

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

FOR THE FISCAL YEAR ENDED
JUNE 30, 2007

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

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SAN JOAQUIN COUNCIL OF GOVERNMENTS

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www.sjcog.org

Victor Mow
CHAIR

Ed Chavez
VICE CHAIR

Andrew T. Chesley
EXECUTIVE DIRECTOR

Member Agencies
CITIES OF
ESCALON,
LATHROP,
LODI,
MANTECA,
RIPON,
STOCKTON,
TRACY,
AND
THE COUNTY OF
SAN JOAQUIN

January 25, 2008

Honorable Board of Directors
San Joaquin Council of Governments

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the San Joaquin Council of Governments (Council) for the fiscal year ended June 30, 2007.

This report consists of management's representations concerning the finances of the San Joaquin Council of Governments. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Council has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Council's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Council's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Council's financial statements have been audited by Brown Armstrong Accountancy Corporation, a licensed certified public accountant. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Council for the fiscal year ended June 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Council's financial statements for the fiscal year ended June 30, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Council's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The San Joaquin Council of Governments is a Joint Powers Agency created in 1968 by the County of San Joaquin and the Cities of Stockton, Lodi, Manteca, Tracy, Ripon and Escalon. In 1991, the City of Lathrop signed onto the Joint Powers Agreement. The role of the Council of Governments is to serve the functions designated by the signatories to the agreement. Generically the Council's role is to foster intergovernmental coordination both within San Joaquin County as well as with neighboring jurisdictions, the other regional agencies in the San Joaquin Valley, the State of California and various Federal agencies. The specific roles of the Council of Governments are described below. The Council of Governments is directed by a fifteen member Board composed of twelve locally elected officials and three ex-officio members. The Board has three members of the San Joaquin County Board of Supervisors, three members of the Stockton City Council, and one member from each of the six remaining cities. The ex-officio members are a member of the Stockton Port District Board of Commissioners, a member of the Board of the San Joaquin Regional Transit District, and the Director of Caltrans District 10. The activities of the Council of Governments are carried out by a professional staff.

The roles of the San Joaquin Council of Governments

Since 1969 the Council of Governments has filled a variety of niches for its member jurisdictions. Some of these, such as the A-95 review process have come and gone based on changing federal policy. Others, such as the Local Transportation Authority Agency are relatively new functions. A short description of each of these roles is contained below:

A. Regional Transportation Planning Agency (RTPA)

In 1973, the Council was recognized as the Regional Transportation Planning Agency for San Joaquin County. Initially the designation related solely to the administration and allocation of Transportation Development Act funds for public transit and possible road and street projects. However, over time the role has expanded to serve as the agency responsible for adopting a Regional Transportation Plan, a Regional Transportation Improvement Program which programs local, state and federal funds within the County's boundaries, and which gives the Council planning and coordination responsibilities over most federal and state funding programs for transportation administered by the State of California.

B. Metropolitan Planning Organization (MPO)

Metropolitan Planning Organization is a federal designation identifying the San Joaquin Council of Governments as the agency responsible for carrying out federal guidelines and statutes for planning and coordination. The passage of the Intermodal Surface Transportation Efficiency Act, followed by the Transportation Equity Act for the 21st Century (TEA-21), and subsequently (SAFETEA- LU), has expanded this role. The Council serves functions such as being designated a Transportation Management Area, and being given Congestion Management functions.

C. Airport Land Use Commission (ALUC)

The Council serves as the agency responsible for preparing and enforcing a land use plan around each public access airport in San Joaquin County. The purpose is to eliminate the use

of conflicting land uses around these airports in order to maximize public safety and the long term effectiveness of the airports.

D. Center for Demographic Studies (CDS)

The Center for Demographic Studies (CDS) at SJCOG serves as the leading data center for the San Joaquin County region. CDS helps government entities, private businesses, non-profit organizations, and individual citizens make informed decisions by providing a wide range of the most updated data for this region. Some of the services provided include:

- Compiling and dispensing the latest data on population, economy and transportation from various sources.
- Producing projections through different methods for population, employment, and housing growth trends in the region
- Integrating the cutting-edge Geographic Information System (GIS) technology with data analysis.
- Constructing maps to visually display the spatial characteristics of the data
- Creating summaries as well as analytical reports periodically to present the latest findings drawn from the newest data.

E. Congestion Management Agency (CMA)

SJCOG is the designated Congestion Management Agency (CMA) for San Joaquin County. The CMA is responsible for the establishment and administration of a Congestion Management Program (CMP). The intent of a CMP is to analyze the cumulative impacts of local land use decisions on regionally significant roadways – the Congestion Management System (CMS). The CMP was originally a state requirement for local governments to be eligible to receive the increased state gas tax authorized under Proposition 111, which was approved by the voters in 1990. The state mandate was subsequently revoked, but the CMP process is still required under current federal planning regulations, and is a required element of the Measure K renewal ordinance.

F. Local Transportation Authority (LTA)

In November of 1990, San Joaquin County voters passed a ½ cent increase in the sales tax for a period of 20 years to support specific transportation improvements in San Joaquin County. The agency responsible for carrying out the improvements and administering the program is the Local Transportation Authority. In 1990, the Council was named the Local Transportation Authority. The monies provided under this ½ cent sales tax are referred to often in this document as Measure K funds. In November 2006, voters in San Joaquin County approved the renewal of this ½ cent sales tax, extending the life of the sales tax program and the Council's role as Local Transportation Authority from 2011 to 2041. While sales tax collections for the renewal do not start until April 1, 2011, expenditures attributed to that program will be incurred.

G. Commute Connection - Transportation Demand Management

The Council operates Commute Connection, the transportation demand management marketing program for both San Joaquin and Stanislaus Counties. The commuter matching program operates using Federal funds under a contract with the State of California and Stanislaus Council of Governments. The Council has approximately 10,000 commuters participating in the program.

H. Fair Share Housing Plan

The State establishes affordable housing targets for each county. In San Joaquin County, the Council is responsible for determining the fair share distribution of those affordable units among our member jurisdictions. This authority is provided for in state law and must be done every five years.

I. Lead Agency - Transportation Air Quality Conformity

Federal planning regulations require that Metropolitan Planning Organizations demonstrate that their plans and programs conform to applicable state air quality plans to meet federal ambient air quality standards. The SJCOG traffic forecasting model is used to project future vehicle miles traveled. This is used as input into the Air Resources Board's EMFAC emissions model, and the estimated emissions are compared to emissions budgets determined as part of the air quality planning process.

J. SJCOG, INC.

SJCOG, INC. is a not-for-profit public benefit corporation established to act as the joint powers agency organized pursuant to the San Joaquin County Habitat Conservation Plan. The Council is responsible for the administration of SJCOG, INC., which is a blended component unit of the Council. The primary purpose of SJCOG, INC. is the acquisition, holding, administering and managing of real property and conservation easements pursuant to the habitat conservation plan. Additional information on SJCOG, INC. can be found in Note 1 in the notes to the financial statements.

Budgetary Controls

The annual budget serves as the foundation for the Council's financial planning and control. As required by the Joint Powers Agreement of the Council, the Council prepares and legally adopts a final operating budget on or before April 1 of each year. The approved budget must then be ratified by a majority of member governments representing 55% of the population of the County. Annual budgets are legally adopted for the General Fund. Operating budgets are prepared on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the object level. Significant amendments, appropriation transfers between objects and transfers from contingencies must be approved by the Council's Board of Directors. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board. No supplemental appropriations were required during the year ended June 30, 2007.

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 basic financial statements 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 has experienced moderate economic growth throughout the past decade. The average annual sales tax revenue has grown 10.0% from 1993 through 2003. The sales tax growth was 6.03% for 2002-2003, 6.5% in 2003-2004, 10.3% in 2004-2005, 7.6% in 2005-06, and fell to .289% in 2006-07. Due to the economic downturn caused primarily by the slumping housing market, sales taxes are estimated to decline by as much as 5.6% in 2007-08.

Throughout the decade, the County has experienced significant retail growth with the addition of auto malls, a new regional mall, so-called big box stores, outlet stores, and revitalization of existing retail areas.

In addition, the County continues to be a major hub for warehousing and shipping. With the Port of Stockton, three rail lines and two interstate highways that crisscross the County, and direct interstate access to the San Francisco Bay Area, several large multi-modal facilities have opened taking advantage of the transportation network.

Unemployment in the County traditionally is higher than the State average. With the declining economy, the unemployment rate in San Joaquin County is rising and forecast to continue to climb until 2010.

Long-term Financial Planning

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

A. Federal Funding Sources

PL - These are dollars made available by the Federal Highway Administration for Metropolitan Planning Organizations. They are allocated based on a statewide apportionment and are meant to carry out Federal urban planning requirements and interests.

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

FTA MPO Planning Funds are made available to the MPO to support transit planning in the urbanized areas. FTA Planning and Research Grants are planning funds that the State allocates for special transit planning projects.

TDM Funds - The Council receives a combination of CMAQ, Measure K and other unique grant funds for Ridesharing operations in San Joaquin County and contracts with the Stanislaus Council of Governments (StanCOG) and Amador County to provide services in those counties. StanCOG pays for these services using their CMAQ funds.

B. State Funding Sources

STA Funds - State Transit Assistance Funds are motor vehicle fuel sales tax monies collected statewide under the Transportation Development Act. These funds are allocated to San Joaquin County and distributed to eligible claimants to provide transit operator or transit contract services.

C. Local Funding Sources

LTF Funds - Local Transportation Funds are retail sales tax monies that are collected statewide under the Transportation Development Act. These funds are returned to San Joaquin County and distributed to eligible claimants to provide transit services, pedestrian/bicycle facilities and street and roads funding.

Member Jurisdictions - Occasionally, the Council will undertake a special study for a local jurisdiction. That jurisdiction will either directly pay for the Council study, or provide whatever matching funds are required to pay for the study.

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

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

Local Transportation Authority (Measure K) - In November of 1990 San Joaquin County voters passed a ½ cent sales tax to fund specified transportation projects. Council's administration

(salaries & benefits) of that program can not exceed 1% of receipts. Planning efforts undertaken to further a Measure K project can use these monies as well.

APCD Fees - The San Joaquin Valley Unified Air Pollution Control District allocates funds raised from a \$6 dollar fee placed on vehicle registrations. These funds go to operate the District as well as pay for special projects that enhance the District's mission of improving air quality in the Valley through Remove Grants to local and regional agencies.

It is expected that these funding sources, while to some extent affected by the California budget issues, will continue to provide sufficient revenues to fund the Council's project objectives. In addition to the Council's overall work program projects that involve ridesharing, transportation and transit planning, habitat plan management, and computer modeling, the following are specific areas where long-term financial planning has been a key consideration:

AB 3090 Financing Agreements on Measure K Projects – The San Joaquin Council of Governments (SJCOG) currently holds three AB 3090 cash reimbursement agreements with the State of California. In the first agreement, the State was unable to provide SJCOG with \$110,000 State Transportation Improvement Program funds for planning, programming and monitoring. SJCOG substituted other local funds in lieu of the STIP funds. SJCOG is to be repaid in 2007-08 under this agreement. Under the other two agreements, SJCOG has loaned the State, Measure K transportation sales tax funds to construct projects in place of the State Transportation Improvement Program (STIP) funds previously programmed on projects by the California Transportation Commission (CTC) when the CTC determined that the STIP funds would not be available for allocation at the time of project construction. The first AB 3090 cash reimbursement agreement was approved by the SJCOG Board in January 2004 and subsequently by the CTC in April 2004 for \$19,476,000 on the Route 99/Hammer Lane Interchange and Route 99 Widening Project. According to this AB 3090 agreement, the \$19,476,000 loan is programmed in the STIP to be paid back to SJCOG as cash in one lump sum in fiscal year 2008/2009. The second AB 3090 cash reimbursement agreement was approved by the SJCOG Board in July 2005 and subsequently by the CTC in September 2005 for \$66,327,000 on the I-205 Widening Project. According to this AB 3090 agreement, the \$66,327,000 loan is programmed in the STIP to be paid back to SJCOG as cash in three equal installments of \$22,109,000 in fiscal years 2008/2009, 2009/2010, and 2010/2011.

Measure K renewal - In November 2006, San Joaquin County voters approved the extension of Measure K, the ½ cent transportation sales tax, originally approved by County voters in 1990 and scheduled to sunset in 2011. The renewal of Measure K will extend the sales tax for an additional 30 years (2041). The Measure K renewal is estimated to generate \$3.1 billion dollars for the transportation programs identified in the adopted expenditure plan. The categorical allocations of the Measure K renewal included Local Street Repairs and Roadway Safety(35%), Congestion Relief projects (32.5%), Railroad Crossing Safety projects(2.5%), and Passenger Rail, Bus and Bicycle(30%). As noted above, Measure K Renewal sales tax collections begin in April 2011. In anticipation of those revenues, SJCOG is developing a strategic plan to begin delivering some of the Renewal projects prior to 2011.

The following is a brief description of the Measure K program administered by the Council:

Measure K Delivery - The Council is in the sixteenth year of administering the local half cent sales tax and serving as the Local Transportation Authority for San Joaquin County. The Measure K Program has made great strides in moving projects ahead. Measure K funded design, environmental, and/or construction work on State highways (which are under way) including: I-205 Widening, I-5 Benjamin Holt, and I-5 Hammer lane, Route 99 /Kettleman Lane, Route 99 widening from four to six lanes between Hammer Lane and the Crosstown Freeway, Route 99/Route 120. Some of these projects are in the construction phase, many have already been completed.

In October 1998, commuter rail operations began on the Altamont Commuter Express, providing service between Stockton and San Jose. In addition to providing substantive funding

for operations, the capital investment for eight rail cars was one hundred percent funded by Measure K.

Regional transportation impact fee - The Council recently coordinated the approval of a County-wide Regional Transportation Impact Fee. This unified fee schedule has been adopted by the member agencies and is being implemented.

Federal reauthorization of SAFETEA-LU - The Council is currently participating in the process of reauthorization of the TEA-21 Act as described below:

Federal transportation legislation has been delivered through the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA), the 1998 Transportation Equity Act for the 21st Century (TEA-21), and more recently, the 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU). The Acts not only infused the region with significant amounts of funding for transportation projects, but they did so using new management tools giving the regional agencies, such as the Council, greater responsibility in programming the expenditure of these funds. Along with the responsibility to program the funds was the accountability to insure the projects were delivered in a timely manner.

Cash Management Policies and Practices

The Council's cash is maintained with the San Joaquin County Treasurer's cash and investment pool. Interest earnings from this pool are allocated to the Council on the basis of average daily cash balances and are transferred to the Council quarterly. The County Treasurer is responsible for managing the pool. The pool's investment policy is to maintain a high credit quality, short-term portfolio to provide participants with safety of principal, liquidity, public trust and a market average rate of return.

The Council also invests funds with the Local Agency Investment Fund (LAIF), Public Financial Management (PFM), and California Asset Management Program (CAMP). LAIF is a special fund of the California State Treasury through which local governments may pool investments. Investments in LAIF are highly liquid and are secured by the full faith and credit of the State of California. PFM is a private investment firm specializing in providing financial advice and investment management services to state and local governments. PFM allows participants to combine the use of a money market portfolio in addition to an individually managed portfolio. The investment portfolio held by PFM consists of federal agency bonds/notes and discounted notes, corporate notes and municipal bonds/notes. CAMP is a Joint Powers Authority formed to provide professional investment management services and allows the participants to combine the use of a money market portfolio with an individually managed portfolio. The money market portfolio offers daily liquidity and is rated Aam by Standard and Poors. To maintain the Aam rating, the portfolio's weighted average maturity may not exceed seventy (70) days. The investment portfolio held by CAMP at June 30, 2007, consists of money market funds and federal agency discounted notes. Steven Dial, Deputy Executive Director and Chief Financial Officer of the Council, currently serves on the Board of Trustees of CAMP in a voluntary, unpaid capacity.

Risk Management

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

Debt Management

In relation to the Council's Measure K program, the Council has \$167,000,000 of Sales Tax Revenue Tax Exempt Commercial Paper Notes outstanding at June 30, 2007. Of this amount, \$6,000,000 was advanced from the Measure K Fund to the General Fund in the 2003-04 in order to provide interim financing for the Council's headquarters building. The balance of note

proceeds are used to finance transportation projects under the twenty year transportation expenditure plan. Please refer to Note VII of the notes to the financial statements for further information on the Council's commercial paper notes. In addition, the Council has several capital equipment lease agreements outstanding at June 30, 2007. Please refer to Note VI of the notes to the financial statements for additional information on the Council's lease liabilities. There are no delinquencies on debt payments.

Retirement and Other Post Employment Benefits

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

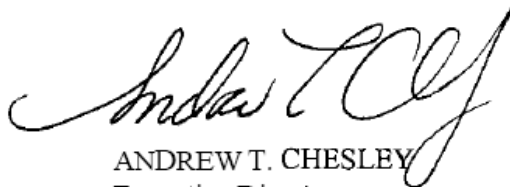
Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the San Joaquin Council of Governments for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2006. This was the ninth consecutive year that the Council has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.


A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department, the cooperation and assistance received from the Planning and Office Assistance staffs and Brown Armstrong Accountancy Corporation. In closing, without the support of the Board of Directors, preparation of this report would not have been possible.

Respectfully submitted,



ANDREW T. CHESLEY
Executive Director



STEVEN DIAL
Deputy Executive Director/CFO

SAN JOAQUIN COUNCIL OF GOVERNMENTS

BOARD OF DIRECTORS

City of Escalon	Gary L. Haskin
City of Lathrop	Kristy Sayles
City of Lodi	Larry Hansen
City of Manteca	John W. Harris
City of Ripon	Chuck Winn
City of Stockton	Steve J. Bestolarides
City of Stockton	Ed Chavez
City of Stockton	Dan J. Chapman
City of Tracy	Brent Ives
San Joaquin County	Victor Mow
San Joaquin County	Ken Vogel
San Joaquin County	Leroy Ornellas

EX-OFFICIO MEMBERS

Port of Stockton	Ron Coale
Caltrans	Jane Perez
San Joaquin RTD	Duane Isetti

**CITIZENS ADVISORY
COMMITTEE**

City of Escalon	Steve Castellanos
City of Lathrop	Jim Hilson
City of Lodi	Richard Blackston
City of Manteca	Joseph Pellegrino
City of Stockton	Karl "Nate" Knodt
City of Stockton	Paul Cavandugh
City of Tracy	Vacant
City of Ripon	Garry Krebs
Great Stockton Chamber of Commerce	Vacant
NAACP	Vacant
San Joaquin County	Robert Bivens
Caltrans	Vacant
Sierra Club	Michael Ballot
League of Women Voters	Esther Vasquez
San Joaquin Business Council	Ron Addington
University of the Pacific	Vacant
Transit Advocate	Vacant
Wine Grape Commission	Vacant

**MANAGEMENT & FINANCE
COMMITTEE**

City of Escalon	Greg Greeson
City of Lathrop	Yvonne Quiring
City of Lodi	Blair King
City of Manteca	Robert Adams
City of Ripon	Leon Compton
City of Stockton	Gordon Palmer
City of Tracy	Daniel Hobbs
San Joaquin County	Manuel Lopez
San Joaquin RTD	Donna Kelsay
San Joaquin Regional Rail Commission	Stacy Mortensen

SOCIAL SERVICES TRANSPORTATION ADVISORY COMMITTEE (SSTAC)

Community Center for the Blind	Joni Bauer	Caltrans District 10	Tom Dumas
United Cerebral Palsy	Laurie Crawford	Arc San Joaquin	Ann Fisler
City of Lodi	Tiffani Fink	SJRTD	Jean Foletta
SJRTD	Marla Livengood	City of Lathrop	Priscilla Rodriguez
Valley Mountain Regional Ctr.	Wilma Murray	City of Manteca	Adam Emmer
City of Ripon	Barbara Schneider	City of Tracy	Johanna Ferreira
Seniors First	Brenda Wilson	Health for All	Kathy Williams
Human Services	Donna Anderson	Transp. Commuter	Sean Reilly
City of Escalon	John Andoh		

TECHNICAL ADVISORY COMMITTEE

City of Escalon	Duane Peterson	City of Escalon	Doug Stidham
City of Lodi	Tiffani Fink	City of Lathrop	Cary Keaten
City of Lodi	Wally Sandelin	City of Lodi	Rich Prima
City of Manteca	Kyle Kollar	City of Manteca	Michael Brinton
City of Ripon	Ken Zuidervaart	City of Manteca	Dave Vickers
City of Stockton	Eric Alvarez	City of Manteca	Jeff Koester
City of Stockton	Gary Dickson	City of Ripon	Pete Santana
City of Stockton	Mike McDowell	City of Stockton	Bob Murdoch
City of Stockton	Gregg Meissner	City of Tracy	Zabih Zaca
City of Tracy	Bill Reeds	City of Tracy	Kuldeep Sharma
San Joaquin County	Pete Martin	San Joaquin County	Tom Gau
San Joaquin County	Mike Selling	San Joaquin County	Tom Flinn
San Joaquin RTD	Nate Knodt	San Joaquin County	Kerry Sullivan
SJRRC	Brian Schmidt	San Joaquin County	Manuel Solorio
SJVAPCD	Laurent Dawson	Port of Stockton	Henry McKay
Stockton Metro Airport	Barry Rondinella	Caltrans	Carlos Yamzon
		Caltrans	Jane Perez
		Caltrans	Dennis Agar

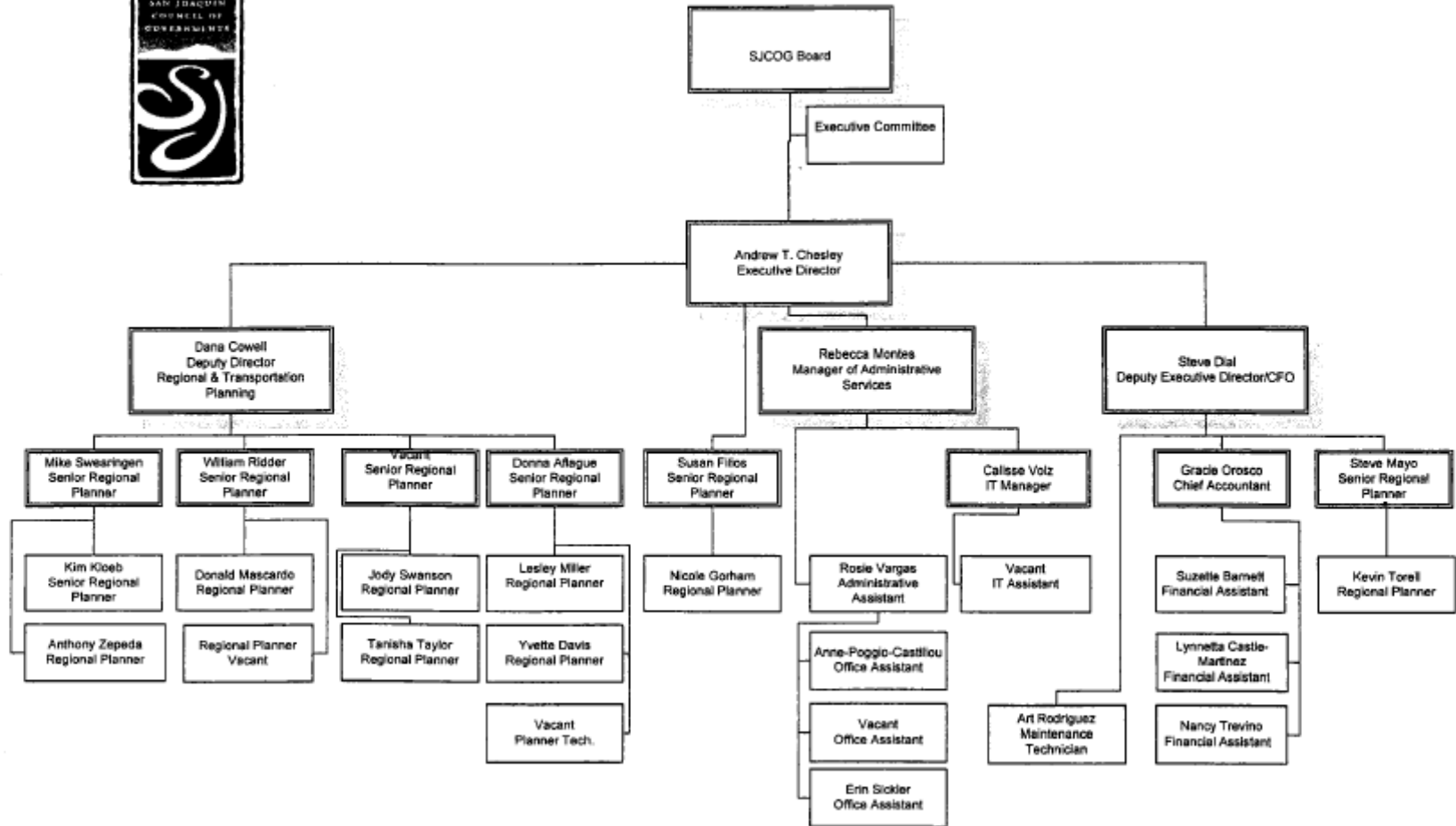
EXECUTIVE COMMITTEE

City of Stockton	Edward Chavez
City of Manteca	John Harris
City of Escalon	Gary L. Haskin
City of Tracy	Brent Ives
San Joaquin County	Victor Mow
City of Lodi	Larry Hansen (alternate)

SJCOG STAFF

Executive Director	Andy T. Chesley
Deputy Executive Director/CFO	Steven C. Dial
Deputy Director	Dana Cowell
Chief Accountant	Gracie Orosco
Manager of Administrative Services	Rebecca E. Montes
Senior Regional Planner	Donna Aflague
Senior Regional Planner	Kim Kloeb
Senior Regional Planner	Michael Swearingen
Senior Regional Planner	Steve Mayo
Senior Regional Planner	William Ridder
Senior Regional Planner	Susan Filios
Regional Planner	Nicole Gorham
Regional Planner	Tanisha Taylor
Regional Planner	Lesley Miller
Regional Planner	Yvette Davis
Regional Planner	Jody Swanson
Regional Planner	Donald Mascardo
Regional Planner	Anthony Zepeda
Regional Planner	Kevin Torell
Financial Assistant	Nancy Trevino
Financial Assistant	Lynnetta Castle-Martinez
Financial Assistant	Suzette Barnett
Administrative Assistant	Rosie Vargas
Office Assistant	Anne Castillou
Planner Technician	Teresa Garcia
Planner Technician	Anne-Marie Poggio-Castillou
Office Assistant	Erin Sickler
Building Maintenance Technician	Art Rodriguez
Information Technology Manager	Calisse Volz

ORGANIZATIONAL CHART



SJCOG ADVISORY COMMITTEES



13 Member SJCOG Board

SJCOG Board



Executive Committee



***Management & Finance
Committee***



***Citizens Advisory
Committee***



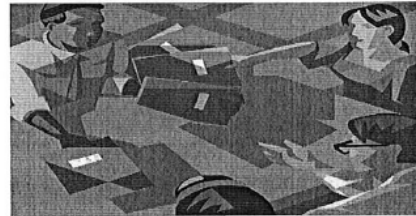
***Social Service Transportation
Advisory Committee***



***Technical Advisory
Committee***



***Habitat Technical Advisory
Committee***



Audit Committee

Certificate of Achievement for Excellence in Financial Reporting

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For its Comprehensive Annual

Financial Report

for the Fiscal Year Ended

June 30, 2006

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Charles S. Cox

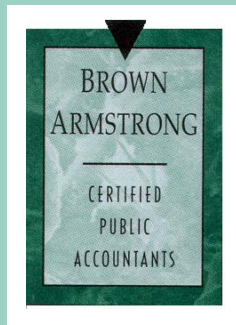
President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

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MCCOWN STARBUCK THORNBURGH & KEETER
Certified Public Accountants

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Jialan Su, CPA
Ariadne S. Prunes, CPA
Samuel O. Newland, CPA
Richard A. Gammel, CPA
Brooke N. DeCuir, CPA

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
San Joaquin Council of Governments
Stockton, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Joaquin Council of Governments (Council), Stockton, California, as of and for the fiscal year ended June 30, 2007, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2008 on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The introductory section, the other supplementary information, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION



Bakersfield, California
January 18, 2008

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Within this section of the San Joaquin Council of Governments (Council) annual financial report, the Council's management provides narrative discussion and analysis of the financial activities of the Council for the fiscal year ended June 30, 2007. The Council's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. Additional information is available in the transmittal letter which precedes Management's Discussion and Analysis. The discussion focuses on the Council's primary government and component unit.

Financial Highlights

- The Council's assets exceeded its liabilities by \$41,334,353 (net assets) for the fiscal year ended June 30, 2007. This compares to the previous year when assets exceeded liabilities by \$61,107,669.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt of \$21,546,388, include easements, property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net assets of \$85,842,828 are restricted by constraints imposed from outside the Council, such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net assets of (\$66,054,863) represent the portion available to maintain the Council's continuing obligations and Measure K contract commitments in excess of current available resources.
- The Council's governmental funds reported total ending fund balance of \$181,084,280 this year. This compares to the prior year ending fund balance of \$220,544,291, showing a decrease of \$39,460,011 during the current year. The Council's governmental funds reported a total unreserved fund balance of (\$71,758,548) for fiscal year 2006-2007 shows a (\$30,089,389) decrease over the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was (\$3,732,171), showing an increase of \$412,785 over the prior year.
- At the end of the current fiscal year, unreserved fund balance for Measure K was (\$61,871,530), showing a (\$24,347,327) decrease over the prior year.
- At the end of the current fiscal year, unreserved fund balance for Measure K Renewal was (\$6,154,847).
- Total liabilities of the Council increased by \$14,239,410 to \$193,937,128 during the fiscal year. Commercial paper obligations outstanding during the fiscal year did not increase, and remain fixed at \$167.0 million. Also see Note 8 of the notes to the financial statements.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Council's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The Council's annual report includes two government-wide financial statements. These statements are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private sector business.

The first of these government-wide statements is the *Statement of Net Assets*. This is the Council-wide statement of position presenting information that includes all of the Council's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Council as a whole is improving or deteriorating.

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

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

The government-wide financial statements include not only the San Joaquin Council of Governments itself (known as the *primary government*), but also a legally separate not-for-profit corporation, SJCOG, INC., the San Joaquin County Multi-species Habitat Plan, for which the San Joaquin Council of Governments is financially accountable. Financial information for this *blended component unit* is reported in conjunction with the financial information presented for the primary government. SJCOG, INC. is reported as a major governmental fund.

The government-wide financial statements can be found on pages 30 & 31 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The San Joaquin Council of Governments, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Council can be divided into two categories: governmental and fiduciary funds.

Governmental Funds

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

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

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

The San Joaquin Council of Governments adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 32 - 38 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39 - 56 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the San Joaquin Council of Governments, assets exceeded liabilities by \$41,334,353 at the close of the most recent fiscal year.

By far the largest portion of the Council's assets (80.1 percent) reflects its cash and investment portfolio. The Council plans to use these assets to fund future transportation related projects throughout the County of San Joaquin.

At the end of the current fiscal year, the San Joaquin Council of Governments is able to report positive balances in two of three categories of net assets, for the government as a whole. Unrestricted net assets of (\$66,054,863) reflect \$68,026,377 of Measure K and Measure K Renewal contract commitments that partially exceed current resources.

The Council's net assets decreased by (\$19,773,316) during the current fiscal year. A large portion of this decrease is due to significant Measure K project delivery expenses in the areas of Transit \$29,894,111, Congestion Relief \$31,940,092, Railroad Safety, \$415,218, and Streets and Roads \$16,003,519. These expenses drew down on accumulated Measure K fund contract commitment reserves. In addition, LTF and STA claimed amounts of \$27,625,456, and \$4,128,398, respectively, for transit operations, capital, pedestrian/bicycle and street and roads, by various claimants reduced cumulative fund balance reserves. The activities described above are looked upon favorably by Council management, since progress in the aforementioned areas is a core goal of the Council and its member agencies.

The following tables related to net assets reflect the above described and other activities that took place during the June 30, 2007 fiscal year.

SAN JOAQUIN COUNCIL OF GOVERNMENTS Net Assets

	Governmental Activities	
	2007	2006
Current and other assets	\$ 207,661,960	\$ 233,065,302
Capital assets	27,609,521	21,374,317
Total assets	235,271,481	254,439,619
Long-term liabilities outstanding	167,438,718	167,248,511
Other liabilities	26,498,410	12,449,207
Total liabilities	193,937,128	179,697,718
Net assets		
Invested in capital assets, net of related debt	21,546,388	15,326,492
Restricted	85,842,828	81,579,328
Unrestricted	(66,054,863)	(35,798,151)
Total net assets	\$ 41,334,353	\$ 61,107,669

An additional portion of the Council's net assets (79.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, (\$66,054,863), may be used to meet the Council's obligations to claimants and creditors.

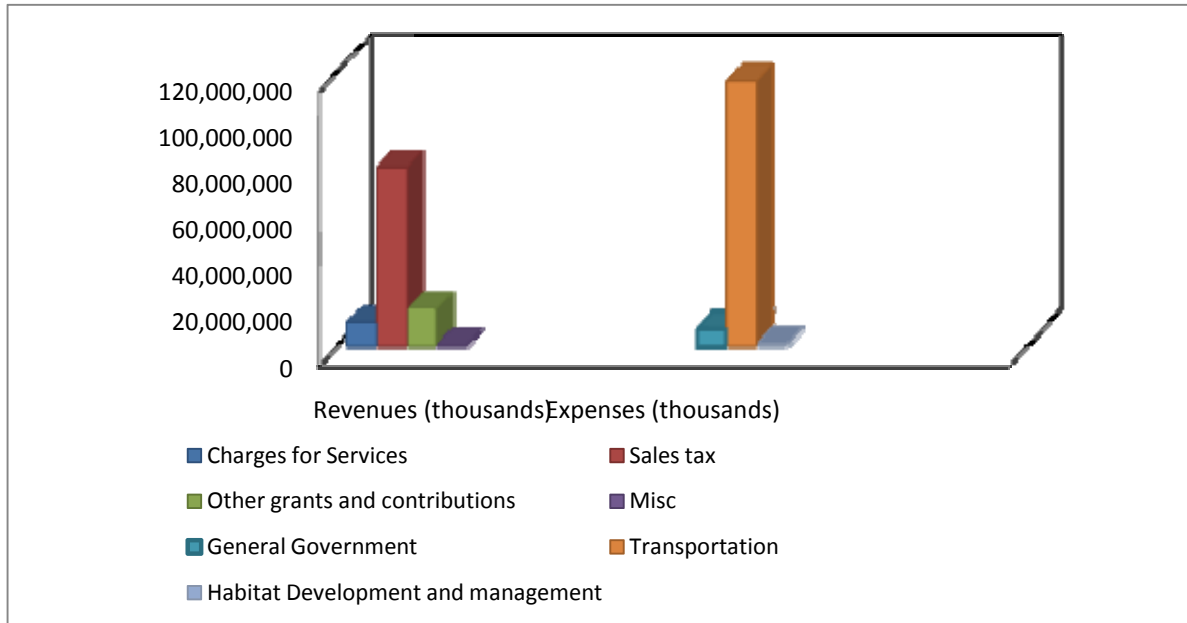
SAN JOAQUIN COUNCIL OF GOVERNMENTS
Changes in Net Assets

	Governmental Activities	
	2007	2006
Revenues:		
Program revenues:		
Charges for services	\$ 10,132,732	\$ 13,486,878
Operating grants and contributions		
Sales tax	77,799,996	74,394,499
Other operating grants and contributions	16,086,411	8,643,840
General revenues - investments and miscellaneous	145,037	93,236
Total revenues	<u>104,164,176</u>	<u>96,618,453</u>
Expenses:		
General government	7,220,568	4,904,378
Transportation	115,748,171	92,855,576
Habitat development and management	968,753	682,184
Total expenses	<u>123,937,492</u>	<u>98,442,138</u>
Increases (Decreases) in net assets	(19,773,316)	(1,823,685)
Net assets, July 1, 2006 - as restated	<u>61,107,669</u>	<u>62,931,354</u>
Net assets, June 30, 2007	<u>\$ 41,334,353</u>	<u>\$ 61,107,669</u>

There was an overall \$7,545,723 (7.8%) increase in program revenues primarily due as a result of increased revenues from State Transit Assistance (STA) PUC 99313. Another contributing factor was the additional interest revenues and the cumulative impact in fair market valuations for investments and cash balances in the major funds.

Local Transportation Fund (LTF and Measure K Sales tax revenues decreased by (\$1,265,736) and (\$4,584) respectively due to a decrease in sales tax and gasoline tax revenues collections during the current fiscal year. General revenues increased by \$850,105 chiefly as a result of increased federal and state transportation grants.

Program Revenues and Expenses – Governmental Activities



For the most part, increases in expenses closely paralleled inflation and growth in Council staff and related activities.

Financial Analysis of the Council's Funds

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

Governmental funds

The focus of the Council's *governmental funds* is to provide information on near-term inflows; outflows and balances of *spendable* resources. Such information is useful in assessing the Council's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$181,084,280 a decrease of \$39,460,011 in comparison with the prior year. Of this total amount, (\$71,758,548) constitutes *unreserved fund balance*, which is a result of the Council's advancing \$6,000,000 of funds from the Measure K Fund to the General Fund in FYE June 30, 2004, to provide interim financing for the Council's new headquarters building. Once this advance has been repaid, the General Fund's negative unreserved fund balance is expected to be corrected. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed (1) to liquidate future Measure K and Measure K Renewal contract commitments \$61,643,590, (2) to pay debt service \$167,000,000, (3) to pay future LTF Fund claims of \$3,561,967, and STA Fund claims of \$6,000,405 and (4) for habitat acquisition, maintenance and management \$13,485,889.

General Fund - The general fund is the chief operating fund of the San Joaquin Council of Governments. At the end of the current fiscal year, unreserved fund balance of the general fund was (\$3,732,171). The Council's general fund currently has no reserved fund balance. The fund balance of the Council's general fund increased by \$412,785 during the current fiscal year. Key factors in this change are as follows:

The Council's General Fund revenue increased due to revenues over expenditure of \$222,641.

A fund balance restatement, applicable to the liability for compensated absences in excess of amounts related to terminated employees, increased fund balance by \$102,830.

Measure K Fund - The Measure K Fund, which is used to account for the additional ½ cent sales tax approved by the San Joaquin county voters under Measure K, had sales tax revenues of \$47,162,943 for the June 30, 2007 fiscal year end. The Measure K Fund balance decreased by (\$27,912,289) over the previous year due mainly to the following:

A large increase in Measure K project deliveries accounted for an excess of expenditures over revenue in the amount of (\$27,912,289).

The **Measure K Renewal Fund**, which is used to account for the additional ½ cent sales tax approved by the San Joaquin County voters as an extension of Measure K. The Measure K renewal sales tax collections begin in April 2011. In anticipation of those revenues, SJCOG is developing a strategic plan to begin delivering some of the Renewal projects prior to 2011. These projects accounted for an excess of expenditures over revenue in the amount of (\$1,486,732).

Local Transportation Fund - The Local Transportation Fund (LTF) is used to account for ¼ cent retail sales tax, collected statewide, and returned to San Joaquin County, that is used for Transit, Pedestrian/Bicycle and Streets and Roads improvement projects. LTF sales tax revenues for the June 30, 2007 fiscal year, totaled \$23,709,474, a decrease of 5.07% over the previous fiscal year. The LTF fund balance decreased by \$3,562,731 due to an increase in total claims from various entities and the decrease in sales tax revenues.

State Transit Assistance Fund - The State Transit Assistance Fund (STA) is used to account for statewide sales tax on motor vehicle fuel collected and allocated back to San Joaquin County by the State of California, to be used for Public Transit purposes. STA sales tax revenues for the June 30, 2007 fiscal year end totaled \$6,927,579, an increase of 207.66% over the previous fiscal year. The STA fund balance increased by \$2,968,085 due to an increase in the amount of transit claims coupled with an increase in sales tax revenues.

SJCOG, INC. - SJCOG, INC. is a not-for-profit public benefit corporation, formed to act as the designee of the joint powers agency organized pursuant to the San Joaquin County Habitat Conservation Plan. Funds are to be used to acquire, hold, administer and manage habitat lands and easements in accordance with the plan. Habitat Mitigation Fees for the June 30, 2007 fiscal year totaled \$9,488,542, a decrease of 27.3% over the previous fiscal year, reflecting a decrease in mitigation fee collections. The SJCOG, INC. fund balance increased by \$2,738,300 in the June 30, 2007 fiscal year. These funds are targeted for future habitat land and easement acquisitions and for management of the habitat plan.

Regional Transportation Impact Fee Fund (RTIF) - The RTIF fund is used to account for the activities of the RTIF Program. The RTIF Program objective is to obtain funding from development projects that have an impact upon the regional transportation network and to integrate these funds with Federal, State and other local funding to fund transportation improvements identified in the RTIF Program. While the RTIF Program and the RTIF Program fee will be imposed and collected by the participating agencies, the RTIF Program will be managed for the benefit of the entire County region. RTIF Fees for the June 30, 2007 fiscal year totaled \$1,287,068, an increase of 703.5% over the previous fiscal year, reflecting a significant increase in RTIF fee collections. The RTIF fund balance increased by \$1,016,693 in the June 30, 2007 fiscal year. These funds are targeted for future transportation improvement projects.

Governmental Fund Budgetary Highlights

General Fund

Differences between the original budget and the final amended budget were chiefly a result of changes in the following categories:

Salaries and benefits budget was increased to adjust for staffing increases, allowances for retiring employees and the overall effect of regional inflation.

Membership expenses were slightly higher than originally budgeted.

Communications were increased to allow for inflationary rate increases.

Transportation, travel and training exceeded the final budget by \$18,064. Outside parties reimbursed \$24,550 to the Council for travel and related costs for the 2006-07 fiscal year.

Allocated service costs exceeded final budget by \$4,270 due to an increase in the San Joaquin County Auditor Controller's allocation rate.

Utilities exceeded the final budget by \$10,053 due to unanticipated utility expense incurred near year-end. The Council's Board members were notified of this contingency.

Capital Asset and Debt Administration

Capital assets

The San Joaquin Council of Governments' investment in capital assets for its governmental type activities as of June 30, 2007 amounts to \$27,609,521 (net of accumulated depreciation). This investment in capital assets includes land and easements, office building and improvements, office furniture and fixtures, electrical fixtures and multi-media and office and computer equipment. The net increase in the Council's investment in capital assets, net of depreciation, for the current fiscal year was \$6,235,204.

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

The Council acquired \$6,441,954 of capital assets. In addition, the Council acquired \$87,314 of office and computer equipment under various capital leases during the 2006-2007 fiscal year. The Council disposed of \$63,634 of capital assets in the fiscal year ended June 30, 2007.

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

	Governmental Activities	
	June 30, 2007	June 30, 2006
Land	\$ 20,458,000	\$ 14,034,122
Office furniture and fixtures	178,652	194,415
Office building	6,461,814	6,629,143
Building improvements	344,563	370,517
Office and computer equipment	166,492	146,120
	<u> </u>	<u> </u>
Total	<u>\$ 27,609,521</u>	<u>\$ 21,374,317</u>

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

Long-term debt

At the end of the current fiscal year, the San Joaquin Council of Governments had total commercial paper debt outstanding of \$167,000,000. Of this amount, backup liquidity consisted of \$127,264,243 of liquid investments in the Public Financial Management portfolio, \$38,113,756 in California Asset Management Pool, \$449,591 in State of California Local Agency Investment Fund, \$2,986,111 in the San Joaquin County Pool and a \$181,824,110 line of credit with Citicorp N.A.

SAN JOAQUIN COUNCIL OF GOVERNMENTS
Outstanding Debt
Commercial Paper Obligations

	Governmental Activities	
	June 30, 2007	June 30, 2006
Commercial paper obligations	\$ 167,000,000	\$ 167,000,000
Total	\$ 167,000,000	\$ 167,000,000

In September 2005, the Council's Board authorized an additional \$67,000,000 of commercial paper notes, bringing the total authorization up to \$167,000,000. The Council issued an additional \$67,000,000 in December 2005 in order to provide interim financing for the State of California in order to facilitate construction of Interstate 205 Freeway improvements. These improvements began in Spring 2006. The California Transportation Commission (CTC) is scheduled to repay the Council with cash, beginning in the 2008-09 fiscal year.

For additional information on long-term debt activity refer to Note 8, of the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The San Joaquin Council of Governments' revenues are strong with the agency's ability to deliver projects enhanced by the improving financial condition of the State of California. State Transportation Improvement Program Funds for planning and program management and transportation demand management have been restored releasing other revenue for other projects. In addition, the reauthorization of federal transportation program has increased revenues from Federal Highways Administration and Federal Transit Administration for planning activities.

Total operating revenues are expected to increase by \$2.5 million or 42.9% in the 2007-2008 fiscal year.

Measure K and Local Transportation Fund revenue sources that account for 34% is expected to grow at a 2% rate.

Requests for information

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

BASIC FINANCIAL STATEMENTS

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
STATEMENT OF NET ASSETS
JUNE 30, 2007**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 12,492,140
Investments	132,728,441
Sales tax receivable	6,706,228
Interest receivable	1,674,904
Intergovernmental receivables	1,738,831
Prepays	83,281
Refunds and miscellaneous receivables	12,639
Deferred issuance costs	79,270
Notes receivable	4,814,873
Restricted assets:	
Temporarily restricted:	
Cash and cash equivalents	45,915,649
Interest receivable	184,252
Intergovernmental receivables	577,552
Deposits with State of California	653,900
Capital assets:	
Land and conservation easements	20,458,000
Capital assets, net of accumulated depreciation	<u>7,151,521</u>
Total Assets	<u>235,271,481</u>
LIABILITIES	
Accounts payable	26,122,851
Wages and benefits payable	45,810
Interest payable	168,333
Deferred revenue	110,533
Liabilities payable from restricted assets	50,883
Noncurrent liabilities	
Due within one year:	
Compensated absences	102,829
Lease obligations	43,090
Due in more than one year	
Sick leave and compensated absences	243,292
Lease obligations	49,507
Long-term debt	<u>167,000,000</u>
Total Liabilities	<u>193,937,128</u>
NET ASSETS	
Invested in capital assets, net of related debt	21,546,388
Restricted for:	
Habitat acquisition and management	13,485,889
Apportioned	72,126,166
Debt service	230,773
Unrestricted	<u>(66,054,863)</u>
Total Net Assets	<u><u>\$ 41,334,353</u></u>

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs					
Primary government:					
Governmental activities:					
General government	\$ 6,986,738	\$ 1,801	\$ 4,596,289	\$ -	\$ (2,388,648)
Transportation	115,748,171	-	89,290,118	-	(26,458,053)
Habitat development	968,753	10,130,931	-	-	9,162,178
Interest expense	233,830	-	-	-	(233,830)
Totals	\$123,937,492	\$ 10,132,732	\$ 93,886,407	\$ -	(19,918,353)
General revenues:					
					48,782
					96,255
					<u>145,037</u>
					(19,773,316)
					<u>61,107,669</u>
					<u>\$ 41,334,353</u>

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007**

	General	Measure K	Measure K Renewal	Local Transportation Fund
ASSETS				
Cash and cash equivalents	\$ 803,548	\$ 2,976,944	\$ -	\$ 3,293,738
Investments	-	132,728,441	-	-
Sales tax receivable	-	3,341,000	-	1,669,200
Interest receivable	10,574	1,549,760	-	52,050
Intergovernmental receivable	1,123,114	136,751	-	-
Prepays	74,058	9,167	-	-
Refunds and miscellaneous receivables	12,537	-	-	-
Due from other funds	679,805	284,615	-	-
Notes receivable	-	4,814,873	-	-
Advance to other fund	-	7,024,336	-	-
Cash - restricted	-	33,099,149	-	-
Interest receivable - restricted	-	-	-	-
Intergovernmental receivable - restricted	-	-	-	-
Deposits with State of California - restricted	-	653,900	-	-
Total assets	\$ 2,703,636	\$186,618,936	\$ -	\$ 5,014,988
LIABILITIES				
Liabilities:				
Accounts payable	\$ 292,714	\$ 23,774,228	\$ 432,932	\$ 1,453,021
Accrued salaries and benefits	45,810	-	-	-
Interest payable	16,214	152,119	-	-
Due to other funds	-	588,644	-	-
Deferred revenue	110,533	-	-	-
Advance from other fund	5,970,536	-	1,053,800	-
Total liabilities	6,435,807	24,514,991	1,486,732	1,453,021
Fund Balances:				
Reserved for:				
Debt service	-	167,000,000	-	-
Contract commitments	-	56,975,475	4,668,115	-
Habitat acquisition and management	-	-	-	-
Designated	-	-	-	3,561,967
Unreserved	(3,732,171)	(61,871,530)	(6,154,847)	-
Total fund balances	(3,732,171)	162,103,945	(1,486,732)	3,561,967
Total liabilities and fund balances	\$ 2,703,636	\$186,618,936	\$ -	\$ 5,014,988

(Continued)

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS
JUNE 30, 2007**

	State Transit Assistance Fund	Regional Transportation Impact	SJCOG, Inc.	Total
ASSETS				
Cash and cash equivalents	\$ 4,430,858	\$ 987,052	\$ -	\$ 12,492,140
Investments	-	-	-	132,728,441
Sales tax receivable	1,696,028	-	-	6,706,228
Interest receivable	43,475	19,045	-	1,674,904
Intergovernmental receivable	-	478,966	-	1,738,831
Prepays	-	-	56	83,281
Refunds and miscellaneous receivables	-	-	102	12,639
Due from other funds	-	-	-	964,420
Notes receivable	-	-	-	4,814,873
Advance to other fund	-	-	-	7,024,336
Cash - restricted	-	-	12,816,500	45,915,649
Interest receivable - restricted	-	-	184,252	184,252
Intergovernmental receivable - restricted	-	-	577,552	577,552
Deposits with State of California - restricted	-	-	-	653,900
Total assets	<u>\$ 6,170,361</u>	<u>\$ 1,485,063</u>	<u>\$13,578,462</u>	<u>\$215,571,446</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ 169,956	\$ -	\$ 50,883	\$ 26,173,734
Accrued salaries and benefits	-	-	-	45,810
Interest payable	-	-	-	168,333
Due to other funds	-	334,086	41,690	964,420
Deferred revenue	-	-	-	110,533
Advance from other fund	-	-	-	7,024,336
Total liabilities	<u>169,956</u>	<u>334,086</u>	<u>92,573</u>	<u>34,487,166</u>
Fund Balances:				
Reserved for:				
Debt service	-	-	-	167,000,000
Contract commitments	-	-	-	61,643,590
Habitat acquisition and management	-	-	13,485,889	13,485,889
Designated	6,000,405	1,150,977	-	10,713,349
Unreserved	-	-	-	(71,758,548)
Total fund balances	<u>6,000,405</u>	<u>1,150,977</u>	<u>13,485,889</u>	<u>181,084,280</u>
Total liabilities and fund balances	<u>\$ 6,170,361</u>	<u>\$ 1,485,063</u>	<u>\$13,578,462</u>	<u>\$215,571,446</u>

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

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**SAN JOAQUIN COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007**

Total Fund Balances - Governmental Funds	\$ 181,084,280
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$28,592,141, and the accumulated depreciation is \$982,620.	27,609,521
Unamortized costs: In governmental funds, charges for commercial paper issuance costs are recognized as expenditures in the period they as incurred. In the government-wide statements, debt issuance costs are amortized over the life of the debt. Unamortized debt issuance costs included on the statement of net assets are:	79,270
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Commercial Paper Bonds	\$ 167,000,000
Capital Leases Payable	92,597
Compensated Absences	346,121
	(167,438,718)
Total Net Assets - Governmental Activities	\$ 41,334,353

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	General	Measure K	Measure K Renewal	Local Transportation Fund
REVENUES				
Sales tax	\$ -	\$ 47,162,943	\$ -	\$ 23,709,474
Intergovernmental	5,996,146	-	-	-
Charges for services	1,801	-	-	-
Interest	48,782	6,354,408	-	352,511
Dividends	-	1,943,662	-	-
Unrealized gains (losses) on investments	531	1,345,018	-	740
Other	96,255	-	-	-
TOTAL REVENUES	6,143,515	56,806,031	-	24,062,725
EXPENDITURES				
General administration	5,539,112	259,197	1,139,671	991,912
RTIF program updates	-	-	-	-
Streets and roads	-	16,003,519	-	6,897,775
Pedestrian and bicycle	-	-	-	584,270
Transit	-	29,894,111	-	19,151,499
Congestion relief	-	31,940,092	347,061	-
Railroad safety crossings	-	415,218	-	-
Habitat plan	-	-	-	-
Investment expense	-	740,270	-	-
Debt service				
Principal	42,542	-	-	-
Interest	233,830	5,465,913	-	-
Capital outlay				
Capital assets	18,076	-	-	-
Capital leases	87,314	-	-	-
Total expenditures	5,920,874	84,718,320	1,486,732	27,625,456
Excess (Deficiency) of Revenues over Expenditures	222,641	(27,912,289)	(1,486,732)	(3,562,731)
OTHER FINANCING SOURCES				
Capital leases	87,314	-	-	-
Change in Fund Balance	309,955	(27,912,289)	(1,486,732)	(3,562,731)
Fund Balance at Beginning of Year, as previously reported	(4,144,956)	190,016,234	-	7,124,698
Restatement	102,830	-	-	-
Fund balance at beginning of year, as restated	(4,042,126)	190,016,234	-	7,124,698
Fund balance at end of year	<u>\$ (3,732,171)</u>	<u>\$162,103,945</u>	<u>\$ (1,486,732)</u>	<u>\$ 3,561,967</u>

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	State Transit Assistance	Regional Transportation Impact	SJCOG, Inc.	Total
REVENUES				
Sales tax	\$ 6,927,579	\$ -	\$ -	\$ 77,799,996
Intergovernmental	-	-	-	5,996,146
Charges for services	-	1,287,068	9,488,542	10,777,411
Interest	168,651	37,811	591,473	7,553,636
Dividends	-	-	-	1,943,662
Unrealized gains (losses) on investments	253	-	1,016	1,347,558
Other	-	-	49,900	146,155
TOTAL REVENUES	7,096,483	1,324,879	10,130,931	105,564,564
EXPENDITURES				
General administration	113,208	36,071	434,797	8,513,968
RTIF program updates	-	(12,500)	-	(12,500)
Streets and roads	-	-	-	22,901,294
Pedestrian and bicycle	-	-	-	584,270
Transit	4,015,190	-	-	53,060,800
Congestion relief	-	284,615	-	32,571,768
Railroad safety crossings	-	-	-	415,218
Habitat plan	-	-	533,956	533,956
Investment expense	-	-	-	740,270
Debt service				
Principal	-	-	-	42,542
Interest	-	-	-	5,699,743
Capital outlay				
Capital assets	-	-	6,423,878	6,441,954
Capital leases	-	-	-	87,314
Total expenditures	4,128,398	308,186	7,392,631	131,580,597
Excess (Deficiency) of Revenues over Expenditures	2,968,085	1,016,693	2,738,300	(26,016,033)
OTHER FINANCING SOURCES				
Capital leases	-	-	-	87,314
Change in Fund Balance	2,968,085	1,016,693	2,738,300	(25,928,719)
Fund Balance at Beginning of Year, as previously reported	3,032,320	134,284	24,381,711	220,544,291
Restatement	-	-	(13,634,122)	(13,531,292)
Fund balance at beginning of year, as restated	3,032,320	134,284	10,747,589	207,012,999
Fund balance at end of year	<u>\$ 6,000,405</u>	<u>\$ 1,150,977</u>	<u>\$ 13,485,889</u>	<u>\$181,084,280</u>

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007**

Total Net Change in Fund Balances - Governmental Funds \$ (25,928,719)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$6,529,268) exceeded depreciation (\$294,064) in the current period. 6,235,204

Disposal of fixed assets 63,634
Disposal of fixed assets - accumulated depreciation adjustment (63,634)

Some of the capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the capital leases are not revenues in the statement of activities, but rather constitute long-term liabilities in the statement of net assets. (87,314)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 42,542

Long-term debt issuance costs are recognized as expenditures in the governmental funds when debt is first issued, whereas these amounts are deferred and amortized over the life of the debt in the statement of activities. Amortization of the commercial paper issuance costs for the period is: (21,138)

Compensated absences are measured by the amounts paid during the period in Governmental funds. In the statement of activities, compensated absences are measured by the amount earned. (13,891)

Change in Net Assets of Governmental Activities \$ (19,773,316)

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Council, the regional transportation planning agency for the County of San Joaquin, was created pursuant to Title 3 of Government Code Section 29532. The Council is responsible for transportation planning activities as well as administration of the Local Transportation Fund and the State Transit Assistance Fund in accordance with the applicable sections of the Government Code, Public Utilities Code and Administrative Code included within the Transportation Development Act. The Council also is the Local Transportation Authority (LTA) pursuant to Section 1, Division 19 (commencing with Section 180000) of the Public Utilities Code as designated by the San Joaquin County Board of Supervisors. In 1990, the San Joaquin County voters passed an ordinance (Measure K) resulting in a sales tax increase of one-half of one percent for transportation improvements. The Council oversees the collection and distribution of the sales tax in accordance with the twenty year transportation expenditure plan. The Council also administers the Freeway Service Patrol Program and the Congestion Management Program in San Joaquin County, operates a regional rideshare program, serves as the Census Data Center, operates a Research and Forecasting Center, prepares a regional housing needs plan, serves as the Airport Land Use Commission and provides technical assistance to local agencies and member jurisdictions as needed and is overseeing the administration of the habitat and open space master plan for San Joaquin County. The Council is governed by a fifteen member Board of Directors, made up of three members representing San Joaquin County, three members representing the city of Stockton City Council, one member from the Councils of the cities of Escalon, Lathrop, Lodi, Manteca, Ripon and Tracy, and three ex-officio members from Caltrans, District 10, the Port of Stockton and the San Joaquin Regional Transit District.

Blended component unit

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

Government-wide and fund financial statements

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due. Capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual include sales taxes, intergovernmental revenues, interest and charges for services.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the Council may fund certain programs and projects with a combination of cost reimbursement grants and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program and project expenditures.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods or services, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments.

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

Certain indirect costs are included in program and project expenses reported for individual functions and activities.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Major funds

GASB Statement 34 defines major funds and requires that the Council's major governmental funds be identified and presented separately in the fund financial statements.

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

The Council reports the following major governmental funds:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The *Measure K Fund* is used to account for the additional ½ cent sales tax approved by the San Joaquin County voters under Measure K to fund a twenty year transportation expenditure plan. Revenues are distributed to various entities and vendors for the design, construction, operation and maintenance of specific projects. The Board of Directors bi-annually adopts a strategic plan implementing the expenditure plan approved by the voters and the Council enters into contracts with the agencies and vendors for the design and construction of specific projects and operations and maintenance. Council management and staff administer the Measure K Program, and the Council derives revenues from the fund for administrative and project management functions related to Measure K.

The Measure K Renewal Fund is used to account for the additional ½ cent sales tax approved by the San Joaquin County voters under Measure-K in November 2006, to fund a thirty-year transportation expenditure plan. Commonly referred to as an extension of the original Measure K, sales tax revenues for the renewal will not begin to be collected until April 1, 2011. A Strategic Plan and Plan of Finance for the renewal implementing the voter-approved Expenditure Plan is to be adopted in January 2008 by the Board of Directors that will provide funding for Renewal projects prior to the initiation of sales tax collection. Funding for those projects will come from an expansion of the Commercial Paper program. Project expenses and debt service are tracked in the Measure K Renewal Fund. Council management and staff administer the Measure-K Renewal Program; and the Council derives revenues from the fund for administrative and project management functions related to Measure-K Renewal.

The *Local Transportation Fund (LTF)* is used to account for retail sales tax, collected statewide under the Transportation Development Act that is returned to San Joaquin County. The revenues are distributed to eligible claimants to provide transit services, pedestrian/bicycle facilities and street and roads funding. Council management and staff administer the LTF program, and the Council derives revenues from the fund for administrative and planning functions related to LTF.

The *State Transit Assistance Fund (STA)* is used to account for statewide sales tax on motor vehicle fuel collected under the Transportation Development Act that is allocated to San Joaquin County. The revenues are distributed to eligible claimants to provide transit operator or contracted transit services. Council management and staff administer the STA program, and the Council derives revenues from the fund for administrative and planning functions related to STA.

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

SJCOG, INC. Fund is a not-for-profit public benefit corporation, established under Code Section 501(c)(3) of the Internal Revenue Code. The specific purpose of SJCOG, INC. is to act as the designee of the joint powers agency organized pursuant to the San Joaquin County Multispecies Habitat Conservation Plan, including the acquisition, holding, administering and managing of real property pursuant to that plan. The Council is financially responsible for SJCOG, INC., and the Council derives revenues from the fund for related administrative and management functions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Assets, Liabilities, and Net Assets

Deposits and investments

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

Under State law the Council may invest in obligations of the U.S. Treasury, U.S. agencies, State of California and local agencies and instrumentalities, commercial paper of the highest short-term rating category as provided by Moody's Investor Service, Inc. or Standard and Poors Corporation, banker's acceptances, repurchase agreements, medium-term corporate notes, mutual funds, time certificates of deposit and the Local Agency Investment Fund (LAIF), local government investment pools, Public Financial Management (PFM), the California Asset Management Program (CAMP) and shares of beneficial interest issued by diversified management companies. All of the above operate in accordance with appropriate state laws and regulations. The investments for the Council, as well as for its component unit, are recorded at fair value.

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding between funds at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). All "due to/from" balances at June 30, 2007 are considered to be current and due to be repaid within the upcoming fiscal year.

All accounts receivable and intergovernmental receivables are shown at their net collectible balances. Accounts receivable represent various non-intergovernmental collectible amounts due at June 30, 2007. Intergovernmental receivables represent claims for reimbursements and sales tax revenues receivable from various federal, state and local governmental agencies as of June 30, 2007.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted assets

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital assets

Capital assets, which include office furniture and equipment, leasehold improvements and assets under capital leases, are reported in the governmental activity column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Equipment, furniture and fixtures, building, building improvements and assets under capital lease of the primary government are depreciated using the straight line method over periods ranging from five (5) years to forty (40) years. Land related to the Council's Headquarters building and parking lot is not subject to depreciation. Capital assets of the component unit consist entirely of land and real property easements and are not subject to depreciation.

Compensated absences

It is the Council's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is limited liability for unpaid accumulated sick leave for employees. This benefit is limited to employees who have completed twenty (20) years of service or have reached the normal retirement age, and have accumulated a minimum of 160 hours of sick leave. Compensated absences are reported in the governmental funds only if they have matured. The amount of compensated absences due within one year was \$102,829 at June 30, 2007.

Long-term obligations

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

The Council is authorized to issue up to \$167,000,000 of commercial paper notes. These notes are payable from and secured by a subordinate pledge of certain revenues derived from the one-half of one percent retail transactions and use tax in San Joaquin County. The notes mature every 1 to 270 days and are repaid with new notes. These notes can be rolled over until March 31, 2011, at which time all principal must be repaid. These notes are considered a long-term obligation because the Council does not intend to refund or retire the principal within the next operating cycle.

Fund equity

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information

As required by the Council's Joint Powers Authority agreement, the Council prepares and legally adopts a final operating budget on or before April 30 of each fiscal year. Annual budgets are legally adopted for the General Fund. As required by the Joint Powers Authority, the budget is adopted and ratified by member agencies. Operating budgets are prepared on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the object level. Transfers of appropriations within major objects may be approved by the Executive Director. Significant amendments, appropriation transfers between objects and transfers from contingencies must be approved by the Council's Board of Directors. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board. No supplemental appropriations were required during the year ended June 30, 2007. The annual expenditure plan and revenue estimate for the Measure K Special Revenue Fund are approved by the SJCOG Board. The Local Transportation Special Revenue Fund (LTF) budgeted revenue is created by Council staff and San Joaquin County Auditor Controller. The budgeted revenue is allocated to each claimant based on population. The State Transit Assistance Special Revenue Fund (STA) budget is created and allocated by the California State Controller's Office. Budgets for the LTF, STA and Regional Transportation Impact (RTIF) funds are approved by the SJCOG Board. Budgetary amounts for the special revenue funds are presented at their lowest level of budgetary control as described above.

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

NOTE 3 – CASH AND INVESTMENTS

Cash and investments

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

Statement of net assets:	
Cash	\$ 12,492,140
Restricted - Cash	45,915,649
Investments	<u>132,728,441</u>
Total cash and investments	<u><u>\$ 191,136,230</u></u>

Cash and investments as of June 30, 2007 consist of the following:

Cash in county treasury	\$ 25,308,640
Cash and investments held by bond trustee	<u>165,827,590</u>
Total cash and investments	<u><u>\$ 191,136,230</u></u>

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investments authorized by the California Government Code and the Council's investment policy

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

Authorized investment type	Maximum maturity	Maximum percentage of * portfolio	Maximum investment in one issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Securities	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
State of California Obligations	5 years	None	None
Medium-Term Notes	5 years	30%	None
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

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

Investments authorized by debt agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Council's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized investment type	Maximum maturity	Maximum percentage allowed	Maximum investment in one issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None

NOTE 3 – CASH AND INVESTMENTS (Continued)

Disclosures relating to interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Council manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Council's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the Council's investments by maturity:

Investment type	Total	Remaining maturity (in months)			
		12 months or less	13 to 24 months	25 to 60 months	More than 60 months
Cash in County	\$ 25,308,640	\$25,308,640	\$ -	\$ -	\$ -
State investment pool	449,591	449,591	-	-	-
Held by trustee:					
Money market funds	33,840,187	33,840,187	-	-	-
Corporate debt securities	17,798,664	8,991,831	5,205,697	3,601,136	-
US Treasury securities	22,435,857	-	11,885,452	10,550,405	-
Federal agency securities	91,303,291	17,171,013	54,586,280	19,545,998	-
	<u>\$191,136,230</u>	<u>\$85,761,262</u>	<u>\$71,677,429</u>	<u>\$33,697,539</u>	<u>\$ -</u>

Investments with fair values highly sensitive to interest rate fluctuations

<u>Highly Sensitive Investments</u>	<u>Fair Value at Year-End</u>
Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	<u>\$ 91,303,291</u>

NOTE 3 – CASH AND INVESTMENTS (Continued)

Disclosures relating to credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Council's investment policy or debt agreements, and the actual rating as of year end for each investment type.

Investment type	Total	Minimum legal rating	Ratings as of year end	Not rated
County investment pool	\$ 25,308,640	N/A	-	\$25,308,640
State investment pool	449,591	N/A	-	449,591
Held by trustee:				
Money market funds	33,840,187	AAA/Aa	AAA	
Corporate debt securities:				
US Bank NA Corp. Float	5,014,607	A	AA+	
Merrill Lynch & Co. MTN	3,623,337	A	AA-	
General Electric Capital Corp.	3,977,224	A	AAA	
Associates Corp. N.A. Glbl	2,021,902	A	AA	
Goldman Sachs Corp. Note	1,022,475	A	AA-	
Merrill Lynch & Co. Inc Notes	2,139,119	A	AA-	
US Treasury Bonds/Notes	22,435,857	TSY	AAA, Aaa	
Federal agency securities	91,303,291	N/A	AAA, Aaa	
	<u>\$ 191,136,230</u>			<u>\$ 25,758,231</u>

Concentration of credit risk

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

Issuer	Investment type	Reported amount
FHLMC	Federal agency securities	\$ 23,415,067
FNMA	Federal agency securities	17,917,461
FHLB	Federal agency securities	36,367,771
FFCB	Federal agency securities	13,602,992

Custodial credit risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Council's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Council deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investment in San Joaquin County Pool

The Council maintains its cash balances in the San Joaquin County Treasury Investment Pool. The pool is non-SEC registered, but is invested in accordance with California State Government Code, and the San Joaquin County Treasurer's Investment Policy. California State Government Code requires the formation of an Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements. To this end, the oversight committee reviews the monthly investment report prior to presentation to the Board of Supervisors and causes an audit of investments to occur annually.

At year-end, the carrying amount of the County's cash on hand and authorized deposits at various financial institutions was \$27 million dollars. Of the total deposits, \$24.5 million was uninsured but secured by the pledging banks and, therefore, was exposed to custodial credit risk. Statutes and County investment policy allow the pool deposits to be covered by federal depository insurance or by a multiple financial institution collateral pool, which is maintained at a minimum of 110% of the uninsured deposits with the pledging institution's agent in the institution's name. The County has made no exception to this requirement during the current year.

The fair value of the Council's shares in the San Joaquin County Pool is the same as the value of the pool shares. The San Joaquin Council of Governments had a total of \$25,308,640 invested in the San Joaquin County Pool at June 30, 2007.

Investment in State Investment Pool

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Council's investment in this pool is reported in the accompanying financial statements at amounts based upon the Council's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The total fair value amount invested by all public agencies in LAIF at June 30, 2007, is \$66.1 billion, managed by the State Treasurer. Of that amount, 100 percent is invested in non-derivative financial products and -0- percent in derivative financial products. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The value of pool shares in LAIF which may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Council's position in the pool. Investments in LAIF are highly liquid and are secured by the full faith and credit of the State of California. The Council's investment in LAIF at June 30, 2007 was \$449,591.

Investments in Public Financial Management and CAMP

Public Financial Management (PFM) manages a significant portion of the Council's investments. These investments include corporate notes, federal agency bonds/notes, US Treasury bonds/notes, commercial paper, federal agency discounted notes and money market funds.

The U.S. Government money market funds invest in short-term debt obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities, some of which may be subject to repurchase agreements. The securities in the fund have an average life as of June 30, 2007 of 182 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 Standard and Poors. To maintain the Aam rating, the portfolio weighted average maturity may not exceed 70 days.

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investments in Public Financial Management and CAMP (Continued)

Included in the CAMP money market fund balances above are accounts that are created for the payment and tracking of interest and principal on the commercial paper debt obligations, totaling \$32,868,377, \$91, and \$230,681, respectively. The investments with fiscal agents as well as the \$33,099,149 of the CAMP balances are also created for the payment and tracking of Measure K project expenditures.

Investments for the Council as well as its component unit are reported at fair value as determined by quoted market prices. Changes in the fair value of investments are included with all other investment income. Cash on deposit with the County Treasurer is invested as authorized by statutes.

NOTE 4 – RECEIVABLES

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

	General	Measure K	Local Trans- portation	State Transit Assistance	RTIF	SJCOG INC.	Total
Receivables:							
Interest	\$ 10,574	\$1,549,760	\$ 52,050	\$ 43,475	\$ 19,045	\$ -	\$ 1,674,904
Sales taxes	-	3,341,000	1,669,200	1,696,028	-	-	6,706,228
Intergovernmental	1,123,114	136,751	-	-	478,966	-	1,738,831
Intergovernmental - Restricted	-	-	-	-	-	577,552	577,552
Interest - restricted	-	-	-	-	-	184,252	184,252
Total Receivables	<u>\$1,133,688</u>	<u>\$5,027,511</u>	<u>\$1,721,250</u>	<u>\$1,739,503</u>	<u>\$498,011</u>	<u>\$761,804</u>	<u>\$10,881,767</u>

Notes receivable

Notes receivable represents advance loans of Measure K Fund monies to the cities of Ripon and Lodi, to facilitate Measure K projects.

The City of Ripon note balance as of June 30, 2007, is \$4,627,592. The City of Lodi's note balance as of June 30, 2007, is \$187,281. Accrued interest receivable on these borrowings is reflected in the Measure K Fund at June 30, 2007.

City of Ripon Note

The Ripon note will be partially repaid over a remaining term of three years, with annual principal and interest payments of \$370,000, at an annual interest rate of 1.75%. At the end of this initial term, there will be a remaining principal balance due of \$3,745,279, subject to renewal, payment terms to be negotiated at that time.

City of Lodi Note

The Lodi note is scheduled to be repaid over a remaining term of two years at an annual interest rate of 1.75%. Annual principal and interest payments are \$96,106.

The San Joaquin Regional Rail Commission (RRC) currently has a \$5 million line of credit with SJCOG. The line was originally established at \$10 million, but was reduced to \$5 million in October of 2000. The line of credit is designed to provide Measure K Funds for short term financing and has no stated term and bears interest at an average daily rate based upon the annualized San Joaquin County cash and investment pool rate applied only to principal borrowed. The RRC borrowed no funds on the line of credit within the fiscal year ended June 30, 2007.

There was no outstanding balance or accrued interest receivable on the San Joaquin Regional Rail Commission line of credit at June 30, 2007.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007 was as follows:

	June 30, 2006 (Restated)	Increases	Decreases	June 30, 2007
Governmental activities:				
Capital assets, not being depreciated:				
Land and conservation easements	\$ 14,034,122	\$ 6,423,878	\$ -	\$ 20,458,000
Capital assets, being depreciated:				
Office furniture and fixtures	236,450	-	-	236,450
Office building	7,102,653	-	-	7,102,653
Building improvements	439,728	-	-	439,728
Office and computer equipment	313,554	105,390	(63,634)	355,310
	8,092,385	105,390	(63,634)	8,134,141
Less accumulated depreciation for:				
Office furniture and fixtures	(42,035)	(15,763)	-	(57,798)
Office building	(473,510)	(167,329)	-	(640,839)
Building improvements	(69,211)	(25,954)	-	(95,165)
Office and computer equipment	(167,434)	(85,018)	63,634	(188,818)
	(752,190)	(294,064)	63,634	(982,620)
Total capital assets being depreciated, net	7,340,195	(188,674)	-	7,151,521
Governmental activities capital assets, net	<u>\$ 21,374,317</u>	<u>\$ 6,235,204</u>	<u>\$ -</u>	<u>\$ 27,609,521</u>

Depreciation:

All depreciation expense is related to the general administrative functions of the Council.

Depreciation expense was charged to the following activities of the Council as follows:

	2007	2006
Governmental activities		
General government	\$ 294,064	\$ 292,988

Financing - Regional Center and administrative facilities

The Council completed major construction of new administrative facilities in November of 2003. Total cost for completion of the three story structure, including equipment upgrades, furnishings and fixtures, was \$7,935,244. Land, valued at \$400,000, was donated by the Stockton, California Redevelopment Agency for the building site. Commercial paper obligations in the amount of \$8,000,000 were issued in October of 2003 from the Measure K Fund. These funds were advanced to the General Fund to provide interim financing for the building and improvements. Of these funds, \$2,000,000 was repaid from General Fund reserves to the Measure K Fund in April of 2005. The Measure K Fund, in turn, retired \$2,000,000 of commercial paper obligations. The \$2,000,000 of General Fund reserves covered the cost of construction of the third floor of the building.

NOTE 5 – CAPITAL ASSETS (Continued)

Financing - Regional Center and administrative facilities (Continued)

Debt service on the commercial paper obligations is being reimbursed from the General Fund to the Measure K Fund. The cost of debt service interest, paid from the General Fund to the Measure K Fund, for the fiscal year ended June 30, 2007, was \$222,297. The Council currently occupies the lower two floors of the three story building. The Council expects to rent the third floor to a commercial tenant in order to defray costs of maintenance. On February 1, 2007, regular payments of principal and interest from the General Fund to the Measure K Fund began in order to repay the \$6,000,000 advance. The repayment schedule will consist of 480 monthly principal and interest payments in the amount of \$22,949.31, bearing a nominal annual interest rate of 3.418%.

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2007 is as follows:

	Interfund	
	Receivables	Payables
Governmental Funds		
General Fund	\$ 679,805	\$ -
Measure K Fund	284,615	588,644
Regional Transportation Impact Fund	-	334,086
SJCOG, Inc.	-	41,690
Totals	<u>\$ 964,420</u>	<u>\$ 964,420</u>

General Fund receivables from the Measure K Fund represent the final accrued Measure K Program transportation planning revenues due as of June 30, 2007. General Fund receivables from the Regional Transportation Impact Fund (RTIF) represent the final accrued RTIF Planning funds due to the General Fund at June 30, 2007. Habitat Plan management fees in the amount of \$41,690 were due from the SJCOG, INC. Fund to the General Fund at June 30, 2007. Measure K Fund receivables from the RTIF fund represents the reimbursement to Measure K Fund on an advance to the RTIF Fund for a transportation project.

NOTE 7 – LEASES

Operating leases

The Council leases various office equipment under noncancellable operating leases as follows:

<u>Year ending June 30:</u>	<u>Amount</u>
2008	\$ 130,723
2009	132,285
2010	130,713
2011	128,376
2012	108,044
2013-2017	<u>5,852</u>
Total	<u>\$ 635,993</u>

NOTE 7 – LEASES (Continued)

Capital leases

The Council entered into various lease agreements to provide office and computer equipment for Council staff. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

<u>Asset:</u>	<u>Governmental Activities</u>
Machinery and equipment	\$ 129,767
Less: Accumulated depreciation	<u>(37,170)</u>
Total	<u>\$ 92,597</u>

As of June 30, 2007, the future minimum lease payments and the net present value of these minimum lease payments were as follows:

<u>Fiscal year ending June 30,</u>	
2008	\$ 52,349
2009	38,661
2010	15,562
2011	-
2012	<u>-</u>
Total payments	106,572
Less amounts representing interest	<u>(13,975)</u>
Net present value of future minimum lease payments	<u>\$ 92,597</u>

NOTE 8 – LONG-TERM DEBT

Long-term liability activity during the year ended June 30, 2007 was as follows:

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2007</u>	<u>Due within one year</u>
Sick leave benefits payable	\$ 189,028	\$ 24,040	\$ (7,373)	\$ 205,695	\$ -
Compensated absences	40,372	114,026	(13,972)	140,426	102,829
Capital leases	47,825	87,314	(42,542)	92,597	43,090
Commercial paper	167,000,000	-	-	167,000,000	-
Total	<u>\$ 167,277,225</u>	<u>\$ 225,380</u>	<u>\$ (63,887)</u>	<u>\$ 167,438,718</u>	<u>\$ 145,919</u>

Commercial paper obligations

In relation to the Council's Measure K program, the Council issued \$65,000,000 of Sales Tax Revenue Commercial Paper Notes (Limited Tax Bonds) in September 1997 and \$24 million in October 1999 to finance transportation projects under the twenty year transportation expenditure plan.

NOTE 8 – LONG-TERM DEBT (Continued)

Commercial paper obligations (Continued)

In October 2003, the Council issued an additional \$8,000,000 of commercial paper obligations to provide interim financing for construction of new administrative facilities in Stockton, California. These funds were advanced to the General Fund. In April 2005, the General Fund repaid \$2,000,000 to the Measure K Fund from reserves. The Measure K Fund retired \$2,000,000 of commercial paper debt at that time. The General Fund is currently paying interest to the Measure K Fund on the remaining \$6,000,000 balance at an annual rate of 3.418%. The outstanding balance due to the Measure K Fund from the General Fund is \$5,970,536 at June 30, 2007.

The Council was originally authorized to issue up to \$100,000,000 of these notes. In September 2005, the SJCOG Board of Directors authorized an additional \$67,000,000 of commercial paper notes, bringing the total authorization up to \$167,000,000. The Council issued an additional \$72,000,000 of commercial paper notes on November 29, 2005 in order to provide interim financing for the State of California in order to facilitate construction of Interstate 205 Freeway improvements. These improvements began in the spring of 2006. The California Transportation Commission (CTC) is scheduled to repay the Council with cash beginning in the 2008-09 fiscal year.

These notes are payable from and secured by a subordinate pledge of certain revenues derived from the one-half of one percent retail transactions and use tax in San Joaquin County. The notes mature every 7 days and are repaid with new notes. These notes can be rolled over until March 31, 2011, at which time all principal must be repaid. These notes are considered a long-term obligation because the Council does not intend to refund or retire the principal within the next operating cycle. The notes outstanding as of June 30, 2007 bear interest at 3.94% which is payable upon maturity of the note. There are no minimum debt service requirements. Revenues of the Measure K Trust Fund are used to repay the commercial paper obligations.

In addition, under an irrevocable letter of credit issued by Citibank, N.A., the trustee or the remarketing agent is entitled to draw an amount sufficient to pay the purchase price of notes delivered to it. The letter of credit is valid through March 31, 2011, at which time it will be renewed. The line of credit fees are paid at an annual rate of .18% of the stated amount. West LB was replaced by Citibank on November 30, 2005. If the remarketing agent is unable to resell any notes within 60 days of the letter of credit draw date, the Council has a take out agreement with the same bank to convert the notes to an installment loan payable over a three-year period bearing an adjustable interest rate equal to the base rate plus 1 percent. The term out agreement expires March 31, 2011. If the term out agreement were to be exercised because the entire outstanding balance of \$167,000,000 of notes was not resold, the Council would be required to pay \$63,345,175.68 a year for 3 years under the installment loan agreement assuming a 6.75 percent interest rate.

The Council is required to pay to the Bank an annual commitment fee for the letter of credit of .22% per annum for any utilized amount and .18% per annum for any unused portion of the stated amount of \$181,824,110. No amounts were utilized on the letter of credit during the year ended June 30, 2007. The Council has paid commitment fees of \$468,652 to the Bank during the year ended June 30, 2007.

Derivatives

The Council uses a variable interest rate swap to hedge its exposure to certain risks. The Council pays the counter party (Citigroup) 3.168% of the par value of the commercial paper obligations. Citigroup in turn pays the Council a variable rate of 53.8% of monthly LIBOR plus ¼ basis points of the par value of the commercial paper. The financial instruments are valued at market and, as such, income and losses are recognized daily based on changes in their market value. The use of these financial instruments exposes the Council to the risk of dealing with financial counter-parties and to market risk associated with a possible adverse change in interest rates and currency movement. These instruments are included in investments in the accompanying Statement of Net Assets as of June 30, 2007.

NOTE 9 – OTHER INFORMATION

Risk management

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

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

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

Other active and postemployment benefits

Council employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation at various rates. Employees that have reached the normal retirement age or have completed twenty years of continuous service and have accrued a minimum of 160 hours of sick leave may elect to convert unused sick leave to cover the continuation of health care insurance at retirement. As of June 30, 2007, a total of 2 retirees meet these eligibility requirements. Other than this conversion at retirement, there is no cash payment of sick leave. As of June 30, 2007, accrued vacation and sick leave pay totaled \$346,121. The non-current portion of accrued vacation pay and sick leave totaled \$243,292. Payment of accrued sick leave to eligible employees upon termination is the only post employment benefit provided by the Council.

Employee retirement plans

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

Contributions to the plan by the Council are limited to 15% of compensation. The Council's contributions are fully vested after six years of continuous service. The Plan does not provide for employee contributions. The Council will not be required to pay prior year employer contributions for anyone having worked for the Council prior to the initiation of the retirement program.

Plan provisions and contribution requirements for both retirement plans are established and may be amended by the Council's Board of Directors. The Council's total salaries, including vacation and termination pay, for the year ended June 30, 2007 was \$1,891,126. The Council's total contributions to the retirement plans on behalf of employees were \$336,510 for the year ended June 30, 2007.

NOTE 9 – OTHER INFORMATION (Continued)

Restatement of Fund Balance – General Fund

A prior period adjustment in the amount of \$102,830 was made to the General Fund. This adjustment was a result of incorrect reporting of compensated absences in the prior year.

Restatement of Fund Balance – SJCOG, Inc.

A prior period adjustment in the amount of \$13,634,122 was made to SJCOG, Inc. This adjustment was a result of incorrect reporting of conservation easements in the prior year. Easements are considered capital assets and should be reported as such, rather than as assets for governmental fund purposes. Details of the adjustments are as follows:

	General Fund	SJCOG, Inc.
Fund balance June 30, 2006	\$ (4,144,956)	\$ 24,381,711
Fund balance adjustment	102,830	(13,634,122)
Fund balance - restated	<u>\$ (4,042,126)</u>	<u>\$ 10,747,589</u>

NOTE 10 – SUBSEQUENT EVENTS

On July 26, 2007, the board of directors voted to amend the existing terms of the City of Ripon note discussed in Note 4. The Council's total cost to carry the loan through 2011 is \$2.1 million; Ripon has made payments through June 30, 2007 totaling \$2.2 million, of which \$2,107,680 will be used to cover the Council's borrowing costs related to the note and \$112,320 will be applied to the principal outstanding. Under this amendment, no further payments will be required from Ripon, and the outstanding balance of the note will be resolved through the Measure K Renewal Fund.

In October 2007, the Habitat plan sold the Wing Levee property consisting of 361.27 acres to Aufdermaur for \$2.17 million. The property was originally purchased in April 2006 for \$3.2 million and the overall cost to acquire the conservation easements on the property was \$2,800 per acre.

On July 26, 2007, the board authorized the execution of a settlement with Betty Gong. Betty Gong was property owner in the area of the Hammer 99/Interchange Project, whose property was subject to condemnation in the eminent domain process. The \$1.05 million settlement included the property take, severance damages, and accrued interest.

NOTE 11 – EXCESS EXPENDITURES OVER APPROPRIATIONS

For the fiscal year ended June 30, 2007, general fund expenditures exceeded appropriations in the salaries - vacation sales, memberships, transportation, travel and training, allocated service costs and utilities expenditure categories by \$42,241, \$1,906, \$18,064, \$4,270 and \$10,053, respectively. The over-expenditures in the transportation, travel and training category were funded by private party reimbursements that totaled \$24,550. A provision for vacation sales and related fringe benefit costs was not made in the 2006-07 budget. The excess expenditures not covered by private party reimbursements were funded by other local revenues in the General Fund.

NOTE 11 – EXCESS EXPENDITURES OVER APPROPRIATIONS (Continued)

The following special revenue funds had excess expenditures over appropriations at June 30, 2007:

	Measure K Fund	Local Transportation Fund	Regional Transportation Impact Fund
General Administration	\$ -	\$ -	\$ 22,671
Transit	14,433,211	5,463,195	-
Congestion Relief	20,047,092	-	-
Pedestrian and Bicycle	-	57,662	-
Investment Expense	740,270	-	-
Interest Expense	5,465,913	-	-

NOTE 12 – FUND DEFICITS

The General Fund has a fund balance deficit of \$(3,732,171) at June 30, 2007. The deficit is a result of the Council's advancing \$6,000,000 of funds from the Measure K Fund to the General Fund in FYE June 30, 2004, to provide interim financing for the Council's new headquarters building. Once this advance has been repaid, the negative unreserved fund balance is expected to be corrected.

The measure K renewal fund has a fund balance deficit of \$(1,486,732) at June 30, 2007. The deficit is due to the fact that project expenses have been incurred, however, sales tax revenues for the renewal will not begin to be collected until April 1, 2011.

REQUIRED SUPPLEMENTAL INFORMATION

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SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
ORIGINAL, FINAL BUDGET AND ACTUAL –
GENERAL FUND (By Object)
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 6,174,223	\$ 7,193,629	\$ 6,013,962	\$ (1,179,667)
Use of money and property	10,000	10,000	49,313	39,313
Other	30,000	30,000	80,240	50,240
Total Revenues	<u>6,214,223</u>	<u>7,233,629</u>	<u>6,143,515</u>	<u>(1,090,114)</u>
EXPENDITURES				
Salaries and benefits				
Salaries	2,047,071	1,975,124	1,848,885	126,239
Salaries - vacation sales	-	-	42,241	(42,241)
Fringe benefits	760,000	840,000	796,767	43,233
Total salaries and benefits	<u>2,807,071</u>	<u>2,815,124</u>	<u>2,687,893</u>	<u>127,231</u>
Services and supplies				
Office expense	246,150	329,950	286,278	43,672
Communications	48,000	60,000	51,584	8,416
Memberships	29,000	37,000	38,906	(1,906)
Rents and leases - equipment	107,000	130,000	101,704	28,296
Debt service				
Principal	43,000	43,000	42,542	458
Interest - leases	12,000	12,000	11,533	467
Interest - building debt service	233,500	233,500	222,297	11,203
Transportation, travel and training	100,000	100,000	118,064	(18,064)
Allocated service cost	5,200	5,200	9,470	(4,270)
Publications and legal notices	22,500	27,000	23,000	4,000
Insurance	85,000	85,000	74,381	10,619
Rents - other	8,000	8,000	3,216	4,784
Maintenance - equipment	7,500	13,000	5,161	7,839
Maintenance - building and grounds	50,000	60,000	47,509	12,491
Utilities	50,000	60,000	70,053	(10,053)
Total service and supplies	<u>1,046,850</u>	<u>1,203,650</u>	<u>1,105,698</u>	<u>97,952</u>
Professional and special services	2,299,802	3,134,355	2,021,893	1,112,462
Capital outlay	60,500	80,500	105,390	(24,890)
Total expenditures	<u>6,214,223</u>	<u>7,233,629</u>	<u>5,920,874</u>	<u>1,312,755</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	222,641	222,641
OTHER FINANCING SOURCES				
Capital leases	-	-	87,314	87,314
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	309,955	<u>\$ 309,955</u>
Fund Balance - Beginning, as previously reported			(4,144,956)	
Restatement			<u>102,830</u>	
Fund Balance - Beginning as Restated			(4,042,126)	
Fund Balance at End of Year			<u>\$ (3,732,171)</u>	

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
ORIGINAL, FINAL BUDGET AND ACTUAL –
MEASURE K SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Measure K sales tax revenue	\$ 47,572,000	\$ 47,572,000	\$ 47,162,943	\$ (409,057)
Use of money and property	-	-	9,643,088	9,643,088
Total Revenues	<u>47,572,000</u>	<u>47,572,000</u>	<u>56,806,031</u>	<u>9,234,031</u>
EXPENDITURES				
General administration	530,830	530,830	259,197	271,633
Streets and roads	16,119,370	16,119,370	16,003,519	115,851
Transit	15,460,900	15,460,900	29,894,111	(14,433,211)
Congestion relief	11,893,000	11,893,000	31,940,092	(20,047,092)
Railroad safety crossings	3,567,900	3,567,900	415,218	3,152,682
Investment expense	-	-	740,270	(740,270)
Interest expense	-	-	5,465,913	(5,465,913)
Total Expenditures	<u>47,572,000</u>	<u>47,572,000</u>	<u>84,718,320</u>	<u>(37,146,320)</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	(27,912,289)	(27,912,289)
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(27,912,289)	<u>\$ (27,912,289)</u>
Fund Balance at Beginning of Year			<u>190,016,234</u>	
Fund Balance at End of Year			<u>\$162,103,945</u>	

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
ORIGINAL, FINAL BUDGET AND ACTUAL –
MEASURE K SPECIAL REVENUE FUND RENEWAL
FOR THE YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual	Variance with Final
	Original	Final		
REVENUES				
Other	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
General administration	1,139,671	1,139,671	1,139,671	-
Congestion relief	347,061	347,061	347,061	-
Total Expenditures	1,486,732	1,486,732	1,486,732	-
Net Change in Fund Balance	<u>\$ (1,486,732)</u>	<u>\$ (1,486,732)</u>	(1,486,732)	<u>\$ -</u>
Fund Balance at Beginning of Year			-	
Fund Balance at End of Year			<u>\$ (1,486,732)</u>	

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
ORIGINAL, FINAL BUDGET AND ACTUAL –
LOCAL TRANSPORTATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual	Variance with Final
	Original	Final		
REVENUES				
LTF sales tax revenue	\$ 26,330,400	\$ 23,709,474	\$ 23,709,474	\$ -
Use of money and property	-	-	353,251	353,251
Total Revenues	26,330,400	23,709,474	24,062,725	353,251
EXPENDITURES				
General administration	991,912	991,912	991,912	-
Streets and roads	9,477,884	8,502,650	6,897,775	1,604,875
Pedestrian and bicycle	526,608	526,608	584,270	(57,662)
Transit	15,333,996	13,688,304	19,151,499	(5,463,195)
Total Expenditures	26,330,400	23,709,474	27,625,456	(3,915,982)
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(3,562,731)	<u>\$ (3,562,731)</u>
Fund Balance at Beginning of Year			<u>7,124,698</u>	
Fund Balance at End of Year			<u>\$ 3,561,967</u>	

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
ORIGINAL, FINAL BUDGET AND ACTUAL –
STATE TRANSIT ASSISTANCE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual	Variance with Final
	Original	Final		
REVENUES				
STA tax revenue	\$ 2,610,980	\$ 7,140,718	\$ 6,927,579	\$ (213,139)
Use of money and property	-	-	168,904	168,904
Total Revenues	<u>2,610,980</u>	<u>7,140,718</u>	<u>7,096,483</u>	<u>(44,235)</u>
EXPENDITURES				
General administration	41,693	113,208	113,208	-
Transit	<u>2,569,287</u>	<u>7,027,510</u>	<u>4,015,190</u>	<u>3,012,320</u>
Total Expenditures	<u>2,610,980</u>	<u>7,140,718</u>	<u>4,128,398</u>	<u>3,012,320</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	2,968,085	<u>\$ 2,968,085</u>
Fund Balance at Beginning of Year			<u>3,032,320</u>	
Fund Balance at End of Year			<u>\$ 6,000,405</u>	

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
ORIGINAL, FINAL BUDGET AND ACTUAL –
REGIONAL TRANSPORTATION IMPACT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual	Variance with Final
	Original	Final		
REVENUES				
Charges for services	\$ 1,100,000	\$ 1,200,000	\$ 1,287,068	\$ 87,068
Use of money and property	-	-	37,811	37,811
Total Revenues	1,100,000	1,200,000	1,324,879	124,879
EXPENDITURES				
General administration	13,400	13,400	36,071	(22,671)
RTIF program updates	12,500	12,500	(12,500)	25,000
Congestion relief	1,074,100	1,174,100	284,615	889,485
Total Expenditures	1,100,000	1,200,000	308,186	891,814
Net Change in Fund Balances	\$ -	\$ -	1,016,693	\$ 1,016,693
Fund Balance at Beginning of Year			134,284	
Fund Balance at End of Year			\$ 1,150,977	

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

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
ORIGINAL, FINAL BUDGET AND ACTUAL –
SJCOG, INC. BLENDED COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual	Variance with Final
	Original	Final		
REVENUES				
Charges for services	\$ 12,000,000	\$ 12,000,000	\$ 9,488,542	\$ (2,511,458)
Use of money and property	-	-	592,489	592,489
Other	-	-	49,900	49,900
Total Revenues	12,000,000	12,000,000	10,130,931	(1,869,069)
EXPENDITURES				
General administration	400,000	450,000	434,797	15,203
Habitat plan	11,600,000	11,550,000	6,957,834	4,592,166
Total Expenditures	12,000,000	12,000,000	7,392,631	4,607,369
Net Change in Fund Balances	\$ -	\$ -	2,738,300	\$ 2,738,300
Fund Balance - Beginning, as previously reported			24,381,711	
Restatement			<u>(13,634,122)</u>	
Fund Balance - Beginning as Restated			10,747,589	
Fund Balance at End of Year			<u>\$ 13,485,889</u>	

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

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OTHER SUPPLEMENTARY INFORMATION

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
OVERALL WORK PROGRAM COSTING SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES AND
OTHER ITEMS BY FUNDING SOURCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Budget	General Fund				StanCOG Blueprint
		Local Transp. Funds	Interest/ Other Local	TDA Admin.	Merced Assoc of Govt.	
Revenues:						
Local Transportation Fund	\$ 789,912	\$ 789,912	\$ -	\$ -	\$ -	\$ -
State Transit Assistance	113,208	-	-	-	-	-
Congestion Mitigation Air Quality	540,000	-	-	-	-	-
State/Caltrans - Fwy Svc Patrol	623,758	-	-	-	-	-
State/Caltrans - FSP (Construction)	200,000	-	-	-	-	-
StanCOG CMAQ TDM Ridesharing	155,000	-	-	-	-	-
Planning - SJCOG (TDA)	200,000	-	-	190,531	-	-
FTA MPO Planning	220,775	-	-	-	-	-
FTA 5313(b)	5,964	-	-	-	-	-
USDOT Ramp Metering Project	188,600	-	-	-	-	-
USDOT FAA Airport Coalition	186,056	-	-	-	-	-
Local Match for USDOT Airport Coalition	26,577	-	-	-	-	-
Federal Highway Plannng & Admin.	1,294,965	-	-	-	-	-
Interest	40,000	-	48,782	-	-	-
Measure K (LTA Admin)	530,830	-	-	-	-	-
Measure K (LTA Planning)	650,250	-	-	-	-	-
RTIF	17,300	-	-	-	-	-
STIP Planning & Programming	83,000	-	-	-	-	-
STIP IDM (Rideshare)	167,000	-	-	-	-	-
Amador County/Rideshare	21,100	-	-	-	-	-
SJCOG Fees/Local Other	75,000	-	78,515	-	-	-
SJCOG Fees/ ALUC	-	-	-	-	-	-
Merced Assoc. of Govt: Valley Blueprint	343,109	-	-	-	343,106	-
StanCOG: Valley Blueprint	80,500	-	-	-	-	80,534
Habitat Plan Administration SJCOG, INC.	450,000	-	-	-	-	-
Unreserved Fund Balance	230,725	-	-	-	-	-
Total Revenues	7,233,629	789,912	127,297	190,531	343,106	80,534
Expenditures:						
601.01 RTP Update	413,442	193,817	-	-	-	-
601.02 RTP - Studies	344,300	91,134	-	-	-	-
602.01 R.T.I.P.	178,000	10,897	-	-	-	-
603.01 Road/Street Monitoring	540,141	83,603	-	-	-	-
603.02 Transit Coordination	355,483	-	-	-	-	-
603.03 Transportation Air Quality	377,294	31,382	5,000	-	-	-
701.01 Technical Assistance	54,315	4,293	-	-	-	-
801.01 Intergov. Coordination	424,879	63,070	20,000	-	-	-
801.02 Projects & Forecasts	25,676	663	12,213	-	-	-
801.03 Aviation and Land Use	266,800	15,000	5,000	-	-	-
801.04 Congestion Mgmt.	51,727	21,727	-	-	-	-
801.05 Regional Planning	17,192	8,812	-	-	-	-
801.06 Valley MPO Coord.	100,638	22,756	-	-	-	-
801.07 Interregional Partnership	36,099	687	-	-	-	-
801.08 S.J. Valley Blueprint	438,420	-	-	-	343,106	80,534
801.09 Habitat Plan Implementation	450,000	-	-	-	-	-
901.01 Measure K program mgt.	259,221	-	-	-	-	-
1001.01 COG OWP Mgmt. & Admin.	189,732	59,232	-	-	-	-
1001.02 TDA Administration	200,000	-	-	190,531	-	-
1001.03 Community Involvement	630,640	179,597	84,553	-	-	-
1001.04 TEA-21 Management	13,866	3,242	-	-	-	-
1101.01 IDM Ridesharing	896,829	-	-	-	-	-
1201.01 Freeway Service Patrol	968,935	-	-	-	-	-
Total 05/06 Project Expenditures	7,233,629	789,912	126,766	190,531	343,106	80,534
Other Items (not billed through OWP)						
Additional Provision for Capital Outlay	-	105,390	-	-	-	-
Depreciation Cost Recovery (A-87 Eligible Only)	-	(241,565)	-	-	-	-
Cumulative Under-Recovered	-	85,516	-	-	-	-
Total Other Items	-	(50,659)	-	-	-	-
Total Expenditures and Other Items	7,233,629	739,253	126,766	190,531	343,106	80,534
Excess (Deficit) Revenues, Expenditures and Other Items Current:	\$ -	\$ 50,659	\$ 531	\$ -	\$ -	\$ -

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
OVERALL WORK PROGRAM COSTING SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES AND
OTHER ITEMS BY FUNDING SOURCE (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

General Fund								
Habitat Plan Admin. SJCOG, INC.	State Transit Assist.	Ride- Sharing Stan. Co.	Fwy Service Patrol	Measure K	Unreserved Fund Balance	RTIF	FSP I-205 M-K Construct.	ALUC
\$ -	\$ 18,988	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	298,736	-	-	-	-	-
-	-	155,000	-	-	-	-	138,835	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	259,198	-	-	-	-
-	-	-	-	921,882	-	-	-	-
-	-	-	-	-	-	20,072	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	2,702
-	-	-	-	-	-	-	-	-
434,797	-	-	-	-	-	-	-	-
434,797	18,988	155,000	298,736	1,181,080	-	20,072	138,835	2,702
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	18,988	-	-	369,126	12,412	-	-	-
-	-	-	-	-	10	-	-	-
-	-	-	-	172,935	83,264	-	-	-
-	-	-	-	12,317	19,148	-	-	2,702
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
43	-	-	-	-	14,779	-	-	-
-	-	-	-	239,126	-	20,072	-	-
-	-	-	-	30,000	-	-	-	-
-	-	-	-	220,040	46,376	-	-	-
-	-	155,000	-	7,765	-	-	-	-
-	-	-	298,736	129,771	-	-	138,835	-
43	18,988	155,000	298,736	1,181,080	175,989	20,072	138,835	2,702
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
43	18,988	155,000	298,736	1,181,080	175,989	20,072	138,835	2,702
\$ 434,754	\$ -	\$ -	\$ -	\$ -	\$ (175,989)	\$ -	\$ -	\$ -

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
OVERALL WORK PROGRAM COSTING SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES AND
OTHER ITEMS BY FUNDING SOURCE (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	General Fund				USDOT
	STIP PP&M	STIP TDM	CMAQ	Amador County	FAA Coalition
Revenues:					
Local Transportation Fund	\$ -	\$ -	\$ -	\$ -	\$ -
State Transit Assistance	-	-	-	-	-
Congestion Mitigation Air Quality	-	-	353,139	-	-
State/Caltrans - Fwy Svc Patrol	-	-	-	-	-
State/Caltrans - FSP (Construction)	-	-	-	-	-
StanCOG CMAQ TDM Ridesharing	-	-	-	-	-
Planning - SJCOG (TDA)	-	-	-	-	-
FTA MPO Planning	-	-	-	-	-
FTA 5313(b)	-	-	-	-	-
USDOT Ramp Metering Project	-	-	-	-	-
USDOT FAA Airport Coalition	-	-	-	-	186,037
Local Match for USDOT Airport Coalition	-	-	-	-	-
Federal Highway Planning & Admin.	-	-	-	-	-
Interest	-	-	-	-	-
Measure K (LTA Admin)	-	-	-	-	-
Measure K (LIA Planning)	-	-	-	-	-
RTIF	-	-	-	-	-
STIP Planning & Programming	82,677	-	-	-	-
STIP IDM (Rideshare)	-	167,000	-	-	-
Amador County/Rideshare	-	-	-	21,100	-
SJCOG Fees/Local Other	-	-	-	-	-
SJCOG Fees/ ALUC	-	-	-	-	-
Merced Assoc. of Govt: Valley Blueprint	-	-	-	-	-
StanCOG: Valley Blueprint	-	-	-	-	-
Habitat Plan Administration SJCOG, INC.	-	-	-	-	-
Unreserved Fund Balance	-	-	-	-	-
Total Revenues	82,677	167,000	353,139	21,100	186,037
Expenditures:					
601.01 RTP Update	-	-	-	-	-
601.02 RTP - Studies	-	-	-	-	-
602.01 R.T.I.P.	82,677	-	-	-	-
603.01 Road/Street Monitoring	-	-	-	-	-
603.02 Transit Coordination	-	-	-	-	-
603.03 Transportation Air Quality	-	-	-	-	-
701.01 Technical Assistance	-	-	-	-	-
801.01 Intergov. Coordination	-	-	-	-	-
801.02 Projects & Forecasts	-	-	-	-	-
801.03 Aviation and Land Use	-	-	-	-	186,037
801.04 Congestion Mgmt.	-	-	-	-	-
801.05 Regional Planning	-	-	-	-	-
801.06 Valley MPO Coord.	-	-	-	-	-
801.07 Interregional Partnership	-	-	-	-	-
801.08 S.J. Valley Blueprint	-	-	-	-	-
801.09 Habitat Plan Implementation	-	-	-	-	-
901.01 Measure K Program Mgt.	-	-	-	-	-
1001.01 COG OWP Mgmt. & Admin.	-	-	-	-	-
1001.02 TDA Administration	-	-	-	-	-
1001.03 Community Involvement	-	-	-	-	-
1001.04 TEA-21 Management	-	-	-	-	-
1101.01 IDM Ridesharing	-	167,000	353,139	21,100	-
1201.01 Freeway Service Patrol	-	-	-	-	-
Total 05/06 Project Expenditures	82,677	167,000	353,139	21,100	186,037
Other Items (not billed through OWP)	-	-	-	-	-
Additional Provision for Capital Outlay	-	-	-	-	-
Depreciation Cost Recovery (A-87 Eligible Only)	-	-	-	-	-
Cumulative Under-Recovered	-	-	-	-	-
Total Other Items	-	-	-	-	-
Total Expenditures and Other Items	82,677	167,000	353,139	21,100	186,037
Excess (Deficit) Revenues, Expenditures and Other Items Current:	\$ -	\$ -	\$ -	\$ -	\$ -

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
OVERALL WORK PROGRAM COSTING SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES AND
OTHER ITEMS BY FUNDING SOURCE (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

General Fund						
Local Match Coalition	FTA COG 5313(b)	FTA	FHWA PL	US DOT Ramp Meter	Totals	Favorable (Unfavorable) Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 789,912	\$ -
-	-	-	-	-	18,988	(94,220)
-	-	-	-	-	353,139	(186,861)
-	-	-	-	-	298,736	(325,022)
-	-	-	-	-	138,835	(61,165)
-	-	-	-	-	155,000	-
-	-	-	-	-	190,531	(9,469)
-	-	143,381	-	-	143,381	(77,394)
-	5,957	-	-	-	5,957	(7)
-	-	-	-	188,530	188,530	(70)
-	-	-	-	-	186,037	(19)
26,577	-	-	-	-	26,577	-
-	-	-	1,187,526	-	1,187,526	(107,439)
-	-	-	-	-	48,782	8,782
-	-	-	-	-	259,198	(271,632)
-	-	-	-	-	921,882	271,632
-	-	-	-	-	20,072	2,772
-	-	-	-	-	82,677	(323)
-	-	-	-	-	167,000	-
-	-	-	-	-	21,100	-
-	-	-	-	-	78,515	3,515
-	-	-	-	-	2,702	2,702
-	-	-	-	-	343,106	(3)
-	-	-	-	-	80,534	34
-	-	-	-	-	434,797	(15,203)
-	-	-	-	-	-	(230,725)
26,577	5,957	143,381	1,187,526	188,530	6,143,514	(1,090,115)
-	-	-	219,625	-	413,442	-
-	-	-	64,600	188,530	344,264	36
-	-	-	84,103	-	177,677	323
-	-	-	75,000	-	540,141	-
-	-	143,381	-	-	162,369	193,114
-	-	-	280,467	-	316,859	60,435
-	-	-	33,136	-	37,429	16,886
-	-	-	85,106	-	424,375	504
-	-	-	12,800	-	25,676	-
26,577	-	-	-	-	266,781	19
-	-	-	30,000	-	51,727	-
-	-	-	8,380	-	17,192	-
-	-	-	77,882	-	100,638	-
-	-	-	5,303	-	5,990	30,109
-	-	-	-	-	438,419	1
-	-	-	-	-	43	449,957
-	-	-	-	-	259,198	23
-	-	-	100,500	-	189,732	-
-	-	-	-	-	190,531	9,469
-	-	-	100,000	-	630,566	74
-	-	-	10,624	-	13,866	-
-	5,957	-	-	-	709,961	186,868
-	-	-	-	-	567,342	401,593
26,577	5,957	143,381	1,187,526	188,530	5,884,218	1,349,411
-	-	-	-	-	105,390	(105,390)
-	-	-	-	-	(241,565)	241,565
-	-	-	-	-	85,516	(85,516)
-	-	-	-	-	(50,659)	50,659
26,577	5,957	143,381	1,187,526	188,530	5,833,559	1,400,070
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 309,955	\$ 309,955

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF DIRECT AND INDIRECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Direct</u>	<u>Indirect</u>	<u>Unallowable Expense</u>	<u>Total</u>
Salaries	\$ 1,076,117	\$ 815,009	\$ -	\$ 1,891,126
Fringe benefits	472,953	323,814	-	796,767
Office expense	125,761	160,517	-	286,278
Communications	8,480	43,104	-	51,584
Memberships	5,125	27,420	6,361	38,906
Rent - equipment	-	101,704	-	101,704
Capital lease principal payments	-	42,542	-	42,542
Capital lease interest payments	-	11,533	-	11,533
Interest - building debt service	-	156,572	65,725	222,297
Transportation, travel and training	106,209	6,824	5,031	118,064
Professional and special services	1,788,018	150,382	83,493	2,021,893
Departmental costs allocated	-	9,470	-	9,470
Publications and legal notices	15,951	7,049	-	23,000
Insurance	-	74,381	-	74,381
Rents - other	1,752	1,464	-	3,216
Capital outlay	-	-	105,390	105,390
Maintenance - equipment	-	5,161	-	5,161
Maint. - struct. & grounds	-	47,509	-	47,509
Utilities	-	70,053	-	70,053
TOTAL EXPENDITURES	3,600,366	2,054,508	266,000	5,920,874
Other reconciling items:				
Depreciation	-	241,565	52,500	294,065
Total Expenditures Recovered				
Under Indirect Cost Rate	<u>\$ 3,600,366</u>	2,296,073	<u>\$ 318,500</u>	<u>\$ 6,214,939</u>
Total expenditures recovered under Indirect Cost Rate		<u>1,921,333</u>		
2006-07 under recovered indirect cost carryforward		<u>\$ 374,740</u>		

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
ORIGINAL, FINAL BUDGET AND ACTUAL –
GENERAL FUND BY WORK PROGRAM
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental	\$ 6,174,223	\$ 7,193,629	\$ 5,996,146	\$ (1,197,483)
Use of money and property	10,000	10,000	49,313	39,313
Miscellaneous	30,000	30,000	98,056	68,056
Total Revenues	<u>6,214,223</u>	<u>7,233,629</u>	<u>6,143,515</u>	<u>(1,090,114)</u>
<u>EXPENDITURES</u>				
Regional Transportation Plan	150,000	413,442	413,442	0
Regional Planning Studies	707,262	344,300	344,264	36
Transportation Improvement Program	170,000	178,000	177,677	323
Roads and Streets Monitoring	333,603	540,141	540,141	0
Transit Coordination and Planning	285,968	355,483	162,369	193,114
Transportation Air Quality Planning	200,000	377,294	316,860	60,434
Ongoing Technical Assistance	81,500	54,315	37,429	16,886
Intergovernmental Coordination	342,611	424,879	424,375	504
Projections and Forecasts	29,500	25,676	25,676	0
Airport and Land Use	245,000	266,800	266,781	19
Congestion Management Prog/Sys	33,441	51,727	51,727	(0)
Regional Planning	49,000	17,192	17,192	0
Valley MPO Coordination	218,900	100,638	100,638	(0)
Interregional Partnership	40,000	36,099	5,991	30,108
S.J. Valley Blueprint	324,053	438,420	438,418	2
Habitat Plan Implementation	400,000	450,000	43	449,957
Measure K Program Mgmt/Admin	371,329	259,221	259,198	23
COG Overall Work Plan Administration	200,000	189,732	189,732	(0)
TDA Administration	200,000	200,000	190,531	9,469
Community Involvement Program	520,000	630,640	630,564	76
TEA-21 Management	12,000	13,866	13,866	0
Transportation Demand Management	700,000	896,829	709,962	186,867
Freeway Service Patrol	600,056	968,935	567,343	401,592
Total 2005/06 Project Expenditures	<u>6,214,223</u>	<u>7,233,629</u>	<u>5,884,219</u>	<u>1,349,410</u>
Other (not billed through Overall Work Program)				
Additional provision for capital outlay	-	-	105,390	(105,390)
Depreciation cost recovery A-87 assets only	-	-	(241,565)	241,565
Total Other	<u>-</u>	<u>-</u>	<u>(136,175)</u>	<u>136,175</u>
Overhead (overclaimed) underclaimed - prior periods	-	-	85,516	(85,516)
Total Adjusted Project Expenditures	<u>6,214,223</u>	<u>7,233,629</u>	<u>5,833,560</u>	<u>1,400,069</u>
Net Change in Fund Balance	(0)	-	309,955	309,955
Fund Balance - Beginning	-	-	(4,042,126)	(4,042,126)
Fund Balance - Ending	<u>\$ (0)</u>	<u>\$ -</u>	<u>\$ (3,732,171)</u>	<u>\$ (3,732,171)</u>

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF BALANCES
LOCAL TRANSPORTATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	<u>SJRTD</u>	<u>Lathrop</u>	<u>Lodi</u>	<u>Manteca</u>	<u>Tracy</u>	<u>Ripon</u>	<u>Escalon</u>	<u>SJRRC</u>	<u>S.J. County</u>	<u>Stockton</u>	<u>SJCOG Planning</u>	<u>SJCOG TDA Admin.</u>	<u>S.J. County Auditor</u>	<u>Total LTF Funds</u>
ASSETS:														
Cash in treasury	\$ 16,864	\$ 53,041	\$ 449	\$ 1,419,944	\$ 578,923	\$ 986	\$ 422,248	\$ 794,016	\$ 147	\$ 7,120	\$ -	\$ -	\$ -	\$ 3,293,738
Sales tax apportionment receivable	1,085,542	35,533	176,655	175,128	221,450	37,445	19,547	(143,710)	61,610	-	-	-	-	1,669,200
Interest receivable	1,149	2,698	4,908	14,484	6,775	2,486	4,981	10,129	4,349	91	-	-	-	52,050
Total Assets	\$ 1,103,555	\$ 91,272	\$ 182,012	\$ 1,609,556	\$ 807,148	\$ 40,917	\$ 446,776	\$ 660,435	\$ 66,106	\$ 7,211	\$ -	\$ -	\$ -	\$ 5,014,988
LIABILITIES AND FUND EQUITY														
Liabilities:														
Due to other funds														
Intergovernmental payable	\$ 552,109	\$ -	\$ 174,900	\$ -	\$ -	\$ 39,400	\$ -	\$ 623,012	\$ 63,600	\$ -	\$ -	\$ -	\$ -	\$ 1,453,021
Total Liabilities	552,109	-	174,900	-	-	39,400	-	623,012	63,600	-	-	-	-	1,453,021
Fund Equity:														
Apportioned	551,446	91,272	7,112	1,609,556	807,148	1,517	446,776	37,423	2,506	7,211	-	-	-	3,561,967
Total Fund Equity	551,446	91,272	7,112	1,609,556	807,148	1,517	446,776	37,423	2,506	7,211	-	-	-	3,561,967
Total Liabilities and Fund Equity	\$ 1,103,555	\$ 91,272	\$ 182,012	\$ 1,609,556	\$ 807,148	\$ 40,917	\$ 446,776	\$ 660,435	\$ 66,106	\$ 7,211	\$ -	\$ -	\$ -	\$ 5,014,988

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
LOCAL TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2007**

	SJRTD	Lathrop	Lodi	Manteca	Tracy	Ripon	Escalon	SJRRC	S.J. County	Stockton	SJCOG Planning	SJCOG TDA Admin.	S.J. County Auditor	Total LTF Funds
REVENUE:														
Sales Tax	\$ 13,095,127	\$ 425,500	\$ 2,115,374	\$ 2,097,088	\$ 2,651,778	\$ 448,392	\$ 234,067	\$ 593,177	\$ 831,762	\$ 225,297	\$ 789,912	\$ 200,000	\$ 2,000	\$ 23,709,474
Interest	30,115	41,209	27,805	87,314	56,554	12,914	34,885	37,423	17,083	7,209	-	-	-	352,511
Unrealized Gains (Losses) on Investments	209	75	57	118	70	47	66	76	20	2	-	-	-	740
Total Revenue	13,125,451	466,784	2,143,236	2,184,520	2,708,402	461,353	269,018	630,676	848,865	232,508	789,912	200,000	2,000	24,062,725
EXPENDITURES:														
SJRTD	15,697,109	-	-	-	-	-	-	-	-	-	-	-	-	15,697,109
Lathrop	-	1,164,906	-	-	-	-	-	-	-	-	-	-	-	1,164,906
Lodi	-	-	2,277,900	-	-	-	-	-	-	-	-	-	-	2,277,900
Manteca	-	-	-	1,936,303	-	-	-	-	-	-	-	-	-	1,936,303
Tracy	-	-	-	-	2,812,162	-	-	-	-	-	-	-	-	2,812,162
Ripon	-	-	-	-	-	489,300	-	-	-	-	-	-	-	489,300
Escalon	-	-	-	-	-	-	508,420	-	-	-	-	-	-	508,420
SJRRC	-	-	-	-	-	-	-	623,012	-	-	-	-	-	623,012
S.J. County	-	-	-	-	-	-	-	-	874,600	-	-	-	-	874,600
Stockton	-	-	-	-	-	-	-	-	-	249,832	-	-	-	249,832
SJCOG Planning	-	-	-	-	-	-	-	-	-	-	789,912	-	-	789,912
SJCOG TDA Admin.	-	-	-	-	-	-	-	-	-	-	-	200,000	-	200,000
S.J. County Auditor/Contr.	-	-	-	-	-	-	-	-	-	-	-	-	2,000	2,000
Total Expenditures	15,697,109	1,164,906	2,277,900	1,936,303	2,812,162	489,300	508,420	623,012	874,600	249,832	789,912	200,000	2,000	27,625,456
Excess (Deficit) of Revenues Over Expenditures	(2,571,658)	(698,122)	(134,664)	248,217	(103,760)	(27,947)	(239,402)	7,664	(25,735)	(17,324)	-	-	-	(3,562,731)
OTHER FINANCING SOURCES (USES):														
Interfund Transfers	158	(207)	248	(624)	(16)	212	(197)	411	29	(14)	-	-	-	-
Fund Balance Beginning of Year	3,122,946	789,601	141,528	1,361,963	910,924	29,252	686,375	29,348	28,212	24,549	-	-	-	7,124,698
Fund Balance End of Year	\$ 551,446	\$ 91,272	\$ 7,112	\$ 1,609,556	\$ 807,148	\$ 1,517	\$ 446,776	\$ 37,423	\$ 2,506	\$ 7,211	\$ -	\$ -	\$ -	\$ 3,561,967

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF ALLOCATIONS AND EXPENDITURES
LOCAL TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2007**

PUC Section	Purpose	Allocated/ Expended
99233.1	Administration: Council County of San Joaquin	\$ 200,000 2,000
		<u>202,000</u>
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	139,797 10,878 249,832 63,118 50,350 49,494 10,673 10,128
		<u>584,270</u>
99260	Public Transportation: San Joaquin Regional Transit District City of Ripon	15,697,109 4,500
		<u>15,701,609</u>
99260	Public Transportation System Planning: Council of Governments	789,912
99400(a)	Streets, Roads, Pedestrian and Bicycle Projects: County of San Joaquin City of Escalon City of Tracy City of Lodi City of Ripon City of Manteca City of Lathrop	734,803 446,327 2,190,832 150,000 474,127 1,746,908 1,154,778
		<u>6,897,775</u>
99400(c)	Contracted Public Transportation - Operations: City of Escalon San Joaquin Regional Rail Commission City of Tracy City of Lodi City of Manteca	51,215 623,012 271,210 1,532,808 139,901
		<u>2,618,146</u>
99400(e)	Contracted Public Transportation - Capital: City of Tracy City of Lodi City of Manteca	287,002 544,742 -
		<u>831,744</u>
99400(b,c,d)	Other: City of Manteca	-
		<u>-</u>
	Total:	<u><u>\$ 27,625,456</u></u>

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF BALANCES
STATE TRANSIT ASSISTANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	<u>SJRTD</u>	<u>Lodi</u>	<u>Ripon</u>	<u>SJRRC</u>	<u>SJCOG TDA Admin.</u>	<u>Total LTF Funds</u>
<u>ASSETS:</u>						
Cash in treasury	\$ 4,287,717	\$ 269	\$ 3	\$ 142,869	\$ -	\$ 4,430,858
Sales tax apportionment receivable	1,668,895	10,320	28	16,785	-	1,696,028
Interest receivable	41,412	320	-	1,743	-	43,475
Total Assets	<u>\$ 5,998,024</u>	<u>\$ 10,909</u>	<u>\$ 31</u>	<u>\$ 161,397</u>	<u>\$ -</u>	<u>\$ 6,170,361</u>
 <u>LIABILITIES AND FUND EQUITY</u>						
Liabilities						
Intergovernmental payable	\$ -	\$ 8,785	\$ 14	\$ 161,157	\$ -	\$ 169,956
Total Liabilities	<u>-</u>	<u>8,785</u>	<u>14</u>	<u>161,157</u>	<u>-</u>	<u>169,956</u>
 <u>FUND EQUITY</u>						
Apportioned	<u>5,998,024</u>	<u>2,124</u>	<u>17</u>	<u>240</u>	<u>-</u>	<u>6,000,405</u>
Total Fund Equity	<u>5,998,024</u>	<u>2,124</u>	<u>17</u>	<u>240</u>	<u>-</u>	<u>6,000,405</u>
Total Liabilities and Fund Equity	<u>\$ 5,998,024</u>	<u>\$ 10,909</u>	<u>\$ 31</u>	<u>\$ 161,397</u>	<u>\$ -</u>	<u>\$ 6,170,361</u>

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
STATE TRANSIT ASSISTANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	<u>SJRTD</u>	<u>Lodi</u>	<u>Ripon</u>	<u>SJCRRC</u>	<u>SJCOG STA Admin.</u>	<u>Total STA Funds</u>
<u>REVENUE:</u>						
Sales tax	\$ 6,618,168	\$ 39,576	\$ 96	\$ 156,531	\$ 113,208	\$ 6,927,579
Interest	160,517	784	-	4,543	2,807	168,651
Unrealized Gains (Losses) on Investments	253	-	-	-	-	253
Total Revenue	<u>6,778,938</u>	<u>40,360</u>	<u>96</u>	<u>161,074</u>	<u>116,015</u>	<u>7,096,483</u>
<u>EXPENDITURES:</u>						
SJRTD	3,813,169	-	-	-	-	3,813,169
Lodi	-	40,785	-	-	-	40,785
Ripon	-	-	79	-	-	79
SJRRRC	-	-	-	161,157	-	161,157
SJCOG TDA Admin.	-	-	-	-	113,208	113,208
Total Expenditures	<u>3,813,169</u>	<u>40,785</u>	<u>79</u>	<u>161,157</u>	<u>113,208</u>	<u>4,128,398</u>
Excess (Deficit) of Revenues Over Expenditures	2,965,769	(425)	17	(83)	2,807	2,968,085
<u>OTHER FINANCING SOURCES (USES):</u>						
Interfund Transfers	2,481	10	-	316	(2,807)	-
Fund Balance Beginning of Year	<u>3,029,774</u>	<u>2,539</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>3,032,320</u>
Fund Balance End of Year	<u>\$ 5,998,024</u>	<u>\$ 2,124</u>	<u>\$ 17</u>	<u>\$ 240</u>	<u>\$ -</u>	<u>\$ 6,000,405</u>

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
 SCHEDULE OF ALLOCATIONS AND EXPENDITURES
 STATE TRANSIT ASSISTANCE FUND
 FOR THE YEAR ENDED JUNE 30, 2007**

<u>PUC Section</u>	<u>Purpose</u>	<u>Allocated/ Expended</u>
6730(a)	Public Transit: San Joaquin Regional Rail Commission City of Ripon	\$ 161,157 79
		<u>161,236</u>
6730(b)	Transit Capital: San Joaquin Regional Transit District	3,813,169
6731(b)	Contracted Transit: City of Lodi	40,785
6731(b)	Transit Administration/Planning: Council	<u>113,208</u>
	Total:	<u><u>\$ 4,128,398</u></u>

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**STATISTICAL SECTION
(Unaudited)**

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

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
<u>Program revenues:</u>										
Governmental activities:										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,813,277	\$ 2,687,413	\$ 2,890,046	\$13,486,878	\$ 10,132,732
Operating grants and contributions	-	-	-	-	-	66,270,395	64,893,087	73,098,323	83,038,339	93,886,407
Capital grants and contributions	-	-	-	-	-	-	34,291	-	-	-
Total program revenues - primary government	-	-	-	-	-	69,083,672	67,614,791	75,988,369	96,525,217	104,019,139
<u>General revenues:</u>										
Governmental activities:										
Unrestricted investment earnings	-	-	-	-	-	173,892	28,231	16,210	33,470	48,782
Miscellaneous	-	-	-	-	-	82,685	39,484	73,578	59,766	96,255
Total general revenues - primary government	-	-	-	-	-	256,577	67,715	89,788	93,236	145,037
Total revenues - primary government	\$ -	\$ -	\$ -	\$ -	\$ -	\$69,340,249	\$67,682,506	\$76,078,157	\$96,618,453	\$104,164,176

⁽¹⁾ 2002-03 Marks the year of GASB Statement No. 34 implementation for the San Joaquin Council of Governments. GASB 34 does not require the "government-wide" presentation of data for fiscal years ended prior to June 30, 2003.

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

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
<u>Governmental activities:</u>										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,985,528	\$ 4,069,600	\$ 4,483,182	\$ 4,708,473	\$ 6,986,738
Transportation	-	-	-	-	-	71,275,686	74,914,345	71,652,827	92,855,576	115,748,171
Habitat development	-	-	-	-	-	349,176	316,077	494,808	682,184	968,753
Interest expense	-	-	-	-	-	8,714	112,417	135,247	195,905	233,830
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$75,619,104</u>	<u>\$79,412,439</u>	<u>\$76,766,064</u>	<u>\$98,442,138</u>	<u>\$123,937,492</u>

⁽¹⁾ 2002-03 Marks the year of GASB Statement No. 34 implementation for the San Joaquin Council of Governments.
GASB 34 does not require the "government-wide" presentation of data for fiscal years ended prior to June 30, 2003.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS⁽¹⁾
(accrual basis of accounting)**

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
<u>Governmental activities:</u>										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,686	\$ 8,199,237	\$ 1,922,459	\$ 15,326,492	\$ 21,546,388
Restricted for:										
Habitat acquisition and management	-	-	-	-	-	5,773,546	8,379,820	10,772,195	10,747,589	13,485,889
Apportioned	-	-	-	-	-	64,449,709	45,263,481	42,408,568	70,648,046	72,126,166
Debt service	-	-	-	-	-	2,952,922	135,443	443	183,693	230,773
Unrestricted	-	-	-	-	-	972,217	833,460	7,019,869	(35,798,151)	(66,054,863)
 Total primary government net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,292,080</u>	<u>\$ 62,811,441</u>	<u>\$ 62,123,534</u>	<u>\$ 61,107,669</u>	<u>\$ 41,334,353</u>

⁽¹⁾ 2002-03 Marks the year of GASB Statement No. 34 implementation for the San Joaquin Council of Governments.
GASB 34 does not require the "government-wide" presentation of data for fiscal years ended prior to June 30, 2003.

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS⁽¹⁾
(accrual basis of accounting)**

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
EXPENSES										
Governmental activities:										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,985,528	\$ 4,069,600	\$ 4,483,182	\$ 4,708,473	\$ 6,986,738
Transportation	-	-	-	-	-	71,275,686	74,914,345	71,652,827	92,855,576	115,748,171
Habitat development	-	-	-	-	-	349,176	316,077	494,808	682,184	968,753
Interest expense	-	-	-	-	-	8,714	112,417	135,247	195,905	233,830
Total primary government expenses	-	-	-	-	-	75,619,104	79,412,439	76,766,064	98,442,138	123,937,492
PROGRAM REVENUES										
Governmental activities:										
Charges for services	-	-	-	-	-	2,813,277	2,687,413	2,890,046	13,486,878	10,132,732
Operating grants and contributions	-	-	-	-	-	66,270,395	64,893,087	73,098,323	83,038,339	93,886,407
Capital grants and contributions	-	-	-	-	-	-	34,291	-	-	-
Total governmental activities program revenues	-	-	-	-	-	69,083,672	67,614,791	75,988,369	96,525,217	104,019,139
Total primary government net revenue (expense)	-	-	-	-	-	(6,535,432)	(11,797,648)	(777,695)	(1,916,921)	(19,918,353)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Unrestricted investment earnings	-	-	-	-	-	173,892	28,231	16,210	33,470	48,782
Miscellaneous	-	-	-	-	-	82,685	39,484	73,578	59,766	96,255
Total general revenues - primary government	-	-	-	-	-	256,577	67,715	89,788	93,236	145,037
CHANGE IN NET ASSETS TOTAL PRIMARY GOVERNMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$(6,278,855)	\$(11,729,933)	\$ (687,907)	\$(1,823,685)	\$(19,773,316)

⁽¹⁾ 2002-03 Marks the year of GASB Statement No. 34 implementation for the San Joaquin Council of Governments. GASB 34 does not require the "government-wide" presentation of data for fiscal years ended prior to June 30, 2003.

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

Fiscal Year	Local Transportation Fund	State Transit Assistance	Measure K	Total
1997-98	\$ 12,192,817	\$ 1,000,557	\$ 23,884,734	\$ 37,078,108
1998-99	13,038,365	967,484	26,831,193	40,837,042
1999-00	15,145,856	981,296	29,094,198	45,221,350
2000-01	17,238,128	1,007,740	32,988,839	51,234,707
2001-02	17,632,624	1,913,861	34,377,742	53,924,227
2002-03	18,768,399	1,073,638	36,378,280	56,220,317
2003-04	20,375,418	1,165,914	39,221,071	60,762,403
2004-05	22,528,054	1,285,581	43,625,573	67,439,208
2005-06	24,975,210	2,251,762	47,167,527	74,394,499
2006-07	23,709,474	6,927,579	47,162,943	77,799,996

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

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	278,114	230,385	205,802	166,514	627,192	972,217	(4,583,715)	(4,722,759)	(4,042,126)	(3,732,171)
Total general fund	<u>\$278,114</u>	<u>\$230,385</u>	<u>\$205,802</u>	<u>\$166,514</u>	<u>\$ 627,192</u>	<u>\$ 972,217</u>	<u>\$ (4,583,715)</u>	<u>\$ (4,722,759)</u>	<u>\$ (4,042,126)</u>	<u>\$ (3,732,171)</u>
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$165,777,202	\$154,789,582	\$145,992,981	\$143,371,222	\$204,631,247	\$184,816,451
Unreserved, reported in Special revenue funds	277,617	11,592	171,635	230,068	-	-	-	-	-	-
Total all other governmental funds	<u>\$277,617</u>	<u>\$ 11,592</u>	<u>\$171,635</u>	<u>\$230,068</u>	<u>\$165,777,202</u>	<u>\$154,789,582</u>	<u>\$145,992,981</u>	<u>\$143,371,222</u>	<u>\$204,631,247</u>	<u>\$184,816,451</u>

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

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
REVENUES										
Sales tax	\$ 37,078,108	\$ 40,837,042	\$ 45,221,350	\$ 51,234,707	\$ 53,924,227	\$ 56,220,317	\$ 60,762,403	\$ 67,439,208	\$ 74,394,499	\$ 77,799,996
Intergovernmental	2,195,848	2,146,121	3,963,490	3,907,406	4,098,354	4,201,070	6,388,567	4,196,645	5,146,041	5,996,146
Charges for services	-	-	-	-	1,994,084	2,813,277	2,610,642	2,745,671	13,218,708	10,777,411
Investment earnings	6,983,350	6,802,609	7,521,403	9,549,270	8,592,953	6,687,520	1,363,123	3,305,289	5,671,684	10,844,856
Charitable contributions - easements	-	-	-	-	589,717	-	201,805	-	-	-
Other	9,632	26,219	12,063	952,063	91,212	82,685	39,484	73,578	59,766	146,155
Total revenues	46,266,938	49,811,991	56,718,306	65,643,446	69,290,547	70,004,869	71,366,024	77,760,391	98,490,698	105,564,564
EXPENDITURES										
General administration	406,541	418,447	740,879	2,218,276	4,296,173	4,729,944	7,586,419	5,896,553	6,277,914	8,559,267
Transportation	47,569,801	50,140,838	49,841,454	51,597,288	55,271,248	69,608,545	73,511,899	69,645,387	88,117,490	109,520,850
Habitat plan	-	-	-	-	948,288	349,176	66,077	112,392	297,201	488,657
Investment expense	218,730	-	-	-	-	446,428	582,363	633,784	840,548	740,270
Debt service										
Principal	29,187	53,294	72,593	68,685	29,474	29,028	28,519	38,583	40,901	54,075
Interest	1,389,163	2,029,594	2,309,840	3,244,588	1,686,433	1,229,427	1,182,500	1,759,929	4,578,834	5,688,210
Capital outlay										
Capital assets	25,423	196,632	35,488	54,585	30,759	14,556	7,935,244	42,191	21,998	6,441,954
Capital leases	30,229	69,270	114,080	10,958	15,542	49,693	49,516	24,085	18,368	87,314
Total expenditures	49,669,074	52,908,075	53,114,334	57,194,380	62,277,917	76,456,797	90,942,537	78,152,904	100,193,254	131,580,597
Excess of revenues over (under) expenditures	(3,402,136)	(3,096,084)	3,603,972	8,449,066	7,012,630	(6,451,928)	(19,576,513)	(392,513)	(1,702,556)	(26,016,033)
OTHER FINANCING SOURCES (USES)										
Commercial paper proceeds	65,000,000	-	24,000,000	-	-	-	8,000,000	-	72,000,000	-
Commercial paper retirements	-	-	-	-	-	-	(2,000,000)	-	-	-
Operating transfers - in	-	-	244,588	-	2,462	-	-	-	-	-
Operating transfers - out	-	-	(244,588)	-	(2,462)	-	-	-	-	-
Insurance proceeds	-	10,423	-	-	-	-	-	-	-	-
Capital leases	30,229	196,632	114,080	10,958	15,542	49,693	49,516	24,085	18,368	87,314
Total other financing sources (uses)	65,030,229	207,055	24,114,080	10,958	15,542	49,693	6,049,516	24,085	72,018,368	87,314
NET CHANGE IN FUND BALANCES	\$ 61,628,093	\$ (2,889,029)	\$ 27,718,052	\$ 8,460,024	\$ 7,028,172	\$ (6,402,235)	\$ (13,526,997)	\$ (368,428)	\$ 70,315,812	\$ (25,928,719)
Debt service as a percentage of noncapital expenditures	2.94%	4.12%	4.71%	6.16%	2.84%	1.67%	1.48%	2.36%	4.84%	4.81%

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES BY SOURCE
GENERAL FUND
FOR THE FISCAL YEARS ENDING JUNE 30, 1998 THROUGH JUNE 30, 2007**

	June 30, 1998	June 30, 1999	June 30, 2000	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007
INTERGOVERNMENTAL										
TDA Administration	\$ 101,000	\$ 101,000	\$ 111,000	\$ 131,000	\$ 133,000	\$ 133,000	\$ 158,000	\$ 160,000	\$ 200,000	\$ 190,531
State Transit Assistance	14,000	16,425	16,444	16,652	28,651	16,658	18,003	20,459	35,607	18,988
State Subventions/Mandated Costs	-	-	-	-	7,078	-	-	-	-	20,072
Stockton - Arch Road/Hwy 99	244,350	-	-	1,620	-	-	-	-	-	-
Freeway Service Patrol	160,600	178,490	324,924	278,853	289,759	289,007	336,806	330,361	323,127	437,571
Ridesharing - S.J. County TDM	300,000	134,919	168,081	157,000	160,000	164,000	-	-	-	-
Ridesharing - Stanislaus Co.	-	100,000	104,500	105,000	107,000	109,000	121,000	139,000	155,000	155,000
National Fish & Wildlife	11,700	-	-	-	-	-	-	-	-	21,100
Habitat Funds/Habitat Management	-	-	250,000	-	40,006	296,163	250,000	382,415	384,983	434,797
Measure K	390,388	520,800	776,900	1,038,000	900,000	965,000	3,515,617	1,038,517	1,644,128	1,181,080
Fed. Highways Png. & Admin/SPR/PPM	481,534	586,655	606,890	696,187	762,049	801,168	872,450	980,375	782,606	1,187,526
Federal Transit Administration	92,995	77,983	102,589	104,816	263,621	184,297	172,757	188,008	179,054	149,338
Department of Education	-	-	-	-	172,635	257,990	-	32,352	-	-
CMAQ/IRP/WTW/CIRIS	-	-	-	-	74,295	91,339	120,030	105,414	79,733	-
CMAQ/Congest. Mitigation/Rideshare	-	-	-	-	-	179,798	68,924	24,956	343,911	353,139
San Joaquin Valley APCD	-	18,587	66,144	196,650	750	500	500	-	-	-
Airport Land Use Commission	-	9,820	3,675	5,715	4,747	3,920	3,270	4,390	3,430	2,702
Great Valley Ctr. Legacy Grant	-	50,000	25,000	-	-	15,000	-	-	-	-
Caltrans PPM Program	-	58,000	75,000	77,000	101,000	212,000	-	-	-	-
Caltrans ITS Program	-	6,000	174,145	354,227	76,772	-	-	-	-	-
SB 45 STIP PP&M Program	-	-	-	-	-	-	-	90,556	94,444	249,677
Urban Area Focus/Strat. Deployment	-	-	-	-	102,592	-	-	-	-	-
Manteca/Lathrop Interchange Feasibility	-	-	-	-	-	55,161	43,454	-	-	-
Ripon Bike Bridge Funds	-	-	88,049	158,201	-	-	-	-	-	-
State Census 2000	-	-	93,533	-	-	-	-	-	-	-
Interregional Partnership - ABA G	-	-	-	-	-	12,938	46,651	-	-	-
San Joaquin A-Plus Reading Program	-	-	-	26,424	22,495	76,621	-	-	-	-
CCASP Aviation Plan	10,486	-	-	-	-	-	-	-	-	-
Valley CAN/Valley blue print	-	-	-	-	-	-	-	24,000	80,070	423,640
USDOT SR130/FAA	-	-	-	-	-	-	-	-	90,692	401,144
Planning - SJCOG TDA	240,000	284,224	454,375	456,750	601,979	547,500	626,815	675,842	749,256	789,912
Total Intergovernmental	2,047,053	2,142,903	3,441,249	3,804,095	3,848,429	4,411,060	6,354,277	4,196,645	5,146,041	6,016,217
Use of Money and Property										
Interest Income	29,463	22,911	28,833	28,935	19,914	18,606	29,025	16,255	32,942	48,782
Unrealized Gain (Loss) On Inv.	(2,551)	(390)	347	(2,462)	587	(2,169)	(794)	(45)	529	531
Total Use of Money and Property	26,912	22,521	29,180	26,473	20,501	16,437	28,231	16,210	33,471	49,313
Miscellaneous										
SJCOG Fees - Data Sales	2,244	703	2,228	2,043	13,254	4,478	1,158	1,406	2,827	539
Insurance Proceeds	-	10,423	1,900	-	-	-	-	-	-	-
Donations & Other Local Revenue	7,386	15,093	7,935	69,484	76,094	82,685	39,484	75,034	59,936	77,446
Total Other Revenue	9,630	26,219	12,063	71,527	89,348	87,163	40,642	76,440	62,763	77,985
Total Revenues	\$ 2,083,595	\$ 2,191,643	\$ 3,482,492	\$ 3,902,095	\$ 3,958,278	\$ 4,514,660	\$ 6,423,150	\$ 4,289,295	\$ 5,242,275	\$ 6,143,515

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES BY FUNCTION
GENERAL FUND
FOR THE FISCAL YEARS ENDING JUNE 30, 1998 THROUGH JUNE 30, 2007**

	June 30, 1998	June 30, 1999	June 30, 2000	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007
EXPENDITURES										
RTP Update	\$ 61,326	\$ 15,954	\$ 18,649	\$ 135,995	\$ 121,613	\$ 45,629	\$ 74,841	\$ 87,440	\$ 89,731	\$ 413,442
RTP Studies	41,037	67,541	5,939	14,229	35,145	57,967	18,752	72,319	149,458	344,264
Foothill/Valley (94/96)	-	-	-	-	-	-	-	-	-	-
Regional Transp. Improv. Plan	61,922	84,177	147,832	141,533	170,378	232,800	151,315	182,096	341,682	177,677
Road/Street Monitoring	97,529	90,809	227,165	222,871	185,305	366,457	321,224	506,476	357,210	540,141
Transit Coordination	116,244	93,935	128,236	131,355	185,089	211,690	200,209	213,414	203,517	162,369
Transportation Air Quality	28,693	10,728	22,783	49,955	124,280	131,709	90,903	173,907	258,762	316,860
Transportation A.Q. Model	49,191	48,506	95,602	123,050	53,077	-	-	-	-	-
Social Service Transit	-	-	-	-	-	-	-	-	-	-
Technical Assistance	542,585	334,799	532,308	837,404	710,190	458,423	76,221	100,838	50,921	37,429
Intergovernmental Coordination	74,574	117,766	190,315	223,641	361,850	304,212	299,515	340,899	291,893	424,375
Projects and Forecasts	71,868	70,911	278,155	54,146	103,304	143,816	124,636	97,117	10,299	25,676
Aviation and Land Use	13,713	3,892	5,484	4,915	5,877	6,242	12,808	3,740	80,379	266,781
Congestion Management	34,162	22,720	5,240	3,563	1,152	283	1,161	13,444	12,653	51,727
Regional Planning	76,933	193,116	492,153	310,922	292,626	302,577	515,446	539,041	26,890	17,192
Valley M.P.O. Coordination	26,288	61,182	196,990	403,034	126,084	23,160	15,073	14,515	7,926	100,638
Interregional Partnership	-	-	-	16,453	43,907	107,511	59,563	6,791	1,607	5,991
Measure K Program Management	89,699	105,324	152,417	97,287	147,860	201,596	157,741	243,150	312,057	438,418
San Joaquin Valley Blueprint	-	-	-	-	-	-	-	-	80,506	43
Habitat Implementation	-	-	-	-	-	-	-	-	241,459	259,198
COG OWP Mgmt. & Admin.	104,820	213,742	87,607	121,714	161,942	171,771	153,050	155,404	166,162	189,732
TDA Administration	98,959	83,985	108,349	123,349	126,316	134,823	154,835	133,284	199,767	190,531
Community Involvement	91,191	78,590	161,330	224,955	192,502	249,420	330,221	296,176	687,150	630,564
Capital Outlay/Deprec/Ins Adjustment	7,838	(9,712)	(1,962)	(822)	(1,402)	(6,106)	7,818,061	(152,087)	(200,121)	(136,175)
ISTEA/TEA-21 Management	11,338	18,097	3,567	172	4,032	5,096	1,742	735	8,276	13,866
Ridesharing - S.J. County/Stan. County TDM	240,407	360,555	379,033	311,118	489,054	546,020	442,989	431,861	511,567	709,962
Freeway Service Patrol	-	-	-	-	-	361,259	421,007	414,316	443,969	567,343
Under (Over) - Applied Costs	319,245	449,203	354,428	332,111	85,024	161,438	537,768	553,463	469,795	85,516
Total Expenditures	\$ 2,259,562	\$ 2,515,820	\$ 3,591,620	\$ 3,882,950	\$ 3,725,205	\$ 4,217,793	\$11,979,081	\$ 4,428,339	\$ 4,803,515	\$ 5,833,560

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

<u>Function/Program</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Executive Director	1	1	1	1	1	1	1	1	1	1
Director of Administration/CFO	1	1	1	1	1	1	1	1	1	1
Deputy Executive Director	1	1	1	1	1	1	1	1	1	1
Project Manager	-	-	-	-	-	-	-	-	-	1
Senior Regional Planner	2	2	3	3	4	4	5	5	6	6
Chief Accountant	1	1	1	1	1	1	1	1	1	1
Regional Transportation Planner	5	5	6	6	7	7	8	8	9	9
Planner Technician	-	-	-	-	-	-	-	-	-	-
Manager of Administrative Services	1	1	1	1	1	1	1	1	1	1
IT Manager	-	-	-	-	-	1	1	1	1	1
Administrative Assistant	1	1	1	1	1	1	1	1	1	1
Office Assistant	2	2	2	2	3	3	3	3	3	4
Accountant	1	1	1	1	1	1	1	1	1	1
Financial Assistant	1	1	1	1	1	1	1	1	2	3
Building Maintenance	-	-	-	-	-	-	1	1	1	1
Total	17	17	19	19	22	23	26	26	29	32

SOURCE: COUNCIL PERSONNEL RECORDS

**SAN JOAQUIN COUNCIL OF GOVERNMENTS
 PROFILE OF TAXABLE SALES
 1991 – 1997
 (UNAUDITED)**

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Retail Stores																	
Apparel stores	2.17%	2.09%	2.05%	2.02%	2.14%	2.17%	2.11%	1.92%	1.73%	1.80%	1.76%	1.92%	3.29%	3.39%	3.49%	3.54%	n/a
General merchandise	12.25%	13.06%	13.14%	12.87%	12.54%	12.25%	12.30%	12.74%	12.28%	11.71%	10.53%	11.78%	10.99%	10.79%	10.58%	10.59%	n/a
Specialty stores	5.51%	5.47%	5.72%	5.75%	5.66%	5.70%	5.77%	5.81%	6.27%	6.50%	6.05%	7.57%	9.82%	9.79%	9.76%	9.77%	n/a
Eating and drinking group	7.71%	7.68%	7.73%	7.36%	7.31%	7.11%	6.85%	6.68%	6.37%	6.11%	6.34%	6.43%	8.70%	8.65%	8.64%	8.80%	n/a
Building material group	5.08%	5.13%	5.29%	5.36%	5.31%	5.13%	5.23%	5.38%	5.83%	5.79%	6.46%	6.53%	6.13%	6.83%	6.73%	6.46%	n/a
Automotive group	21.20%	21.12%	21.33%	21.76%	21.77%	22.72%	20.68%	19.49%	20.90%	22.39%	24.71%	23.88%	20.60%	20.70%	20.89%	20.58%	n/a
Other retail stores	14.22%	14.75%	14.08%	13.22%	12.75%	12.30%	13.47%	13.09%	12.81%	12.35%	12.22%	11.69%	10.06%	9.86%	9.91%	9.79%	n/a
Business and personal services	4.06%	4.00%	3.95%	3.74%	3.68%	3.75%	3.81%	3.86%	3.98%	3.53%	3.95%	3.97%	4.71%	4.46%	4.30%	4.23%	n/a
All other	27.81%	26.71%	26.71%	27.93%	28.84%	28.86%	29.77%	31.04%	29.83%	29.82%	27.99%	26.23%	25.70%	25.52%	25.70%	26.24%	n/a
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	n/a

SOURCE: CALIFORNIA STATE BOARD OF EQUALIZATION

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

YEAR	COUNTY POPULATION (JANUARY 1)	TOTAL HOUSING UNITS	NEW HOUSING UNITS	TAXABLE SALES (IN THOUSANDS)
1994	513,135	176,066	2,476	\$ 3,957,158
1995	519,836	178,243	2,177	\$ 4,176,036
1996	528,894	180,214	1,971	\$ 4,422,080
1997	537,669	182,444	2,230	\$ 4,733,123
1998	525,249	184,238	1,794	\$ 5,080,400
1999	554,438	186,718	2,430	\$ 5,761,960
2000	563,598	189,160	2,442	\$ 6,582,353
2001	583,700	192,268	3,108	\$ 6,995,905
2002	596,000	197,316	5,048	\$ 7,305,586
2003	616,500	201,375	4,082	\$ 7,745,868
2004	636,466	207,449	6,074	\$ 8,703,241
2005	653,333	213,688	6,239	\$ 9,612,059
2006	668,265	219,717	5,950	\$ 9,528,419
2007	679,687	223,969	4,252	n/a *

SOURCES:

POPULATION AND NEW HOUSING – CALIFORNIA DEPARTMENT OF FINANCE

TAXABLE SALES – CALIFORNIA STATE BOARD OF EQUALIZATION

* DATA IS NOT YET AVAILABLE

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