	0.11
Performance Based Planning & Programming	-	-	-	-	-	0.27	0.07	0.09	0.19	0.26
SJV Regional Early Action Planning Committee For Housing(REAP)	-	-	-	-	-	-	-	0.11	0.67	1.84
Sustainable Transportation Equity Project(STEP)	-	-	-	-	-	-	-	0.07	2.48	3.08
State Clean Mobility EV car share	-	-	-	-	-	-	-	-	0.01	0.34
San Joaquin Regional Climate Collaborative	-	-	-	-	-	-	-	-	-	0.01
Subtotal - Direct Projects	20.0	18.0	21.0	23.0	23.0	23.0	22.6	24.0	24.0	24.0
INDIRECT										
Total FTEs Based on Total Hours	11.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
	31	27	30	32	32	32	32	33	33	33

SOURCE: SAN JOAQUIN COUNCIL OF GOVERNMENTS

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

FUNCTION / PROGRAM	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	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	21,565.46
Acres of Habitat Land					555.55	555.55	981.88	981.88	910.71	482.71
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 AUDITOR'S 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 Honorable Board of Directors
San Joaquin Council of Governments
Stockton, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and with the Transportation Development Act, 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, 2023, 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 19, 2023.

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* or the Transportation Development Act.



To the Honorable Board of Directors
San Joaquin Council of Governments
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* and the Transportation Development Act 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 19, 2023



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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 County 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, 2023. 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, 2023.

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 Honorable Board of Directors
Stockton, California

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above 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 generally accepted auditing standards, *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 with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



To the Honorable Board of Directors
Stockton, California

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

Lance, Soll & Lughard, LLP

Sacramento, California
December 19, 2023

**SAN JOAQUIN COUNCIL OF GOVERNMENTS SINGLE AUDIT
Schedule of Findings And Questioned Costs
For The Fiscal Year Ended June 30, 2023**

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 SINGLE AUDIT
Schedule Of Prior Year Findings And Questioned Costs
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.